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Delpha Construction Co., Ltd.

Agenda of 2022 General Shareholders' Meeting

The type of shareholders meeting: Physical

Time: 9:00 am, June 30 (Thursday), 2022

Venue: B1, No. 28, Lane 420, Section 5, Chenggong Road, Neihu District,
Taipei City (Kang Ning Service Apartment)

I .Call meeting to order

II.Chairman's speech

III.Management Presentations

1.2021 Business Report.

2.Audit Committee's Inspection Report on the 2021 Final Statements.

3. Status of Endorsement/Guarantee to Outside Others.

4. Status of 2021 and 2022 Private Placement of Equity Securities

IV.Matters for Recognition

1.Adoption of the 2021 Business Report and Financial Statements.

2.Adoption of the 2021 Loss make-up Proposal.

V.Discussion Items

1.Amendment to the Operational Procedures for Articles of Incorporation.

2.Amendment to the Operational Procedures for Acquisition and Disposal of
Assets.

3.Amendment to Rules of Procedure for Shareholder Meetings.

VI.Questions and Motions

VII.Adjournment

III. Management Presentations

1. 2021 Standalone Business Condition Report

Looking back to 2021, although COVID-19 has spread all over the world, the housing market in Taiwan has benefited from the return of Taiwanese businessmen, and the abundant information in the market has strengthened the domestic rigid demand and willingness to buy houses. In accordance with the operating strategy, we not only continuously develop suitable land in Greater Taipei, but also focus on the development of land in metropolitan areas and along the MRT stations around Taipei, Taichung, and Tainan. At present, we have eleven cases in the North Taiwan including “Central One” in Zhongshan District, “The Urban Green” and Huanisheng Section urban renewal project in Da'an District, Taiyuan Road urban renewal project in Datong district of Taipei City, “Metro Building” and Xinbi Section B in Luzhu District, Qingxi Section A and Qingxi Section B in Zhongli District, Lejie Section A, Lejie Section B, and Shanjei Section in Guishan District of Taoyuan City. Three cases in the central and southern Taiwan including Xinzhan Section in Shalu District, Shingaotie Section in Wuri District of Taichung City and Qing'an Section in Shanhu District of Tainan City. At the same time, we continuously paying attention to all the changes in the business environment closely related to the national economy and people's livelihood, and we also expect a steady growth in cases development in the future. Our management team will definitely work harder to repay the support and affirmation of shareholders.

In addition, besides profitable growth, We will keep taking steps towards three major policies of "integrating enterprise resources", "improving corporate governance" and "participating in social welfare" and responds more actively to the international environmental protection trend and social demand, adopting environmentally-friendly building materials and introducing green building certification into new construction projects. Delpha regards sustainable operation as the primary goal. Going beyond 60 years, Delpha always keeps the original intention and adheres to the spirit of "cultivating space and caring for the earth". By focusing on every details, Delpha continues to build a happy home with memories to everyone in Taiwan.

Thank you for your support.

The Company's 2021 operating performance and 2022 business plan are as follows:

A. 2021 Business Report

Implementation status of the operation plan in 2020

Parent company

Unit: NTD \$ 1,000

Case	2021	2020	Difference compared to the previous year	Remarks
Operating revenue	968	79,624	(78,656)	Negative growth rate : 98.78%
Profit (Loss) before tax	(114,623)	(88,637)	(25,986)	

Consolidated

Unit: NTD \$ 1,000

Case	2021	2020	Difference compared to the previous year	Remarks
Operating revenue	8,718	87,377	(78,659)	Negative growth rate 90.02%
Profit (Loss) before tax	(118,831)	(94,660)	(24,171)	

B. 2021 Annual Operating Revenue

Parent company

Unit: NTD \$ 1,000

Individual Case	Amount	Remarks
Terminal Case	65	Rental income
Reading the European Case	266	Rental income
Shulin Case	34	Rental income
Huaisheng Section Case	568	Rental income
Shitan Section case A (Huyue Tianqin)	35	Rental income
Total	968	

Consolidated

Unit: NTD \$ 1,000

Individual Case	Amount	Remarks
Terminal Case	65	Rental income
Shulin Case	34	Rental income
Huaisheng Section Case	568	Rental income
Shitan Section case A (Huyue Tianqin)	35	Rental income
Taiyuan Road Case	8,016	Rental income
Total	8,718	

C. Implementation of budget

According to Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company doesn't need to publish its 2021 financial forecast.

D. Financial revenue and expenditure, and profitability analysis

Parent company

Item	2021	2020	
Financial structure %	Debt to assets ratio	49.02	19.69
	Long-term funds to property, plant and equipment ratio	19,971.87	10,776.19
Solvency %	Current ratio	320.62	479.14
	Quick ratio	60.47	139.32
	Times interest earned ratio (times)	(1.03)	(5.63)
Profitability %	Return on Assets	(0.78)	(1.45)
	Return on Equity	(1.58)	(1.94)
	Ratio of pre-tax net profit to paid-in capital	(1.59)	(1.70)
	Net profit (loss) rate	(11,841.22)	(112.59)
	Earnings per share (NT\$)	(0.20)	(0.32)

Consolidated

Item		2021	2020
Financial structure %	Debt to assets ratio	50.84	25.84
	Long-term funds to property, plant and equipment ratio	10,574.22	5,438.74
Solvency %	Current ratio	345.09	379.90
	Quick ratio	65.95	94.45
	Times interest earned ratio (times)	(0.82)	(2.73)
Profitability %	Return on Assets	(0.69)	(1.18)
	Return on equity	(1.60)	(1.96)
	Ratio of pre-tax net profit to paid-in capital	(1.65)	(1.82)
	Net profit (loss) rate	(1,382.81)	(109.49)
	Earnings per share (NT\$)	(0.20)	(0.32)

E. Overview of the 2021 Business Plan

1. Business Strategy

From land development to design and construction, the Company has constantly been upholding the spirit of "cultivating spaces and caring for earth" and has always been pursuing the goals of "providing high-quality and diversified construction and living spaces, caring about the social environment, and helping to create a gorgeously neat dwelling and urban life landscape". We also take an honest and responsible attitude to meet the public's and house buyers' needs toward the living environment and space. In order to enhance our competitive and operating advantages, we strive to achieve the following four goals:

- i. To enhance corporate governance, and strengthen the operation structure.
- ii. To participate in public construction, and develop high-quality land.
- iii. To grasp market trends and formulate strategies and responding measures accordingly.

iv. To effectively integrate resources and improve competitiveness.

2. Business Goals

This year, the Company will focus on:

- i. Committing on the construction of the projects “Metro Building”, “Taoyuan Qing Xi Section A”, “Taoyuan Le Jie Section A”, “Taoyuan Qing Xi Section B”, “Taichung Shalu District Xi Zhan Section”, “Taichung Wuri District Shingaojie Section” and planning for commissioning and sales onsite.
- ii. Committing on the construction of the projects “The Urban Green” and “Central One” that are completely sold out.

3. Important Production and Sale Policies

Production Strategies:

Our Company is committed to the construction of high-quality and intelligent houses and business buildings.

The production strategies are:

- i. Operating areas: The prime districts of Greater Taiwan.
- ii. Development methods:
 - a. We are going to keep developing and rolling out new projects of the lands with well-developed infrastructure in Greater Taiwan by means of joint construction or purchase.
 - b. During the period that the government is striving to promote urban renewals, we will actively participate in the lucrative urban renewal and reconstruction cases of perilous or old buildings in Greater Taipei.
- iii. Product type: high-tech business buildings and high-class residential buildings, shops.

Sale strategies:

- i. Commissioned sale:

Choosing excellent sales agencies to cooperate with, so as to allow the Company to focus on development, planning and construction.
- ii. Sale by the Company itself:

Regardless of cooperating with distributors, agencies, or selling on our own, in the circumstances of buyer’s market, we will actively take the initiative to take the lead and strive to make a satisfactory deal.

F. Company’s Future Development Strategies, and the Impact of External Competitive Circumstances, Regulation Circumstances and Overall Operation Circumstances:

1. The acquisition and integration of the lands in Greater Taipei areas have become increasingly difficult, the costs of lands and construction have also risen, plus the lack of labor, all of which have obstructed the promotion and development of the construction projects.
2. The government has indeed been vigorously promoting urban renewal cases, but our development schedules have always been delayed for lack of supporting regulations.
3. The government has successively implemented such policies as "actual-price registration 2.0", "raising the standard housing price ", "restricting mortgage" and "combining real-estate taxes on house and land". Although it narrows down the development of construction investors, it brings a positive impact on industrial development and trading order.
4. Since 2020, countries have been affected by the pandemic and Russia-Ukraine war this year, various economic indexes have been sluggish. However, with the unlimited QE offered by the United States Federal Reserve and reduction of interest rate by various countries, the stock/housing markets of all countries have made brilliant achievements in 2021. Facing Covid-19, the economic growth rate in Taiwan has reached 6.45% in 2020, which was one of the few economies that maintained positive growth, and it will return to 4.42% in 2022. However, while the market is optimistic, it is still necessary to pay attention to the government's policy of raising interest rates and speculating in real estate. As a result, investors are expected to gradually withdraw, and 2022 is expected to be a year with rigid demand for self-own.

Chairman:

General Manager:

Comptroller:

2. Audit Committee's Inspection Report on the 2021 Final Accounts

Audit Committee's inspection Report

The Board of Directors delivered the Company's 2021 business report, financial statements (including consolidated and parent company statements) and loss make-up proposal to our accounting firm. Among the documents, the financial statements have been audited by Shine Wing Taiwan and an audit report has been issued accordingly. The Committee has completed the verification of the above-mentioned 2021 business report, financial statements (including consolidated and parent company statements) and loss make-up proposal, and is of the opinion that there were no discrepancies contained therein. A statement is therefore announced as above in accordance with the provisions of Article 14-4 of the Securities Exchange Act and Article 219 of the Company Law for your review and verification.

To 2022 General Shareholders' Meeting of Delpha Construction Co., Ltd.

Audit Committee Convener: Wang, Mu-Fan

March 30th, 2022

3. Status of Endorsements/Guarantees for Outside Others

Explanation :

Details for endorsements/guarantees up to Dec 31st, 2021 as below :

Unit: thousand dollars

Endorsements/Guarantees for entity		The highest balance in this period	Ending balance	The limit amount of endorsements/guarantees for any single entity	The maximum limit amount of endorsements/guarantees
Company name	Related Party				
Huajian Construction Co., Ltd.	Subsidiary	\$100,000	\$100,000	\$1,678,732	\$4,196,831

4. Status of 2021 and 2022 Private Placement of Equity Securities

First Session of the First Private Placement in 2021 (Withdrawn)

Item	Date of issuance: Not applicable Number of shares: Not applicable
Security Category for Private Placement	Common Shares
Date and Amount approved in the General Shareholders' Meeting	The line of issuance was approved no more than 200,000,000 shares in the General Shareholders' Meeting dated August 5, 2021
The basis and rationality of pricing strategy	<p>The date convening the Board of Directors' Meeting, August, 5, 2021, is set as the price determination date.</p> <p>(1) In the simple arithmetic method, its resulted average amid the closing prices of common shares on the 1st, 3rd or 5th business days prior to the price determination date were NT\$13.95, NT\$14.03 and NT\$14.02 respectively. Chosen from one of them, the stock price is subject to the average from the result of deducting free allotment ex-rights and dividends, then adding back to the stock price, NT\$13.95, after capital reduction reversing ex-rights.</p> <p>(2) The stock price, NT\$13.84, is subject to the resulted average in the simple arithmetic method among the closing prices of common shares in 30 business days prior to the price determination date, deducting free allotment ex-rights and dividends, then, adding back to price after capital reduction reversing ex-rights.</p>

	<p>The higher one was selected between above two prices of calculations as the price referenced in this private placement, NT\$13.95.</p> <p>Combined as above, NT\$11.8 was proposed to be the price in the actual private placement herein, which accounts for 84.59% of the reference price, not lower than 80% of that was determined in the General Shareholders' Meeting.</p>
<p>Selective method of subscribers</p>	<p>The subscribers for private placement shall meet the qualifications for the specified persons listed in Article 43-6 of the Securities and Exchange Act and the Explanation (91) Tai Cai Zheng Yi No. 0910003455 in June 13, 2002 by the Financial Supervisory Commission about the regulation of the specified persons. The related background information check is proposed to be reviewed by the Board of Directors.</p> <p>Subscribers/Relationship</p> <p>Wang, Mu-Fan/Independent Director</p> <p>Yan, Ming-Hung/Director</p> <p>Guo, Ming-Zhen/Spouse of the manager</p> <p>Lee, Jun-Xian/Manager</p> <p>Wang, Chen-Kang/Manager</p> <p>Chien, Lin-Chin/Manager</p> <p>Wu, Sing-Suei/Manager</p> <p>Chia Chun Investment Co., Ltd./Majority shareholder</p> <p>Hong Yi Investment Ltd./Related party</p> <p>Da Shuo Investment Co., Ltd./Related party</p> <p>Hou, Bo-Yao/None</p> <p>Shih, Gang-Hong /None</p> <p>Lee, Mei-Chan /None</p> <p>Hou, Su-Fen /None</p> <p>Liu, Sin-Hai /None</p> <p>Wang, Pei-Yu /None</p> <p>Tsong Bo Consulting Co., Ltd. /None</p> <p>Fong, Sin-Yi /None</p> <p>Siao, Yu-Jie /None</p> <p>Hiyes International Co., Ltd. /None</p> <p>Neng Hong Investment Holdings Co., Ltd. /None</p>

	<p>Yang, Jih-Cheng /None Chen, Chia-Ling/None Wu, Lou-Ho/None Chou, Tsung-Yueh/None Lin, Hsing-Yu/None Huang Yueh Enterprise Co., Ltd. /None Song, Pei-Ching/None Chen, Chien-Fu/None Honey LI Limited Corporation/None Chen Ying/None Chen, Zheng-Lin/None Yuan Hsiang International Development Co., Ltd. /None</p>
Reasons for necessity of private placement	The Company evaluates the fund market condition and considers factors including but not limited to time efficiency, convenience, issuing costs and equity steadiness in the fundraising process, so common shares were issued via private placement.
Payoff Date of Price	Not applicable
Subscriber profile	Not applicable
Actual subscription price	Not applicable
Difference between actual subscription price and reference price	Not applicable
The effect private placement on the equity	Not applicable
Progress in the use of fund from private placement	Not applicable
Efficiency of private placement	Not applicable
Remark	<p>The pricing case of common shares that the Company's Board of Directors has approved on August 11, 2021 to wait for the resolution passed on August 5, 2021 is posted as follows:</p> <p>The Company was acknowledged of some subscribers failing to pay off stock price by the deadline and hereby confirmed discontinuation of this round of private placement; hence, the resolution approved for pricing case of common shares dated August 5, 2021 is withdrawn in this Board of Directors' Meeting.</p>

Second Session of the First Private Placement in 2021

Item	Issuing Date: 2021/10/15 Total Shares: 83,000,000 shares
Security Category for Private Placement	Ordinary Share
Date and Amount approved in the General Shareholders' Meeting	The line of issuance was approved no more than 200,000,000 shares in the General Shareholders' Meeting dated August 5, 2021
The basis and rationality of price setting	<p>The date convening the Board of Directors' Meeting, August 11, 2021, is set as the price determination date.</p> <p>(1) In the simple arithmetic method, its resulted average amid the closing prices of common shares on the 1st, 3rd or 5th business days prior to the price determination date were NT\$13.70, NT\$13.78 and NT\$13.85 respectively. Chosen from one of them, the stock price in the preceding day is subject to the average from the result of deducting free allotment ex-rights and dividends, then adding back to the stock price, NT\$13.70, after capital reduction reversing ex-rights.</p> <p>(2) The stock price, NT\$13.84, is subject to the resulted average in the simple arithmetic method among the closing prices of common shares in 30 business days prior to the price determination date, deducting free allotment ex-rights and dividends, then, adding back to price after capital reduction reversing ex-rights.</p> <p>The higher one was selected between above two prices of calculations as the price referenced in this private place, NT\$13.84.</p> <p>Combined as above, NT\$11.8 was proposed to be the price in the actual private placement herein, which accounts for 85.26% of the reference price, not lower than 80% of that determined in the General Shareholders' Meeting.</p>
Selective method of subscribers	<p>The subscribers for private placement shall meet the qualifications for specified persons listed in Article 43-6 of the Securities and Exchange Act and the Explanation (91) Tai Cai Zheng Yi No. 0910003455 in June 13, 2002 by the Financial Supervisory Commission about the regulation of the specified persons. The related background information check is proposed to be reviewed by the Board of Directors.</p> <p>Subscribers/Relationship Wang, Mu-Fan/Independent Director Yan, Ming-Hung/Director Guo, Ming-Zhen/Spouse of the manager</p>

	<p>Lee, Jun-Xian / Manager Wang, Chen-Kang / Manager Chien, Lin-Chin / Manager Wu, Sing-Suei / Manager Chia Chun Investment Co., Ltd. / Majority shareholder Hong Yi Investment Ltd. / Related party Da Shuo Investment Co., Ltd. / Related party Hou, Bo-Yao / None Shih, Gang-Hong / None Lee, Mei-Chan / None Hou, Su-Fen / None Liu, Sin-Hai / None Wang, Pei-Yu / None Tsong Bo Consulting Co., Ltd. / None Fong, Sin-Yi / None Siao, Yu-Jie / None Hiyes International Co., Ltd. / None Neng Hong Investment Holdings Co., Ltd. / None Yang, Jih-Cheng / None Chen, Chia-Ling / None Wu, Lou-Ho / None Chou, Tsung-Yueh / None Lin, Hsing-Yu / None Huang Yueh Enterprise Co., Ltd. / None Song, Pei-Ching / None Chen, Chien-Fu / None Honey LI Limited Corporation / None Chen, Ying / None Chen, Zheng-Lin / None Yuan Hsiang International Development Co., Ltd. / None</p>		
Reasons for necessity of private placement	The Company evaluates the fund market condition and consider factors including but not limited to time efficiency, convenience, issuing costs and equity steadiness in the fundraising process, so common shares were issued via private placement.		
Payoff Date of Price	2021/08/25		
Subscriber profile	Subscribers listed below are all qualified pursuant to Article 43-6 of the Securities and Exchange Act.		
	<table border="1"> <thead> <tr> <th>Name</th> <th>Number of</th> <th>Relationship</th> </tr> </thead> </table>	Name	Number of
Name	Number of	Relationship	

	shares subscribed	
Wang, Mu-Fan	100,000	Independent Director
Yan, Ming-Hung	400,000	Director
Guo, Ming-Zhen	3,000,000	Spouse of the manager
Lee, Jun-Xian	200,000	Manager
Wang, Chen-Kang	320,000	Manager
Chien, Lin-Chin	150,000	Manager
Wu, Sing-Suei	100,000	Manager
Chia Chun Investment Co., Ltd.	14,750,000	Majority shareholder
Hong Yi Investment Ltd.	4,220,000	Related party
Da Shuo Investment Co., Ltd.	8,000,000	Related party
Hou, Bo-Yao	600,000	N/A
Shih, Gang-Hong	100,000	N/A
Lee, Mei-Chan	100,000	N/A
Hou, Su-Feng	300,000	N/A
Liu, Sin-Hai	800,000	N/A
Wang, Pei-Yu	1,000,000	N/A
Tsong Bo Consulting Co., Ltd.	1,000,000	N/A
Fong, Sin-Yi	400,000	N/A
Siao, Yu-Jie	1,200,000	N/A
Hiyes International Co., Ltd.	12,700,000	N/A
Neng Hong Investment Holdings Co., Ltd.	16,940,000	N/A
Yang, Jhih-Cheng	4,230,000	N/A
Wu, Liou-Ho	1,000,000	N/A
Zhou, Tsung-Yueh	1,010,000	N/A
Huang Yueh Enterprise Co., Ltd.	1,000,000	N/A
Song, Pei-Ching	420,000	N/A
Chen, Chien-Fu	3,050,000	N/A
Honey LI Limited Corporation	500,000	N/A
Chen, Ying	1,690,000	N/A
Chen, Zheng-Lin	2,030,000	N/A
Yuan Hsiang International	1,690,000	N/A

	Development Co., Ltd.				
Actual price subscribed	NT\$11.80				
Difference between actual subscription price and reference price	The actual price subscribed accounts for 85.26% of the reference price, NT\$13.84				
The effect of private placement on the equity	Enhance the Company's financial structure, reduce cost funding here to expand the operational scale in future, and upgrade long-term competitiveness for shareholder rights and interests as a whole.				
Progress in the use of fund from private placement (Currency: NTD1,000)					
Purpose of fund by private placement (until Q1, 2022)	Expected amount for use	Actual amount used	Aggregated actual amount used and its proportion (%)	Amount of balance reserved and its purpose	Reason for ahead of or beyond schedule and improvement plan
Replenish business capital	-	80,000	100.00%	-	Not applicable
Repaying for bank loans	-	149,400	100.00%	-	Not applicable
Miscellaneous	-	717,997	95.73%	A total of NT\$32,003 has not yet been used, which was deposited in the bank account.	Not applicable
Efficiency of private placement	Enhance business performance and overall competitive				

Third Session of the First Private Placement in 2021

Item	Issuing date: 2021/10/27 Number of shares: 117,000,000 shares
Security Category for Private Placement	Common shares
Date and Amount approved in the General Shareholders' Meeting	The line of issuance was approved no more than 200,000,000 shares in the General Shareholders' Meeting dated August 5, 2021
The basis and rationality of price setting	<p>The date convening the Board of Directors' Meeting, September, 3, 2021, is set as the price determination date.</p> <p>(1) In the simple arithmetic method, its resulted average amid the closing prices of common shares on the 1st, 3rd or 5th business days prior to the price determination date were NT\$14.00, NT\$13.88 and NT\$13.84 respectively. Chosen from one of them, the stock price among 5 preceding day is subject to its average from the result of deducting free allotment ex-rights and dividends, then adding back to the stock price, NT\$13.84, after capital reduction reversing ex-rights.</p> <p>(2) The stock price, NT\$13.83, is subject to the resulted average in the simple arithmetic method among the closing prices of common shares in 30 business days prior to the price determination date, deducting free allotment ex-rights and dividends, then, adding back to price after capital reduction reversing ex-rights.</p> <p>The higher price selected between above two prices of calculations as the price referenced in this private place, NT\$13.84. Combined as above, NT\$11.80 was proposed to be the price in actual private placement, accounting for 85.26% of the reference price, not lower than 80% of that determined in the General Shareholders' Meeting.</p>
Selective method of subscribers	<p>The subscribers for private placement shall meet the qualifications for special persons listed in Article 43-6 of the Securities and Exchange Act and the Explanation (91) Tai Cai Zheng Yi No. 0910003455 in June 13, 2002 by the Financial Supervisory Commission about the regulation of the specified persons. The related background information check is proposed to be reviewed by the Board of Directors.</p> <p>Subscribers/Relationship Chia Chun Investment Co., Ltd./Majority shareholder Chen, Chia-Ling/None Lin, Hsing-Yu/None</p>

	Lin, Zheng-Yung/None Chung Hou Co., Ltd. /None				
Reasons for necessity of private placement	The Company evaluates the fund market condition and consider factors including but not limited to time efficiency, convenience, issuing costs and equity steadiness in the fundraising process, so common shares were isued via private placement.				
Payoff Date of Price	2021/09/17				
Subscriber profile	Subscribers listed below are all qualified pursuant to Article 43-6 of the Security Trade Act.				
		Name	Number of shares subscribed	Relationship with the Company	
		Chia Chun Investment Co., Ltd	111,267,700	Majority shareholder	
		Chen, Chia-Ling	500,000	None	
		Lin, Hsing-Yu	1,690,000	None	
		Lin, Zheng-Yung	1,000,000	None	
		Chung Hou Co., Ltd.	2,542,300	None	
Actual price subscribed	NT\$ 11.80				
Difference between the actual price subscribed and reference price	The actual price subscribed accounts for 85.26% of the reference price, NT\$13.84				
The effect of private placement on the equity	Enhance the Company's financial structure, reduce cost funding here to expand the operational scale in future, and upgrade long-term competitiveness for shareholder rights and interests as a whole.				
Progress in the use of fund from private placement (Currency: NTD1,000)					
Purpose of fund by private placement (until Q1, 2022)	Expected amount for use	Actual amount used	Aggregated actual amount used and its proportion (%)	Amount of balance reserved and its purpose	Reason for ahead of or beyond schedule and improvement plan
Replenish business capital	-	-	-	Not applicable	Not applicable
Repaying for bank loans	-	-	-	Not applicable	Not applicable
Miscellaneous	-	1,260,168	91.28%	A total of NT\$120,432 has not yet been used, which was deposited in the bank	Not applicable

				account.	
Efficiency of private placement		Enhance business performance and overall competitive			

First Session of the First Private Placement in 2022

Item	<p>Issuing Date: 2022/03/31 Total Shares: 53,571,000 shares</p>
Security Category for Private Placement	<p>Ordinary Share</p>
Date and Amount approved in the General Shareholders' Meeting	<p>The line of issuance was approved no more than 140,000,000 shares in the Special Shareholders' Meeting dated November 30, 2021</p>
The basis and rationality of price setting	<p>The date convening the Board of Directors' Meeting, February 10, 2022, is set as the price determination date.</p> <p>(1) In the simple arithmetic method, its resulted average amid the closing prices of common shares on the 1st, 3rd or 5th business days prior to the price determination date were NT\$14.55, NT\$14.45 and NT\$14.48 respectively. Chosen from one of them, the stock price in the preceding day is subject to the average from the result of deducting free allotment ex-rights and dividends, then adding back to the stock price, NT\$14.55, after capital reduction reversing ex-rights.</p> <p>(2) The stock price, NT\$14.63, is subject to the resulted average in the simple arithmetic method among the closing prices of common shares in 30 business days prior to the price determination date, deducting free allotment ex-rights and dividends, then, adding back to price after capital reduction reversing ex-rights.</p> <p>The higher one was selected between above two prices of calculations as the price referenced in this private place, NT\$14.63.</p> <p>Combined as above, NT\$12 was proposed to be the price in the actual private placement herein, which accounts for 82.03% of the reference price, not lower than 80% of that determined in the General Shareholders' Meeting.</p>
Selective method of subscribers	<p>The subscribers for private placement shall meet the qualifications for specified persons listed in Article 43-6 of the Securities and Exchange Act and the Explanation (91) Tai Cai Zheng Yi No. 0910003455 in June 13, 2002 by the Financial Supervisory Commission about the regulation of the specified persons. The related background information check is proposed to be reviewed by the Board of Directors.</p> <p>Subscribers / Relationship</p> <p>Li, Jin-Yi / the Company's director</p> <p>Ye, Jian-Wei / the Company's independent director</p> <p>Wang, Mu-Fan / the Company's independent director</p>

	<p>Guo, Ming-Zhen /the spouse of the Company’s manager</p> <p>Chien, Lin-Chin / the Company’s manager</p> <p>Wu, Sing-Suei / the Company’s manager</p> <p>Hou, Su-Fen /None</p> <p>Hung Yi Investment Co., Ltd. / the Company’ s related party</p> <p>Hou ,Bo-Yao / None</p> <p>Shi, Gang-Hong/ None</p> <p>Liu,Xin-Hai / None</p> <p>Yang, Xue-E/None</p> <p>Chen, Ying/None</p> <p>Neng Hong Investment Holdings Co., LTD. / None</p> <p>Zhong Bo Consultant Co., Ltd./ None</p> <p>Wang, Pei-Yu / None</p> <p>Zhou, Chong-Yue / None</p> <p>Feng, Xin-Yi /None</p> <p>Hiyes International Co., Ltd./ None</p> <p>Xiao, Yu-Jie/None</p> <p>Chung Hou Investment Co., LTD. / None</p> <p>Chen, Zheng-Yao / None</p> <p>Lin, Zhi-Hong / None</p> <p>Zhang, Xiu-Zhen / None</p> <p>Han Lin Investment Co., Ltd./ None</p> <p>Huang, Zong-Yuan / None</p> <p>Huang, Zao-Rong / None</p> <p>Huang, Ling-Ru / None</p> <p>Bai, Shu-Zhen / None</p> <p>Peng, Shu-Ing / None</p> <p>Huang, Xiao-Jing / None</p> <p>Xu, Zhen-Hua / None</p> <p>Chen, Shih-Yang / None</p> <p>Gao, Ru-Xin / None</p> <p>Chang Yun Investment Co., LTD. / None</p>
Reasons for necessity of private placement	The Company evaluates the fund market condition and considers factors including but not limited to time efficiency, convenience, issuing costs and equity steadiness in the fundraising process, so common shares were issued via private placement.
Payoff Date of Price	2021/02/24
Subscriber profile	Subscribers listed below are all qualified pursuant to Article 43-6 of the

Securities and Exchange Act.		
Name	Number of shares subscribed	Relationship
Li, Jin-Yi	100,000	Director
Ye, Jian-Wei	150,000	Indendent Director
Wang, Mu-Fan	50,000	Indendent Director
Guo, Ming-Zhen	600,000	the spouse of the Company's manager
Chien, Lin-Chin	35,000	Manager
Wu, Sing-Suei	150,000	Manager
Hou, Su-Fen	138,000	N/A
Hung Yi Investment Co., Ltd.	1,800,000	Majority shareholder
Hou, Bo-Yao	200,000	Related party
Shi, Gang-Hong	100,000	Related party
Liu, Xin-Hai	1,200,000	N/A
Yang, Xue-E	1,000,000	N/A
Chen, Ying	3,330,000	N/A
Neng Hong Investment Holdings Co., LTD.	16,638,000	N/A
Zhong Bo Consultant Co., Ltd.	500,000	N/A
Wang, Pei-Yu	1,000,000	N/A
Zhou, Chong-Yue	1,000,000	N/A
Feng, Xin-Yi	400,000	N/A
Hiyes International Co., Ltd.	8,330,000	N/A
Xiao, Yu-Jie	1,000,000	N/A
Chung Hou Investment Co., LTD.	1,650,000	N/A
Chen, Zheng-Yao	2,200,000	N/A
Lin, Zhi-Hong	1,000,000	N/A
Zhang, Xiu-Zhen	300,000	N/A
Han Lin Investment Co., Ltd.	1,000,000	N/A
Huang, Zong-Yuan	2,500,000	N/A
Huang, Zao-Rong	1,250,000	N/A
Huang, Ling-Ru	1,250,000	N/A
Bai, Shu-Zhen	500,000	N/A
Peng, Shu-Ing	600,000	N/A

	Huang, Xiao-Jing	800,000	N/A		
	Xu, Zhen-Hua	400,000			
	Chen, Shih-Yang	200,000			
	Gao, Ru-Xin	200,000			
	Chang Yun Investment Co., LTD.	2,000,000			
Actual price subscribed	NT\$12				
Difference between actual subscription price and reference price	The actual price subscribed accounts for 82.03% of the reference price, NT\$14.63				
The effect of private placement on the equity	Enhance the Company's financial structure, reduce cost funding here to expand the operational scale in future, and upgrade long-term competitiveness for shareholder rights and interests as a whole.				
Progress in the use of fund from private placement (Currency: NTD1,000)					
Purpose of fund by private placement (until Q1, 2022)	Expected amount for use	Actual amount used	Aggregated actual amount used and its proportion (%)	Amount of balance reserved and its purpose	Reason for ahead of or beyond schedule and improvement plan
Replenish business capital	-	-	-	-	Not applicable
Repaying for bank loans	-	-	-	-	Not applicable
Miscellaneous	-	48,614	7.56%	A total of NT\$594,238 has not yet been used, which was deposited in the bank account.	Not applicable
Efficiency of private placement	Enhance business performance and overall competitive				

IV. Matters for Recognition:

1 · Adoption of the 2021 Business Report and Financial Statements.

(proposed by the Board of Directors)

Explanation:

The Company's 2021 final accounting report, and parent company and consolidated financial statements have been audited by certified accountants Chen, Kuang-Hui and Yao, Yu-Lin of Shine Wing Taiwan. The Audit Committee has also verified annual business report and Loss make-up proposal, and is of the opinion that there were no discrepancies contained therein. For your adoption.

Resolution:

Independent Auditors' Report

Delpha Construction Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Delpha Construction Co., Ltd. (the "Company") as of December 31, 2021 and 2020, and the related parent company only financial statements of comprehensive income, changes in equity and cash flows for the years then ended and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended, in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers".

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the **Independent auditor's responsibilities for the audit of the parent company only financial statements** section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certificate Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with this Code. Based on our audits, we believe that our audits provide a reasonable basis for our opinion.

Independent Auditors' Report (Continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. We determined the key audit matters should be communicated in our audit report are as follows:

Evaluation of inventories

Please refer to Note 4(12) to the parent company only financial statements for the accounting policies of evaluation of inventories; refer to Note 5(2) to the parent company only financial statements for the accounting estimates and assumptions of the evaluation of inventories; and please refer to Note 6(6) to the parent company only financial statements for the details of inventories account.

The inventory is an important asset of the Company's operation, which accounts for 76% of the total Company's assets. The accounting treatment for inventory evaluation is in accordance with the International Accounting Standard 2 "Inventories". The financial statements will not present fairly if the assessment of net unrealized value of inventories is inappropriate. Therefore, we considered the evaluation of inventories as one of the key audit matters for the year.

Our audit procedures included, but not limited to, by referencing to the total transaction price registered in the Ministry of the Interior's real estate transaction database, the average selling price converted into the net realized value of the lands and buildings for sale to assess whether there is a significant difference. And to obtain the valuation report issued by the appraiser or by referencing to the present value of land announced by the Ministry of the Interior to assess whether there is a significant difference between the construction land and the construction in progress;

Independent Auditors' Report (Continued)

and for the valuation report issued by the appraiser, to assess the rationality of the basic assumptions and expert qualifications such as the percentage of factor adjustment, the direct and indirect costs of the development period, the integrated capital interest rates, etc.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

In preparing the parent company only 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 charges with governance, including members of the Audit Committee are responsible for overseeing the Company's financial reporting process.

Independent Auditors' Report (Continued)

Independent auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only parent 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal controls 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 controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditors' Report (Continued)

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 report to the related disclosures in the parent company only 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 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 parent company only financial statements, including the footnote disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentations.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the Company's investee companies accounted for under equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of audit of the Company's investee companies. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding 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.

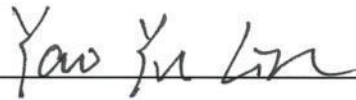
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditors' Report (Continued)

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 only financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our 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.



Chen, Kuang- Hui



Yao, Yu-Lin

For and on behalf of ShineWing CPAs

March 30, 2022

Taipei, Taiwan

Republic of China

Notice to Readers

The accompanying financial statements are not intended to present the financial position, results of financial operations and cash flows in accordance with accounting principles and practice generally accepted in countries and jurisdictions other than the Republic of China. The standard, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the parent only financial statements are the responsibility of the management, ShineWing CPAs cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Delpha Construction Co., Ltd.
Parent company only balance sheets

December 31, 2021 and 2020

(Expressed in thousands of New Taiwan dollars)

Assets	<u>Notes</u>	<u>December 31,</u>			
		<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
<i>Current assets</i>					
Cash and cash equivalents	6.(1)	\$ 2,798,111	17	\$ 1,834,819	24
Notes receivable, net	6.(4) and 7	1,651	-	90	-
Other receivables	6.(5)	-	-	39,998	-
Current tax assets		225	-	413	-
Inventories	6.(6) and 8	12,449,967	76	4,875,120	64
Prepayments		274,494	2	215,909	3
Other current financial assets	6.(7) and 8	157,039	1	211,021	3
Other current assets, others		950	-	950	-
		<u>15,682,437</u>	<u>96</u>	<u>7,178,320</u>	<u>94</u>
<i>Non-current assets</i>					
Non-current financial assets at fair value through other comprehensive income	6.(3)	3,187	-	2,898	-
Investments accounted for under equity method	6.(8) and 8	673,427	4	347,836	4
Property, plant and equipment	6.(9) and 8	57,954	-	57,139	1
Right-of-use asset	6.(10)	720	-	-	-
Guarantee deposits paid	7	38,640	-	60,717	1
Net defined benefit assets, non-current	6.(16)	3,907	-	3,119	-
Other non-current assets, others		5,552	-	5,552	-
		<u>783,387</u>	<u>4</u>	<u>477,261</u>	<u>6</u>
Total assets		<u>\$ 16,465,824</u>	<u>100</u>	<u>\$ 7,655,581</u>	<u>100</u>

(Continued on next page)

Delpha Construction Co., Ltd.
Parent company only balance sheets

December 31, 2021 and 2020

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

Liabilities and equity	Notes	December 31,			
		2021	%	2020	%
<i>Current liabilities</i>					
Current borrowings	6.(13) and 8	\$ 3,982,721	24	\$ 915,000	12
Current contract liabilities	6.(22)	532,459	4	342,486	5
Notes payable	6.(14) and 7	54,109	-	1,723	-
Accounts payable	6.(14) and 7	64,453	-	48,217	1
Accounts payable to related parties	6.(14) and 7	-	-	94,571	1
Other payables		15,895	-	8,802	-
Current provisions	6.(17)	990	-	761	-
Current lease liabilities		724	-	-	-
Advance receipts	7	26,495	-	26,446	-
Current portion of non-current borrowings	6.(15) and 8	211,400	2	60,000	1
Other current liabilities, others		2,083	-	170	-
		<u>4,891,329</u>	<u>30</u>	<u>1,498,176</u>	<u>20</u>
<i>Non-current liabilities</i>					
Non-current portion of non-current borrowings	6.(15) and 8	3,180,704	19	-	-
Guarantee deposits received		129	-	9,269	-
		<u>3,180,833</u>	<u>19</u>	<u>9,269</u>	<u>-</u>
Total liabilities		<u>8,072,162</u>	<u>49</u>	<u>1,507,445</u>	<u>20</u>
<i>Equity</i>					
Ordinary share	6.(19)	7,207,525	44	5,207,525	68
Capital surplus	6.(20)	1,018,613	6	658,613	8
Retained earnings:	6.(21)				
Legal reserve		237,247	1	237,247	3
Special reserve		-	-	3,789	-
Unappropriated retained earnings		(71,020)	-	40,402	1
Other equity interest		1,297	-	560	-
Total equity		<u>8,393,662</u>	<u>51</u>	<u>6,148,136</u>	<u>80</u>
Total liabilities and equity		<u>\$ 16,465,824</u>	<u>100</u>	<u>\$ 7,655,581</u>	<u>100</u>

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

Delpha Construction Co., Ltd.
Parent company only statement of comprehensive income

For the years ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan dollars)

	Notes	For the year ended December 31,			
		2021	%	2020	%
Operating Revenue	6.(22) and 7	\$ 968	100	\$ 79,624	100
Operating cost	6.(6) and 7	-	-	(61,950)	(78)
Gross profit from operations		968	100	17,674	22
Operating expenses					
Selling expenses	6.(25)	(1,045)	(108)	(2,618)	(3)
Administrative expenses	6.(25) and 7	(81,497)	(8,419)	(77,601)	(97)
		(82,542)	(8,527)	(80,219)	(100)
Net operations loss		(81,574)	(8,427)	(62,545)	(78)
Non-operating income and expenses					
Other income	6.(23)	11,363	1,174	4,851	6
Other gains and losses	6.(24)	(5,075)	(524)	(17,298)	(22)
Finance costs	6.(27)	(25,928)	(2,679)	(5,203)	(6)
Share of loss of subsidiaries, affiliates and joint ventures accounted for under equity method		(13,409)	(1,385)	(8,442)	(11)
		(33,049)	(3,414)	(26,092)	(33)
Net loss before tax		(114,623)	(11,841)	(88,637)	(111)
Income tax expense	6.(28)	-	-	(1,008)	(1)
Current net loss		(114,623)	(11,841)	(89,645)	(112)
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on remeasurement of defined benefit plans					
		781	80	111	-
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income					
		(632)	(65)	986	1
Income tax expenses related to components that will not be reclassified to profit or loss					
		-	-	-	-
Total other comprehensive income		149	15	1,097	1
Total comprehensive income		(\$ 114,474)	(11,826)	(\$ 88,548)	(111)
Earnings per share (In New Taiwan dollars)					
Basic earnings per share	6.(29)	(\$ 0.20)		(\$ 0.32)	

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

Delpha Construction Co., Ltd.
Parent company only statement of changes in equity

For the years ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan dollars)

	Retained earnings					Other equity interest		Total equity
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealized gains (losses) of financial assets measured at fair value through other comprehensive income		
Balance, January 1, 2020	\$ 2,707,525	\$ 9,141	\$ 237,247	\$ 24,199	\$ 138,715	(\$ 3,789)	\$ 3,113,038	
Appropriation of prior year's retained earnings:								
Reversal of special reserve	-	-	-	(20,410)	20,410	-	-	
Cash dividends of ordinary share	-	-	-	-	(27,075)	-	(27,075)	
Expired and unclaimed dividend transfer to legal reserve	-	38	-	-	-	-	38	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(2,114)	3,363	1,249	
Issue of share	2,500,000	640,000	-	-	-	-	3,140,000	
Share-based payments	-	9,433	-	-	-	-	9,433	
Other	-	1	-	-	-	-	1	
	5,207,525	658,613	237,247	3,789	129,936	(426)	6,236,684	
Net loss for the year	-	-	-	-	(89,645)	-	(89,645)	
Other comprehensive income	-	-	-	-	111	986	1,097	
Total other comprehensive income	-	-	-	-	(89,534)	986	(88,548)	
Balance, December 31, 2020	5,207,525	658,613	237,247	3,789	40,402	560	6,148,136	
Appropriation of prior year's retained earnings:								
Reversal of special reserve	-	-	-	(3,789)	3,789	-	-	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(1,369)	1,369	-	
Issue of share	2,000,000	360,000	-	-	-	-	2,360,000	
	7,207,525	1,018,613	237,247	-	42,822	1,929	8,508,136	
Net loss for the year	-	-	-	-	(114,623)	-	(114,623)	
Other comprehensive income	-	-	-	-	781	(632)	149	
Total other comprehensive income	-	-	-	-	(113,842)	(632)	(114,474)	
Balance, December 31, 2021	\$ 7,207,525	\$ 1,018,613	\$ 237,247	\$ -	(\$ 71,020)	\$ 1,297	\$ 8,393,662	

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

Delpha Construction Co., Ltd.
Parent company only statement of cash flows

For the years ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan dollars)

	For the year ended December 31,	
	2021	2020
Cash flows from operating activities		
Loss before income tax for the year	(\$ 114,623)	(\$ 88,637)
Adjustments for:		
Income and expenses having no effect on cash flows		
Depreciation expenses	2,620	2,192
Amortization expenses	217	-
Interest income	(1,905)	(1,323)
Dividend income	(1,798)	(8)
Net loss on financial assets or liabilities at fair value through profit or loss	-	8,372
Interest expense	25,928	5,203
Share of loss of subsidiaries, affiliates and joint ventures accounted for under equity method	13,409	8,442
Loss on disposal of property, plant and equipment	-	17
Loss on foreign exchange, net	2,364	4,448
Gain on disposal of investments	(289)	-
Changes in operating assets and liabilities		
Decrease in financial assets at fair value through profit or loss	-	49,877
Increase in notes receivable	(1,561)	(72)
Decrease (increase) in other receivables	38,450	(625)
Increase in inventories	(7,514,647)	(1,765,079)
Increase in prepayments	(58,802)	(67,839)
Decrease in other current financial assets	53,982	56,173
Increase in other current assets, others	-	(950)
Increase in contract liabilities	189,973	155,356
Increase in notes payable	52,386	1,723
Increase in accounts payable	16,236	27,731
(Decrease) increase in accounts payable to related parties	(94,571)	94,571
Increase (decrease) in other payables	3,510	(6,245)
Increase in current provisions	229	117
Increase in advance receipts	49	59
Increase (decrease) in other current liabilities, others	1,913	(87)
Increase in net defined benefit assets/decrease in net defined liabilities	(7)	(5,155)
Cash outflow generated from operations	(7,386,937)	(1,521,739)
Interest received	1,918	1,437
Interest paid	(82,534)	(14,403)
Dividend received	1,798	8
Income taxes refund (paid) (including land value increment tax)	188	(1,061)
Net cash used in operating activities	(7,465,567)	(1,535,758)

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Delpha Construction Co., Ltd.
Parent company only statement of cash flows

For the years ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

	For the year ended December 31,	
	2021	2020
Cash flows from investing activities		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	903	3,047
Acquisition of property, plant and equipment	(3,159)	(1,307)
Acquisition of subsidiary	(11,500)	-
Decrease (increase) in guarantee deposits paid	22,077	(29,550)
Net cash flows generated from (used in) investing activities	<u>8,321</u>	<u>(27,810)</u>
Cash flows from financing activities		
Increase in current borrowings	3,067,721	633,000
Increase in non-current portion of non-current borrowings	3,332,104	60,000
Repayment of non-current portion of non-current borrowings	-	(513,000)
Payments of lease liability	(283)	(604)
Decrease in guarantee deposits received	(9,140)	(36)
Expired and unclaimed dividend transfer to legal reserve	-	38
Proceeds from issuing shares	2,360,000	3,149,433
Acquired equity of a subsidiary	(327,500)	-
Cash dividends paid	-	(27,075)
Disgorgement	-	1
Net cash flows generated from financing activities	<u>8,422,902</u>	<u>3,301,757</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(2,364)</u>	<u>(4,448)</u>
Net increase in cash and cash equivalents	963,292	1,733,741
Cash and cash equivalents at beginning of year	<u>1,834,819</u>	<u>101,078</u>
Cash and cash equivalents at end of year	<u>\$ 2,798,111</u>	<u>\$ 1,834,819</u>

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

Delpha Construction Co., Ltd. and Subsidiaries
Letter of Representation

For the year ended December 31, 2021 (from January 1, 2021 to December 31, 2021), pursuant to “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”, the entities that are required to be included in the consolidated financial statements of affiliates, are the same entities required to be included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the consolidated financial statements of affiliates is included in the aforementioned consolidated financial statements. Accordingly, it is not required to prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Delpha Construction Co., Ltd.

Cheng, Ssu-Tsung

Chairman

March 30, 2022

Independent Auditors' Report

Delpha Construction Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Delpha Construction Co., Ltd. (the "Company") and its subsidiaries (collectively referred as the "Group") as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the **Independent auditors' responsibilities for the audit of the consolidated financial statements** section of our report. We are independent of the Group in accordance with the Code of professional Ethics for Certificate Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with this Code. Based on our audits, we believe that our audits provide a reasonable basis for our opinion.

Independent Auditors' Report (Continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. We determined the key audit matters should be communicated in our audit report are as follows:

Evaluation of inventories

Please refer to Note 4(13) to the consolidated financial statements for the accounting policies of evaluation of inventories; refer to Note 5(2) to the consolidated financial statements for the accounting estimates and assumptions of the evaluation of inventories; and please refer to Note 6(6) to the consolidated financial statements for the details description of inventories accounts.

The inventory is an important asset of the Group's operation, which accounts for 78% of the total Group's assets. The accounting treatment for inventory evaluation is in accordance with the International Accounting Standard 2 "Inventories". The financial statements will not present fairly if the assessment of net unrealized value of inventories are inappropriate. Therefore, we considered the evaluation of inventories as one of the key audit matters for the year.

Our audit procedures included, but are not limited to, by referencing to the total transaction price registered in the Ministry of the Interior's real estate transaction database, the average selling price converted into the net realized value of the lands and buildings for sale to assess whether there is a significant difference. And to obtain the valuation report issued by the appraiser or by referencing to the present value of land announced by the Ministry of the Interior to assess whether there is a significant difference between the construction land and the construction in progress; and for the valuation report issued by the appraiser, to assess the

Independent Auditors' Report (Continued)

rationality of the basic assumptions and expert qualifications such as the percentage of factor adjustment, the direct and indirect costs of the development period, the integrated capital interest rates etc.

Other matters

We have audited the parent only financial statements of Delpha Construction Co., Ltd. for the years ended December 31, 2021 and 2020 on which we have issued an unqualified opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charges with governance, including members of the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Independent Auditors' Report (Continued)

Independent auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

Independent Auditors' Report (Continued)

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

We communicate with those charged with governance regarding 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.

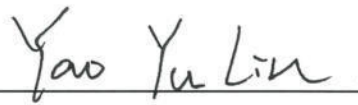
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditors' Report (Continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our 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.



Chen, Kuang-Hui



Yao, Yu-Lin

For and on behalf of ShineWing CPAs

March 30, 2022

Taipei, Taiwan

Republic of China

Notice to Readers

The accompanying consolidated financial statements are not intended to present the financial position, results of financial operations and cash flows in accordance with accounting principles and practice generally accepted in countries and jurisdictions other than the Republic of China. The standard, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, ShineWing CPAs cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Delpha Construction Co., Ltd. and Subsidiaries

Consolidated balance sheets

December 31, 2021 and 2020

(Expressed in thousands of New Taiwan dollars)

Assets	<u>Notes</u>	December 31,			
		2021	%	2020	%
<i>Current assets</i>					
Cash and cash equivalents	6.(1)	\$ 3,161,810	18	\$ 1,842,842	21
Notes receivable, net	6.(4)	3,130	-	1,647	-
Accounts receivable, net	6.(4)	6	-	6	-
Other receivables	6.(5)	53	-	40,008	-
Current tax assets		225	-	413	-
Inventories	6.(6) and 8	13,776,208	78	6,121,039	71
Prepayments		289,800	2	215,913	3
Other current financial assets	6.(7) and 8	157,039	1	211,021	3
Other current assets, others		950	-	950	-
		17,389,221	99	8,433,839	98
<i>Non-current assets</i>					
Non-current financial assets at fair value through other comprehensive income	6.(3)	3,187	-	2,898	-
Property, plant and equipment	6.(8) and 8	118,562	1	117,874	1
Right-of-use asset	6.(9)	5,320	-	6,571	-
Intangible assets	6.(11)	11,410	-	-	-
Deferred tax assets	6.(30)	21	-	-	-
Guarantee deposits paid	7	38,936	-	61,013	1
Net defined benefit assets, non-current	6.(17)	3,907	-	3,119	-
Other non-current assets, others		5,552	-	5,552	-
		186,895	1	197,027	2
Total assets		\$ 17,576,116	100	\$ 8,630,866	100

(Continued on next page)

Delpha Construction Co., Ltd. and Subsidiaries

Consolidated balance sheets

December 31, 2021 and 2020

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

Liabilities and equity	Notes	December 31,			
		2021	%	2020	%
<i>Current liabilities</i>					
Current borrowings	6.(13) and 8	\$ 3,990,721	23	\$ 915,000	11
Short-term notes and bills payable	6.(14)	49,998	-	-	-
Current contract liabilities	6.(24)	532,459	3	342,486	4
Notes payable	6.(15)	108,861	1	1,723	-
Accounts payable	6.(15)	87,383	1	48,217	1
Accounts payable to related parties	6.(15) and 7	-	-	94,571	1
Other payables		19,935	-	10,480	-
Current tax liabilities		1,743	-	-	-
Current provisions	6.(18)	1,107	-	761	-
Current lease liabilities		5,384	-	6,599	-
Advance receipts		28,015	-	28,079	-
Current portion of non-current borrowings	6.(16) and 8	211,400	1	771,900	9
Other current liabilities, others		2,105	-	187	-
		<u>5,039,111</u>	<u>29</u>	<u>2,220,003</u>	<u>26</u>
<i>Non-current liabilities</i>					
Non-current portion of non-current borrowings	6.(16) and 8	3,895,684	22	-	-
Guarantee deposits received		1,167	-	10,305	-
		<u>3,896,851</u>	<u>22</u>	<u>10,305</u>	<u>-</u>
Total liabilities		<u>8,935,962</u>	<u>51</u>	<u>2,230,308</u>	<u>26</u>
<i>Equity attributable to owners of the parent company</i>					
Ordinary share	6.(20)	7,207,525	41	5,207,525	60
Capital surplus	6.(21)	1,018,613	6	658,613	8
Retained earnings:	6.(22)				
Legal reserve		237,247	1	237,247	3
Special reserve		-	-	3,789	-
Unappropriated retained earnings		(71,020)	-	40,402	-
Other equity interest		1,297	-	560	-
		<u>8,393,662</u>	<u>48</u>	<u>6,148,136</u>	<u>71</u>
Non-controlling interests	6.(23)	246,492	1	252,422	3
Total equity		<u>8,640,154</u>	<u>49</u>	<u>6,400,558</u>	<u>74</u>
Total liabilities and equity		<u>\$ 17,576,116</u>	<u>100</u>	<u>\$ 8,630,866</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

Delpha Construction Co., Ltd. and Subsidiaries
Consolidated statement of comprehensive income
For the years ended December 31, 2021 and 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	For the year ended December 31,			
		2021	%	2020	%
Operating revenue	6.(24)	\$ 8,718	100	\$ 87,377	100
Operating cost	6.(6) and 7	-	-	(61,950)	(71)
Gross profit from operations		8,718	100	25,427	29
Operating expenses					
Selling expenses	6.(27)	(1,045)	(12)	(2,618)	(3)
Administrative expenses	6.(27) and 7	(94,670)	(1,086)	(86,752)	(99)
		(95,715)	(1,098)	(89,370)	(102)
Net operating loss		(86,997)	(998)	(63,943)	(73)
Non-operating income and expenses					
Other income	6.(25)	11,376	130	4,857	6
Other gains and losses	6.(26)	(5,075)	(58)	(17,274)	(20)
Finance costs	6.(29)	(38,135)	(437)	(18,300)	(21)
		(31,834)	(365)	(30,717)	(35)
Net loss before tax		(118,831)	(1,363)	(94,660)	(108)
Tax expense	6.(30)	(1,722)	(20)	(1,008)	(1)
Current net loss		(120,553)	(1,383)	(95,668)	(109)
Other comprehensive income					
Component of other comprehensive income that will not be reclassified to profit or loss					
Gains on remeasurement of defined benefit plans		781	9	111	-
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		(632)	(7)	986	1
Income tax expenses related to components that will not be reclassified to profit or loss		-	-	-	-
Total other comprehensive income		149	2	1,097	1
Total comprehensive loss for the year		(\$ 120,404)	(1,381)	(\$ 94,571)	(108)
Net loss attributable to					
Owners of the parent company		(\$ 114,623)	(1,315)	(\$ 89,645)	(102)
Non-controlling interests		(5,930)	(68)	(6,023)	(7)
		(\$ 120,553)	(1,383)	(\$ 95,668)	(109)
Total comprehensive loss attributable to					
Owners of the parent company		(\$ 114,474)	(1,313)	(\$ 88,548)	(101)
Non-controlling interests		(5,930)	(68)	(6,023)	(7)
		(\$ 120,404)	(1,381)	(\$ 94,571)	(108)
Earnings per share (In New Taiwan dollars)	6.(31)				
Basic earnings per share		(\$ 0.20)		(\$ 0.32)	

The accompanying notes are an integral part of these consolidated financial statements.

Delpha Construction Co., Ltd. and Subsidiaries

Consolidated statement of changes in equity

For the years ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent company

	Retained earnings					Other equity interest		Non-controlling interest	Total equity
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealized gains (losses) of financial assets at fair value through other comprehensive income	Total		
Balance, January 1, 2020	\$ 2,707,525	\$ 9,141	\$ 237,247	\$ 24,199	\$ 138,715	(\$ 3,789)	\$ 3,113,038	\$ 258,445	\$ 3,371,483
Appropriation of prior year's retained earnings:									
Reversal of special reserve	-	-	-	(20,410)	20,410	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(27,075)	-	(27,075)	-	(27,075)
Expired and unclaimed dividend transfer to legal reserve	-	38	-	-	-	-	38	-	38
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(2,114)	3,363	1,249	-	1,249
Issue of shares	2,500,000	640,000	-	-	-	-	3,140,000	-	3,140,000
Share-based payments	-	9,433	-	-	-	-	9,433	-	9,433
Other	-	1	-	-	-	-	1	-	1
	<u>5,207,525</u>	<u>658,613</u>	<u>237,247</u>	<u>3,789</u>	<u>129,936</u>	<u>(426)</u>	<u>6,236,684</u>	<u>258,445</u>	<u>6,495,129</u>
Net loss for the year	-	-	-	-	(89,645)	-	(89,645)	(6,023)	(95,668)
Other comprehensive income	-	-	-	-	111	986	1,097	-	1,097
Total other comprehensive income	-	-	-	-	(89,534)	986	(88,548)	(6,023)	(94,571)
Balance, December 31, 2020	5,207,525	658,613	237,247	3,789	40,402	560	6,148,136	252,422	6,400,558
Appropriation of prior year's retained earnings:									
Reversal of special reserve	-	-	-	(3,789)	3,789	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(1,369)	1,369	-	-	-
Issue of shares	2,000,000	360,000	-	-	-	-	2,360,000	-	2,360,000
	<u>7,207,525</u>	<u>1,018,613</u>	<u>237,247</u>	<u>-</u>	<u>42,822</u>	<u>1,929</u>	<u>8,508,136</u>	<u>252,422</u>	<u>8,760,558</u>
Net loss for the year	-	-	-	-	(114,623)	-	(114,623)	(5,930)	(120,553)
Other comprehensive income	-	-	-	-	781	(632)	149	-	149
Total other comprehensive income	-	-	-	-	(113,842)	(632)	(114,474)	(5,930)	(120,404)
Balance, December 31, 2021	<u>\$ 7,207,525</u>	<u>\$ 1,018,613</u>	<u>\$ 237,247</u>	<u>\$ -</u>	<u>(\$ 71,020)</u>	<u>\$ 1,297</u>	<u>\$ 8,393,662</u>	<u>\$ 246,492</u>	<u>\$ 8,640,154</u>

The accompanying notes are an integral part of these consolidated financial statements.

Delpha Construction Co., Ltd. and Subsidiaries

Consolidated statement of cash flows

For the years ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan dollars)

	For the year ended December 31,	
	2021	2020
Cash flows from operating activities		
Loss before income tax for the year	(\$ 118,831)	(\$ 94,660)
Adjustments for:		
Income and expenses having no effect on cash flows		
Depreciation expenses	5,011	4,572
Amortization expenses	272	-
Interest income	(1,918)	(1,329)
Dividend revenue	(1,798)	(8)
Net loss on financial assets or liabilities at fair value through profit or loss	-	8,372
Interest expense	38,135	18,300
Loss on disposal of property, plant and equipment	-	17
Gain arising from lease modification	- (24)
Loss on foreign exchange, net	2,364	4,448
Gain on disposal of investments	(289)	-
Changes in operating assets and liabilities		
Decrease in financial assets at fair value through profit or loss	-	49,877
(Increase) decrease in notes receivable	(1,483)	818
Decrease (increase) in other receivables	38,397 (625)
Increase in inventories	(7,594,969)	(1,773,863)
Increase in prepayments	(74,159)	(67,833)
Decrease in other current financial assets	53,982	56,173
Increase in other current assets, others	- (950)
Increase in current contract liabilities	189,973	155,356
Increase in notes payable	107,138	1,723
Increase in accounts payable	39,166	27,731
(Decrease) increase in accounts payable to related parties	(94,571)	94,571
Increase (decrease) in other payables	6,584 (6,288)
Increase in current provisions	346	117
Decrease in advance receipts	(64)	(879)
Increase (decrease) in other current liabilities, others	1,918 (90)
Increase in net defined benefit assets/decrease in net defined benefit liabilities	(7)	(5,155)
Cash outflows generated from operations	(7,404,803)	(1,529,629)
Interest received	1,931	1,443
Interest paid	(95,352)	(27,584)
Dividend received	1,798	8
Income taxes refund (paid) (including land value increment tax)	188 (1,061)
Net cash used in operating activities	(7,496,238)	(1,556,823)

(Continued on next page)

Delpha Construction Co., Ltd. and Subsidiaries

Consolidated statement of cash flows

For the years ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

	For the year ended December 31,	
	2021	2020
Cash flows from investing activities		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	913	3,047
Acquisition of property, plant and equipment	(3,452)	(1,307)
Acquisition of subsidiary	(11,410)	-
Decrease (increase) in guarantee deposits paid	22,077	(29,550)
Net cash flows generated from (used in) investing activities	<u>8,128</u>	<u>(27,810)</u>
Cash flows from financing activities		
Increase in current borrowings	3,075,721	633,000
Increase in short-term notes and bills payable	49,998	-
Increase in non-current portion of non-current borrowings	4,047,084	60,000
Repayment of non-current portion of non-current borrowings	(711,900)	(513,000)
Payment of lease liability	(2,323)	(2,644)
(Decrease) increase in guarantee deposits received	(9,138)	124
Expired and unclaimed dividend transfer to legal reserve	-	38
Proceeds from issuing shares	2,360,000	3,149,433
Cash dividends paid	-	(27,075)
Disgorgement	-	1
Net cash flows generated from financing activities	<u>8,809,442</u>	<u>3,299,877</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(2,364)</u>	<u>(4,448)</u>
Net increase in cash and cash equivalents	1,318,968	1,710,796
Cash and cash equivalents at beginning of year	<u>1,842,842</u>	<u>132,046</u>
Cash and cash equivalents at end of year	<u>\$ 3,161,810</u>	<u>\$ 1,842,842</u>

The accompanying notes are an integral part of these consolidated financial statements.

2 · Adoption of the 2020 Loss make-up proposal.

(proposed by the Board of Directors).

Explanation:

The Company's 2021 net loss after tax is NT\$ 114,622,437. Therefore, we plan to not to distribute dividend, and the loss make-up proposal is attached. For your adoption.

Delpha Construction Co., Ltd.

2020

Statement of Loss make-up proposal

Unit: NT \$

Items	Amount	Note
Retained earnings at the opening of the period	44,191,373	
Plus : Remeasurements of defined benefit liability	780,754	
Deduction: : Disposal of equity instruments at fair value through other comprehensive income	(1,369,711)	
Deduction: Disposal of investment in equity instruments measured at fair value through other comprehensive income	(114,622,437)	
Accumulated deficit	(71,020,021)	
Accumulated deficit in the ending of the period	(71,020,021)	

Chairman:

General Manager:

Comptroller:

V. Discussion Items

- 1 · Amendment to the Operational Procedures for the Articles of Incorporation.
(Proposed by Board of Directors)

Explanation:

Proposal for the amendment to the Operational Procedure for the Article of Incorporation, mainly as below :

- (1) Add paragraph 4 of Article 12 for visual communication assisted shareholders meeting to conform to the latest regulations of the competent authority.
- (2) Add Article 27-1 and amend Paragraph 1 of Article 29 for distribution of net earnings every half fiscal year to conform to the needs of company.
- (3) Amend Article 8 to conform to Article 162 of Company Act.
- (4) Amend Article 29 for setting aside legal reserve and the method of special reserve to conform to the amendment of regulations of public companies by FSC. °
- (5) The comparison table of amendments of proposed Articles refers to page ~page.

Resolution :

2. Amendment to the Operational Procedures for Acquisition and Disposal of Assets.
(Proposed by Board of Directors)

Explanation:

Amend to conform to No. 1110380465 by FSC and comply with the Company's Rules and Regulations Management Rules; Article numbers changed in order and wording amendment, mainly as below :

1. Add Paragraph 3 of Article 11 to strengthen the management of the transactions between related parties :

If the Company or its subsidiary thereof that is not a domestic public company will have a transaction and the transaction amount will reach 10 percent or more of the Company's total assets, the Company shall submit all materials to the shareholders meeting for approval before the transaction contract may be entered into and any payment made to protect shareholders right. However, the transactions between the Company, its parent company, its subsidiaries, and transactions between its subsidiaries need not to apply for shareholders meeting resolution.

2. Amend Article 3, 6, 25 to enhance the quality of appraisal report or opinion of outside experts :

(1) To ensure outside experts who shall adequate working procedures and responsibility while prior to accepting cases and conducting cases. The personnel shall meet relative requirements and comply with the self-regulatory rules of the industry associations to which they belong.

(2) To consider the practical working demand in the construction industry, while the discrepancy between appraisal report and transaction amount reaches a certain ratio, the certified public accountant's opinion shall be obtained within 2 weeks counting inclusively from the day the appraisal report is obtained.

3. The comparison table of amendments of proposed Articles refers to page ~page.

Resolution :

3. Amendment to Rules of Procedure for Shareholders Meetings.

(Proposed by Board of Directors)

Explanation :

1. Amend to conform to No. 1110004250 by TWSE/TPEX and to comply with the competent authority for visual communication assisted shareholder meeting for a public company and refer to the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings”.
2. The comparison table of amendments of proposed Articles refers to page ~page.

Resolution :

VI. Extemporaneous Motions

VII. Meeting Adjournment

Attachment 1

The Comparison Table of Amendments of Proposed Articles of Incooperation

Draft amendment		Current articles		Explanatory note
Article 8	The Company shall issue nominal shares after the signing or stamping, numbering of seal by directors representing the Company as well as being attested to by a competent authority in accordance with the law or sign and approved by authorized registration institution.	Article 8	The Company shall issue nominal shares after the signing or stamping, numbering of seal by three or more directors as well as being attested to by a competent authority in accordance with the law or sign and approved by authorized registration institution.	Amend wording according to Article 162 of Company Act amended on Nov 1st, 2018.
Article 12	<p>There are two types of shareholders meeting, namely, regular meeting and extraordinary meetings. The regular meeting shall be convened within six months after the close of each fiscal year. Notices which clearly state the date, the place and the purpose(s) for meeting shall be sent to each shareholder at least thirty (30) days in advance. In addition to the provisions of the Company Act, special meeting is held in accordance with the law shall be convened by the Board of Directors. Notices of extraordinary meetings which clearly state the date, the place and the purpose(s) for meeting shall be sent to each shareholder at least fifty (15) days in advance. The director of the Audit Committee shall call for shareholders meeting for company benefit as necessary except that the board of directors is not to be called or unable call for shareholder's meeting. Shareholder of Preferred Stock will convene a meeting as necessary in accordance with laws. The procedure shall be applied to relevant rules of shareholders meeting.</p> <p><u>A shareholders meeting can be held by means of a visual communication network or other methods promulgated by the central competent authority.</u></p>	Article 12	<p>There are two types of shareholders meeting, namely, regular meeting and extraordinary meetings. The regular meeting shall be convened within six months after the close of each fiscal year. Notices which clearly state the date, the place and the purpose(s) for meeting shall be sent to each shareholder at least thirty (30) days in advance. In addition to the provisions of the Company Act, Extraordinary shareholder meetings are held in accordance with the law shall be convened by the Board of Directors. Notices of extraordinary meetings which clearly state the date, the place and the purpose(s) for meeting shall be sent to each shareholder at least fifty (15) days in advance. The director of the Audit Committee shall call for shareholders meeting for company benefit as necessary except that the board of directors is not to be called or unable call for shareholder's meeting. Shareholder of Preferred Stock will convene a meeting as necessary in accordance with laws. The procedure shall be applied to relevant rules of shareholders meeting.</p>	Add Paragraph 4 in coordinate with shareholders meeting held in visual communication network by the competent authority.
Article 18	Elections of Independent Directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.	Article 18	Elections of Independent Directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article	To ensure the evaluation factors and finalize the procedure of the ruminations of directors, revise wording.

<p>Independent directors and directors should be elected together and to calculate the elected places separately.</p> <p>The term of office of a director shall not exceed three years; but he/she may be eligible for re-election. 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 director have been elected by shareholder’s meeting and assumed their office. Where re-election of all directors is effected, prior to the expiration of the term of office of existing directors, and in the absence of a resolution that existing directors will not be discharged until the expiry of their present term of office, all existing directors shall be deemed discharged in advance. As vacancies in the board of directors of a company, elect succeeding directors to fill the vacancies by a shareholders' meeting in accordance with Article 201 Company Act.</p> <p>When the number of vacancies in the board of directors of company does not meet to one third of the total number of directors, the shareholders do to elect succeeding directors to fill the vacancies. The term of succeeding directors is the same as expiration of the term of office of previous directors.</p> <p>The Company may purchase liability insurance to cover the directors for the liabilities.</p> <p>The Board was <u>authorized to refer to the suggestions</u> from the compensation committee of the company and <u>consider</u> the compensation of directors and independent directors <u>in accordance with the usual standard of same business</u>.</p>	<p>192-1 of the Company Act.</p> <p>Independent directors and non-independent directors should be elected together and to calculate the elected places separately.</p> <p>The term of office of a director shall not exceed three years; but he/she may be eligible for re-election. 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 director have been elected by shareholder’s meeting and assumed their office. Where re-election of all directors is effected, prior to the expiration of the term of office of existing directors, and in the absence of a resolution that existing directors will not be discharged until the expiry of their present term of office, all existing directors shall be deemed discharged in advance. As vacancies in the board of directors of a company, elect succeeding directors to fill the vacancies by a shareholders' meeting in accordance with Article 201 Company Act.</p> <p>When the number of vacancies in the board of directors of company does not meet to one third of the total number of directors, the shareholders do to elect succeeding directors to fill the vacancies. The term of succeeding directors is the same as expiration of the term of office of previous directors.</p> <p>The Company may purchase liability insurance to cover the directors for the liabilities.</p> <p>Compensation of directors and independent directors <u>determined by the Board in accordance with the compensation committee</u></p>	
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			<u>organization procedures of the company.</u>	
<u>Article 27.1</u>	<u>The Company can propose the surplus earning distribution or loss off-setting proposal at the close of each half fiscal year. The proposal of surplus earning distribution or loss off-setting for the first half fiscal year, together with the business report and financial statements, shall be forwarded to supervisors for their auditing, and afterwards be submitted to the board of directors for approval. The Company distributing surplus earning in accordance with the provision of the preceding paragraph shall estimate and reserve the taxes and dues to be paid, the losses to be covered and the legal reserve to be set aside. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. The Company distributing surplus earning is distributed in the form of cash; it shall be approved by a meeting of the board of directors. If such surplus earning is distributed in the form of new shares, it shall be approved by shareholders meeting.</u>			1. Add this Article 2.To comply with real needs of the Company, amend to distribute surplus earning or loss-off-setting every half fascial year.
Article 29	The Company, when allocating its surplus profits after having paid all taxes and dues, shall first set aside 10% of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Secondly, 10% shall be allocated as legal reserve and special reserve shall be allocated or reversed according to the regulations of the competence authority. The remaining amount plus accumulated undistributed earnings in the beginning presents the earnings of distribution. The BOD shall propose the earnings of distribution in accordance with Paragraph 3 of the Article for shareholders meeting resolution. The Company authorizes the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a	Article 29	The Company, when allocating its surplus profits after having paid all taxes and dues, shall first set aside 10% of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. Secondly, 10% shall be allocated as legal reserve and special reserve shall be allocated or reversed according to the regulations of the competence authority. The remaining amount plus accumulated undistributed earnings in the beginning presents the earnings of distribution. The BOD shall propose the earnings of distribution in accordance with Paragraph 2 of the Article for shareholders meeting resolution. The dividend policy of the Company shall meet	1. Amend Paragraph 1 to in line with surplus earnings distribution every half fiscal year. 2. Add Paragraph 2 and backward original Paragraph to strengthen Article 41 of Security and Exchange Act to maintain the financial structure of a public company to avoid look like surplus but discrepancy actually according to Financial-Supervisory-Securities-Corporate-10901500221 by FSC. 3. Amend Paragraph 3 to improve the flexibility of the Company's earnings distribution and adjust the Company's dividend policy.

	<p>meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders meeting. If such surplus earning is distributed in the form of new shares, it shall be approved by shareholders meeting.</p> <p>When the Company continues to adopt a fair value model for subsequent measurement of investment property, at the time for distribution of distributable surplus, it shall allocate special reserve in accordance with the law by FSC with respect to the book amount of the net increase in fair value for the period in which it arises, an equivalent amount of special reserve shall be allocated from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period. If any insufficiency reserve occurs, it shall be allocated from the undistributed earnings of the previous period.</p> <p>The dividend policy of the Company shall meet characteristics of construction. After taking into account the Company's current and future development plan, investment environment, domestic competition, self-own high demand funds requirements and the advantage of shareholders, the earnings of distribution for shareholders state 0%-100%.</p> <p>However, when distributed earnings are less than 5% paid-up capital, the company shall not contribute earnings to improve the financial structure. The Company distribute shareholder bonus shall be in cash or in stocks and the cash dividends shall not be less than 10% of the total shareholder bonus.</p> <p>The distribution of shareholder bonus in the previous Paragraph which the board has the right to determine most proper dividend policy based on the Company's maximum profit.</p>		<p>characteristics of construction. After taking into account the Company's current and future development plan, investment environment, domestic competition, self-own high demand funds requirements and the advantage of shareholders, the earnings of distribution for shareholders state 10%-70%.</p> <p>However, when distributed earnings are less than 5% paid-up capital, the company shall not contribute earnings to improve the financial structure. The Company distribute shareholder bonus shall be in cash or in stocks and the cash dividends shall not be less than 10% of the total shareholder bonus.</p> <p>The distribution of shareholder bonus in the previous Paragraph which the board has the right to determine most proper dividend policy based on the Company's maximum profit.</p>	
Article 32	This Articles of Incorporation were	Article 32	This Articles of Incorporation	Add the date of the 43rd

	established on Oct 7 th , 1960. (omitted) <u>The 43rd amendment was on June 30th, 2022.</u>		were established on Oct 7 th , 1960. (omitted)	amendment.
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Attachment 2

Delpha Construction Co., Ltd. **Procedures for Acquisition or Disposal of Assets**

Chapter I General

- Article 1: Purpose and Source of Law
These Procedures are especially provided for the enhancement of asset management compliance to openness of information for the public. The formulation whence the applicable regulations are from the competent authority and shall be complied.
- Article 2: Terms
The term "assets" as used in these Regulations includes the following:
1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
 2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
 3. Memberships.
 4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
 5. Right-of-use assets.
 6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
 7. Derivatives: forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
 8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law: refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

9. Other major assets.

Article 3

Evaluation Procedure

Acquisition or disposition of the Company's investments in marketable securities or derivative transactions shall be analyzed the relevance effectiveness and possible investment risks by the accounting department. Acquisition or disposition of real estate and its right to use or other assets shall be assessed the possibility and expected effectiveness by every department-in-charge drafting the capital expenditure plan in advance. If the transaction is with a related party, it shall be evaluated on the reasonableness of the transaction term in accordance with Chapter 2 of this Procedure.

Appraisal Procedures for the Acquisition or Disposal:

1. Securities: the Company shall, prior to the date of occurrence of the event, obtain financial statements for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the competent authority.
2. Real property, Equipment, or Right-of-use Assets: In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following operation procedure.
3. Intangible Assets or Right-of-use Assets Thereof or Memberships: Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20% or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.
4. The calculation of the transaction amounts referred to in the preceding articles shall be done in accordance with a professional appraiser's report and CPA's opinion or

Article 3:

other relevant experts, and shall also comply with following conditions:

- (1) Acquisition or disposal of securities transacted on a centralized exchange market or OTC market, the prices shall be decided by the listed price or market price at the time of transaction.
 - (2) Acquisition or disposal of securities not transacted on a centralized exchange market or OTC market, the price decision shall refer to financial statements of the issuing company for the most recent period, values per share, know-how, profit returns, potential, market ratio, bonds par ratio and creditor's rights and shall refer to the market price at the time of transaction and the net present value for the potential return of the assets.
 - (3) For those acquisition or disposal of membership, the dealing price should be determined by its benefits can be generated based on guidelines agreed at the recent trading price; acquisition or disposition of patents, copyrights, trademarks, licenses and other intangible assets, reference should be international or market practice, usable years and the company's technology, the impact of the business agreed.
 - (4) The acquisition of real property or right-of-use assets shall refer to publicly announced current value, appraisal value, the actual transaction price of neighboring real estate, or appraisal report issued by a professional appraiser. thereof from a connected party by the Company and appraises the cost of the real property thereof in accordance with the provisions of chapter 2 shall also engage an accountant to check the appraisal and render a specific opinion.
 - (5) To Engage in derivative transactions should deliberate future market conditions, exchange rates and interest rates, etc.
 - (6) Handling merger, demerger, acquisition or transfer of shares should consider the nature of its business, share net asset value, technology and profitability, capacity and future growth potential, etc.
5. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or the CPA opinion.

The calculation of the transaction amount of proceeding items should be based on Paragraph 2 of Article 5 and the reference to "within one year" is one year prior to the date of the occurrence of the instant transaction fact. Items for which a professional appraiser has issued the appraisal report or an accountant has issued an opinion in accordance with the Regulations need not be counted.

Article 4

Operation procedure

The acquisition or disposal of assets shall comply with the following amount limit and

procedure:

1. Security

Authorize the chairman to decide in advance within the amount limit in Article 7 of this Procedure. Items in accordance with Article 5 shall be publicly announced and approved by The Audit Committee and executed after passage by the Board of Directors resolution.

2. Real Estate, Equipment and Right-of-use assets

The acquisition or disposal of which the amount is NT\$500 million or under, shall be approved by the chairman; for the amount exceeding NT\$500 million, the acquisition or disposal shall be approved by The Audit Committee and executed after passage by the Board of Directors resolution; or the acquisition or disposal shall be approved by The Audit Committee in advance and authorized the chairman handle in specific area, period and within certain amount after passage by the Board of Directors resolution. Either after the BOD resolution or authorizing the chairman is supportable and the above-mentioned dollar total amount shall not exceed NT\$ 10 billion.

3. Derivative Transactions

(1)Hedge Transaction

According to the Company's sales volume and risk management, the limit dollar amount is US\$ 1 million per transaction, up to US\$ 4 million in one day. Items shall be approved by the chairman, only needed to be approved by the Audit Committee over the limit amount and executed after passage of the Board Directors resolution.

(2)Non-Hedge Transaction

To control the risk, a transaction or accumulation transaction, in which the total amount under US\$ 1 million (equivalent currency) shall be approved by the chairman. A transaction or accumulation, in which the total amount above US\$ 1 million shall be approved by the Audit Committee and executed relevant transactions after passage of the Board Directors resolution.

(3)To ensure the authorities complying with related supervisor management by FSC, the authorized transaction personnel shall inform the bank.

(4)Mentioned-above authorized derivative products transaction shall be reported to the recent Board meeting.

4. Related Party Transaction: Related information shall be prepared according to Chapter 2 of this Procedure and be approved by the Audit Committee, and executed after passage of the Board Directors resolution.

5. A Merger, Demerger, Acquisition, or Transfer of shares: Information shall be prepared and engaged according to Chapter 4. A merge, demerger, or acquisition shall be executed after a resolution of shareholders meeting. Provided, where a provision of

another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Transfer of shares shall be executed by the passage of the Board meeting.

6. Others: It shall conduct in accordance with internal control policy and the regulation of approval authority. Once the transaction amount reaches public announce standard in Article 5, it shall be approved by the Audit Committee and executed after passage of the Board of Directors resolution.

Any situations specified in Article 185 of Company Act shall be approved in advance by shareholders meeting resolution.

Executive unit and transaction procedure: The acquisition and disposal of each asset of the Company is executed by the authorized unit. Each unit assesses the possibility and has the approval in accordance with the regulations, and shall conduct the transaction procedure on order, receiving payment, payment release and acceptance depending on the type of assets for internal policy governing procedure. For transaction of related party, derivatives, a merger, demerger, acquisition or transfer of shares shall comply with Chapter 2-4 of this Procedure.

Article 5

Publicly announce standard:

Under any of the following circumstances, the Company acquiring or disposing of assets procedure shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:

1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by Securities

Investment Trust Enterprises.

2. Merger, demerger, acquisition, or transfer of shares.

3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in Article 14 Clause 1.4 of the procedures adopted by the Company.

4. Where the type of asset acquired or disposed are operational equipments or right-of-use assets thereof for business use, the trading counterparty is not a related party, and the transaction amount reaches following amount:

- (1) Paid-in capital does not reach NT\$ 10 billion, the total transaction amount is

over NT\$ 500 million.

(2) Paid-in capital reaches NT\$ 10 billion, the total transaction amount is over NT\$ 1 billion.

5. Acquisition or disposal by the Company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the Company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.

6. Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, the trading counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.

7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:

(1) Trading of domestic government bonds **or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.**

(2) Trading of bonds under repurchase/resale agreements or subscription or repurchase of domestic money market funds issued by Securities Investment Trust Enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

“Within the preceding year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount within the preceding year.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

When The Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

Where any of the following circumstances occurs with respect to a transaction that has already publicly been announced and reported in accordance with the preceding article 1,4,5, a public report of relevant information shall be made on the information reporting website designated by the competent authority within 2 days commencing immediately from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

Article 6

Procedures for Asset Appraisal

In acquisitions or disposition of real property or equipment, other than transactions with the government, construction on owned property, construction on rental property or acquiring or disposing of equipment used for operations, where the transaction value reaches 20% of the total paid-in capital or NT\$300 million, the Company should on the day before the transaction date obtain a professional appraisal report in accordance with the regulations set forth below. If the Company has acquired or disposed of assets through a court auction, the Company may use the court issued document as a replacement for the appraisal report or accountant opinion.

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.
2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. If the appraisal report of the professional appraiser has one of the following situations, except if the appraisal value is higher than the acquisition value or if the appraisal value is lower than the disposition value, the Company should request an accountant to

provide proper, specific reasons for the discrepancy in the transaction price :

(1) If the discrepancy in the transaction price is more than 20%.

(2) If two or more professional appraiser reports have a discrepancy of more than 10%.

4. The appraisal report by the professional appraiser shall be issued within three (3) months of the execution date of the agreement. But if it is applicable to the announced current value for the same period and if the report is not over six (6) months old, the opinion should be issued by the original professional appraiser.

Unless using a set value, specially designated or exceptional value as a reference for the transaction value, if there is good cause for not obtaining an appraisal report on time, the Company should obtain the appraisal report and **an accountant opinion as set forth in the preceding paragraph 3 within two (2) weeks of the transaction date, including the transaction date.**

Article 7

The Limited Amount for Real Estate and Securities for non-operation Acquisition

Other than acquiring assets for operation purposes, the Company and its subsidiaries shall be limited to the following amount as follows for non-operation real property investments and securities:

1. The total amount for the non-business use of the property may not exceed 50% of the company's net worth which is reported on the most recent financial statement; subsidiary shall not exceed 30% of its net worth which is reported on the most recent financial statement.

2. The total amount for the Securities may not exceed the 30% of the company's net worth which is reported on the most recent financial statement; subsidiary shall not exceed 30% of its net worth which is reported on the most recent financial statement.

3. The limitation of investing each security not exceeding the 20% of the company's net worth which is reported on the most recent financial statement; the total amount for a subsidiary shall not exceed 20% of its net worth which is reported on the most recent financial statement.

4. The investment net value of the Company and its subsidiaries to any single entity of public companies not exceeding the 20% of either the company's or its subsidiaries net worth which is reported on the most recent financial statement.

5. The investment net value of the Company and its subsidiaries to any single entity of public companies not exceeding the 30% of total issued shares.

Where the Company participates in investment and is a director or a supervisor; plans to have long-term holding shall not apply in Paragraph Four and Five.

Where the Company's net worth in the most recent financial report in the procedure means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 8

Control procedures for the acquisition and disposal of assets by subsidiaries.

Control procedures for the acquisition and disposal of assets by subsidiaries shall comply with the following:

1. The Company and its subsidiaries should seek approval of the Board of Directors and get approval at the General Meeting of Shareholders in accordance with the regulations of the competent authority on Procedures on Acquiring or Disposing of Assets and carry out those procedures. The same shall apply to any modifications.

Where the Audit Committee of the Company's subsidiaries has been established in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution. The same shall apply to any modification. When the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the 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.

2. If the subsidiaries are non-public listed, any assets acquired or disposed need to comply with internal control regulations and the procedure of acquisition and disposal to assets and require to report to the Company all derivative transactions before every 5th of the month up till the end of the previous month

3. If the subsidiary is non-public listed, any assets acquired or disposed by which that are subject to reporting must be notified to the Company prior to the date of occurrence. The Company will then publish these transactions onto the designated website.

For non-public subsidiaries, whether transactions of paid-up capital exceed 20% or 10% of total assets shall be based on the Company's paid-up capital or total assets.

For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Article 9

Penalty

Violating this procedure shall be disciplined according to Securities and Exchange Act, Criminal Law and Company Act.

Chapter 2 Related Party Transaction

Article 10

Scope and definition:

In considering whether a counterparty is a related party in the line with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, attention shall be directed to the substance of the relationship in addition to the legal form.

Article 11

Resolution procedures on related party transactions:

When the Company acquires or disposes of real property from a related party or acquires or disposes of other assets with a related party and such a transaction value reaches 20% of the total paid in capital, 10% of the total assets of the Company or NT\$300 million, except for the sale or purchase of bonds, the purchase or redemption of securities with conditions, subscription or redemption of domestic currency market funds, the executing department should prepare the following information for Board of Directors approval and Supervisor recognition before executing the transaction agreement and making payments:

1. Purpose and necessity of acquiring or disposing of assets and the expected benefits.
2. The reason for choosing the related party as a trading counterparty.
3. Evaluating the terms of a transaction and relevant information when acquiring real property from a related party in accordance with Article 12 and 13.
4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
6. Obtaining a professional appraiser appraiser year commencing from the anticipated month of signing of the contract when a transaction value reaches 20% of the total paid in capital, 10% of the total assets of the Company or NT\$300 million.
7. Restrictions on this transaction and other important agreed upon items:

The Board of Directors may authorize the Chairman of the Board of Directors to proceed with following transactions between the Company and its subsidiaries; direct holding or indirect holding within NTD 50 million and then seek approval from the Board of Directors at the next meeting of the Board of Directors:

1. Acquiring or disposing of operation equipment
2. Acquiring or disposing of the right to use assets of real estate.

If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in Paragraph 1 and the transaction amount will

reach 10 percent or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of Paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries.

The calculation of the transaction value of Paragraph 1 and the preceding 1 should be handled in accordance with Paragraph 2 of Article 5 and within one (1) year shall begin accruing from the actual transaction date, but those items already approved by the Board of Directors and Shareholders meeting or recognized by the Audit Committee shall not be included herein.

Article 12

Appraised the Reasonableness of the Transaction Terms

The Company acquires real estate or right-of-use assets to related party shall evaluate transactions cost according to the following criteria:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties. Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed above.

The acquisition of real property or right-of-use assets thereof from a related party by the Company and appraises the cost of the real property or right-of-use assets thereof in accordance with the provisions of subparagraph 1 and 2 of this Paragraph shall also engage an accountant to check the appraisal and render a specific opinion.

Where the Company acquires real estate or right-to-use assets from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with previous provision and the preceding three paragraphs do not apply:

1. The related party acquired the real estate through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the

contract to obtain the real estate to the signing date for the current transaction.

3. The real estate is acquired through the signing of a joint development contract with the related party, or through engaging a related party to build real estate, either on the Company's own land or on leased land.

4. The right-of-use assets for business purpose are acquired through the Company, its parent company, its subsidiaries, or subsidiaries holding 100% issued shares directly or indirectly.

Article 13

Appraisals transaction cost is uniformly lower than transaction price, the following steps:

Where the Company acquires real property from a related party and the results of appraisals is uniformly lower than the transaction price, the following steps shall be taken in accordance with Paragraph 3 Article 13 except offering objective evidence, real estate appraiser and CPA's specific reasonable opinions as follows:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:

(1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

(2) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

2. Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices

The so called adjoining area transaction of the preceding items means the same or adjoining areas which are in the distance of less than 500 meters or close to the announced current value. The measure of the area is similar when other measure of the area of the affiliated persons transactions are not less than 50% of the transaction

targets. One year should be one year prior to the effective date of obtaining the real estate.

Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with the provision of the preceding paragraph are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, Paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
2. Independent directors of the Audit Committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to the preceding two items shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

If other transactions are shown not in the normal course of operation acquiring real estate or the right-of-use assets from related party shall follow the provision of the preceding paragraph.

Chapter 3 Derivative Transactions Control

Article 14

Transaction with the Principles and Guidelines

The Company conducting derivative product follows:

1. Type of transaction

Forward contracts, options contracts, interest rates, foreign exchange rates, commodity prices or hybrid contracts combining the above contracts. Other products shall be approved by the Audit Committee and execute after passage of the Board of Directors resolution.

2. Operating or hedging strategies:

The Company's derivative transactions are divided into hedging and trading (non-hedging) purposes. Transactions should be primarily engaged to avoid business risks. The types of derivatives should be selected in the way that mitigates risks on foreign currency income, expenses, assets, or liabilities which arise as a result of business activities. Additionally, derivatives can be traded for "non-hedging purposes" at the proper timing as means of increasing non-operating revenues or reducing non-operating losses. As a priority, the Company should transact with financial institutions

it has banking relationships with, in order to avoid credit risks. Each transaction must be determined either for hedging or for trading before taking place. This is to facilitate proper bookkeeping.

3. Trading limits

(1) For hedge purposes: the total amount of the transaction limit shall not exceed one-half of the net value of the Company.

(2) For non-hedging purposes: the total amount of the transaction limit shall not exceed US\$ 1.5 million. Trading person shall submit an analysis report of foreign exchange trend indicating the market trend and suggestion of the operation method, and execute after approval.

4. All caps with individual contract losses

(1) For hedge purpose

Hedge trading is for actual operation needs for the Company. The risk control and management is evaluated in advance ; thereof no loss limit exists.

(2) For non-hedging purpose

Stop loss point shall be set up once the contracts are executed. The losses for each individual contract shall not exceed 10% of the original contract amount. Maximum total loss per year shall not exceed US\$ 300,000.

5. Division of responsibilities

(1) Trading personnel

Trading personnel is the person who executes derivative products, and is assigned by the chairman. Within authorized scope, the person is responsible for outlining trading practices, executing transactions, disclosing future trading risk and offering real time information to the relevant department for reference.

(2) Financial department

To ensure the transactions position, and properly recording the transactions according to relevant regulations (SFAS etc.) Regularly evaluate the fairness of presentation to trading personnel and disclose in the financial statements.

6. Performance Evaluation essentials:

(1) Hedge Transaction

Evaluate the gain and loss between the performance and prescribed target of foreign exchange (interest) rate at least twice monthly. Submit the performance to the authorized management for reference.

(2) non-hedging transaction

Review actual gain and loss at least once a week and submit the evaluation report to the authorized management.

The scope of the risk for the Company to engage in derivative transactions, and the relevant risk management should be in compliance with the following measures :

1. Credit risk: The transaction object qualifies the Company's bankers, and can provide professional information for the principle, and should be regularly provided between the pair of bills.
2. Market risk: Derivatives future market price fluctuations may be incurred losses and downs, so parts should be established to set strict stop-loss point.
3. Liquidity Risk :To ensure liquidity, trading, financial institutions must have adequate equipment, information and transaction capabilities and can be traded in any market, and cannot concentrate. Cash flow: authorized traders should follow the provisions of the addition, the usual foreign currency cash flows should be noted by the company, in order to ensure that there are adequate cash settlement payments.
4. Operating risk: You must indeed comply with authorized limits, operational procedures, in order to avoid risks on the job.
5. Legal risk: a document signed by the counterparty should be a generally common contract, which should be reviewed by a legal or lawyer.
6. Commodity Risk: Insider for derivatives transactions should have complete and correct expertise to avoid misuse of derivatives lead to losses.
7. Cash Settlement RIsK: Authorized personnel for transactions shall strictly comply with the regulation within authorized amount limit. To be aware of the Company's cash flow periodically to make sure enough cash for settlement.
8. A personnel for transactions, confirmation, settlement and other operations shall not be have two positions for the overall transaction at the same time.
9. The personnel for confirmation shall periodically review the balance sheet or confirmation sheet of the trading bank and confirm the total trading amount shall not exceed the amount limit of this procedure.
10. Personnel responsible for risk supervision and risk control must be assigned under departments different to those who are traders, trade confirmation, and settlement personnel in subparagraph 8 this article , and shall report to the board of directors or senior supervisors who are not responsible for trading or exposure deciding
11. Trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors. (Note: senior management shall be different to executive unit)

Article 16

Internal Audit System.

The Company's internal audit personnel shall periodically make a determination of the

suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing.

The Company's auditors should include the derivative transactions in the audit plan, and to file the actual auditing situations of the annual audit plan to the competent authority by the end of February of the next year. Any improvements for irregularities should be reported to the FSC by the end of May of the next year.

Article 17

Regular evaluation methods and the handling of irregular circumstances

The Company shall evaluate the trading of derivative products as follows:

1. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be reviewed and submitted to the chairman and designated management personnel for reference on performance evaluation and risk measurement.
2. The management personnel authorized by the Board of Directors pay continuous attention to monitoring and controlling derivatives trading risk, and periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with this procedure. The Board of Directors shall periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance
3. Senior management personnel authorized by the Board of Directors shall manage derivatives trading in accordance with the following principles:
 - (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the Company.
 - (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.
4. The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, monthly or weekly evaluation reports and the matters periodically evaluated by the board of directors or the management personnel authorized by the board of directors.

Chapter 4 Mergers, divestments, business acquisitions, or share exchanges

- Article 18 The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. Under the case that the Company merges the subsidiary who is directly or indirectly 100% owned by the Company, or the two subsidiaries who are directly or indirectly 100% owned by the Company respectively, the Company shall not render an opinion on reasonableness from professionals.
- Article 19 The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters prior to the shareholders meeting and include it along with the expert opinion referred to the preceding paragraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to any reason, or the proposal is rejected by the shareholders meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting
- Article 20 **Meeting Schedule and Data Preservation**
Except for laws and those that have been previously approved by the Financial Supervisory Commission, if any mergers, divisions, or acquisitions, the Company should hold the Board of Directors' meetings and the shareholder meetings at the same date as other participants to resolve the mergers or acquisitions issues. If any share transfer, the Company should hold the Board of Directors' meetings at the same date as other participants
The Company should also keep the following information in written record and to keep it for five years for auditing purpose. The Company should within two days, including the date of the Board of Director resolution, report on the website designated by the Financial Supervisory Commission the information listed in subparagraph 1 and 2 below in the required format:
1. Personnel information: including the titles, names, and ID numbers (passport number if foreigners) joining the mergers, acquisitions, or the share transfer before the

disclosure.

2. Significant date: including the date to sign the letter of intent (“LOI”), memorandum of understanding (“MOU”), the date to assign financial or legal consultant, the date to sign a contract, and the Board of Directors’ meeting date.

3. Significant documentation and the relevant meeting minutes: including the plans for mergers, divisions, acquisitions, LOI or MOU, important contracts, and Board of Directors’ meeting minutes.

Article 21

The Share Exchange Ratio or Acquisition Price

The Company participating in a merger, demerger, acquisition, or transfer of shares shall not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.

2. An action, such as a disposal of major assets, that affects the company's financial operations.

3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.

4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.

5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.

6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 22

Contents Specified in the Contract

The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract

2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.

3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.

4. The manner of handling changes in the number of participating entities or

companies.

5. Preliminary progress schedule for plan execution, and anticipated completion date.

6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures

Article 23

Other Considerations of the Company Involved in a Merger, Demerger, Acquisition or Transfer of Shares :

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

After public disclosure of the information, if the Company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, the companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and the company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, the company may be exempted from calling another shareholders meeting to resolve on the matter anew.

For companies joining the mergers, divisions, acquisitions, or share transfer which are not public companies, the Company shall execute an agreement with them and to process following the Article 20 and the provision of Paragraph 1 and 2 of this Article in this procedure.

Chapter 5 Miscellaneous

Article 24

Data Preservation

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company headquarters, where they shall be retained for 5 years except where another act provides otherwise.

Article 25

The qualifications of the professionals and Matters needing attention

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.

2. May not be a related party or de facto related party of any party to the transaction.

3. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall **comply with the self-regulatory rules of the industry associations to which they belong** and with the following provisions:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.

2. When **conducting** a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.

3. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.

4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

Article 26

If any director makes any objections in written format for any asset acquisition or disposition which should follow these rules or other laws to be approved by the Board of Directors, the company should send the objection materials to each supervisor. If the Company has set the independent supervisors, the Company should take each independent supervisor comment into consideration. Any opinions other than approval should be duly recorded in the Board of Directors meeting minutes. Material transactions for assets or derivatives shall be approved by one-half of the Audit Committee and to be resolved by the Board of Directors. If the above mentioned is not approved by one-half of the Audit Committee, it can be approved by two-third of all

the directors of the Board of Directors, and such resolution of the Audit Committee should be recorded in the Board of Directors meeting minutes. Only those directors who are in the actual position of the Audit Committee and/or the Board of Directors can be counted in the calculation of this Article.

Article 27

Implementation and Amendment Procedure

This Procedure, once approved by the Audit Committee, should be sent to the Board of Directors to be approved and submitted to shareholder meetings to practice and it is applicable to any amendment, If there are any objections in record or in written form by any director, such objection should be recorded on the Board of Directors' meeting minutes. The amendment or the legislation of the Procedures for Acquisition and Disposal of Assets should be approved by one-half of the Audit Committee and to be resolved by directors. If the above mentioned is not approved by one-half of the Audit Committee, it shall be approved by two-third of all the directors of the Board, and such resolution of the Audit Committee should be recorded in the Board of Directors' meeting minutes.

Article 28

Others

Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

Related party, subsidiary or parent company: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Article 29

This procedure was established on June 25th, 2003.

1st amendment was on June 5th, 2007 .

2nd amendment was on June 19th, 2008.

3rd amendment was on June 9th, 2011.

4th amendment was on June 22nd, 2012.

5th amendment was on June 20th, 2013.

6th amendment was on June 19th, 2014.

7th amendment was on May 31st, 2016.
8th amendment was on May 31st, 2017.
9th amendment was on June 5th, 2019.
10th amendment was on June 23rd, 2020.
11th amendment was on Aug 5th, 2021.
12th amendment was on June 30th, 2022.

Attachment 3

The Comparison Table of Amendments of Proposed Procedures for Shareholders Meetings

Draft Amendment		Current Articles		Explanatory Notes
Article 1	The shareholders meeting shall be governed by these Rules unless laws otherwise specified.	Article 1	Delpha Construction Co., Ltd. (hereafter called “the Company) shall be governed by these Rules unless laws otherwise specified.	Revise wording.
Article 2	<p><u>For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.</u></p> <p><u>After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p> <p><u>After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting online, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p>			<ol style="list-style-type: none"> 1. Add this Article 2. Amend referring to Paragraph 1,3,4 of Article 4 of Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings
Article 3	<p>The shareholders shall bring with them the attendance card, and submit the sign-in card in lieu of check-in. A shareholders’ delivery of the sign-in card to the Company shall constitute the personal attendance of the shareholder or his/her proxy referred to in the sign-in card.</p> <p><u>For virtual shareholders’ meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p>	Article 2	The shareholders shall bring with them the attendance card, and submit the sign-in card in lieu of check-in. A shareholders’ delivery of the sign-in card to the Company shall constitute the personal attendance of the shareholder or his/her proxy referred to in the sign-in card.	<ol style="list-style-type: none"> 1. Article number changed 2. First Paragraph unchanged 3. Amend referring to the back section of Paragraph 2 of Article 6 of Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings

<p><u>Article 4</u></p>	<p><u>The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>If the quorum is not met after two postponements as referred to in <u>the preceding paragraph</u>, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 14.</u></p>	<p>Article 3</p>	<p><u>The chair shall announce the commencement of meeting as soon as it is due. However, if current attendants represent less than half of the Company's outstanding shares, the chair may announce to postpone the meeting for no more than twice for a period totaling no more than one hour. In the event of that postponement has been made for twice and the shareholders present at the meeting are less than those representing one-half but more than those representing more than one-thirds of the total outstanding shares, Paragraph 1 of Article 175 of the Company Act shall apply whereby provisional resolution could be made; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.</u></p>	<p>1. Article number changed. Article 4-6 backward in order 2. Amend referring to the Paragraph 2-4 of Article 9 of Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings</p>
		<p><u>Article 7</u></p>	<p><u>A shareholder may not speak more than 5 minutes, except with the consent of the chair for another 5 minutes.</u></p>	<p>Amend referring to Article 11 of Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings, and move current Article 7 to Article 8 with wording revised.</p>
<p>Article 8</p>	<p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the</p>	<p>Article 8</p>	<p>Except with the consent of the chair, <u>each person</u> may not speak more than twice on the same proposal, and a single speech may not exceed the limitation</p>	<p>1. Amend referring to Paragraph 3 of Article 11 of</p>

	<p>shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words.</p>		<p>time. If the shareholder's speech exceeds the scope of the agenda item, the chair may terminate the speech.</p>	<p>Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings, and move current Article 7 to Paragraph 1 this Article. with minor wording amendment. 2.add Paragraph 2 referring to Paragraph 7 of Article 11 of Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.</p>
Article 10	<p>Except as otherwise stated in the Act or in the Company Act, a resolution on a matter at a shareholders meeting requires the approval of a one-half of the attending shareholders, and none voices an objection, the matter is deemed approved.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</p> <p>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</p>	Article 10	<p>Unless otherwise specified in The Company Act and the Articles of Incorporation, a resolution shall pass with the consent of shareholders representing more than half of total voting interests at the meeting, subject to the total of votes cast on the site. When a proposal comes to a vote, if the chair puts the matter at the meeting and none voices an objection, the matter is deemed approved.</p>	<p>1 First Paragraph with minor wording amendment. 2.add Paragraph 2-4 referring to the front section of Paragraph 4 and Paragraph 9-10 of Article 13 of Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.</p>
<u>Article 11</u>	<u>In the event of a virtual shareholders</u>			Add this Article

	<u>meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u>			referring to Article 19 of Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings. Original Article 11 is corresponding to adjust to Article 12.
<u>Article 13</u>	The meeting shall be suspended if an air-raid drill starts for shareholders to evacuate. Meeting would resume one hour after the completion of drill. In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.	<u>Article 12</u>	The meeting shall be suspended if an air-raid drill starts for shareholders to evacuate. Meeting would resume one hour after the completion of drill. In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.	1. Article number changed. 2. Paragraph 1 unchanged. 3. Add Paragraph 2 referring to Paragraph 2 of Article 21 of Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.
<u>Article 14</u>	When a juristic person is appointed to attend the shareholders meeting, it may designate only one person to attend on its behalf. If the Company shareholder appoints two or more representatives to attend the shareholders meeting, only one representative may speak for each agenda item. <u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</u>	<u>Article 13</u>	When a juristic person is appointed to attend the shareholders meeting, it may designate only one person to attend on its behalf. If the Company shareholder appoints two or more representatives to attend the shareholders meeting, only one representative may speak for each agenda item.	1. Article number changed. Article 14-16 changed backward in order. 2. Paragraph 1 unchanged 3. Add Paragraph 2 referring to Paragraph 7 of Article 6 of Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders

				Meetings.
<u>Article 18</u>	The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. <u>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.</u>	<u>Article 17</u>	The venue for a shareholders meeting shall be the city of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.	1. Article number changed. Article 18-22 changed backward in order. 2. Revise Paragraph 1 wording, content unchanged. 3. Add Paragraph 2 referring to Paragraph 2 of Article 5 of Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings.
<u>Article 24</u>	These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.	Article 23	These Rules <u>in line with Rules Governing the Conduct of Shareholders Meetings by Public Companies by FSC shall take effect after having been submitted to</u> and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.	1. Article number changed. 2. Revised wording in accordance of the change of regulations.
<u>Article 25</u>	<u>The Rule was established in June 21st, 2002.</u> <u>First amendment on June, 30th, 2022.</u>			Add this article for amendment date

Appendix 1

Shareholdings of individual and all Directors in the shareholders' register as of April 25, 2020

Title	Name	Date elected	Term	Shareholdings when elected		Shareholdings on the shareholders' register as of book-close date	
				Number of shares	%	Number of shares	%
Chairman	Cheng, Ssu-Tsung	June 23, 2020	3 years	0	0.00%	0	0.00%
Director	Lee, Chin-Yi	June 23, 2020	3 years	257	0.00%	100,434	0.01%
Director	Dajie Investment Co., Ltd. Representative: Tseng, Ping-Joung	June 23, 2020	3 years	16,898,773	6.24%	16,888,773	2.18%
Director	Yan, Ming-Hung	June 23, 2020	3 years	0	0.00%	800,000	0.10%
Independent Director	Wang, Mu-Fan	June 23, 2020	3 years	0	0.00%	150,000	0.02%
Independent Director	Yeh, Chien-Wei	June 23, 2020	3 years	0	0.00%	250,000	0.03%
Independent Director	Chen, Jui-Li	August 05, 2021	(noteD)	0	0.00%	0	0.00%
Total shareholdings of all Directors:				17,789,207	shares		

Total shares issued as of June 23rd, 2020: 270,752,466 shares

Total shares issued as of August 05th, 2021: 520,752,466 shares

Total shares issued as of May 02nd, 2022: 774,323,466 shares

Note:

- A. Statutory shareholding of all Directors of the Company: 24,778,350 shares. As of May 2nd, 2022 the shareholding of all Directors is 17,789,207 shares.
- B. The Company has set up an Audit Committee, and the statutory shareholding of supervisors therefore does not apply.
- C. Shareholding of Independent Directors is not included in the shareholding of Directors.
- D. Chen, Ruei-Li, the independent director, elected on August 5th, 2021, have the same term of office as the directors, until the expiration date of the Board of Directors.

Appendix 2

Delpha Construction Co., Ltd. **Rules of Procedure of Shareholders' Meeting**

Revised on June 21, 2002

- Article 1: Except as otherwise provided in the laws and regulations, the procedure of the shareholders' meetings of Delpha Construction Co., Ltd. (hereinafter referred to as the Company) shall be handled in accordance with these Rules.
- Article 2: The attending shareholders and proxies shall sign in personally or submit the attendance card for the purpose of calculating the number of shares represented by the attending shareholders and proxies.
- Article 3: When the attending shareholders represent a majority of the total number of issued shares, the Chairman shall call the meeting to order. If at the meeting time the number of attending shareholders and proxies does not reach the quorum, the Chairman may announce a postponement of the meeting, provided that length of the postponement is no more than 1 hour. If the quorum is still not met after two postponements, but the attending shareholders and proxies represent one third or more of the total number of issued shares, a tentative resolution may be made with the consent of the attending shareholders and proxies representing more than half of the voting rights pursuant to Article 175 of the Company Law. All the shareholders shall be notified of the tentative resolution, and the shareholders' meeting shall be re-convened within a month.
- Article 4: If the quorum is met after a tentative resolution is made in the shareholders' meeting, the Chairman may call the meeting to order at any time and submit the tentative resolution that has been made to the shareholders' meeting for recognition.
- Article 5: If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order as set in the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors. Unless there is a resolution of the shareholders' meeting, the Chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda (including extemporary motions). After the meeting is adjourned, the shareholders shall not elect another chairman to continue the meeting at the original site or another place. However, if the Chairman's declaration of the meeting adjournment violates of the Rules of Procedure, a new chairman may be elected by the attending shareholders with more than half of the voting rights to continue the meeting.
- Article 6: Before speaking, an attending shareholder must write down on a speaker's slip the subject of the speech, the shareholder's account number (or attendance pass number) and the account name. The order in which the shareholders speak shall be set by the Chairman. An attending shareholder who has submitted a speaker's slip but does not speak shall be deemed to have not

spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. At the time a shareholder speaks, the other shareholders shall not speak and interfere except with the consent of the Chairman and the speaking shareholder, otherwise the Chairman shall stop such interfering behavior.

Article 7: The shareholder's speech is limited to five minutes at a time; however, with the permission of the Chairman, it may be extended by five minutes, with a limit of one extension.

Article 8: A shareholder may not speak for more than twice on the same motion. The Chairman may terminate the speech if a shareholder's speech exceeds the time limit or the scope of the agenda.

Article 9: During the discussion of the motion, the Chairman may, at the appropriate time, announce the conclusion of the discussion after obtaining the consent of the attending shareholders. If necessary, the Chairman may declare a termination of the discussion and submit the motion for voting. Non-motions shall not be discussed or voted on.

Article 10: Except as otherwise provided in the Company Law or in the Articles of Association, a motion is passed with the consent of the attending shareholders with more than half of the voting rights. At the time of voting, a motion is passed if the Chairman does not receive any negative response to his/her inquiry, and this verbal voting has the same validity as physical votes.

Article 11: During the course of a meeting, the Chairman may announce a break based on time considerations. If the discussion of all the motions can not be completed in a single meeting, a resolution may be adopted at the shareholders' meeting to defer or resume the meeting within 5 days without any further notices or announcements.

Article 12: In the event of an air raid warning during the meeting, the Chairman may rule the meeting temporarily suspended for evacuation. The Chairman shall announce a resumption of the meeting one hour after the lifting of the warning.

Article 13: Where a legal person is entrusted to attend a shareholders' meeting, the legal person shall appoint only one representative to attend. Where a legal-person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives may speak on the same motion.

Article 14: When there are incompatible amendments or alternatives to a motion, the Chairman shall decide the order in which they shall be put to a vote. When any of them is passed, the other incompatible motions shall then be deemed rejected and no further voting shall be required.

Article 15: The Chairman may direct the proctors (or security personnel) to help maintain the order at the meeting. Such proctors (or security personnel) shall wear an identification card or armband bearing the word "Proctor".

Shareholders shall obey the command of the Chairman and proctors (or security personnel) for the maintenance of order. The Chairman and proctors (or security personnel) may expel those who hinder the proceeding of the shareholders' meeting.

Article 16: The attendance and voting at the shareholders' meeting shall be based on the number of shares represented by the attending shareholders.

Article 17: The venue of the shareholders' meeting shall be the county or city where the head office of the Company is located or a place convenient for the shareholders' attendance and suitable for holding the shareholders' meeting. The meeting start time shall not be earlier than 9:00 am or later than 3:00 pm.

Article 18: Unless as otherwise provided in the Company Law, the meeting shall be chaired by the Chairman of the Board. If the Chairman of the Board is on leave or for any reason unable to exercise the powers of a chairman, the Deputy Chairman shall act in the place of the chairman.

If there is no Deputy Chairman in place or the Deputy Chairman is also on leave or for any reason unable to exercise the powers of a chairman, the Chairman shall appoint one of the Managing Directors to act as the chairman for the meeting. If there are no Managing Directors in place, the Chairman shall appoint one of the Directors to act as the chairman for the meeting. If the Chairman does not make such an appointment, then the chairman for the meeting shall be elected among the Managing Directors or Directors. If the shareholders' meeting is convened by a party other than the Board of Directors, the convening party shall be the chairman of the meeting.

Article 19: The Company may appoint its lawyer, accountant or related persons to attend the shareholders' meeting in a non-voting capacity. The meeting affair staff of the shareholders' meeting shall wear an identity card or an armband.

Article 20: The Company shall audio-record or video-record the whole process of the shareholders' meeting and shall keep the recording for at least one year.

Article 21: After an attending shareholder has spoken, the Chairman may either respond in person or appoint a relevant person to respond.

Article 22: The motion-voting scrutineers and vote-counting personnel shall be designated by the Chairman and approved by the attending shareholders, but the scrutineers shall also be shareholders themselves. The results of the voting shall be announced on the spot and recorded accordingly.

Article 23: The Rules are established in accordance with the “Key Points for Rules of Procedure for Listed Companies’ Shareholders’ Meetings”, and implemented after the adoption of the resolution in the shareholders’ meeting. The same procedure applies to the amendments to the Rules.

Appendix 3

Delpha Construction Co., Ltd. Articles of Incorporation

Revised by shareholder's meeting on August 5st, 2021.

Chapter 1 General Provisions

- Article 1: The Company is incorporated in accordance with Limited Company of the Company Act and registered under the business name of Delpha Construction Co., Ltd.
- Article 2: The Company's scope of services is set out hereunder
- 1 · Represent and contracting the sales and lease of all types of business buildings
 - 2 · Represent and contracting the sales and lease of all types of public housing
 - 3 · Introduction sales and lease of House
 - 4 · Represent and agency, purchasing and selling import and export trading sales of the various building materials
 - 5 · Amusement Parks
 - 6 · Specialized Field Construction and Development
 - 7 · Building Maintenance and Upholstery
 - 8 · Industrial Factory Buildings Lease Construction and Development
 - 9 · Land Levy and Delimit
- Above operation of sales shall be made in accordance with relevant laws and rules.
- Article 3: The Company has its head office in Taipei City, and the Company may establish branches in other appropriate location. Establish, cancel and change of the branches shall be made in accordance with the decision of Board.
- Article 4: Public announcements of the Corporation shall be made in accordance with the Company Law and other relevant rules and regulations.
- Article 5: The Company shall guarantee to third party in accordance with laws and regulations.
- Article 6: The total amount of the Company's reinvestment shall be subject to the exceeding 40% of its paid-in capital.

Chapter 2 Shares

- Article 7: The total capital amount of the Company shall be Five Billion, Three Hundred and Thirty-Six Million, One Hundred and Thirty-Five Thousand, Nine Hundred and Twenty Dollars New Taiwan Dollars (NT\$12,000,000,000), at a par value of ten New Taiwan Dollars (NT\$10) per share. The Board is authorized to issue unissued shares separately depend on operation of the Company. Part of the shares shall be preferred stock
- Article 8: The Company shall issue nominal shares after the signing or stamping, numbering of seal by three or more directors as well as being attested to by a competent authority in accordance with the lawn or sign and approved by authorized registration institution.
- Article 9: The shares not printed shall be kept and recorded by the centralized securities depository

enterprise.

Article 10: Shareholder of the Company transfer shares, set pledge of shares rights, report of loss, inheritance, donation and changes or report of loss of seal changes or address changes etc. and enforcement of rights shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by competent authority exception to other laws and securities rules.

Article 11: The entries in the shareholder's roster referred to in the preceding application of paragraph shall not be altered within 60 days prior to the convening date of a regular Shareholder's meeting, or within 30 days prior to the convening date of a special shareholder's meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

Chapter3 Shareholders Meeting

Article 12: There are two types of shareholders meeting, namely, regular meeting and special meetings. The regular meeting shall be convened within six months after the close of each fiscal year. Notices which clearly state the date, the place and the purpose(s) for meeting shall be sent to each shareholder at least thirty (30) days in advance. In addition to the provisions of the Company Act, special meeting is held in accordance with the law shall be convened by the Board of Directors. Notices of special meetings which clearly state the date, the place and the purpose(s) for meeting shall be sent to each shareholder at least fifteen (15) days in advance. The director of the Audit Committee shall call for shareholders meeting for company benefit as necessary except that the Board of Directors is not to be called or unable call for shareholder's meeting.

Shareholder of Preferred Stock will convene a meeting as necessary in accordance with laws. The procedure shall be applied to relevant rules of shareholders meeting.

Article 13: In addition to the provisions of the Company Act, shareholders meeting shall be presided over by the Chairman of the Board of Directors; in case the Chairman of Board of Directors is on leave or unable to perform his duties for cause, the Chairman of the Board of Directors shall designate a director to act as the chairman; if no such designation, the directors shall elect one from among themselves. Shareholders' meeting is to be according to rules of procedure of the Company.

Article 14: When a shareholder is unable to attend the shareholders meeting for whatever reason, that shareholder shall appoint a proxy to attend by offering company issued solicitation document stipulating the extent of the authorization with signature or company seal thereon. When one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting

rights in excess of that percentage shall not be included in that calculation.

In addition to the Company Law, the shareholder appoints a proxy shall be done according to the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” by the corresponding government department.

Article 15: A resolution is passed at the shareholders’ meeting by a majority of the shareholders present who represent more than half of the total number of its outstanding issued stocks except specified in the Company Act.

Article 16: Resolutions adopted at a shareholders’ meeting shall be recorded in the minutes of the meeting, signed or sealed by the Chairman of the shareholders' meeting and distributed to the shareholders within 20 days after the meeting.

The distribution of the former rule proceedings minute book shall be in accordance with Company Act.

Meeting minutes shall be recorded with year, month, date, place of the meeting, the name of chairman, method of resolution, process and results. It shall be kept with the Company as long as the Company exists.

Attendance book of attending shareholder and proxy form shall be kept at least one year, If shareholder files a lawsuit in accordance with Article 189 of the Company Act, Attendance book of attending shareholder and proxy form shall be kept until Lawsuit Concluded.

Chapter 4 The Board of Directors

Article 17: The Board of Company shall be five to nine directors. It shall be selected from legal capacity of shareholder meeting and in accordance with Article 198 of the Company Act.

Independent directors shall be at least three persons as below.

Qualification for independent directors and relevant items is in accordance with relevant laws and regulations.

Total shares held by all directors in accordance with Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.

Article 18: Elections of Independent Directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

Independent directors and non-independent directors should be elected together and to calculate the elected places separately.

The term of office of a director shall not exceed three years; but he/she may be eligible for re-election. In case no election of new directors is effect 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 director have been elected by shareholder’s meeting and assumed their office. Where re-

election of all directors is effect, prior to the expiration of the term of office of existing directors, and in the absence of a resolution that existing directors will not be discharged until the expiry of their present term of office, all existing directors shall be deemed discharged in advance. As vacancies in the Board of Directors of a company, elect succeeding directors to fill the vacancies by a shareholders' meeting in accordance with Article 201 Company Act. When the number of vacancies in the Board of Directors of company does not meet one third of the total number of directors, the shareholders do to elect succeeding directors to fill the vacancies. The term of succeeding directors is the same as expiration of the term of office of previous directors.

The Company may purchase liability insurance to cover the directors for the liabilities. Remuneration of directors and independent directors determined by the Board in accordance with the Remuneration Committee organization procedures of the company.

Article 19: The Board of Directors is composed of all directors. The chairman of the Board of Directors shall be elected from among the directors by majority of directors present at a meeting attended by more than two thirds of directors. The Chairman shall externally represent the Company and internally perform all his/her duties in accordance with laws and regulations.

Article 20: The Managing Director, being the Chairman, shall be responsible for calling for a BOD meeting. However, with respect to the first meeting of each newly elected Board of Directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected.

The reason for convening of the Board of Directors shall be stated and the directors are notified of such seven days in advance, but may be convened at any time when there is an emergency. The reason for convening of the Board of Directors shall be stated and respondent agree by electronic email.

In case the chairman of the Board of Directors is on leave or unable to perform his duties for cause, the chairman of the Board of Directors shall designate a director to act as the chairman; if no such designation, the directors shall elect one from among themselves. Directors shall attend meetings of the Board of Directors in person.

If a director is unavailable to attend a meeting in person, the director may issue a proxy specifying the scope of the authorized powers to authorize another director to attend the meeting on the director's behalf, provided that a director may represent only one other director at a meeting.

The participants are deemed present by taking part in the meeting of the Board of Directors using video conference facility when the meeting is conducted by way of video conference.

The procedure of board shall be conducted in accordance with rules of the board of the company.

Article 21: Authority of the board as below:

1. Approve each charter
2. Determine business strategy

3. Approve budget and closing accounts
4. Appropriation of profit and make up loss
5. Draw up increase and decrease of capital
6. All or major company business, transfer property, rental and exchange, pledge, mortgage or approve other punishment or proposal
7. Resolution of shareholder's meeting
8. Determine important personal
9. Other authority in accordance with laws and shareholder's meeting
10. Approve travel expenses of the director

Article 22: Unless otherwise provided for by the Company Act, a resolution of the Board of Directors shall be adopted by the consent of a majority of the directors present in a meeting attended by the majority of the total directors.

Article 23: The Company shall set the Audit Committee, which comprises of all the independent directors, the authority and related matters shall be conducted in accordance with rules of Audit Committee of the company.

Article 24: Powers conferred by the Company Act, the Securities and Exchange Act and any other law to be exercised by supervisors, shall be applied mutatis mutandis to the independent director members and the Audit Committee.

Chapter 5 Managerial Personnel

Article 25: The Company shall have one President and have numbers of managerial personnel based on the needs.

The Company may purchase liability insurance to cover managerial personnel for the liabilities.

Article 26: Appointment and discharge of general manager and managerial personnel shall be decided in accordance with the Board of Directors.

Remuneration of the managerial personnel shall be decided by the Board of Directors in accordance with rules of compensation committee of the company.

Chapter 6 Accounting

Article 27: The term for fiscal year of the company shall be on the first day of January and end on the thirty-first day of December of each calendar year.

The Board of Company shall, at the end of each fiscal year, submit documentation as below to its shareholders for their ratification.

1. The annual business reports
2. The financial statements
3. The appropriation of profit and make-up loss proposal

Article 28: When the Company allocates the profit of the current year, if any, no less than 0.5% of the profit shall be set aside as employees' remuneration and no less than 2% of the profit shall be set aside as directors' remuneration . However, when there are accumulated losses, the profits shall be used to offset accumulated losses first.

A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' remuneration and directors' remuneration in the preceding paragraph distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The profit of the current year as below paragraph shall be Pre-Tax Income which is before deduct from employees' remuneration and directors' remuneration .

Directors' remuneration is in the form of cash.

The employees who are paid for remuneration of stocks or cash, the issuance of the object contains a certain condition for the subsidiary and certain condition decided by the Board of Directors.

Article 29: If there is a surplus in the final accounts of the Company, the tax shall be paid to make up for the losses first, but except to the statutory surplus reserve has reached the total amount of capital of the Company, and second, 10 percent shall be reserved as statutory surplus reserve and in accordance with the law and the competent authorities, the special surplus reserve shall be increased or rotated. If there is a surplus still, the BOD will prepare the Surplus distribution case with the previous annual accumulation of undistributed surplus to present in the shareholders' meeting for resolution of distribution.

The dividend policy of the Company shall meet characteristic of construction. After taking into account of the Company's current and future development plan, investment environment and domestic competition, lots of fund requirements and also taking into account the profit of all shareholders, contribute the 10%-70% surplus earning for distribution of shareholders bonuses every year.

However, when distributed earnings are less than 5% paid-up capital, the company shall not contribute earnings to have sound financial structure.

The Company distribute shareholder bonus shall be in cash or in stocks and the cash dividends shall not be less than 10% of the total shareholder bonus.

The distribution of shareholder bonus in previous paragraph which is the Board determined most proper dividend policy base on company's maximum profit.

Chapter 7 Supplementary Provisions

Article 30: The internal organization of the Company and the detailed procedures of business operation shall be determined by the Board of Directors.

Article 31: In regard to all matters not provided for in these Articles of Incorporation, the Company Act or other laws and regulations shall govern and any amendments hereto, shall be implemented after adoption by shareholder's meeting.

Article 32: This Articles of Incorporation was drawn up on the seventh of October 1960.
First amendment was effect on the sixteenth of February 1967.
Second amendment was effect on the seventh of July 1975.
Third amendment was effect on the eighth of October 1977.
Fourth amendment was effect on the thirtieth of June 1979.
Fifth amendment was effect on the fifteenth of July 1981.
Sixth amendment was effect on the thirty-first of July 1981.
Seventh amendment was effect on the ninth of October 1981.
Eighth amendment was effect on the first of March 1985.
Ninth amendment was effect on the twenty-sixth of May 1985.
Tenth amendment was effect on the seventh of October 1988.
Eleventh amendment was effect on the sixteenth of June 1990.
Twelfth amendment was effect on the fifth of December 1990.
Thirteenth amendment was effect on the eighth of August 1991.
Fourteenth amendment was effect on the twenty-third of August 1991.
Fifteenth amendment was effect on the eighth of June 1992.
Sixteenth amendment was effect on the seventh of April 1993.
Seventeenth amendment was effect on the twenty-eighth of May 1993.
Eighteenth amendment was effect on the fourth of June 1994.
Nineteenth amendment was effect on the seventh of September 1994.
Twentieth amendment was effect on the twentieth of December 1994.
Twenty-first amendment was effect on the twenty-seventh of May 1995.
Twenty-second amendment was effect on the twenty-third of September 1996.
Twenty-third amendment was effect on the fourteenth of May 1997.
Twenty-fourth amendment was effect on the twenty-third of April 1998.
Twenty-fifth amendment was effect on the twentieth of April 1999.
Twenty-sixth amendment was effect on the twentieth of April 1999.
Twenty-seventh amendment was effect on the tenth of May 2000.
Twenty-eighth amendment was effect on the tenth of May 2000.
Twenty-ninth amendment was effect on the twenty-first of June 2002.
Thirtieth amendment was effect on the twenty-fifth of June 2003.
Thirty-first amendment was effect on the twenty-third of June 2005.
Thirty-second amendment was effect on the fifth of June 2006.
Thirty-third amendment was effect on the nineteenth of June 2008.

Thirty-fourth amendment was effect on the tenth of June 2009.
Thirty-fifth amendment was effect on the eighteenth of June 2010.
Thirty-sixth amendment was effect on the ninth of June 2011.
Thirty-seventh amendment was effect on the twenty-second of June 2012.
Thirty-eighth amendment was effect on the twentieth of June 2013.
Thirty-ninth amendment was effect on the nineteenth of June 2014.
Fortieth amendment was effect on the thirty-first of May 2016.
Forty-first amendment was effect on the thirty-first of May 2017.
Forty-second amendment was effect on the fifth of August 2021.