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# **Delpha Construction Co., Ltd.**

## **Agenda of 2023 General Shareholders' Meeting**

The type of shareholders meeting: Physical

Time: 9:00 am, June 28 (Wednesday), 2023

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. Reported matters

1. 2022 Business Report.
2. Audit Committee's Review Report on the 2022 Final Accounts.
3. 2022 Employees' and directors' Compensation.
4. 2022 Earnings distribution.
5. 2022 Endorsements/guarantee to outside others.
6. 2021 and 2022 private placement of Securities .
7. 2022 Directors remuneration

IV. Acknowledged matters

1. Acknowledgment of the 2022 Business Report and Financial Statements.
2. Acknowledgment of the 2022 Earnings Distribution Proposal.

V. Matters for Discussion

Amendment to the Articles of Incorporation.

VI. Election Matters

Re-election of the Company's Directors

VII. Other Proposals

Discussion to approve the lifting of non-compete restriction for newly appointed directors.

VIII. Extemporaneous Motions

IX. Meeting Adjournment

### **III. Reported matters:**

#### **1. 2022 Business Report.**

Explanation :

For the 2022 business report, please refer to Attachment 1.

#### **2. Audit Committee's Review Report on the 2022 Final Accounts**

### **Audit Committee's Review Report**

The Board of Directors delivered the Company's 2022 business report, financial statements (including consolidated and parent company statements) and Earnings distribution 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 2022 business report, financial statements (including consolidated and parent company statements) and Earnings distribution 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 2023 General Shareholders' Meeting of Delpha Construction Co., Ltd.**

**Audit Committee Convener: Wang, Mu-Fan**

**March 15<sup>th</sup>, 2023**

### 3. 2022 Employees and Directors' Compensation

Explanation :

1. According to Article 28 of the Articles of Incorporation, when the Company allocates the profit of the current year (profits refer to income before tax and before the distribution of compensation to the employees and Directors), if any, no less than 0.5% of the profit shall be set aside as employees' compensation and no less than 2% of the profit shall be set aside as directors' compensation.
2. It was resolved at the Remuneration Committee and Board of Directors meeting on March 15, 2023 that the Company will distribute 0.5% of its profit, or NT\$1,706,889, as compensation to employees, and 0.59%, or NT\$1,998,500, as remuneration to directors, both in the form of cash.

### 4. 2022 distribution of cash dividends.

Explanation :

1. Pursuant to Article 29 of the Articles of Incorporation, should the earnings be distributed in the form of cash, the board is authorized to make such distribution and report to the shareholders' meeting.
2. (1) First half of the year It is resolved at the board meeting on August 11, 2022 that no distribution of earnings will be made.  
(2) Second half of the year : It is resolved at the board meeting on March 15, 2023 that the Company will distribute cash dividend of NT\$0.41076195 per share, totaling NT\$345,035,114 on April 26, 2023.

### 5. Status of Endorsements/Guarantees for Outside Others

Explanation :

Details for endorsements/guarantees up to Dec 31st, 2022 as below :

Unit:NT 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 amount of endorsements/ guarantees
Company name	Relationship				
Huajian Construction Co., Ltd.	Subsidiary	\$100,000	\$100,000	\$2,055,645	\$5,139,112

## **6. 2021 and 2022 Private Placement of Securities**

Explanation:

The Company increased its capital in 2021 and 2022 in installments through private placement for a total of 319,235,534 shares or NT\$3,790,826,408. All funds have been withdrawn. For details, please refer to Attachment 2.

## **7. 2022 Directors remuneration**

Explanation:

The Directors' remuneration is composed of Director compensation, professional service fees, and fixed monthly salary.

1. As specified in Article 28 of the Articles of Incorporation: when the Company allocates the profit of the current year, if any, no less than 2% of the profit shall be set aside as directors' compensation. Based on the evaluation results according to "Board of Directors Performance Evaluation Guidelines" and market quotation, it is resolved at the Remuneration Committee and Board of Director meeting on March 15, 2023 that the Company will allocate 0.59% of its profit, or NT\$1,998,500 as 2022 Director compensation
2. In addition to compensation to Directors, the Company's Directors also receive professional service fees, and Independent Directors receive fixed monthly salary.

For details, please refer to Attachment 3.

## **IV. Acknowledgment matters:**

### **1 · Acknowledgment of the 2022 Business Report and Financial Statements.**

**(proposed by the Board of Directors)**

Explanation:

The Company's 2022 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 Earnings distribution proposal, and is of the opinion that there were no discrepancies contained therein. For your acknowledgment .

Please refer to Attachments 1 and 4.

Resolution:

**2 · Acknowledgment of the 2022 Earnings distribution Proposal.**

**(proposed by the Board of Directors).**

Explanation:

2022 Earnings distribution is as follows:

**Delpha Construction Co., Ltd.**

**2022**

**Statement of Earnings distribution**

**Unit : NT \$**

Items	Amount	
<b>Balance at beginning</b>		(71,020,021)
Add: Changes in remeasurements of defined benefit plans	2,739,648	
Add: Profit after tax	451,652,722	
<b>Distributable earnings</b>		383,372,349
Less: Legal reserve (10%)	(38,337,235)	
Allocation:		
First half of 2022 - shareholders (none)	0	
Second half of 2022 - shareholders - cash dividends (distributed at NT\$0.41076195 per share)	(345,035,114)	
<b>Closing undistributed earnings</b>		0

Note 1: Cash dividends are resolved by the board of directors and reported at shareholders' meetings.

Note 2: Cash dividends will be rounded down to the nearest dollar, with the sum of all fractional dividends below one dollar being recognized as other income.

Chairman:

General Manager:

Comptroller:

## V. Matters for Discussion

Amendment to the Articles of Incorporation.

(Proposed by Board of Directors)

Explanation:

Earnings are distributed on a quarterly basis due to the Company's practical needs, and thus Articles 27-1 and 29 are amended. For comparison table, please refer to Attachment 5.

Resolution :

## VI. Election matters

Re-election of the Company's Directors. (Proposed by Board of Directors)

Explanation:

1. The term of the current directors of the Company will be expired on Jun 22, 2023. It is proposed to re-elect the directors in the 2023 Shareholders' General Meeting.
2. Pursuant to Article 18 of the Articles of Incorporation, the election shall be conducted in accordance with the candidate nomination system. 7 seats of directors (including 3 independent directors) with term of office from June 28, 2023 to June 27, 2026 shall be elected.
3. For the candidates for director election (incl. independent directors), please refer to Attachment 6.

Election result:

## VII. Other Proposals

Discussion to approve the lifting of non-compete restriction for newly appointed directors.

Explanation:

1. As stipulated in Article 209 of the Company Act, directors that act within the Company's business scope for themselves or others should explain the essential contents of such an act at the shareholders' meeting, and obtain approval thereat. It is proposed to release the prohibition on new directors from participation in competitive business.
2. Concurrent positions of director candidates:

Type of Candidate	Name of Candidate	Positions Held at Other Companies
Director	Hong Yi Investment Ltd.	Huachien Development Co., Ltd.

	Representative : Cheng, Ssu-Tsung	
Director	Yu, Hung-Da	Chairman of Kaicheng Construction Co., Ltd. Independent director of Crowell Development Corp.

Resolution :

## **VIII. Extemporany Motions**

## **IX. Meeting Adjournment**



## **【Attachment 1】**

### **Delpha Construction Co., Ltd.**

#### **2022 Business Report**

Looking back on 2022, although the problems of the epidemic, labor shortage, and rising costs have subsided, the domestic market is faced with interest hikes resulting from inflation, and anti-real estate speculation policies that are proposed to stabilize real estate prices. Despite the adversities, Delpha's effort to stay in line with rigid demand for residential and investment needs paid off, and our business operation is growing at a steady pace. In terms of operation strategy, Delpha has not only continuously developed suitable land in the Greater Taipei, but also focuses on the development in vicinities of industrial parks, THSR, MRT, and train stations all over Taiwan. As of 2022, there are 9 projects of land inventory, which are "Huaisheng Section Urban Renewal project" and "Taiyuan Road Urban Renewal project" in Taipei, "Xinbi Section B", "Qingxi Section B", "Sanzuowu Section", "Lejie Section B" and "Shanjie Section" in Taoyuan, "Fortune" in Taichung, "Qing'an Section" in Tainan; the four projects, "Metro Building", "Delpha Jing", "The Rising City" in Taoyuan and "Centre for the Future" in Taichung have started sales.

Looking forward to 2023, in terms of the domestic economic environment, domestic consumption is recovering with prosperous prospects indebted to the returning of Taiwanese businessmen from overseas. In terms of government policies, as real estate stabilizing measures take effect, speculative purchases have lessened. With its aim of achieving year-on-year progress through the new development projects and completion of projects, Delpha achieves a stable amount of projects promoted in 2023 and Delpha's management will work harder in return for our shareholders' continued support.

In addition, Delpha continues to pursue profit growth while moving forward with the three main objectives of "integration of corporate resources", "sound corporate governance", and "participation in social welfare", and actively faces the challenges brought upon by global climate changes. Delpha incorporates sustainable operation into its long-term policies of corporate development, and through the promotion of ESG, we integrate information security risks and climate change issues into its risk management. Further, we put forward a carbon emission examination mechanism in compliance with laws and regulations, so as to implement sustainable development jointly with its peers in the supply chain. For more than sixty years, Delpha has never forgotten its original intention, we focus on every detail and continue to provide the houses of unforgettable memories for Taiwanese family.

Thank you for your support.

The Company's 2022 operating performance and 2023 business plan are as follows:

## **1. 2022 Business Report**

### A. Implementation status of the operation plan in 2022

#### **Parent company**

Unit: NTD \$ 1,000

Case	2022	2021	Difference compared to the previous year	Remarks
Operating revenue	1,986,158	968	1,985,190	Growth rate : 205,081.61%
Profit (Loss) before tax	404,537	(114,623)	519,160	

#### **Consolidated**

Unit: NTD \$ 1,000

Case	2022	2021	Difference compared to the previous year	Remarks
Operating revenue	1,994,281	8,718	1,985,563	Growth rate 22,775.44%
Profit (Loss) before tax	404,243	(118,831)	523,074	

### B. 2021 Annual Operating Revenue

#### **Parent company**

Unit: NTD \$ 1,000

Individual Case	Amount	Remarks
Terminal Case	8,867	Housing Income
Yun He Jie A ( The Urban Green )	1,544,379	Housing Income
Ronxing Section Case ( Central One )	430,416	Housing Income
Reading the European Case	314	Rental income
Shulin Case	34	Rental income
Huaisheng Section Case	102	Rental income
Shitan Section case A (Tianqin)	92	Rental income
Sanzuowu Section	1,954	Rental income
Total	1,986,158	

#### **Consolidated**

Individual Case	Amount	Remarks
Terminal Case	8,867	Housing Income
Yun He Jie A ( The Urban Green )	1,544,379	Housing Income

Ronxing Section Case ( Central One )	430,416	Housing Income
Shulin Case	34	Rental income
Huaisheng Section Case	102	Rental income
Shitan Section case A (Tianqin)	92	Rental income
Sanzuowu Section	1,954	Rental income
Taiyuan Road Urban Renewal Project	8,437	Rental income
Total	1,994,281	

### C. Implementation of budget

According to Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company doesn't need to publish its 2022 financial forecast.

### D. Financial revenue and expenditure, and profitability analysis

#### Parent company

Item		2022	2021
Financial structure %	Debt to assets ratio	46.46	49.02
	Long-term funds to property, plant and equipment ratio	18,941.21	19,971.87
Solvency %	Current ratio	221.67	320.62
	Quick ratio	31.36	60.47
	Times interest earned ratio (times)	2.65	(1.03)
Profitability %	Return on Assets	2.54	(0.78)
	Return on Equity	4.84	(1.58)
	Ratio of pre-tax net profit to paid-in capital	4.82	(1.59)
	Net profit (loss) rate	22.74	(11,841.22)
	Earnings per share (NT\$)	0.56	(0.20)

#### Consolidated

Item		2022	2021
Financial structure %	Debt to assets ratio	48.23	50.84
	Long-term funds to property, plant and equipment ratio	10,031.02	10,574.22
Solvency %	Current ratio	237.81	345.09
	Quick ratio	34.70	65.95
	Times interest earned ratio (times)	2.50	(0.82)
Profitability %	Return on Assets	2.42	(0.69)
	Return on equity	4.65	(1.60)
	Ratio of pre-tax net profit to paid-in capital	4.81	(1.65)

	Net profit (loss) rate	22.34	(1,382.81)
	Earnings per share (NT\$)	0.56	(0.20)

## **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

To develop and design the purchased lots, apply for construction permits, commence construction, and launch sales.

### 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:
  - a. 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.

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

1. As COVID-19 prevention bans are lifted in 2023, Taiwan released its mask restrictions on February 20. Three years of epidemic is finally coming to an end, and "epidemic prevention residence" will be the future trend in the residential market.
2. On February 6, earthquakes with magnitudes from 5.6 to 6.7 shook Turkey and Syria, causing thousands of casualties and unmeasurable economic loss. As Taiwan is also situated on an earthquake belt, the promotion of urban renewal projects will be the main goal in the government and private sectors.
3. In order to curb speculation, the Ministry of Interior has promulgated the amendment to the "Equalization of Land Rights Act" at the end of November 2021. On April 7, 2022, the amendment draft was passed by Executive Yuan, and preliminary review was completed on December 21 of the same year, and full passage was on January 10, 2023. The Act is expected to be enacted in 2023, and we are expecting fluctuations in the housing market as investors pull out of the market.
4. The 2023 domestic housing market is relatively stable in the first half of the year and is within the range of the normal market cycle despite multiple adverse factors, including Russo-Ukrainian War, inflation, increase in energy prices, and cross-strait relations global-wise, and in terms of domestic factors, the Central Bank of Taiwan announce 4 consecutive interest hikes in 2022 with discount rate hitting 1.75%, a historic high since December 2015, increasing the people's burden with respect to price raises in commodities and mortgages. However, as the presidential election nears, coupled with geopolitical threats and uncertainties in housing policies, 2023 Q4 will be the juncture where the housing market may take a turn.

Chairman:

General Manager:

Comptroller:

## 【Attachment 2】

### 2021 and 2022 Private Placement of Securities

#### 1. Private Placement of Securities in 2021

- (1) As resolved at the shareholders' meeting on August 8, 2021, the Company conducted capital increase by private placement of common shares within the line of 200,000 thousand shares in three installments within 1 year from the date of resolution.
- (2) The first private placement in 2021 was revoked upon board resolution. The Company issued a total of 200,000 thousand shares through private placement in August and September 2021. Details are as follows:

	<b>Second Session of the First Private Placement in 2021</b>	<b>Third Session of the First Private Placement in 2021</b>
Item	Issuing Date: 2021/10/15 Total Shares: 83,000,000 shares	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	The date convening the Board of Directors' Meeting, August 11, 2021, is set as the price determination date.  (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.	The date convening the Board of Directors' Meeting, September, 3, 2021, is set as the price determination date.  (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>(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>	<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>
<p>Selective method of subscribers</p>	<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>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>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</p> <p>Chia Chun Investment Co., Ltd./Majority shareholder</p> <p>Chen, Chia-Ling/None</p> <p>Lin, Hsing-Yu/None</p> <p>Lin, Zheng-Yung/None</p> <p>Chung Hou Co., Ltd. /None</p>

	<p>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 Ll 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			2021/09/17		
Subscriber profile	Subscribers listed below are all qualified pursuant to Article 43-6 of the Securities and Exchange Act.			Subscribers listed below are all qualified pursuant to Article 43-6 of the Securities and Exchange Act.		
	Name	Number of shares subscribed	Relationship	Name	Number of shares subscribed	Relationship with the Company
	Wang, Mu-Fan	100,000	Independent Director	Chia Chun Investment Co., Ltd	111,267,700	Majority shareholder
	Yan, Ming-Hung	400,000	Director	Chen, Chia-Ling	500,000	None
	Guo, Ming-Zhen	3,000,000	Spouse of the manager	Lin, Hsing-Yu	1,690,000	None
	Lee, Jun-Xian	200,000	Manager	Lin, Zheng-Yung	1,000,000	None
	Wang, Chen-Kang	320,000	Manager	Chung Hou Co., Ltd.	2,542,300	None
	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 Development Co., Ltd.	1,690,000	N/A	
Actual price subscribed	NT\$11.80			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 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.			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	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	-	750,000	100.00%	-	Not applicable	-	1,380,600	100%	-	Not applicable
Efficiency of private placement	Enhance business performance and overall competitive									

## 2. Private Placement of Securities in 2021

- (1) As resolved at the special shareholders' meeting on November 30, 2021, the Company conducted capital increase by private placement of common shares within the line of 140,000 thousand shares in three installments within 1 year from the date of resolution.
- (2) The Company issued a total of 119,235,534 thousand shares through private placement in February and May 2022, and this session of private placement will end on November 29, 2022. The Board resolved on November 11, 2022 to discontinue of this round of private placement. Details are as follows:

	First Session of the First Private Placement in 2022	Second Session of the First Private Placement in 2022
Item	Issuing Date: 2022/03/31 Total Shares: 53,571,000 shares	Issuing Date: 2022/06/15 Total Shares: 65,664,534 shares
Security	Common Share	

Category for Private Placement		
Date and Amount approved in the General Shareholders' Meeting	The line of issuance was approved no more than 140,000,000 shares in the Special Shareholders' Meeting dated November 30, 2021	
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</p>	<p>The date convening the Board of Directors' Meeting, April 25, 2023, 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\$14.50, NT\$14.53 and NT\$14.58 respectively. Chosen from five 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\$14.58, after capital reduction reversing ex-rights.</p> <p>(2) The stock price, NT\$14.66, 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\$14.66.</p> <p>Combined as above, NT\$12 was proposed to be the price in the actual private placement herein, which accounts for 81.86% of the reference</p>

	shareholders' Meeting.	price, not lower than 80% of that determined in the General Shareholders' Meeting.
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>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>Wu, Sing-Suei / the Company's manager</p> <p>Hung Yi Investment Co., Ltd. / the Company's related party</p> <p>Chia Chun Investment Co., Ltd./Majority shareholder</p> <p>Neng Hong Investment Holdings Co., Ltd./None</p> <p>Chung Hou Co., Ltd./None</p> <p>K VENTURES CO., LTD /None</p> <p>Hou, Su-Feng /None</p> <p>Chen, Zheng-Lin /None</p> <p>Lin, Zheng-Yung /None</p> <p>Tsai,Yu-Chen /None</p> <p>Huang, Zong-Yuan /None</p> <p>Huang, Zao-Rong /None</p> <p>Huang, Ling-Ru /None</p> <p>Chen, Cheng-Yao /None</p> <p>Wu, Ying /None</p> <p>Tsai, Hsuan-Ya /None</p> <p>Tsai, Yi-Ru /None</p> <p>Liu, Jung-Lung/None</p> <p>Hung, Hui-Ching /None</p>

	Hiyes International Co., Ltd./ None Xiao, Yu-Jie/None Chung Hou Investment Co., LTD. / None Chen, Zheng-Yao / None Lin, Zhi-Hong / None Zhang, Xiu-Zhen / None Han Lin Investment Co., Ltd./ None Huang, Zong-Yuan / None Huang, Zao-Rong / None Huang, Ling-Ru / None Bai, Shu-Zhen / None Peng, Shu-Ing / None Huang, Xiao-Jing / None Xu, Zhen-Hua / None Chen, Shih-Yang / None Gao, Ru-Xin / None Chang Yun Investment Co., LTD. / None	Lai, Cheng-Chia /None Chung, Hung-Cheng /None Sum, Chi-Chin/None Liao, Tung-Shun/None Lai, Chin-Hsian/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 issued via private placement.					
Payoff Date of Price	2022/02/24			2022/05/09		
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	Name	Number of shares subscribed	Relationship
	Li, Jin-Yi	100,000	Director	Wu, Sing-Suei	105,534	Manager

Ye, Jian-Wei	150,000	Independent Director	Hong Yi Investment Ltd.	2,000,000	Related party
Wang, Mu-Fan	50,000	Independent Director	Chia Chun Investment Co., Ltd.	34,160,000	Majority shareholder
Guo, Ming-Zhen	600,000	the spouse of the Company's manager	Neng Hong Investment Holdings Co., Ltd	8,000,000	N/A
Chien, Lin-Chin	35,000	Manager	Chung Hou Co., Ltd.	800,000	N/A
Wu, Sing-Suei	150,000	Manager	K VENTURES CO., LTD	2,500,000	N/A
Hou, Su-Fen	138,000	N/A	Hou, Su-Feng	100,000	N/A
Hung Yi Investment Co., Ltd.	1,800,000	Majority shareholder	Chen, Zheng-Lin	800,000	N/A
Hou, Bo-Yao	200,000	Related party	Lin, Zheng-Yung	500,000	N/A
Shi, Gang-Hong	100,000	Related party	Tsai, Yu-Chen	200,000	N/A
Liu, Xin-Hai	1,200,000	N/A	Huang, Zong-Yuan	1,250,000	N/A
Yang, Xue-E	1,000,000	N/A	Huang, Zao-Rong	625,000	N/A
Chen, Ying	3,330,000	N/A	Huang, Ling-Ru	625,000	N/A
Neng Hong Investment Holdings Co., LTD.	16,638,000	N/A	Chen, Cheng-Yao	3,500,000	N/A
Zhong Bo Consultant Co., Ltd.	500,000	N/A	Wu, Ying	500,000	N/A
Wang, Pei-Yu	1,000,000	N/A	Tsai, Hsuan-Ya	500,000	N/A
Zhou, Chong-Yue	1,000,000	N/A	Tsai, Yi-Ru	600,000	N/A
Feng, Xin-Yi	400,000	N/A	Liu, Jung-Lung	500,000	N/A
Hiyes International Co., Ltd.	8,330,000	N/A	Hung, Hui-Ching	200,000	N/A
Xiao, Yu-Jie	1,000,000	N/A	Lai, Cheng-Chia	3,333,000	N/A

	Chung Hou Investment Co., LTD.	1,650,000	N/A	Chung, Hung-Cheng	250,000	N/A
	Chen, Zheng-Yao	2,200,000	N/A	Sum, Chi-Chin	250,000	N/A
	Lin, Zhi-Hong	1,000,000	N/A	Liao, Tung-Shun	200,000	N/A
	Zhang, Xiu-Zhen	300,000	N/A	Lai, Chin-Hsian	4,166,000	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	N/A			
	Chen, Shih-Yang	200,000	N/A			
	Gao, Ru-Xin	200,000	N/A			
	Chang Yun Investment Co., LTD.	2,000,000	N/A			
Actual price subscribed	NT\$12			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 actual price subscribed accounts for 81.86% of the reference price, NT\$14.66		
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	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	-	642,852	100%	Not applicable	Not applicable	-	787,974	100%	Not applicable	Not applicable
Efficiency of private placement	Enhance business performance and overall competitive									

# 【Attachment 3】

## Delpha Construction Co., Ltd Directors remuneration

Unit: NT1,000

Title	Name	Remuneration Paid to Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income				Relevant Remuneration Received by Directors Who Are Also Employees						Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income				Compensation Paid to Directors by Nonconsolidated Affiliates									
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowance (D)		The company		Consolidated		Salary, Bonuses and Allowance (E)	Severance Pay (F)		Employee Compensation (G)		The company		Consolidated												
		The company	Consolidated	The company	Consolidated	The company	Consolidated	The company	Consolidated	Total Remuneration (A+B+C+D)	Ratio of (A+B+C+D)	Total Remuneration (A+B+C+D)	Ratio of (A+B+C+D)		The company	Consolidated	The company	Consolidated	Total Remuneration (A-G)	The company	Consolidated	Total Remuneration (A-G)	Consolidated										
Chairman	Cheng, Ssu-Tsung	960	960	0	0	286	286	45	65	1,291	0.29%	1,311	0.29%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,291	0.29%	1,311	0.29%	None
Director	Lee, Chin-Yi	1,5600	1,560	0	0	286	286	45	45	1,891	0.42%	1,891	0.42%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,891	0.42%	1,891	0.42%	None
Director	Yan, Ming-Hung	0	0	0	0	286	286	45	45	331	0.07%	331	0.07%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	331	0.07%	331	0.07%	None
Director	Dajie Investment Co., Ltd. Representative: Tseng, Ping-Joung	0	0	0	0	286	286	40	40	326	0.07%	326	0.07%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	326	0.07%	326	0.07%	None
Independent director	Wang, Mu-Fan	300	300	0	0	286	286	115	115	701	0.16%	701	0.16%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	701	0.16%	701	0.16%	None
	Yeh, Chien-Wei	300	300	0	0	286	286	115	115	701	0.16%	701	0.16%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	701	0.16%	701	0.16%	None
	Chen, Rei-Li	300	0	0	0	286	286	115	115	701	0.16%	701	0.16%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	701	0.16%	701	0.16%	None

1. Please explain the policy, system, criteria and structure of remuneration paid to independent directors, and describe the correlation with the amount of remuneration based on the factors such as responsibilities, risks, and time spent:

The Independent Directors' remuneration is composed of attendance fees, fixed monthly salary and Director compensation, and the amounts are as resolved at the Remuneration Committee meetings. The aforementioned compensation is based on the compensation level in the industry while taking into consideration the Company's business operation, directors' contribution to the Company, future risks, and results of board performance evaluation.
2. Except the sheet disclosed above, the remuneration to all the directors served for all the companies within the consolidated financial statement (such as a consultant not an employee) in the most recent year:

The Company's Board of Directors passed a resolution on July 16<sup>th</sup>, 2020 to appoint the Director Li, Chin-Yi as the Company's consultant with a consulting fee of NT\$130,000 per month.

## **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, 2022 and 2021, 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, 2022 and 2021, 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 Certified 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, 2022. 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:

#### 1. Evaluation of inventories

Please refer to Note 4(11) 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(5) 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 81% 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 were 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

## **Independent Auditors' Report (Continued)**

construction in progress; 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.

### **2. Revenue and cost recognition – sales of lands and buildings**

Please refer to Note 4(21) to the parent only financial statements for the accounting policies of revenue recognition and cost recognition; refer to Note 6(20) and 6(5) to the parent only financial statements for the details of revenue and cost, respectively.

The lands and building sales of the Company accounted for the highest proportion of the sales revenue, considering that there may be discrepancies during the period when the collection and transfer of information and transfer of title and delivery of the property between departments, and it relying on manual control; therefore, we considered the recognition of sales of lands and buildings of the Company and its related costs are one of the key audit matters for the year.

Our audit procedures included, but were not limited to, the testing of the Company's internal control procedures for the recognition of sales of lands and buildings revenue, verifying relevant controls such as the supporting documents of the transfer and delivery of the property and accounting time points, and determining the sales of lands and buildings revenue meets the conditions for revenue recognition, and in conjunction with the recognition of lands and buildings revenue, the cost of sales of lands and buildings is calculated and recognized in accordance with the income approach or the floor space method.

## **Independent Auditors' Report (Continued)**

### **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 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.

## **Independent Auditors' Report (Continued)**

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.
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.

## **Independent Auditors' Report (Continued)**

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.

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, 2022 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 15, 2023

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, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

<b>Assets</b>	Notes	December 31,			
		2022	%	2021	%
<i>Current assets</i>					
Cash and cash equivalents	6.(1)	\$ 1,810,562	9	\$ 2,798,111	17
Notes receivable, net	6.(3) and 7	5,725	-	1,651	-
Accounts receivable, net	6.(3)	300	-	-	-
Current tax assets		595	-	225	-
Inventories	6.(5) and 8	15,404,870	81	12,449,967	76
Prepayments		388,065	2	274,494	2
Other current financial assets	6.(6) and 8	784,447	4	157,039	1
Other current assets, others		950	-	950	-
		<u>18,395,514</u>	<u>96</u>	<u>15,682,437</u>	<u>96</u>
<i>Non-current assets</i>					
Non-current financial assets at fair value through other comprehensive income	6.(2)	2,530	-	3,187	-
Investments accounted for under equity method	6.(7) and 8	651,795	4	673,427	4
Property, plant and equipment	6.(8) and 8	57,534	-	57,954	-
Right-of-use asset	6.(9)	387	-	720	-
Deferred tax assets	6.(26)	47,888	-	-	-
Guarantee deposits paid	7	28,267	-	38,640	-
Net defined benefit assets, non-current	6.(15)	6,835	-	3,907	-
Other non-current assets, others		5,552	-	5,552	-
		<u>800,788</u>	<u>4</u>	<u>783,387</u>	<u>4</u>
<b>Total assets</b>		<u>\$ 19,196,302</u>	<u>100</u>	<u>\$ 16,465,824</u>	<u>100</u>

(Continued on next page)

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

December 31, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

<b>Liabilities and equity</b>	Notes	December 31,			
		2022	%	2021	%
<i>Current liabilities</i>					
Current borrowings	6.(12) and 8	\$ 3,584,000	19	\$ 3,982,721	24
Current contract liabilities	6.(20)	948,965	5	532,459	4
Notes payable	6.(13)	19,160	-	26,397	-
Notes payable to related parties	6.(13)	124,756	1	27,712	-
Accounts payable	6.(13) and 7	37,713	-	64,453	-
Other payables		77,113	-	15,895	-
Current provisions	6.(16)	980	-	990	-
Current lease liabilities		393	-	724	-
Advance receipts	7	1,157		26,495	-
Current portion of non-current borrowings	6.(14) and 8	3,499,555	18	211,400	2
Other current liabilities, others		<u>4,872</u>	-	<u>2,083</u>	-
		<u>8,298,664</u>	<u>43</u>	<u>4,891,329</u>	<u>30</u>
<i>Non-current liabilities</i>					
Non-current portion of non-current borrowings	6.(14) and 8	617,500	3	3,180,704	19
Guarantee deposits received		<u>1,915</u>	-	<u>129</u>	-
		<u>619,415</u>	<u>3</u>	<u>3,180,833</u>	<u>19</u>
<b>Total liabilities</b>		<u>8,918,079</u>	<u>46</u>	<u>8,072,162</u>	<u>49</u>
<i>Equity</i>					
Ordinary share	6.(17)	8,399,880	44	7,207,525	44
Capital surplus	6.(18)	1,257,084	7	1,018,613	6
Retained earnings:	6.(19)				
Legal reserve		237,247	1	237,247	1
Unappropriated retained earnings		383,372	2	( 71,020 )	-
Other equity interest		<u>640</u>	-	<u>1,297</u>	-
<b>Total equity</b>		<u>10,278,223</u>	<u>54</u>	<u>8,393,662</u>	<u>51</u>
<b>Total liabilities and equity</b>		<u>\$ 19,196,302</u>	<u>100</u>	<u>\$ 16,465,824</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, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

	Notes	For the year ended December 31,			
		2022	%	2021	%
<b>Operating Revenue</b>	6.(20) and 7	\$ 1,986,158	100	\$ 968	100
<b>Operating cost</b>	6.(5) and 7	( 1,360,861 )	( 69 )	-	-
<b>Gross profit from operations</b>		<u>625,297</u>	<u>31</u>	<u>968</u>	<u>100</u>
<b>Operating expenses</b>					
Selling expenses	6.(23)	( 116,868 )	( 6 )	( 1,045 )	( 108 )
Administrative expenses	6.(23) and 7	( 101,172 )	( 5 )	( 81,497 )	( 8,419 )
		<u>( 218,040 )</u>	<u>( 11 )</u>	<u>( 82,542 )</u>	<u>( 8,527 )</u>
<b>Net operations income (loss)</b>		<u>407,257</u>	<u>20</u>	<u>( 81,574 )</u>	<u>( 8,427 )</u>
<b>Non-operating income and expenses</b>					
Other income	6.(21)	13,683	1	11,363	1,174
Other gains and losses	6.(22)	5,932	-	( 5,075 )	( 524 )
Finance costs	6.(25)	( 703 )	-	( 25,928 )	( 2,679 )
Share of loss of subsidiaries, affiliates and joint ventures accounted for under equity method		<u>( 21,632 )</u>	<u>( 1 )</u>	<u>( 13,409 )</u>	<u>( 1,385 )</u>
		<u>( 2,720 )</u>	<u>-</u>	<u>( 33,049 )</u>	<u>( 3,414 )</u>
<b>Net income (loss) before tax</b>		404,537	20	( 114,623 )	( 11,841 )
<b>Income tax benefit</b>	6.(26)	<u>47,115</u>	<u>2</u>	<u>-</u>	<u>-</u>
<b>Current net income (loss)</b>		<u>451,652</u>	<u>22</u>	<u>( 114,623 )</u>	<u>( 11,841 )</u>
<b>Other comprehensive income</b>					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on remeasurement of defined benefit plans		2,740	-	781	80
Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income		<u>( 657 )</u>	<u>-</u>	<u>( 632 )</u>	<u>( 65 )</u>
Income tax expenses related to components that will not be reclassified to profit or loss		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other comprehensive income</b>		<u>2,083</u>	<u>-</u>	<u>149</u>	<u>15</u>
<b>Total comprehensive income (loss)</b>		<u>\$ 453,735</u>	<u>22</u>	<u>( \$ 114,474 )</u>	<u>( 11,826 )</u>
<b>Earnings per share (In New Taiwan dollars)</b>	6.(27)				
Basic earnings per share		<u>\$ 0.56</u>		<u>( \$ 0.20 )</u>	
Diluted earnings per share		<u>\$ 0.56</u>			

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, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

	Retained earnings				Unappropriated retained earnings	Other equity interest	Total equity
	Ordinary share	Capital surplus	Legal reserve	Special reserve		Unrealized gains (losses) of financial assets measured at fair value through other comprehensive income	
Balance, January 1, 2021	\$ 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
	<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>
Net loss for the year	-	-	-	-	( 114,623 )	-	( 114,623 )
Other comprehensive income	-	-	-	-	781	( 632 )	149
Total 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
Issue of share	1,192,355	238,471	-	-	-	-	1,430,826
	<u>8,399,880</u>	<u>1,257,084</u>	<u>237,247</u>	<u>-</u>	<u>( 71,020 )</u>	<u>1,297</u>	<u>9,824,488</u>
Net income for the year	-	-	-	-	451,652	-	451,652
Other comprehensive income	-	-	-	-	2,740	( 657 )	2,083
Total comprehensive income	-	-	-	-	454,392	( 657 )	453,735
Balance, December 31, 2022	<u>\$ 8,399,880</u>	<u>\$ 1,257,084</u>	<u>\$ 237,247</u>	<u>\$ -</u>	<u>\$ 383,372</u>	<u>\$ 640</u>	<u>\$ 10,278,223</u>

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, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

	For the year ended December 31,	
	2022	2021
<b>Cash flows from operating activities</b>		
Income (loss) before income tax for the year	\$ 404,537	(\$ 114,623 )
Adjustments for:		
Income and expenses having no effect on cash flows		
Depreciation expenses	3,318	2,620
Amortization expenses	227	217
Interest income	( 4,353 )	( 1,905 )
Dividend income	( 1,747 )	( 1,798 )
Interest expense	703	25,928
Share of loss of subsidiaries, affiliates and joint ventures accounted for under equity method	21,632	13,409
(Gain) loss on foreign exchange, net	( 5,932 )	2,364
Gain on disposal of investments	-	( 289 )
Changes in operating assets and liabilities		
Increase in notes receivable	( 4,074 )	( 1,561 )
Increase in accounts receivable	( 300 )	-
Decrease in other receivables	-	38,450
Increase in inventories	( 2,802,570 )	( 7,514,647 )
Increase in prepayments	( 113,798 )	( 58,802 )
(Increase) decrease in other current financial assets	( 627,408 )	53,982
Increase in contract liabilities	416,506	189,973
(Decrease) increase in notes payable	( 7,237 )	52,386
Increase in notes payable to related parties	97,044	-
(Decrease) increase in accounts payable	( 26,740 )	16,236
Decrease in accounts payable to related parties	-	( 94,571 )
Increase in other payables	59,105	3,510
(Decrease) increase in current provisions	( 10 )	229
(Decrease) increase in advance receipts	( 25,338 )	49
Increase in other current liabilities, others	2,789	1,913
Increase in net defined benefit assets	( 188 )	( 7 )
<b>Cash outflow used in operations</b>	( 2,613,834 )	( 7,386,937 )
Interest received	4,353	1,918
Interest paid	( 150,914 )	( 82,534 )
Dividend received	1,747	1,798
Income taxes (paid) refund (including land value increment tax)	( 1,143 )	188
<b>Net cash used in operating activities</b>	( 2,759,791 )	( 7,465,567 )

(Continued on next page)

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

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

	For the year ended December 31,	
	2022	2021
<b>Cash flows from investing activities</b>		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	903
Acquisition of property, plant and equipment	( 2,565 )	( 3,159 )
Acquisition of subsidiary	-	( 11,500 )
Decrease in guarantee deposits paid	10,373	22,077
<b>Net cash flows generated from investing activities</b>	7,808	8,321
<b>Cash flows from financing activities</b>		
(Decrease) increase in current borrowings	( 398,721 )	3,067,721
Increase in non-current portion of non-current borrowings	784,951	3,332,104
Repayment of non-current portion of non-current borrowings	( 60,000 )	-
Payments of lease liability	( 340 )	( 283 )
Increase (decrease) in guarantee deposits received	1,786	( 9,140 )
Proceeds from issuing shares	1,430,826	2,360,000
Acquired equity of a subsidiary	-	( 327,500 )
<b>Net cash flows generated from financing activities</b>	1,758,502	8,422,902
<b>Effect of exchange rate changes on cash and cash equivalents</b>	5,932	( 2,364 )
<b>Net (decrease) increase in cash and cash equivalents</b>	( 987,549 )	963,292
<b>Cash and cash equivalents at beginning of year</b>	2,798,111	1,834,819
<b>Cash and cash equivalents at end of year</b>	\$ 1,810,562	\$ 2,798,111

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, 2022 (from January 1, 2022 to December 31, 2022), 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 15, 2023



## 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, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the "Regulations Governing the 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 Certified 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, 2022. 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:

#### **1. Evaluation of inventories**

Please refer to Note 4(12) 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(5) 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 82% 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 were 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

## **Independent Auditors' Report (Continued)**

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.

### **2. Revenue and cost recognition – sales of lands and buildings**

Please refer to Note 4(22) to the consolidated financial statements for the accounting policies of revenue recognition and cost recognition; refer to Note 6(22) and 6(5) to the consolidated financial statements for the details of revenue and cost, respectively.

The lands and building sales of the Group accounted for the highest proportion of the sales revenue, considering that there may be discrepancies during the period when the collection and transfer of information and transfer and delivery of the property between departments, and it relying on manual control; therefore, we considered the recognition of sales of lands and buildings of the Group and its related costs are one of the key audit matters for the year.

Our audit procedures included, but were not limited to, the testing of the Group's internal control procedures for the recognition of sales of lands and buildings revenue, verifying relevant controls such as the supporting documents of the transfer and delivery of the property and accounting time points, and determining the sales of lands and buildings revenue meets the conditions for revenue recognition, and in conjunction with the recognition of lands and buildings revenue, the cost of sales of lands and buildings is calculated and recognized in accordance with the income approach or the floor space method.

### **Other matters**

We have audited the parent only financial statements of Delpha Construction Co., Ltd. for the years ended December 31, 2022 and 2021 on which we have issued an unqualified opinion.

## **Independent Auditors' Report (Continued)**

### **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' 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

## **Independent Auditors' Report (Continued)**

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.
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.

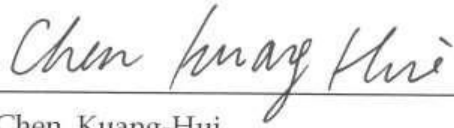
## **Independent Auditors' Report (Continued)**

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.

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, 2022 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 15, 2023

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, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

<b>Assets</b>	<u>Notes</u>	December 31,			
		2022	%	2021	%
<i>Current assets</i>					
Cash and cash equivalents	6.(1)	\$ 2,135,572	11	\$ 3,161,810	18
Notes receivable, net	6.(3)	9,281	-	3,130	-
Accounts receivable, net	6.(3)	306	-	6	-
Other receivables	6.(4)	-	-	53	-
Current tax assets		595	-	225	-
Inventories	6.(5) and 8	16,760,895	82	13,776,208	78
Prepayments		401,248	2	289,800	2
Other current financial assets	6.(6) and 8	784,447	4	157,039	1
Other current assets, others		<u>1,329</u>	<u>-</u>	<u>950</u>	<u>-</u>
		<u>20,093,673</u>	<u>99</u>	<u>17,389,221</u>	<u>99</u>
<i>Non-current assets</i>					
Non-current financial assets at fair value through other comprehensive income	6.(2)	2,530	-	3,187	-
Property, plant and equipment	6.(7) and 8	118,318	1	118,562	1
Right-of-use asset	6.(8)	3,015	-	5,320	-
Intangible assets	6.(10)	11,410	-	11,410	-
Deferred tax assets	6.(28)	47,934	-	21	-
Guarantee deposits paid	7	28,633	-	38,936	-
Net defined benefit assets, non-current	6.(16)	6,835	-	3,907	-
Other non-current assets, others		<u>5,552</u>	<u>-</u>	<u>5,552</u>	<u>-</u>
		<u>224,227</u>	<u>1</u>	<u>186,895</u>	<u>1</u>
<b>Total assets</b>		<u>\$ 20,317,900</u>	<u>100</u>	<u>\$ 17,576,116</u>	<u>100</u>

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**Delpha Construction Co., Ltd. and Subsidiaries**

**Consolidated balance sheets**

December 31, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

<b>Liabilities and equity</b>	Notes	December 31,			
		2022	%	2021	%
<i>Current liabilities</i>					
Current borrowings	6.(12) and 8	\$ 3,609,000	18	\$ 3,990,721	23
Short-term notes and bills payable	6.(13)	49,960	-	49,998	-
Current contract liabilities	6.(22)	948,965	5	532,459	3
Notes payable	6.(14)	137,825	1	108,861	1
Accounts payable	6.(14)	98,919	-	87,383	1
Other payables		86,058	-	19,935	-
Current tax liabilities		5,011	-	1,743	-
Current provisions	6.(17)	1,242	-	1,107	-
Current lease liabilities		3,079	-	5,384	-
Advance receipts		4,812	-	28,015	-
Current portion of non-current borrowings	6.(15) and 8	3,499,555	17	211,400	1
Other current liabilities, others		4,969	-	2,105	-
		<u>8,449,395</u>	<u>41</u>	<u>5,039,111</u>	<u>29</u>
<i>Non-current liabilities</i>					
Non-current portion of non-current borrowings	6.(15) and 8	1,346,380	7	3,895,684	22
Guarantee deposits received		3,592	-	1,167	-
		<u>1,349,972</u>	<u>7</u>	<u>3,896,851</u>	<u>22</u>
<b>Total liabilities</b>		<u>9,799,367</u>	<u>48</u>	<u>8,935,962</u>	<u>51</u>
<i>Equity attributable to owners of the parent company</i>					
Ordinary share	6.(18)	8,399,880	42	7,207,525	41
Capital surplus	6.(19)	1,257,084	6	1,018,613	6
Retained earnings:	6.(20)				
Legal reserve		237,247	1	237,247	1
Unappropriated retained earnings		383,372	2	( 71,020 )	-
Other equity interest		640	-	1,297	-
		<u>10,278,223</u>	<u>51</u>	<u>8,393,662</u>	<u>48</u>
Non-controlling interests	6.(21)	240,310	1	246,492	1
<b>Total equity</b>		<u>10,518,533</u>	<u>52</u>	<u>8,640,154</u>	<u>49</u>
<b>Total liabilities and equity</b>		<u>\$ 20,317,900</u>	<u>100</u>	<u>\$ 17,576,116</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, 2022 and 2021  
(Expressed in thousands of New Taiwan dollars)

	Notes	For the year ended December 31,			
		2022	%	2021	%
<b>Operating revenue</b>	6.(22) and 7	\$ 1,994,281	100	\$ 8,718	100
<b>Operating cost</b>	6.(5) and 7	( 1,360,861 )	( 68 )	-	-
<b>Gross profit from operations</b>		633,420	32	8,718	100
<b>Operating expenses</b>					
Selling expenses	6.(25)	( 116,868 )	( 6 )	( 1,045 )	( 12 )
Administrative expenses	6.(25) and 7	( 116,815 )	( 6 )	( 94,670 )	( 1,086 )
		( 233,683 )	( 12 )	( 95,715 )	( 1,098 )
<b>Net operating income (loss)</b>		399,737	20	( 86,997 )	( 998 )
<b>Non-operating income and expenses</b>					
Other income	6.(23)	14,031	1	11,376	130
Other gains and losses	6.(24)	5,932	-	( 5,075 )	( 58 )
Finance costs	6.(27)	( 15,457 )	( 1 )	( 38,135 )	( 437 )
		4,506	-	( 31,834 )	( 365 )
<b>Net income (loss) before tax</b>		404,243	20	( 118,831 )	( 1,363 )
<b>Income tax benefit (expenses)</b>	6.(28)	41,227	2	( 1,722 )	( 20 )
<b>Current net income (loss)</b>		445,470	22	( 120,553 )	( 1,383 )
<b>Other comprehensive income</b>					
Component of other comprehensive income that will not be reclassified to profit or loss					
Gains on remeasurement of defined benefit plans		2,740	-	781	9
Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income		( 657 )	-	( 632 )	( 7 )
Income tax expenses related to components that will not be reclassified to profit or loss		-	-	-	-
<b>Total other comprehensive income</b>		2,083	-	149	2
<b>Total comprehensive income (loss) for the year</b>		\$ 447,553	22	( \$ 120,404 )	( 1,381 )
<b>Net income (loss) attributable to</b>					
Owners of the parent company		\$ 451,652	22	( \$ 114,623 )	( 1,315 )
Non-controlling interests		( 6,182 )	-	( 5,930 )	( 68 )
		\$ 445,470	22	( \$ 120,553 )	( 1,383 )
<b>Total comprehensive income (loss) attributable to</b>					
Owners of the parent company		\$ 453,735	22	( \$ 114,474 )	( 1,313 )
Non-controlling interests		( 6,182 )	-	( 5,930 )	( 68 )
		\$ 447,553	22	( \$ 120,404 )	( 1,381 )
<b>Earnings per share (In New Taiwan dollars)</b>	6.(29)				
Basic earnings per share		\$ 0.56		( \$ 0.20 )	
Diluted earnings per share		\$ 0.56			

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, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent company

	Retained earnings				Other equity interest		Total	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			
Balance, January 1, 2021	\$ 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 comprehensive income	-	-	-	-	( 113,842 )	( 632 )	( 114,474 )	( 5,930 )	( 120,404 )
Balance, December 31, 2021	7,207,525	1,018,613	237,247	-	( 71,020 )	1,297	8,393,662	246,492	8,640,154
Issue of shares	1,192,355	238,471	-	-	-	-	1,430,826	-	1,430,826
	<u>8,399,880</u>	<u>1,257,084</u>	<u>237,247</u>	<u>-</u>	<u>( 71,020 )</u>	<u>1,297</u>	<u>9,824,488</u>	<u>246,492</u>	<u>10,070,980</u>
Net income for the year	-	-	-	-	451,652	-	451,652	( 6,182 )	445,470
Other comprehensive income	-	-	-	-	2,740	( 657 )	2,083	-	2,083
Total comprehensive income	-	-	-	-	454,392	( 657 )	453,735	( 6,182 )	447,553
Balance, December 31, 2022	\$ <u>8,399,880</u>	\$ <u>1,257,084</u>	\$ <u>237,247</u>	\$ <u>-</u>	\$ <u>383,372</u>	\$ <u>640</u>	\$ <u>10,278,223</u>	\$ <u>240,310</u>	\$ <u>10,518,533</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, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

	For the year ended December 31,	
	2022	2021
<b>Cash flows from operating activities</b>		
Income (loss) before income tax for the year	\$ 404,243	(\$ 118,831)
Adjustments for:		
Income and expenses having no effect on cash flows		
Depreciation expenses	5,803	5,011
Amortization expenses	291	272
Interest income	( 4,695 )	( 1,918 )
Dividend revenue	( 1,747 )	( 1,798 )
Interest expense	15,457	38,135
(Gain) loss on foreign exchange, net	( 5,932 )	2,364
Gain on disposal of investments	- (	289 )
Changes in operating assets and liabilities		
Increase in notes receivable	( 6,151 )	( 1,483 )
Increase in accounts receivable	( 300 )	-
Increase in other receivables	53	38,397
Increase in inventories	( 2,832,354 )	( 7,594,969 )
Increase in prepayments	( 111,739 )	( 74,159 )
(Increase) decrease in other current financial assets	( 627,408 )	53,982
Increase in other current assets, others	( 379 )	-
Increase in current contract liabilities	416,506	189,973
Increase in notes payable	28,964	107,138
Increase in accounts payable	11,536	39,166
Decrease in accounts payable to related parties	- (	94,571 )
Increase in other payables	63,902	6,584
Increase in current provisions	135	346
Decrease in advance receipts	( 23,203 )	( 64 )
Increase in other current liabilities, others	2,864	1,918
Increase in net defined benefit assets	( 188 )	( 7 )
<b>Cash outflows used in operations</b>	( 2,664,342 )	( 7,404,803 )
Interest received	4,695	1,931
Interest paid	( 165,494 )	( 95,352 )
Dividend received	1,747	1,798
Income taxes (paid) refund (including land value increment tax)	( 3,788 )	188
<b>Net cash used in operating activities</b>	( 2,827,182 )	( 7,496,238 )

(Continued on next page)

**Delpha Construction Co., Ltd. and Subsidiaries**

**Consolidated statement of cash flows**

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

	For the year ended December 31,	
	2022	2021
<b>Cash flows from investing activities</b>		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	913
Acquisition of property, plant and equipment	( 3,254 )	( 3,452 )
Acquisition of subsidiary	-	( 11,410 )
Decrease in guarantee deposits paid	10,303	22,077
<b>Net cash flows generated from investing activities</b>	<b>7,049</b>	<b>8,128</b>
<b>Cash flows from financing activities</b>		
(Decrease) increase in current borrowings	( 381,721 )	3,075,721
(Decrease) increase in short-term notes and bills payable	( 38 )	49,998
Increase in non-current portion of non-current borrowings	798,851	4,047,084
Repayment of non-current portion of non-current borrowings	( 60,000 )	( 711,900 )
Payment of lease liability	( 2,380 )	( 2,323 )
Increase (decrease) in guarantee deposits received	2,425	( 9,138 )
Proceeds from issuing shares	1,430,826	2,360,000
<b>Net cash flows generated from financing activities</b>	<b>1,787,963</b>	<b>8,809,442</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>5,932</b>	<b>( 2,364 )</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>( 1,026,238 )</b>	<b>1,318,968</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>3,161,810</b>	<b>1,842,842</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 2,135,572</b>	<b>\$ 3,161,810</b>

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

## 【Attachment 5】

### The Comparison Table of Amendments of Proposed Articles of Incorporation

Draft amendment		Current articles		Explanatory note
Article <u>27-1</u>	<p>The Company may propose the surplus earning distribution or loss off-setting proposal at the close of each quarter.</p> <p>The proposal of surplus earning distribution or loss off-setting for the first three quarters of a 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.</p> <p>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.</p>	Article 27-1	<p>The Company can propose the surplus earning distribution or loss off-setting proposal at the close of each half fiscal year.</p> <p>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.</p>	Earnings are distributed quarterly due to the Company's needs.
Article 29	<p>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 competent authority. The remaining amount plus previously 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.</p> <p>The Company authorizes the</p>	Article 29	<p>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</p>	This article is amended and wording is revised to distribute earnings quarterly.

	<p>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 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>Paragraph 2 of the Article for shareholders meeting resolution.</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 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 44th

	established on Oct 7 <sup>th</sup> , 1960. (omitted) <u>The 44th amendment was on June 28<sup>th</sup>, 2023.</u>		were established on Oct 7 <sup>th</sup> , 1960. (omitted)	amendment.
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## 【Attachment 6】

Candidate list :

Candidate type	Name	Education	Experience	Present position	Shareholdings
Director	Hong Yi Investment Ltd. Representative: Cheng, Ssu-Tsung	International Trading, Fu Jen University	Director of China Bills Finance Corporation Director of COTA Commercial Bank	Director of China Bills Finance Corporation	12,000,000
Director	Lee, Chin-Yi	Graduate from Architecture Department, Chinese Culture University	Chairman of Delpha Construction Co., Ltd General Manager of Delpha Construction Co., Ltd	Director of Delpha Construction Co., Ltd	100,434
Director	Dajie Investment Co., Ltd. Representative: Tseng, Ping-Joung	Master from Management Institute of National Taiwan University of Science and Technology	General Manager of Radium Kagaya International Hotel Vice General Manager of The Ambassador Hotel Co., Ltd. Independent director of Delpha Construction Co., Ltd	Independent Director of Delpha Construction Co., Ltd	16,888,773
Director	Yan, Ming-Hung	Masters' degree in Finance, National Taiwan University	Executive Vice President of SBG (Taipei Branch, Wealth Management Dept.)	Chairman of Everbrite Technology Co., Ltd. Director of Delpha Construction	800,000

			Vice President of CIB (Hong Kong branch) Senior Manager of BlackRock Inc. Senior Manager of Merrill Investment Consulting	Co., Ltd	
Independent director	Yeh, Chien-Wei	Dept. of Law, Ming Chuan University	Attorney of Y.R Lee & Partners Attorneys-at-Law Attorney of Integration Law Group Attorney of Galaxy Attorneys-at-Law	Independent director of Delpha Construction Co., Ltd Attorney of Galaxy Attorneys-at-Law	250,000
Independent director	Chen Shih-Yang	Bachelors' degree in Accounting, Soochow University	Certified public accountant at Chungsun Prime Certified Public Accountants and responsible person of Taipei Branch Chairman of Tax Regulations and Tax Affairs Committee, Taiwan Provincial CPA Association Chief of Tax Affair Department, Acer Group Director of Hkssteel Technology Corp. Director of Taiwan Chinsan Electronic Group Independent Director of Hitachi Yungtay Elevator Co., Ltd.	Certified public accountant at Chungsun Prime Certified Public Accountants and responsible person of Taipei Branch Chairman of Tax Regulation Committee, The National Federation of CPA Associations of the R.O.C. (NFCPAA) Director of Hkssteel Technology Corp. Director of Taiwan Chinsan Electronic Group Director of Wonderful technology Co., Ltd.	380,000
Independent director	Yu, Hung-Da	Department of Civil Engineering, Affiliated Institute of Continuing	President Director of Qingdao Baojia Real Estate Co., Ltd.	Chairman of Hefa International Investment Co., Ltd.	0

		Education, National Kaohsiung University of Science and Technology	Executive Vice-Chairman of Qingdaoshi Taiwan Investor and Enterprise Association Chairman of Heng Peng Construction Co., Ltd.	Chairman of Kaicheng Construction Co., Ltd.	
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Note: Shareholdings up to the book closure date (April 30, 2023) for the shareholders' meeting.

## 【Appendix 1】

### Shareholdings of individual and all Directors in the shareholders' register as of April 30, 2023

Title	Name	Shareholdings on the shareholders' register as of book-close date	
		Number of shares	%
Chairman	Cheng, Ssu-Tsung	0	0.00%
Director	Lee, Chin-Yi	100,434	0.01%
Director	Dajie Investment Co., Ltd. Representative: Tseng, Ping-Joung	16,888,773	2.01%
Director	Yan, Ming-Hung	800,000	0.10%
Independent Director	Wang, Mu-Fan	150,000	0.02%
	Yeh, Chien-Wei	250,000	0.03%
	Chen, Jui-Li	0	0.00%
Total shareholdings of all Directors:		18,189,209	shares

Total shares issued as of June 23<sup>rd</sup>, 2020: 270,752,466 shares

Total shares issued as of August 05<sup>th</sup>, 2021: 520,752,466 shares

Total shares issued as of April 30<sup>th</sup>, 2023: 839,988,000 shares

Note:

- A. Statutory shareholding of all Directors of the Company: 24,778,350 shares. As of May 2<sup>nd</sup>, 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.

## 【Appendix 2】

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

- Article 1      The shareholders meeting shall be governed by these Rules unless laws otherwise specified.
- Article 2      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.  
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.  
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.
- Article 3      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.  
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.
- Article 4      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.  
If the quorum is not met after two postponements as referred to in the preceding paragraph, 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. 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.

Article 5 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 6 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 7 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 8 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 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.

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 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.

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.

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.

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.

Article 11 In the event of a virtual shareholders 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.

Article 12 During the course of a meeting, the Chairman may announce a break based on time considerations. If the discussion of all the motions cannot 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 13 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.

Article 14 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.

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.

Article 15 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 16 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 17 The attendance and voting at the shareholders' meeting shall be based on the number of shares represented by the attending shareholders.

Article 18 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. The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.

Article 19 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 20 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 21 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 22 After an attending shareholder has spoken, the Chairman may either respond in person or appoint a relevant person to respond.

Article 23 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 24 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 25 The Rule was established in June 21st, 2002.  
First amendment on June, 30th, 2022.



### 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
- 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 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 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 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 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.

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

- 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 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 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. 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.

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

The Board was authorized to refer to the suggestions from the compensation committee of the company and consider the compensation of directors and independent directors in accordance with the usual standard of same business.

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.

Compensation of the managerial personnel shall be decided by the Board of Directors in accordance with rules of remuneration 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 27-1 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.

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

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 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.

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.

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%.

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. 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.

## **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.  
Forty-three amendment was effect on the thirty of June 2022.



## 【Appendix 4】

- Article 1 The rules are established in accordance to the regulations of the Company Act and corporation articles. The director election of the Company shall be conducted in accordance with the Regulations of the Rule.
- Article 2 The director election of the Company shall be conducted at the shareholders' meeting.
- Article 3 The director election of the Company shall adopt candidate nomination system based on the article 192-1 of the Company Act. Each share shall have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Independent Directors and Non-independent Directors shall be elected in the same election and the voting shall be separately calculated to determine the elected people.
- Article 4 The director's election of the Company follows the corporation articles and the director numbers approved in the Board of Director to separately calculate the voting rights for independent and non-independent directors. Those receiving ballots representing the highest numbers of voting rights shall be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes and exceed the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 5 The Board of Directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting.
- Article 6 Before the election begins, the Chair appoints a number of persons, such as vote monitoring and counting personnel to perform the respective duties.
- Article 7 The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 8 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder Account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both of the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

- Article 9 A ballot is invalid under any of the following circumstances:
1. The ballot which isn't regulated by Article 5 in this Rule.
  2. A blank ballot which is placed in the ballot box.
  3. The writing is unclear and indecipherable or has been altered.
  4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder registration book; the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
  5. The ballots which aren't put in the ballot box.
  6. Select two or more candidates on the same ballot.
  7. Other words or marks are entered in addition to the candidate's shareholder account name or shareholder account number (or identity card number) and the number of voting rights allotted.
  8. The account name of the candidate entered in the ballot is identical to that of another shareholder's account name, but no shareholder account number or identity card number is provided in the ballot to identify such individual.
  9. The total voting rights which the voter can select exceed the total voting rights which the voter have.
  10. The number of candidates entered in the ballot exceed the numbers which should be elected.
- Article 10 The Board of Directors set the ballot boxes respectively. After the separate voting, the ballot boxes shall be opened by the monitoring staff.
- Article 11 After the voting finishes, count the ballots on site immediately. The result shall be announced by the Chair on the site.
- Article 12 The Board of Directors shall respectively issue the notifications to the persons elected as directors or supervisors.
- Article 13 Issues which don't regulate in the Rule shall be handled in accordance with the Company Act, the corporation articles and relevant regulations.
- Article 14 The Rule is drafted by the Board of Directors of the Company. Any amendments hereto, shall be implemented after approval by a shareholders' meeting.
- Article 15 First amendment was effect on the tenth of May 2000.  
Second amendment was effect on the twenty-first of June 2002.  
Third amendment was effect on the eighth o thirty-first May 2017.