Prince Housing & Development Corporation Handbook of the Annual General Meeting of Shareholders 2022

2022

Stock Code: 2511

Handbook of the Annual General Meeting of Shareholders

Meeting: Physical meeting
Date: 10 a.m. Friday, June 17, 2022
Place: No. 261, Nanmen Road, Tainan City
Grand Conference Hall, The Labor Recreation Center

太子建設開發股份有限公司
Prince Housing & Development Corp.

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Prince Housing & Development corp.
Agenda of the 2022 Annual General Meeting (AGM) of Shareholders

I. Meeting Format: Physical AGM
II. Time: 10:00 am, June 17 (Friday), 2022
III. Place: Grand Conference Hall, The Labor Recreation Center
1F, No. 261, Nanmen Road, Tainan City.
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Management Presentation

I. The 2021 Business Report of the Company. Please review.
Description: Please refer to Annex 1 for the 2021 Business Report (Handbook: P. 8).

II. Audit of 2021 Final Report by the Audit Committee. Please review.
Description: Please refer to Annex 2 for the Audit Report of the Audit Committee (Handbook: P. 9).

III. Report on the total amount of endorsements and guarantees in 2021:
The details of endorsements and guarantees for investees by December 31, 2021 are as follows.

Expressed in thousand NT Dollars

Endorsed/guaranteed investee	Total amount of endorsements and guarantees at the end of the period	The amount of endorsements and guarantees actually disbursed.
The Splendor Hospitality International Co., Ltd.	1,825,000	1,825,000

IV. Report on capital loans to others in 2021:
No capital lending was reported by December 31, 2021. Please submit for review.

V. Status report on the issuance of corporate bonds:
(I) The first-time issuance of guaranteed ordinary corporate bonds totaling NT$2 billion in 2017 was approved by Taipei Exchange on June 12, 2017 with Document Zheng-Gui-Zhai-Zi No.10600150871, and the fundraising process was completed on June 19, 2017.
(II) The first-time issuance of guaranteed ordinary corporate bonds totaling NT$2.5 billion in 2018 was approved by Taipei Exchange on June 6, 2018 with Document Zheng-Gui-Zhai-Zi No. 10700144711, and the fundraising process was completed on June 15, 2018.

VI. Report on the distribution of rewards for employees and directors in 2021:
(I) In accordance with Article 32 of the Articles of Incorporation, the Company shall distribute a minimum of 2% of the profit made in a year as the reward for employees and a maximum of 3% as the reward for directors. The reward for 2021 was thus appropriated in accordance with the Articles of Incorporation and in respect of the Company's operational performance:
(1) Reward for employees at 7.33%, NT$139,558,254 in total.
(2) Reward for directors at 2.49%, NT$47,478,581 in total.
(II) The reward for both employees and directors were distributed in cash.

VII. Report on other matters:
1. The related information of proposals by shareholders and nomination of directorial candidates by shareholders holding one percent or more of the total number of shares issued by the Company.
Description: In accordance with Articles 172-1 and 192-1 of the Company Act, shareholders holding one percent or more of the total number of

shares issued by a company can submit a written proposal and a proposed roster of directorial candidates to the company for deliberation at a meeting of shareholders. The period for accepting proposals and nomination of directorial candidates by shareholders is from April 8 to April 19, 2022. The Company did not receive any proposal or nomination of director candidates by shareholders during the abovementioned period.

Ratifications

Proposal 1: Ratification of the Business Report and Financial Statements for 2021 (Proposed by the Board of Directors).

Description: The 2021 Final Report was approved at the 15th meeting of the 16th Board of Directors in 2022 and has been submitted to the Audit Committee for audit. Please ratify.

(Please refer to Annexes 3 and 4 (Handbook: P. 10-32).

Resolution:

Proposal 2: Ratification of the Profit Distribution Proposal for 2021 (Proposed by the Board of Directors).

Description:

1. The Profit Distribution Proposal for 2021 was approved at the 15th meeting of the 16th Board of Directors in 2022 and audited by Audit Committee.
2. Cash dividends will be NT$0.5 per share. The chairman shall be authorized to handle and adjusted changes in the dividend as a result of the impact on the number of shares circulated in the market due to share buyback; or transfer, conversion and cancellation of treasury shares, issuance of new shares for capitalization.
3. Please refer to the Profit Distribution Table for details regarding the profit distribution proposal for 2021.
   (Please refer to Annex 5, Handbook: P. 33).

Resolution:

Discussions

Proposal 1: Amendment to the Articles of Incorporation. Please refer to Annex 6 for the cross-reference table (Handbook: P. 34). Please vote (proposed by the Board).

Resolution:

Proposal 2: Amendment to the Procedures for the Acquisition or Disposal of Assets. Please refer to Annex 7 for the cross-reference table (Handbook: P. 35-39). Please vote (proposed by the Board).

Resolution:

Election

Proposal: Election of the 17th Board of Directors (including independent directors). Please elect.

Description:

1. The term of the 16th Board of Directors (including independent directors) will end on June 20, 2022.
2. In accordance with Article 17 of the Articles of Incorporation, 15 directors shall be elected, including 3 independent directors. The election shall adopt the candidate nomination system.
3. Shareholders shall be elected directors and independent directors from the list of (independent) directorial candidates. Please refer to Annex 8 (Handbook: 37) for their education, experience, and other related

information.

4. The newly elected directors (including independent directors) of the 17th Board shall enjoy a term of three years, from June 17, 2022 to June 16, 2025.

Election results:

Other proposals

Proposal: Waiver of the non-competition restriction on newly elected directors (including independent directors) during their term in accordance with Article 209 of the Company Act. Please vote. (proposed by the board of directors)

Description:

I. In accordance with Article 209 of the Company Act:
   A director who does anything that is within the scope of the company's business for himself/herself or on behalf of another person shall explain to the meeting of shareholders the essential contents of such behavior and apply for its approval.

II. Request for approval of waiving the non-competition restriction on newly elected directors (including independent directors) from the date of inauguration for activities stated in Article 209 of the Company Act, provided that such activities shall not harm the Company's interest.

III. Please refer to Annex 9 (Handbook: P. 42-44) for the details regarding the waiver of non-competition restriction on newly elected directors (including independent directors).

Resolution:

Motions

Adjournment

Annex 1

Business Report

I. Business Report of the Previous Year

Looking back at 2021, major countries have gradually reopened their borders following the popularization of vaccination, unleashing the long-restrained demands to push the global trade to rebound from the bottom and boost Taiwan's export trade performance.

In real estate, worries about inflation trigged by the pandemic have pushed the price of raw materials to raise the construction cost. These worries have also brought forth the panic buying of property for self-use, changing houses, and hedging. The annual property transfer across Taiwan was about 350,000 units, a new high over the last eight years. Additionally, the Kaohsiung investment of Taiwan Semiconductor Manufacturing Company is expected to stimulate local population clustering, industry clustering, employment, and consumption. We have made advanced deployment in the real estate market in southern Taiwan to create steady profit for the core business. In corporate governance, adhering to the business philosophy of "three goods and fair price" and "character, brand, and taste" (CBT), we build the best products in the best location to build houses that earn high recognition from consumers in order to make an example for sustainable development. In addition to the construction core business, we make steady income from rents. Alongside the achievement in business diversification, steady contribution is seen in the BOT sector. Due to the pandemic's severe impact on the tourism industry since 2019, we will adjust our operational strategy. For example, an active transformation of W Hotel into an urban leisure hotel is under planning to mitigate the pandemic's impact.

Projects completed in 2021 included: The Amazing House in Taipei and Cozy Prince Mansion in Kaohsiung. In 2021, the annual revenue was NT$8.656 billion and the net profit of the period was NT$1.535 million; the consolidated revenue was NT$12.511 billion, and the consolidated net profit was NT$1.459 million.

II. Summary of the Current Business Plan

Looking out to 2022, the quick rebound last year has raised the base, and the global economic growth is expected to run slowly. This year, new economic challenges include the pandemic that comes and goes, the expanding pressure in global inflation, the dear-money policy of major countries, the evolution of the Sino-American relations, and the re-deployment of the global supply chain. Each of them will affect the strength of the global economic recovery. Thanks to the rising vaccination rate, the recovery of buying are expected to maintain economic growth.

In real estate, the three factors affecting the market include the unchanged government policy and attitude to stop real estate flipping due to the pressure from the 9-in-1 election at the end of the year, the dear-money policy, and excessive supply. In response to these unfavorable factors, we maintain good interaction with customers, enhance customer satisfaction, and manage brand image. In addition, while climate change and global warming have become the critical issues to all industries, we have also included them in our operational consideration to identify climate-related risks and opportunities for the reference for our sustainable development strategy. Construction quality and safety have always been our core concern. By putting customer feelings and safety first, we set stringent safety and quality requirements for construction and completion inspection, hoping to give customer a safe and worry-free home. In addition to the construction core business, we have also made steady profit from various re-investments.

III. Future Development Strategy

Although the pandemic continues, we still demonstrate our business resilience and discipline. Internally, we enhance self-inspection and realize the spirit featuring "goal congruence, teamwork, effective action, accountability" at work through internal training and fault reduction. Externally, we proactively seek development by gathering information in all aspects and analyze and study various possibilities for investment and development to pave way for diversification and long-term deployment, hoping to maximize the synergy of group resources through vertical integration. Upholding the business philosophy of ethical management, we ensure legal compliance throughout operations in order to fulfill public expectations and thereby achieve the goal of sustainable development. Currently, there are 14 directors on the Board, including two independent directors and 12 non-independent directors, each holds a term of 3 years. Most Board members specialize in finance, accounting, and business administration and project their expertise to different domains to achieve effective group governance. They take charge of the appointment and supervision of the management team to protect and maximize interests for shareholders. Based on the instruction of Chairperson Chih-Hsien Lo, we set "character, brand, taste" (CBT) as the forever business philosophy.

Chairman: Chih-Hsien Lo President: Ming-Fan Xie CAO: Da-Chang Tai

Annex 2

Prince Housing & Development corp.
Audit Report by the Audit Committee

This is to approve that

Among the 2021 Business Report, 2021 Financial Statements, and 2021 Proposal for Profit Distribution prepared by the Board of Directors, the 2021 Financial Statements have been approved by CPA Kuo-Hua Wang and CPA Chung-Yu Tien of PwC Taiwan. They have also issued an audit report. After auditing the Business Report, Financial Statements and Proposal for Profit Distribution, this Committee found no non-conformities and thus issued this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

The 2022 Annual General Meeting of Shareholders of Prince Housing and Development Company

Prince Housing & Development corp.

Audit Committee Chairman Peng-Ling Nie

May 6, 2022

Annex 3

CPA Audit Report

(111) Cai-Shen-Bao-Zi No. 21004215

Prince Housing and Development Company:

Audit Opinion

We have audited the accompanying Consolidated Statement of Financial Position of Prince Housing & Development Company and subsidiaries (hereinafter called the “Group”) for the years ended December 31, 2021 and December 31, 2020, and the related Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flow, and the note (including a summary of important accounting policies) of the Consolidated Financial Statements for the years ended December 31, 2021 and December 31, 2020.

In our opinion, with respect to our audit results and the reports (please refer to the Others section) of other independent accountants, the important issues in the said consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and interpretations approved by FSC and such statements can fairly disclose the consolidated financial position of Prince Housing and Development Company as of December 31, 2021 and December 31, 2020, and its consolidated financial performance and cash flows of Prince Housing and Development Company for the years ended December 31, 2021 and December 31, 2020.

Basis of Audit

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Generally Accepted Accounting Principles (GAAP) of the Republic of China. Under these standards, it is the accountants’ responsibility to further explain the accountability of the accountants on auditing the consolidated financial statements. In accordance with the independent requirements of the firm, we have required staff to maintained independence from Prince Housing and Development Corporation and carried out their duties with respect to The Norm of Professional Ethics for Certified Public Accountant of the Republic of China. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinions.

Key Audit Items

Key audit items refer to the professional judgement of auditing the most important items in the 2021 Consolidated Financial Statements of the Group. While such items have been addressed when auditing the overall consolidated financial statements and the formation opinions, we will not express opinions on any particular items.

The key audit items of the Group’s 2021 consolidated financial statements are as follows:

Recognition time point of realty sale revenue

Description

Please refer to item (31) in Note 4 of the Consolidated Financial Statements for the accounting policy of sales income and item (24) in Note 6 of the Consolidated Financial Statements for the description of accounting items. The 2021 revenue from realty sale of the Group was NT$7,901,808,000, commanding 63.16% of the consolidated revenue.

Sales revenues of the Group were recognized after transferring into costs and recognizing as profit/loss after the ownership transfer and the actual handover of property. As properties are sold to individual buyers, the accounting workflow often involves various handbook operating procedures including the transfer of ownership transfer and handover data among departments. This results in the appropriate time point of recognition near the closing date of the financial report period. Hence, we have set the recognition time point of sales revenues as one of the important audit items.

Responsive Audit Procedures

In response to the said key audit items, we have implemented the following responsive procedures:

1. To discern and assess the internal control procedures for the management's recognition of revenue from realty sale; and to test if the process of recognition time point of realty sale is effectively implemented, including cross-examining the dates of ownership transfer and handover and the accuracy of accounting time point.

2. A cut-off test was conducted on the realty sale conducted within a particular period before and after the closing date of near the end of the financial report period. The test included cross-examining evidence including the land and building registration transcripts, realty deeds, and handover agreements signed by customers to verify if the revenue from realty sale was registered at the appropriate time.

Recognition of revenues from construction projects—Assessment of completion schedule

Description

Please refer to items (31) in Note 4 and 5(2) of the Consolidated Financial Statements for the accounting policy for construction agreement and revenue recognition and items (24) in Note 6 of the Consolidated Financial Statements for the description of accounting items. The 2021 revenue from the Group's construction was NT$2,423,828,000, commanding 19.37% of the consolidated revenue.

The revenues of the construction service offered by the Group are recognized according to the status of completion during the contract period. The status of completion has been calculated according to the percentage in the estimated total construction cost of the incurred cost by the closing date of the financial report period of each project. The estimated total construction cost is based on the cost breakdown sheet produced according to the owner's master design drawings and in consideration of increase or decrease of construction quantity resulted from an engineering change and the construction price and cost indices to estimate the costs invested in an outsourced contract, including labor and materials.

Due to the complexity of items for estimating the said total costs and frequent subjective judgments, high uncertainties are common, and the estimation of the total cost will affect the status of completion and the recognition of revenue from construction. Hence, we have set the estimation of the status of completion as one of the important items for auditing the Group's revenue from construction.

Responsive Audit Procedures

In response to the said key audit items, we have implemented the following responsive procedures:

1. To discern the nature of operations and industry of the Group; assess the fairness of the internal operating procedures for estimating the total construction cost, including the procedures for determining the labor and material costs of individual project items; and examine the consistency of the estimation method.
2. To assess and test the internal control procedures affecting the change in the estimation of the total cost, including cross-examining the evidence regarding the increase or decrease of project items and important project estimates.
3. To interview supervisors and other appropriate staff for projects still under progress during the interview.
4. To obtain the profit and loss statement to implement related empirical procedures, including spot check of costs incurred in the period with the appropriate receipts (vouchers), spot check of the increase or decrease of project items with related evidence, and re-check of the percentage of project completion.

Other items: Audits of other accountants

The financial reports of some investments accounted for under the equity method included in the Group's Consolidated Financial Statement were audited by other accountants. Hence, the opinions we expressed in the said Consolidated Financial Statement for the amounts listed in the financial statements of such companies has been made in accordance with the audit reports of other accountants. The total amount of the said assets (including investments accounted for under the equity method) for years ended December 31, 2021 and December 31, 2020 was NT$573,439,000 and NT$580,160,000, accounting for 1.14% and 1.11% of the total amount of consolidated assets, respectively. The net revenue for years ended December 31, 2021 and December 31, 2020 was NT$13,619,000 and NT$32,508,000, accounting for 0.68% and 2.97% of the total amount of consolidated net revenue, respectively.

Others items- Individual Financial Statements

The Group has produced the individual financial statements for 2021 and 2020. We have audited and expressed an unqualified opinion for these financial statements.

Responsibility for the Consolidated Financial Statements of the Management and Governance Units

It is management's responsibility to produce fairly expressed consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The International Financial Reporting Standards, International Accounting Standards, interpretations, and interpretations approved by FSC and to maintain the necessary internal controls relating to the production of such consolidated financial statements in order to ensure that no significant, untrue expressions as a result of corruption or errors are found in the consolidated financial statements.

When producing consolidated financial statements, it is also the management's responsibility to assess the Group's capacity to maintain business continuity, disclosure of related information, and choice of accounting basis for business continuity, except when the Group intends to liquidate or shut down operations, or there is no other feasible alternative other than liquidation or closure.

It is the responsibility of the Group's governance units (including the Audit Committee) to supervise the workflow of financial reporting.

Accountant's responsibility for auditing consolidated financial statements

It is our responsibility to audit the Group's consolidated financial statements to provide reasonable assurance in an audit report that no significant, untrue expression as a result of corruption or errors is found in such consolidated financial statements. Reasonable assurance refers to high assurance. However, the detection of significant, untrue expressions in the consolidated financial statements is not guaranteed when audits are implemented based on the GAAP of the Republic of China. Untrue expression as a result of corruption or errors Untrue expressions of individual amounts or sums are significant when they can reasonably affect the economic policy made by the users off consolidated financial statements.

When auditing based on the GAAP of the Republic of China, we have applied professional judgments and maintained professional doubts. Other tasks of accountants:

1. To identify and assess significant, untrue expressions of risks as a result of corruption or errors in consolidated financial statements; to plan and implement appropriate countermeasures for the risks assessed; and obtain adequate and appropriate audit evidence as the basis for making audit expressions. While corruption may involve collusions, forgeries, willful omissions, untrue declarations, or overstep of internal controls, the risk caused by significant, untrue expressions as a result of corruption is higher than that of errors.
2. To understand internal controls required for audits in order to design audit procedures appropriate to the situation of audit, provided that such an understanding does not intend to express opinions on the effectiveness of the Group's internal controls.
3. To assess the suitability of the accounting policy adopted by the management and the fairness of its accounting estimation and related disclosures.
4. To conclude if there are significant uncertainties regarding the suitability of the accounting basis adopted by the management to maintain business continuity and the potential significant doubtful incidents or situations within the Group's capacity to maintain business continuity based on the obtained audit evidence. After determining that there are significant uncertainties in such incidents or situations, we shall remind in the audit report the users of such consolidated financial statements to pay attention to related disclosures in such consolidated financial statements, or shall we express a modified opinion where such disclosures are inappropriate. We have made conclusions based on the audit basis obtained by the audit report date. However, future incidents or situations may incapacitate the Group from business continuity.
5. To assess the overall expression, structure and contents of consolidated financial statements

(including related notes) and the fair expression of related transactions and incidents in such consolidated financial statements.

6. To gather adequate and suitable audit evidence of the financial information of individuals within the Group to express opinions on the consolidated financial statements. We are responsible to instruct, supervise and implement the audit of the Group and conclude the audit opinions on the Group.

We have communicated with the governance units on items including the scope and time planned for the audit and important audit findings (including the significant defects identified through internal control during the audit).

We have also provided the governance units with the statement of independence of our staff made in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China. We have also communicated with the governance units on the relations and other items (including related protective measures) that may affect the independence of accountants.

We have determined the Group’s 2021 Consolidated Financial Statements' key audit items based on the communication items with the governance units. We have also specified in the audit report that we will not communicate specific items in the audit report when there are reasons to believe that such communication may cause negative impacts more than positive public interest, except for specific items not allowed for disclosures by law or under extremely rare circumstances.

PwC Taiwan

CPA

WANG,KUO-HUA

Tien, Chung-Yu

Formerly Securities and Futures Management Committee of the Ministry of Finance
Approval document: (87) Tai-Cai-Zheng-(VI)-Zi No. 68790
Financial Supervisory Commission
Approval document: Jin-Guan-Zheng-Shen-Zi No. 1070323061

March 4, 2022

Prince Housing & Development Company and subsidiaries
Consolidated Balance Sheet
December 31, 2021 and December 31, 2020

Expressed in thousand NT Dollars

	Asset	Note	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current Assets					
1100	Cash and cash equivalents	6(1)	$ 6,880,644	14	$ 5,406,601	10
1110	Financial assets at fair value through profit or loss - current	6(2) and 8	3,130,436	6	904,348	2
1136	Financial Assets Carried at Cost-Current	6(4) and 8	765,918	2	960,960	2
1140	Contract assets - current	6(24) and 7	506,427	1	200,782	1
1150	Notes receivable net	6(5)	29,352	-	25,934	-
1170	Accounts receivable net	6(5)	723,378	1	1,026,186	2
1180	Accounts receivable net - related parties	6(5) and 7	6,460	-	4,049	-
1200	Other receivables		60,927	-	84,537	-
1220	Current tax assets		3,197	-	24,189	-
130X	Inventories	6(6) and 8	11,322,022	23	16,678,009	32
1410	Pre-payments		119,642	-	101,098	
1479	Other current assets - others		2,544	-	3,381	-
11XX	**Total current assets**		23,550,947	47	25,420,074	49
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2) and 8	1,215,388	2	894,021	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(3) and 8	2,757,723	6	2,246,407	4
1535	Financial Assets Carried at Cost-Non-current	6(4) and 8	633,990	1	772,833	1
1550	Investments accounted for under the equity method	6(7) and 8	1,849,865	4	1,864,597	4
1600	Property, plant and equipment	6(8) and 8	5,658,708	11	5,835,171	11
1755	Right-of-use assets	6(9) and 7	6,708,198	13	7,181,349	14
1760	Investment property amount net	6(11) and 8	5,485,077	11	5,582,210	11
1780	Intangible assets	6(12)	1,936,487	4	1,996,776	4
1840	Deferred tax assets	6(30)	272,749	1	176,995	-
1920	Refundable deposits	7	156,988	-	113,575	-
1990	Other non-current assets - others		76,256	-	81,406	-
15XX	**Total non-current assets**		26,751,429	53	26,745,340	51
1XXX	**Total assets**		$ 50,302,376	100	$ 52,165,414	100

(Cont'd)

Prince Housing & Development Company and subsidiaries
Consolidated Balance Sheet
December 31, 2021 and December 31, 2020

Expressed in thousand NT Dollars

	Liabilities and Equity	Note	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities					
2100	Short-term loans	6(13) and 8	$ 1,275,860	3	$ 1,315,000	3
2110	Short-term notes and bills payable	6(14) and 8	250,000	1	50,000	-
2130	Contract liability - current	6(24) and 7	1,342,333	3	916,950	2
2150	Notes payable		334	-	306	-
2170	Accounts payable		1,706,282	3	1,798,011	3
2200	Other payables		702,488	1	718,474	1
2230	Current tax liabilities		106,796	-	123,422	-
2280	Lease liabilities - Current	7	453,057	1	442,471	1
2310	Unearned receipts		29,052	-	44,413	-
2320	Current portion of long-term liabilities matured in one year or one operating cycle	6 (15) (16) and 8	2,966,817	6	989,177	2
2399	Other current liabilities - others		100,470	-	76,741	-
21XX	**Total current liabilities**		8,933,489	18	6,474,965	12
	Non-current liabilities					
2530	Bonds payable	6(15)	2,500,000	5	4,500,000	9
2540	Long-term loans	6(16) and 8	4,474,807	9	7,704,060	15
2550	Provisions - non-current	6(17)	136,504	-	113,024	-
2570	Deferred tax liabilities	6(30)	298,297	1	298,084	1
2580	Lease liabilities – Non-current	7	6,969,116	14	7,418,712	14
2610	Long-term notes and accounts payable		808,301	2	808,301	2
2640	Net defined benefit liability – non-current	6(18)	54,980	-	67,490	-
2645	Deposit received		164,542	-	160,581	-
2670	Other non-current liabilities - other	6(7)	195,093	-	194,835	-
25XX	**Total non-current liabilities**		15,601,640	31	21,265,087	41
2XXX	**Total liabilities**		24,535,129	49	27,740,052	53
	Equity attributed to the stockholders of the parent					
	Share capital	6(19)				
3110	Common stock		16,233,261	32	16,233,261	31
	Additional paid-in capital	6(20)				
3200	Additional paid-in capital		2,260,513	5	2,260,513	5
	Retained earnings	6(21)				
3310	Legal reserve		2,232,892	4	2,153,743	4
3350	Unappropriated earnings		3,129,052	6	2,313,465	4
	Other components of equity	6(22)				
3400	Other components of equity		1,765,034	4	1,242,257	2
3500	Treasury stocks	6(19)	(1,003)	-	(1,003)	-
31XX	**Total equity attributed to the stockholders of the parent company**		25,619,749	51	24,202,236	46
36XX	**Non-controlling interest**		147,498	-	223,126	1
3XXX	**Total equity**		25,767,247	51	24,425,362	47
	Significant contingent liabilities and unrecognized commitments	9				
	Other material subsequent events	11				
3X2X	**Total liabilities and equity**		$ 50,302,376	100	$ 52,165,414	100

The Note to Consolidated Financial Statements appended to the statements form part of the Consolidated Financial Statements. Please read together.

Chairman: Chih-Hsien Lo President: Ming-Fan Xie CAO: Da-Chang Tai

Prince Housing & Development Company and subsidiaries
Consolidated Statement of Comprehensive Income
January 1-December 31, 2021 and January 1-December 31, 2020

Expressed in thousand NT Dollars
(except for EPS expressed in NTD)

	Item	Note	2021 Amount	2021 %	2020 Amount	2020 %
4000	Revenues	6(24) and 7	$ 12,511,535	100	$ 11,963,426	100
5000	Operating costs	6(6)(12) (29)	(9,595,184)	(77)	(9,746,402)	(81)
5900	Gross margin		2,916,351	23	2,217,024	19
	Operating expenses	6(12) (29)				
6100	Promotional expenses		(313,999)	(2)	(403,736)	(3)
6200	Administrative expenses		(1,596,402)	(13)	(1,642,147)	(14)
6450	Expected credit impairment (loss) gain	12(2)	(424)	-	567	-
6000	Total operating expenses		(1,910,825)	(15)	(2,045,316)	(17)
6900	Income from operations		1,005,526	8	171,708	2
	Non-operating income and expenses					
7100	Interest revenue	6(25)	7,770	-	12,704	-
7010	Others	6(3)(26)	488,075	4	442,066	4
7020	Other gains and losses	6(2)(27)	323,034	3	440,939	4
7050	Financial costs	6(6)(28) and 7	(314,131)	(2)	(325,674)	(3)
7060	Share of profit of associates and joint ventures accounted for under the equity method	6(7)	39,985		47,669	
7000	Total non-operating income and expenses		544,733	5	617,704	5
7900	**Net income before tax**		1,550,259	13	789,412	7
7950	Income tax expenses	6(30)	(90,815)	(1)	(59,899)	(1)
8200	**Net income**		$ 1,459,444	12	$ 729,513	6

(Cont’d)

Prince Housing & Development Company and subsidiaries
Consolidated Statement of Comprehensive Income
January 1-December 31, 2021 and January 1-December 31, 2020

Expressed in thousand NT Dollars
(except for EPS expressed in NTD)

			2021		2020	
	Item	Note	Amount	%	Amount	%
	Other comprehensive income					
	Items that will not be re-classified into profit and loss					
8311	Re-measurement of defined benefit plans	6(18)	$ 6,665	-	($ 2,177)	-
8316	Unrealized profit and loss on the equity instrument investments at fair value through other comprehensive income	6(3)(22)	524,110	4	365,767	3
8320	Share of other comprehensive income of affiliates and joint ventures accounted for under the equity method-Items that will not be re-classified into income		1,413		(258)	
8349	Income tax relating to Items that will not be re-classified	6(30)	(417)		60	
8310	Items that will not be reclassified into profit or loss		531,771	4	363,392	3
8300	**Other comprehensive income (net)**		$ 531,771	4	$ 363,392	3
8500	**Total comprehensive income**		$ 1,991,215	16	$ 1,092,905	9
	Profit attributable:					
8610	Stockholders of the parent company		$ 1,535,087	12	$ 793,882	7
8620	Non-controlling interest		(75,643)	-	(64,369)	(1)
			$ 1,459,444	12	$ 729,513	6
	Total comprehensive income attributed to:					
8710	Stockholders of the parent company		$ 2,066,843	17	$ 1,157,255	10
8720	Non-controlling interest		(75,628)	(1)	(64,350)	(1)
			$ 1,991,215	16	$ 1,092,905	9
	EPS	6(31)				
9750	Basic		$ 0.95		$ 0.49	
9850	Diluted		$ 0.94		$ 0.49	

The Note to Consolidated Financial Statements appended to the statements form part of the Consolidated Financial Statements. Please read together.

Chairman: Chih-Hsien Lo President: Ming-Fan Xie CAO: Da-Chang Tai

Prince Housing & Development Company and subsidiaries
Consolidated Statement of Changes in Equity
January 1-December 31, 2021 and January 1-December 31, 2020

Expressed in thousand NT Dollars

		Equity attributed to the stockholders of the parent									
				Retained earnings		Other components of equity					
	Note	Common stock	Additional paid-in capital	Legal reserve	Unappropriated earnings	The exchange difference in the conversion of financial statements of foreign business institutions	Unrealized profit and loss on the financial assets at fair value through other comprehensive income	Treasury stocks	Total	Non-controlling interest	Total equity
2020											
Balance as of January 1, 2020		$ 16,233,261	$ 2,260,513	$ 2,058,870	$ 2,428,513	($ 48)	$ 876,538	($ 1,003)	$ 23,856,644	$ 288,168	$ 24,144,812
Net income 2020	6(31)	-	-	-	793,882	-	-	-	793,882	(64,369)	729,513
Other comprehensive income in 2020	6(3)(22)	-	-	-	(2,394)	-	365,767	-	363,373	19	363,392
Total comprehensive income 2020		-	-	-	791,488	-	365,767	-	1,157,255	(64,350)	1,092,905
Appropriation and distribution of retained earnings 2019:											
Legal reserve		-	-	94,873	(94,873)	-	-	-	-	-	-
Cash dividends	6(21)	-	-	-	(811,663)	-	-	-	(811,663)	-	(811,663)
Changes in non-controlling interest		-	-	-	-	-	-	-	-	(692)	(692)
Balance as of December 31, 2020		$ 16,233,261	$ 2,260,513	$ 2,153,743	$ 2,313,465	($ 48)	$ 1,242,305	($ 1,003)	$ 24,202,236	$ 223,126	$ 24,425,362
2021											
Balance as of January 1, 2021		$ 16,233,261	$ 2,260,513	$ 2,153,743	$ 2,313,465	($ 48)	$ 1,242,305	($ 1,003)	$ 24,202,236	$ 223,126	$ 24,425,362
Net income of 2021	6(31)	-	-	-	1,535,087	-	-	-	1,535,087	(75,643)	1,459,444
Other comprehensive income in 2021	6(3)(22)	-	-	-	7,646	-	524,110	-	531,756	15	531,771
Total comprehensive income 2021		-	-	-	1,542,733	-	524,110	-	2,066,843	(75,628)	1,991,215
Appropriation and distribution of retained earnings 2020:											
Legal reserve		-	-	79,149	(79,149)	-	-	-	-	-	-
Cash dividends	6(21)	-	-	-	(649,330)	-	-	-	(649,330)	-	(649,330)
Equity instrument measured at fair value through disposition of other comprehensive income	6(3)(22)	-	-	-	1,333	-	(1,333)	-	-	-	-
Balance as of December 31, 2021		$ 16,233,261	$ 2,260,513	$ 2,232,892	$ 3,129,052	($ 48)	$ 1,765,082	($ 1,003)	$ 25,619,749	$ 147,498	$ 25,767,247

The Note to Consolidated Financial Statements appended to the statements form part of the Consolidated Financial Statements. Please read together.

Chairman: Chih-Hsien Lo President: Ming-Fan Xie CAO: Da-Chang Tai

Prince Housing & Development Company and subsidiaries
Consolidated Statement of Cash Flow
January 1-December 31, 2021 and January 1-December 31, 2020

Expressed in thousand NT Dollars

	Note	2021	2020
Cash flows from operating activities			
Profit before tax		$ 1,550,259	$ 789,412
Adjustments			
Income charges (credits)			
Financial assets at fair value through profit or loss, net income	6(2)(27)	(325,863)	(418,234)
Expected credit impairment loss (gain)	12(2)	424	(567)
Share of profit of associates and joint ventures accounted for under the equity method	6(7)	(39,985)	(47,669)
Gain on disposition or scrap of property, plant and equipment	6(27)	(12,187)	(21,480)
Loss (gain) from disposal of investment property	6(27)	10,806	(683)
Disposition expenses of property, plant and equipment		1,065	913
Gain on lease payment change from rent concessions	6(9)	(76,464)	(15,041)
Gain on lease modification	6(9)	(46)	(174)
Depreciation expense	6(8)(9)(11)(29)	782,184	768,302
Amortization expense	6(12)(29)	62,940	62,406
Interest expense	6(28)	312,931	324,474
Interest revenue	6(25)	(7,770)	(12,704)
Dividend revenue	6(3)(26)	(143,500)	(97,600)
Changes in assets/liabilities related to operating activities			
Changes in assets relating to operating activities net			
Financial assets at fair value through profit or loss - current		(2,221,592)	617,950
Contract assets - current		(305,645)	140,044
Notes receivable		(3,418)	32,407
Accounts receivable		302,384	(274,472)
Accounts receivable-related parties		(2,411)	(353)
Other receivables		40,100	(52,016)
Inventories		5,355,987	3,298,137
Pre-payments		(21,341)	13,269
Other current assets - others		837	693
Other non-current assets - others		(2,657)	(1,453)
Changes in liabilities relating to operating activities net			
Contract liability - current		425,383	(5,590)
Notes payable		28	(2,217)
Accounts payable		(91,729)	(237,419)
Other payables		(12,789)	(58,614)
Other payables - related parties		-	(83,349)
Unearned receipts		(15,361)	(22,380)
Other current liabilities - others		23,729	32,024
Provisions - non-current		23,480	10,470
Net defined benefit liability – non-current		(5,845)	(6,555)
Other non-current liabilities - other		(83)	472
Operating cash flow		5,603,851	4,732,403
Interest receivable		7,770	12,704
Dividends receivable		197,151	165,258
Interest payable		(313,559)	(314,838)
Income tax payable		(198,897)	(43,909)
Operating cash flow net		5,296,316	4,551,618

(Cont'd)

Prince Housing & Development Company and subsidiaries
Consolidated Statement of Cash Flow
January 1-December 31, 2021 and January 1-December 31, 2020

Expressed in thousand NT Dollars

	Note	2021	2020
Operating Cash Flow			
Reduction in Financial Assets at Amortized Cost-Current		$ 195,042	$ 103,883
Financial assets at measured at fair value through other comprehensive income	6(3)		
Assets-non-current		5,373	-
Financial assets at measured at fair value through other comprehensive income			
-non-current repayment of paid-in capital		8,241	-
Reduction in Financial Assets at Amortized Cost-Non-current		138,843	398,045
Disposal of investments accounted for under the equity method		2,000	-
Acquisition of property, plant and equipment	6(8)	(37,103)	(62,303)
Disposition proceeds of property, plant and equipment		20,236	29,351
Disposition proceeds of investment property		887	4,783
Increase in intangible assets	6(12)	(1,972)	(2,255)
(Increase)/Reduction in refundable deposits		(43,413)	48,412
Inward investment cash flow net		288,134	519,916
Fundraiser Cash Flow			
Short-term loans reduction	6(33)	(39,140)	(664,000)
Increase/(Reduction) in short-term notes and bills payable	6(33)	200,000	(49,925)
Repayment of long-term loans	6(33)	(14,941,613)	(36,743,015)
Raising long-term loans	6(33)	11,690,000	33,280,328
Increase in deposit received	6(33)	3,961	11,622
Repayments of lease principal	6(33)	(374,285)	(361,342)
Release of cash dividend	6(21)	(649,330)	(811,663)
Changes in non-controlling interest		-	(692)
Outward fundraising cash flow net		(4,110,407)	(5,338,687)
Increase/(Reduction) in cash and cash equivalents		1,474,043	(267,153)
Balance of cash and cash equivalents, beginning of year		5,406,601	5,673,754
Balance of cash and cash equivalents, end of year		$ 6,880,644	$ 5,406,601

The Note to Consolidated Financial Statements appended to the statements form part of the Consolidated Financial Statements. Please read together.

Chairman: Chih-Hsien Lo President: Ming-Fan Xie CAO: Da-Chang Tai

Annex 4

CPA Audit Report

(111) Cai-Shen-Bao-Zi No. 21003187

Prince Housing and Development Company:

Audit Opinion

We have audited the accompanying Individual Statements of Financial Position of Prince Housing and Development Company for the years ended December 31, 2021 and December 31, 2020, and the related Individual Statement of Comprehensive Income, Individual Statement of Changes in Equity, and Individual Statement of Cash Flow, and the note (including a summary of important accounting policies) of the Individual Financial Statements during January 1-December 31, 2021 and January 1-December 31, 2020.

In our opinion, with respect to our audit results and the reports (please refer to the Others section) of other independent accountants, the important issues in the said individual financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers can fairly disclose the individual financial position of Prince Housing and Development Company for the years ended December 31, 2021 and December 31, 2020, and its individual financial performance and cash flows of Prince Housing & Development Company January 1-December 31, 2021 and January 1-December 31, 2020.

Basis of Audit

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Generally Accepted Accounting Principles (GAAP) of the Republic of China. Under these standards, the accountants are responsible to further explain the accountability of the accountants on auditing the consolidated financial statements. In accordance with the independence requirements of the firm, we have required staff to maintained independence from Prince Housing and Development Corporation and carried out their duties with respect to The Norm of Professional Ethics for Certified Public Accountant of the Republic of China. We believe that our audits and the reports of other auditors provide a reasonable basis for our opinions.

Key Audit Items

Key audit items refer to the professional judgment of auditing the most important items in the 2021 Individual Financial Statements of Prince Housing and Development Company. While such items have been addressed when auditing the overall individual financial statements and the formation opinions, we will not express opinions on any particular items.

The key audit items of the 2021 individual financial statements of Prince Housing and Development Company are as follows:

Recognition time point of realty sale revenue

Description

Please refer to item (30) in Note 4 of the Individual Financial Statements for the accounting policy of sales income and item (24) in Note 6 of the Individual Financial Statements for the description of accounting items. The 2021 revenue from realty sale of Prince Housing and Development Company was NT$7,891,238,000, commanding 91.15% of the revenue.

Sales revenues of Prince Housing and Development Company were recognized after transferring into costs and recognizing as profit/loss after the ownership transfer and the actual handover of property. As properties are sold to individual buyers, the accounting workflow often involves various handbook operating procedures including the transfer of ownership transfer and handover data among departments. This results in the appropriate time point of recognition near the closing date of the financial report period. Hence, we have set the recognition time point of sales revenues as one of the important audit items.

Responsive Audit Procedures

In response to the said key audit items, we have implemented the following responsive procedures:

1. To discern and assess the internal control procedures for management's recognition of revenue from realty sale, and to test if the process of recognition time point of realty sale is effectively implemented, including cross-examining the dates of ownership transfer and handover and the accuracy of accounting time point.
2. A cut-off test was conducted on the realty sale conducted within a particular period before and after the closing date of near the end of the financial report period. The test included cross-examining evidence including the land and building registration transcripts, realty deeds, and handover agreements signed by customers to verify if the revenue from realty sale was registered at the appropriate time.

Investments accounted for under the equity method: The income from construction projects is recognized by assessing the percentage of completion of projects undertaken by Ta Chen Construction and Engineering Corporation, a subsidiary in possession of subsidiary Honesty Investment Holdings Co., Ltd.

Description

Please refer to item (14) of Note 4 of the Individual Financial Statements for the accounting policy of investments accounted for under the equity method and item (7) of Note 6 for the description of accounting items.

While Ta Chen Construction and Engineering Company is an important subsidiary of Prince Housing and Development Company invested via subsidiary Honesty Investment Holdings Co., Ltd., the financial performance of Ta Chen Construction and Engineering Company has important influence on the financial statements of Prince Housing and Development Company.

The revenue of the construction service offered by Ta Chen Construction and Engineering Corporation is recognized according to the status of completion during the contract period. The status of completion has been calculated according to the percentage in the estimated total construction cost of the incurred cost by the closing date of financial report period of each project. The estimated total construction cost is based on the cost breakdown sheet produced according to the owner's master design drawings and in consideration of increase or decrease of construction quantity resulted from an engineering change and the construction price and cost indices to estimate the costs invested in an outsourced contract, including labor and materials.

Due to the complexity of items for estimating the said total costs and frequent subjective judgments, high uncertainties are common, and the estimation of the total cost will affect the status of completion and the recognition of revenue from construction. Hence, we have set the estimation of the status of completion as one of the important items for auditing the revenue from construction of Ta Chen Construction and Engineering Corporation.

Responsive Audit Procedures

In response to the said key audit items, we have implemented the following responsive procedures:

1. To discern the nature of operations and industry of Ta Chen Construction and Engineering Company; assess the fairness of the internal operating procedures for estimating the total construction cost, including the procedures for determining the labor and material costs of individual project items; and examine the consistency of the estimation method.
2. To assess and test the internal control procedures affecting the change in the estimation of the total cost of Ta Chen Construction and Engineering Company, including cross-examining the evidence regarding the increase or decrease of project items and important project estimates.
3. To interview supervisors and other appropriate staff of Ta Chen Construction and Engineering Company for projects still under progress during the interview.
4. To obtain the profit and loss statement of Ta Chen Construction and Engineering Company to implement related empirical procedures, including spot check of costs incurred in the period with the appropriate receipts (vouchers), spot check of the increase or decrease of project items with related evidence, and re-check of the percentage of project completion.

Other items: Audits of other accountants

The financial reports of investments accounted for under the equity method included in the Individual Financial Statement of Prince Housing and Development Corporation not audited by this firm were audited by other accountants. Hence, the opinion we express in the said Individual Financial Statement for the amounts listed in the financial statements of such companies has been made in accordance with the audit reports of other accountants. The total amount of the said investments accounted for under the equity method for years ended December 31, 2021 and December 31, 2020 was NT$289,158,000 and NT$304,626,000, accounting for 0.79% and 0.80% of the total amount of individual assets respectively. The comprehensive income recognized by the same company during January 1-December 31, 2021 and January 1-December 31, 2020 was NT$(12,768,000) and NT$2,887,000, accounting for (0.62%) and 0.25% of the total amount of comprehensive income respectively.

Responsibility for the Individual Financial Statements of the Management and Governance Units

It is the management’s responsibility to produce fairly expressed individual financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and to maintain the necessary internal controls related to the production of such individual financial statements in order to ensure that no significant, untrue expression as a result of corruption or errors is found in individual financial statements.

When producing individual financial statements, it is also the management’s responsibility to assess the capacity to maintain business continuity, disclosure of related information, and choice of accounting basis for business continuity of Prince Housing and Development Corporation, except when Prince Housing and Development Corporation intends to liquidate or shut down operations, or there is no other feasible alternative other than liquidation or closure.

It is the responsibility of the governance units (including the Audit Committee) of Prince Housing and Development Company to supervise the workflow of financial reporting.

Accountant's responsibility for auditing individual financial statements

It is our responsibility to audit the individual financial statements of Prince Housing and Development Corporation to provide reasonable assurance in an audit report that no significant, untrue expression as a result of corruption or errors is found in such individual financial statements. Reasonable assurance refers to high assurance. However, the detection of significant, untrue expressions in the individual financial statements is not guaranteed when audits are implemented based on the GAAP of the Republic of China. Untrue expression as a result of corruption or errors Untrue expressions of individual amounts or sums are significant when they can reasonably affect the economic policy made by the users off consolidated financial statements.

When auditing based on the GAAP of the Republic of China, we have applied professional judgments and maintained professional doubts. Other tasks of accountants:

1. To identify and assess significant, untrue expressions of risks as a result of corruption or errors in individual financial statements; to plan and implement appropriate countermeasures for the risks assessed; and obtain adequate and appropriate audit evidence as the basis for making audit expressions. While corruption may involve collusions, forgeries, willful omissions, untrue declarations, or overstep of internal controls, the risk caused by significant, untrue expressions as a result of corruption is higher than that of errors.

2. To understand internal controls required for audits in order to design audit procedures appropriate to the situation of audit, provided that such an understanding does not intend to express opinions on the effectiveness of internal controls of Prince Housing and Development Company.

3. To assess the suitability of the accounting policy adopted by the management and the fairness of its accounting estimation and related disclosures.

4. To conclude if there are significant uncertainties regarding the suitability of the accounting basis adopted by the management to maintain business continuity and the potential significant doubtful incidents or situations within the capacity to maintain business continuity of Prince Housing and Development Corporation based on the obtained audit evidence. After determining that there are significant uncertainties in such incidents or situations, we shall remind in the audit report the users of such individual financial statements to pay attention to related disclosures in such individual financial statements, or shall we express a modified opinion where such disclosures are inappropriate. We have made conclusions based on the audit basis obtained by the audit report date. However, future incidents or situations may incapacitate Prince Housing and Development Corporation from business continuity.

5. To assess the overall expression, structure, and contents of individual financial statements (including related note) and the fair expression of related transactions and incidents in such individual financial statements.

6. To gather sufficient and suitable audit evidence of the financial information of individuals within Prince Housing and Development Company to express opinions on the individual financial statements. We are responsible to instruct, supervise and implement the audit of Prince Housing and Development Corporation and conclude the audit opinions on the company

We have communicated with the governance units on items including the scope and time planned for the audit and important audit findings (including the significant defects identified through internal control during the audit).

We have also provided the governance units with the statement of independence of our staff made in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China. We have also communicated with the governance units on the relations and other items (including related protective measures) that may affect the independence of accountants.

We have determined the key audit items of the 2021 Individual Financial Statements of Prince Housing and Development Company based on the communication items with the governance units. We have also specified in the audit report that we will not communicate specific items in the audit report when there are reasons to believe that such communication may cause negative impacts more than positive public interest, except for specific items not allowed for disclosures by law or under extremely rare circumstances.

PwC Taiwan

CPA WANG,KUO-HUA
Tien, Chung-Yu

Formerly Securities and Futures Management Committee of the Ministry of Finance
Approval document: (87) Tai-Cai-Zheng-(VI)-Zi No. 68790
Financial Supervisory Commission
Approval document: Jin-Guan-Zheng-Shen-Zi No. 1070323061

March 4, 2022

Prince Housing & Development corp.
Individual Statement of Financial Position
December 31, 2021 and December 31, 2020

Expressed in thousand NT Dollars

	Asset	Note	December 31, 2021			December 31, 2020		
				Amount	%		Amount	%
	Current Assets							
1100	Cash and cash equivalents	6(1)	$	5,435,842	15	$	4,182,938	11
1110	Financial assets at fair value through profit or loss - current	6(2)		2,808,313	8		702,819	2
1150	Notes receivable net	6(5)		27,386	-		24,382	-
1170	Accounts receivable net	6(5)		35,434	-		369,827	1
1200	Other receivables			56,362	-		12,483	-
130X	Inventories	6(6), 7 and 8		10,736,156	30		16,124,294	42
1410	Pre-payments			53,391	-		57,727	-
1479	Other current assets - others			-	-		78	-
11XX	**Total current assets**			19,152,884	53		21,474,548	56
	Non-current assets							
1510	Financial assets at fair value through profit or loss - non-current	6(2) and 8		79,887	-		79,712	-
1517	Financial assets at fair value through other comprehensive income - non-current	6(3) and 8		2,382,895	7		2,096,142	6
1535	Financial Assets Carried at Cost-Non-current	6(4) and 8		459,527	1		528,573	1
1550	Investments accounted for under the equity method	6(7) and 8		5,684,832	16		5,217,242	14
1600	Property, plant and equipment	6(8) and 8		469,356	1		481,803	1
1755	Right-of-use assets	6(9) and 7		120,359	-		152,156	-
1760	Investment property amount net	6(11) and 8		5,494,527	15		5,592,141	15
1780	Intangible assets	6(12)		1,932,922	5		1,994,175	5
1920	Refundable deposits			7,796	-		10,450	-
1990	Other non-current assets - others	7		636,640	2		636,640	2
15XX	**Total non-current assets**			17,268,741	47		16,789,034	44
1XXX	**Total assets**		$	36,421,625	100	$	38,263,582	100

(Cont'd)

Prince Housing & Development corp.
Individual Statement of Financial Position
December 31, 2021 and December 31, 2020

Expressed in thousand NT Dollars

	Liabilities and Equity	Note	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities					
2100	Short-term loans	6(13) and 8	$ 1,080,860	3	$ 1,275,000	4
2110	Short-term notes and bills payable	6(14) and 8	100,000	-	-	-
2130	Contract liability - current	6(24)	791,766	2	518,724	2
2170	Accounts payable		546,907	2	799,306	2
2180	Accounts payable - Related parties	7	3,453	-	4,025	-
2200	Other payables		359,809	1	357,169	1
2230	Current tax liabilities		106,796	-	121,831	-
2280	Lease liabilities - Current	7	31,151	-	30,807	-
2310	Unearned receipts		28,767	-	44,298	-
2320	Current portion of long-term liabilities matured in one year or one operating cycle	6 (15) (16) and 8	2,866,817	8	889,177	2
2399	Other current liabilities - others		135,560	1	121,607	-
21XX	**Total current liabilities**		6,051,886	17	4,161,944	11
	Non-current liabilities					
2530	Bonds payable	6(15)	2,500,000	7	4,500,000	12
2540	Long-term loans	6(16) and 8	1,524,807	4	4,654,060	12
2550	Provisions - non-current	6(17)	136,504	-	113,024	-
2580	Lease liabilities – Non-current	7	94,373	-	125,525	-
2640	Net defined benefit liability – non-current	6(18)	49,120	-	58,146	-
2645	Deposit received		155,584	1	150,995	1
2670	Other non-current liabilities - other	6(7)	289,602	1	297,652	1
25XX	**Total non-current liabilities**		4,749,990	13	9,899,402	26
2XXX	**Total liabilities**		10,801,876	30	14,061,346	37
	Equity					
	Share capital	6(19)				
3110	Common stock		16,233,261	44	16,233,261	42
	Additional paid-in capital	6(20)				
3200	Additional paid-in capital		2,260,513	6	2,260,513	6
	Retained earnings	6(21)				
3310	Legal reserve		2,232,892	6	2,153,743	6
3350	Unappropriated earnings		3,129,052	9	2,313,465	6
	Other components of equity	6(22)				
3400	Other components of equity		1,765,034	5	1,242,257	3
3500	Treasury stocks	6(19)	(1,003)	-	(1,003)	-
3XXX	Total equity		25,619,749	70	24,202,236	63
	Significant contingent liabilities and unrecognized commitments	9				
	Other material subsequent events	11				
3X2X	Total liabilities and equity		$ 36,421,625	100	$ 38,263,582	100

The Note to Consolidated Financial Statements appended to the statements form part of the Consolidated Financial Statements. Please read together.

Chairman: Chih-Hsien Lo President: Ming-Fan Xie CAO: Da-Chang Tai

Prince Housing & Development corp.
Individual Statement of Comprehensive Income
January 1-December 31, 2021 and January 1-December 31, 2020

Expressed in thousand NT Dollars
(except for EPS expressed in NTD)

	Item	Note	2021 Amount	2021 %	2020 Amount	2020 %
4000	Revenues	6(24) and 7	$ 8,656,965	100	$ 7,306,687	100
5000	Operating costs	6(6)(12)(29) and 7	(6,011,921)	(69)	(5,476,757)	(75)
5900	Gross margin		2,645,044	31	1,829,930	25
	Operating expenses	6(29) and 7				
6100	Marketing expenses		(260,912)	(3)	(340,529)	(4)
6200	Administrative expenses		(768,449)	(9)	(710,037)	(10)
6000	Total operating expenses		(1,029,361)	(12)	(1,050,566)	(14)
6900	Income from operations		1,615,683	19	779,364	11
	Non-operating income and expenses					
7100	Interest revenue	6(25)	2,543	-	3,273	-
7010	Others	6(26)	257,397	3	264,706	4
7020	Other gains and losses	6(2)(27)	5,542	-	30,214	-
7050	Financial costs	6(6)(28)	(128,179)	(2)	(162,245)	(2)
7070	Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(7)	(36,211)	-	26,160	-
7000	Total non-operating income and expenses		101,092	1	162,108	2
7900	**Net income before tax**		1,716,775	20	941,472	13
7950	Income tax expenses	6(30)	(181,688)	(2)	(147,590)	(2)
8000	**Net income from continuing operation**		1,535,087	18	793,882	11
8200	**Net income**		$ 1,535,087	18	$ 793,882	11
	Other comprehensive income					
	Items that will not be re-classified into profit and loss					
8311	Re-measurement of defined benefit plans	6(18)	$ 4,904	-	($ 1,187)	-
8316	Unrealized profit and loss on the equity instrument investments at fair value through other comprehensive income	6(3)(22)	298,400	3	300,508	4
8330	Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for under the equity method- Items that will not be re-classified into income	6(22)	228,452	3	64,052	1
8310	Items that will not be reclassified into profit or loss		531,756	6	363,373	5
8300	**Other comprehensive income (net)**		$ 531,756	6	$ 363,373	5
8500	**Total comprehensive income**		$ 2,066,843	24	$ 1,157,255	16
	EPS	6(31)				
9750	Basic		$ 0.95		$ 0.49	
9850	Diluted		$ 0.94		$ 0.49	

The Note to Consolidated Financial Statements appended to the statements form part of the Consolidated Financial Statements. Please read together.

Chairman: Chih-Hsien Lo President: Ming-Fan Xie CAO: Da-Chang Tai

Prince Housing & Development corp.
Individual Statement of Changes in Equity
January 1-December 31, 2021 and January 1-December 31, 2020

Expressed in thousand NT Dollars

				Retained earnings		Other components of equity			
	Note	Common stock	Additional paid-in capital	Legal reserve	Unappropriated earnings	The exchange difference in the conversion of financial statements of foreign business institutions	Unrealized profit and loss on the financial assets measured at fair value through other comprehensive income	Treasury stocks	Total equity
2020									
Balance as of January 1, 2020		$ 16,233,261	$ 2,260,513	$ 2,058,870	$ 2,428,513	($ 48)	$ 876,538	($ 1,003)	$ 23,856,644
Net income 2020	6(31)	-	-	-	793,882	-	-	-	793,882
Other comprehensive income in 2020	6(3)(18)(22)	-	-	-	(2,394)		365,767		363,373
Total comprehensive income 2020		-	-	-	791,488	-	365,767	-	1,157,255
Appropriation and distribution of retained earnings 2019:									
Legal reserve		-	-	94,873	(94,873)	-	-	-	-
Cash dividends	6(21)	-	-	-	(811,663)	-	-	-	(811,663)
Balance as of December 31, 2020		$ 16,233,261	$ 2,260,513	$ 2,153,743	$ 2,313,465	($ 48)	$ 1,242,305	($ 1,003)	$ 24,202,236
2021									
Balance as of January 1, 2021		$ 16,233,261	$ 2,260,513	$ 2,153,743	$ 2,313,465	($ 48)	$ 1,242,305	($ 1,003)	$ 24,202,236
Net income of 2021	6(31)	-	-	-	1,535,087	-	-	-	1,535,087
Other comprehensive income in 2021	6(3)(18)(22)	-	-	-	7,646	-	524,110	-	531,756
Total comprehensive income 2021		-	-	-	1,542,733	-	524,110	-	2,066,843
Appropriation and distribution of retained earnings 2020:									
Legal reserve		-	-	79,149	(79,149)	-	-	-	-
Cash dividends	6(21)	-	-	-	(649,330)	-	-	-	(649,330)
Equity instrument measured at fair value through disposition of other comprehensive income	6(3)(22)	-	-	-	1,333		1,333		
Balance as of December 31, 2021		$ 16,233,261	$ 2,260,513	$ 2,232,892	$ 3,129,052	($ 48)	$ 1,765,082	($ 1,003)	$ 25,619,749

The Note to Consolidated Financial Statements appended to the statements form part of the Consolidated Financial Statements. Please read together.

Chairman: Chih-Hsien Lo President: Ming-Fan Xie CAO: Da-Chang Tai

Prince Housing & Development corp.
Individual Statement of Cash Flow
January 1-December 31, 2021 and January 1-December 31, 2020

Expressed in thousand NT Dollars

	Note	2021	2020
Cash flows from operating activities			
Profit before tax		$ 1,716,775	$ 941,472
Adjustments			
Income charges (credits)			
Financial assets at fair value through profit or loss, net income	6(2)(27)	(3,704)	(3,828)
Share of other profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(7)	36,211	(26,160)
Gain on disposition or scrap of property, plant and equipment	6(27)	(12,644)	(25,783)
Loss (gain) from disposal of investment property	6(27)	10,806	(683)
Disposition expenses of property, plant and equipment		11	20
Depreciation expense	6(8)(9)(11)(29)	134,155	137,228
Amortization expense	6(12)(29)	61,253	61,253
Interest expense	6(28)	128,179	162,245
Interest revenue	6(25)	(2,543)	(3,273)
Dividend revenue	6(3)(26)	(87,275)	(67,085)
Changes in assets/liabilities related to operating activities			
Changes in assets relating to operating activities net			
Financial assets at fair value through profit or loss - current		(2,101,965)	205,533
Notes receivable		(3,004)	32,616
Accounts receivable		334,393	(281,401)
Other receivables		(43,879)	157
Inventories		5,388,138	3,269,510
Pre-payments		4,187	28,003
Other current assets - others		78	(38)
Changes in liabilities relating to operating activities net			
Contract liability - current		273,042	(32,796)
Notes payable		-	(1,940)
Accounts payable		(252,399)	(141,821)
Accounts payable - Related parties		(572)	(26,981)
Other payables		5,545	(15,291)
Unearned receipts		(15,531)	(22,267)
Other current liabilities - others		13,953	90,094
Provisions - non-current		23,480	10,470
Net defined benefit liability – non-current		(4,122)	(4,597)
Operating cash flow		5,602,568	4,284,657
Interest receivable		2,543	3,273
Dividends receivable		401,876	540,549
Interest payable		(131,084)	(165,441)
Income tax payable		(196,723)	(28,837)
Operating cash flow net		5,679,180	4,634,201

(Cont’d)

Prince Housing & Development corp.
Individual Statement of Cash Flow
January 1-December 31, 2021 and January 1-December 31, 2020

Expressed in thousand NT Dollars

	Note	2021	2020
Operating Cash Flow			
Financial assets at measured at fair value through other comprehensive income	6(3)		
Assets-non-current		$ 3,406	$ -
Financial assets at measured at fair value through other comprehensive income			
-non-current repayment of paid-in capital		8,241	-
Reduction in Financial Assets at Amortized Cost-Non-current		69,046	381,965
Acquisition of investments accounted for under the equity method	6(7)	(600,000)	-
Disposal of investments accounted for under the equity method		2,000	-
Acquisition of property, plant and equipment	6(8)	(10,143)	(12,012)
Disposition proceeds of property, plant and equipment		18,935	26,922
Disposition proceeds of investment property		887	4,783
Refundable deposits reduction		2,654	2,617
(Outward)/Inward investment cash flow net		(504,974)	404,275
Fundraiser Cash Flow			
Short-term loans reduction	6(33)	(194,140)	(674,000)
Increase/(Reduction) in short-term notes and bills payable	6(33)	100,000	(49,925)
Repayment of long-term loans	6(33)	(14,841,613)	(36,693,015)
Raising long-term loans	6(33)	11,690,000	33,280,328
Increase in deposit received	6(33)	4,589	9,526
Repayments of lease principal	6(33)	(30,808)	(30,219)
Release of cash dividend	6(21)	(649,330)	(811,663)
Outward fundraising cash flow net		(3,921,302)	(4,968,968)
Increase in cash and cash equivalents for the current period		1,252,904	69,508
Balance of cash and cash equivalents, beginning of year		4,182,938	4,113,430
Balance of cash and cash equivalents, end of year		$ 5,435,842	$ 4,182,938

The Note to Consolidated Financial Statements appended to the statements form part of the Consolidated Financial Statements. Please read together.

Chairman: Chih-Hsien Lo President: Ming-Fan Xie CAO: Da-Chang Tai

Annex 5

Prince Housing & Development corp.

Profit Distribution Table

January 1-December 31, 2021

(expressed in thousand NTD)

I.	Available distribution	
	1. Beginning unappropriated earnings	1,584,985,910
	2. Add: 2021 net profit after tax	1,535,086,893
	3. Add: Re-measurement of defined benefit plans	7,645,807
	4. Add: Equity instrument measured at fair value through disposition of other comprehensive income	1,333,070
	5. Less: Legal reserve	(154,406,577)
	6. Distributable net profit	2,974,645,103
II.	Distribution items	
	Cash dividend (NT$0.5 per share)	(811,663,074)
III.	Accumulated unappropriated earnings	2,162,982,029

Note:

1. Unappropriated earnings at the end of 2021 will first be distributed.
2. The fractional shares held by shareholders after profit distribution will be transferred to the employee welfare committee of this company.

Chairman: Chih-Hsien Lo President: Ming-Fan Xie CAO: Da-Chang Tai

Prince Housing & Development Company
Articles of Incorporation
Cross Reference

Before Amendment		After Amendment		Description
Article 17	The board of directors of this company consists of 15 directors, including 3 independent directors. The candidate nomination system is adopted to elect competent shareholders. Each director holds a term of 3 years and is valid for re-election. The total number of shares held by all directors shall be handled in accordance with the regulations of the securities management authority. In a directorial election, each share is entitled to voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Those candidates receiving more voting rights shall be elected as directors. (Omitted below)	Article 17	The board of directors of this company consists of 9-18 directors, including 4 independent directors. When the number of directors is over 15, there will be no less than 5 independent directors. The candidate nomination system is adopted to elect competent shareholders. Each director holds a term of 3 years and is valid for re-election. The total number of shares held by all directors shall be handled in accordance with the regulations of the securities management authority. In a directorial election, each share is entitled to voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Those candidates receiving more voting rights shall be elected as directors. (Omitted below)	Amendment made in response to Article 4 of the “Taiwan Stock Exchange Company Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers” and Corporate Governance 3.0-Sustainable Development Roadmap.
Article 36	These Articles of Incorporation were established on August 23, 1973...All amendments are implemented with the resolution of the meeting of shareholders.	Article 36	These Articles of Incorporation were established on August 23, 1973...the 37^{th} amendment was made on June 17, 2022. All amendments are implemented with the resolution of the meeting of shareholders.	Added the date of the 37^{th} amendment.

Annex 7

Prince Housing & Development corp.
Amendments Comparison Table of Procedures for the Acquisition or Disposal of Assets
Cross Reference

After Amendment	Existing Laws and Regulations	Description
Chapter I General Article 4 Evaluation procedure: I. (omitted) II. When acquiring or disposing of securities shall, prior to the date of event occurrence, the Company shall obtain the financial statements of the issuing company in the most recent period certified or reviewed by a certified public accountant for the reference of appraising the transaction price. Additionally, when the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, the Company shall engage a certified public accountant to express an opinion regarding the fairness of the transaction price prior to the date of event occurrence. However, this requirement does not apply to publicly quoted prices of securities that have an active market, or where otherwise provided for in the regulations of the Financial Supervisory Commission (FSC). III. When acquiring or disposing of real property, equipment, or right-of-use assets thereof, if the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, apart from obtaining an appraisal report from a professional appraiser prior to the date of event occurrence, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, the Company shall meet the following requirements: (1) (omitted) (2) (omitted)	**Chapter I General** Article 4 Evaluation procedure: I. (omitted) II. When acquiring or disposing of securities shall, prior to the date of event occurrence, the Company shall obtain the financial statements of the issuing company in the most recent period certified or reviewed by a certified public accountant for the reference of appraising the transaction price. Additionally, when the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, the Company shall engage a certified public accountant to express an opinion regarding the fairness of the transaction price prior to the date of event occurrence. <u>If the certified public accountant needs to use the report of an expert as evidence, the certified public accountant shall do so in accordance with the regulations of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation.</u> However, this requirement does not apply to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission. III. When acquiring or disposing of real property, equipment, or right-of-use assets thereof, if the transaction amount reaches 20% of the Company's paid-in capital or NT$300 million or more, apart from obtaining an appraisal report from a professional appraiser prior to the date of event occurrence, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, the Company shall meet the following requirements: (1) (omitted) (2) (omitted)	Amendment made in response to Articles 5, 9, 10, and 11 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."

(3) If any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reasons for the discrepancy and the fairness of the transaction price: 1. The difference between the appraisal result and the transaction amount is up to 20% or more of the transaction amount. 2. The difference between the appraisal results of two or more professional appraisers is up to 10% or more of the transaction amount. (4) (omitted) (5) Except where a limited price, specified price, or special price is used for the reference of the transaction price, if an appraisal report cannot be obtained in time for a justified reason, the appraisal report shall be obtained within 2 weeks from date of occurrence. The certified public accountant's opinion as stated in subparagraph 3 of this paragraph shall be obtained within 2 weeks from the acquisition of the appraisal report. IV. (omitted) V. When acquiring or disposing of intangible assets or right-of-use assets thereof or memberships, if the transaction amount reaches 20% or more of paid-in capital or NT$300 million or more, except for transactions with a domestic government agency, the Company shall engage a certified public accountant to render an opinion on the fairness of the transaction price	(3) If any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reasons for the discrepancy and the fairness of the transaction price: 1. The difference between the appraisal result and the transaction amount is up to 20% or more of the transaction amount. 2. The difference between the appraisal results of two or more professional appraisers is up to 10% or more of the transaction amount. (4) (omitted) (5) Except where a limited price, specified price, or special price is used for the reference of the transaction price, if an appraisal report cannot be obtained in time for a justified reason, the report and the certified public accountant's opinion as stated in subparagraph 3 of this paragraph shall be obtained within 2 weeks from date of occurrence. IV. (omitted) V. When acquiring or disposing of intangible assets or right-of-use assets thereof or memberships, if the transaction amount reaches 20% or more of paid-in capital or NT$300 million or more, except for transactions with a domestic government agency, the Company shall engage a certified public accountant to render an opinion on the fairness of the transaction price to the	

to the date of event occurrence. VI. (omitted) VII. (omitted)	date of event occurrence in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation. VI. (omitted) VII. (omitted)	
Article 5 Operating procedures: I. The acquisition or disposition of assets listed in Article 2 shall be conducted according to the following regulations. (1)-(3) (omitted) (4) Related Party Transactions: The related data as specified in Chapter II of these Procedures shall be submitted to the meeting of shareholders, board of directors, and audit committee for ratification prior to implementation. (5) (omitted) II. (omitted)	Article 5 Operating procedures: I. The acquisition or disposition of assets listed in Article 2 shall be conducted according to the following regulations. (1)-(3) (omitted) (4) Related Party Transactions: The related data as specified in Chapter II of these Procedures shall be submitted to the audit committee and board of directors for approval prior to implementation. (5) (omitted) II. (omitted)	It is amended in accordance with Article 15 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”
Article 6 Public announcement and regulatory filing procedures: I. When any one of the following circumstances occurs during asset acquisition or disposal, the Company shall publish and report the related information on the website and in the format designated by the Financial Supervisory Commission within two days from the date of event occurrence: (1)-(6) (omitted) (7) An asset transaction other than those referred to in the preceding six subparagraphs or an investment in mainland China area reaches 20% or more of paid-in capital or NT$300 million. However, this does not apply to the following circumstances: 1. Trading domestic government bonds or overseas government bonds with credit ratings not lower than Taiwan’s sovereign rating. 2. Trading bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. II. ～V. (omitted)	Article 6 Public announcement and regulatory filing procedures: I. When any one of the following circumstances occurs during asset acquisition or disposal, the Company shall publish and report the related information on the website and in the format designated by the Financial Supervisory Commission within two days from the date of event occurrence: (1)-(6) (omitted) (7) An asset transaction other than those referred to in the preceding six subparagraphs or an investment in mainland China area reaches 20% or more of paid-in capital or NT$300 million. However, this does not apply to the following circumstances: 1. Trading domestic government bonds. 2. Trading bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. II. ～V. (omitted)	It is amended in accordance with Article 31 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”

Chapter II Related Party Transactions Article 11 Resolution procedures: Except for trading domestic government bonds and repurchase (RP)/reverse repurchase (RS) bonds, subscribing or redeeming domestic money market funds (MMFs) issued by domestic securities investment trust enterprises, when acquiring or disposing of real estate or the right-of-use assets thereof from or to a related party, or acquiring or disposing of assets other than real estate or the right-of-use assets thereof from or to a related party with a transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT$300 million or more, the implementation unit shall submit the following materials to <u>the Board of Directors for approval and Audit Committee for ratification</u> before signing the transaction contract and making the payment. I. ～VII. (omitted) <u>When engaging in transactions as stated in paragraph 1 with a transaction amount reaching 10% or higher of the Company's total assets, the Company or the Company's non-domestically listed subsidiaries shall submit all materials data listed under paragraph 1 to the meeting of shareholders for consent before signing the transaction contract and make the payment, except for transactions between this Company and subsidiaries or among subsidiaries.</u> The amount of transactions with a related party transaction shall be calculated in accordance with Article 6, subparagraph 2, excluding the parts with <u>that have been approved by the meeting of shareholders, board of directors, and ratified by audit committee</u> according to the provisions under these Procedures.	**Chapter II Related Party Transactions** Article 11 Resolution procedures: Except for trading domestic government bonds and repurchase (RP)/reverse repurchase (RS) bonds, subscribing or redeeming domestic money market funds (MMFs) issued by domestic securities investment trust enterprises, when acquiring or disposing of real estate or the right-of-use assets thereof from or to a related party, or acquiring or disposing of assets other than real estate or the right-of-use assets thereof from or to a related party with a transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of the Company's total assets, or NT$300 million or more, the implementation unit shall submit the following materials to <u>the Audit Committee and Board of Directors for approval</u> before signing the transaction contract and make the payment. I. ～VII. (omitted) The amount of transactions with a related party transaction shall be calculated in accordance with Article 6, subparagraph 2, excluding the parts with <u>that have been approved by the audit committee and board of directors</u> according to the provisions under these Procedures.	It is amended in accordance with Article 15 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."
Chapter V Other Important Matters Article 25 Professional appraisers and their officers rendering valuation reports or certified public accountants, lawyers, and securities underwriters expressing professional opinions to the Company shall meet the following requirements: I. ～III. (omitted)	**Chapter V Other Important Matters** Article 25 Professional appraisers and their officers rendering valuation reports or certified public accountants, lawyers, and securities underwriters expressing professional opinions to the Company shall meet the following requirements: I. ～III. (omitted)	Amendment made in response to the amendment to Article 5 of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."
<u>When rendering valuation reports or professional opinions, the above personnel shall comply with the self-discipline</u>		

regulations of the respective business associations and the following requirements: I. Prior to case acceptance, they shall carefully assess their own expertise, practical experience, and independence. II. Prior to valuation, they shall plan and implement appropriate operating procedures to draw up a conclusion for report production and or opinion rendering and faithfully record the operating procedures, collected data, and conclusions in the case worksheets. III. They shall assess the suitability and fairness of the sources, parameters, and information used in the valuation as the basis for report production and opinion rendering. IV. They shall issue a statement to attest the expertise and independence of the personnel preparing the report or opinion, suitability and fairness of the information used, and legal compliance of valuation.		

List of Candidates for Directors (including independent directors)

Name	Account No.	Name	Stake	Major Education/Experience
Director	31524	Uni-President Enterprises Corporation Representative: Lo, Chih-Hsien	162,743,264	MBA, UCLA, USA Chairman of Uni-President Enterprises Corporation
Director	291	Kao Chyuan Investment Co., Ltd. Representative: Kao, Hsiu-Ling	68,464,308	Marymount College U.S.A Director of President Chain Store Corporation
Director	31524	Uni-President Enterprises Corporation Representative: Wu, Tsung-Ping	162,743,264	Accounting Department, Chung Yuan Christian University Director of President Chain Store Corporation
Director	6	Wu Tseng, Chao-Mei	42,956,030	Junior high school Director of Prince Housing and Development Corporation
Director	286	Taipo Investment Co., Ltd. Representative: Wu, Ping-Chih	116,730,587	MS, Chemical Engineering and Industrial Management, University of Southern California Director of Prince Housing and Development Corporation
Director	286	Taipo Investment Co., Ltd. Representative: Wu, Chien-Te	116,730,587	Master of Business Administration Director of Prince Housing and Development Corporation
Director	309	Young Yuan Investment Co., Ltd. Representative: Wu, Chung-Ho	16,064,463	Department of Chemistry, Fu Jen University Chairman of San Shing Spinning Co., Ltd.
Director	141666	Hung Yao Investment Co., Ltd. Representative: Chuang, Shih-Hung	2,346,491	Master of Business Administration, Boston University, USA CEO of Times Square International Hotel Corporation
Director	204437	Sheng-Yuan Investment Holdings Ltd. Representative: Hou, Po-Yi	2,086,986	Department of Transportation and Communication Management Science, National Cheng Kung

List of Candidates for Directors (including independent directors)

Name	Account No.	Name	Stake	Major Education/Experience
				University Chairman of Universal Cement Corporation
Director	204431	Yu-Peng Investment Co., Ltd. Representative: Hou, Po-Ming	669,975	National Cultural university President, Tainan Spinning Co., Ltd.
Director	245	Hsin Yung Hsing Investment Holdings Ltd. Representative: Hou, Chih-Yuan	26,471,128	Master’s at the Center for East Asian Research, Harvard University Vice-president, Universal Cement Corporation
Director	268517	Ruixing International Investment Co., Ltd. Representative: Chuang, Ying-Chih	47,584,139	Hsing Wu Commercial School Chairman of Cheng Long Investment Co., Ltd.
Independent Director	209263	Nie, Peng-Ling	16,954	PhD in TESL, National Kaohsiung Normal University Independent Director, Tainan Spinning Co., Ltd.
Independent Director		Ting, Tse-Hsiang	0	Department of Finance, National Chung Hsing University Nan Tai CPAs & Co. Chairperson of Tainan Branch
Independent Director	114926	Chen, Meng-Hsiu	156	PhD, Department of Business Management, National Sun Yat-Sen University Department of Hospitalit Management, Southern Taiwa University of Science an Technology Associate Professor

Annex 9

Prince Housing and Development Corporation
Waive of the restriction on the competition prohibition position details for the newly elected directors (including independent directors)

As of April 28, 2022

Name	Directors who are concurrent work at other companies and positions
Uni-President Enterprises Corporation Representative: Lo, Chih-Hsien	**Chairman of:** Uni-President Enterprises Corporation, President Natural Industrial Corporation, Ton Yi Industrial Corporation, TTET Union Corporation, Prince Housing & Development Corporation, President Packaging Industrial Corporation, Woongjin Foods Co., Ltd., Daeyoung Foods Co., Ltd., President International Development Corporation, Uni-President China Holdings Ltd., Changjiagang President Nisshin Corporation, ScinoPharm Taiwan., Ltd., Uni-President (Philippines) Corporation, Uni-President (Thailand) Ltd., Uni-President (Vietnam) Co., Ltd., Uni-President China Investment Co., Ltd., President Chain Store Corporation, Uni-President Cold-Chain Corporation, Presco Netmarketing, Inc., Uni-President Dream Parks Co., President Century Corporation, President Property Corporation, Nanlien International Corporation, Prince Real Estate Co., Ltd., Times Square International Holding Company, Times Square International Stays Corporation, Times Square International Hotel Corporation, Uni-President Express Corporation, Cheng-Shi Investment Holdings Co., Ltd. **Vice Chairman of:** President Nisshin Corp. **Director of:** Presicarre Corporation, Uni-Wonder Corporation, Uni-President Organics Corp., Uni-President Glass Industrial Co., Ltd., Cayman President Holdings Ltd., Kai Yu (BVI) Investment Co., Ltd., President Fair Development Corp., Uni-President Southeast Asia Holdings Ltd., Uni-President Asia Holdings Ltd., Uni-President Hong Kong Holdings Limited., Champ Green Capital Limited, Champ Green (Shanghai) Consulting Co., Ltd., Guangzhou President Enterprises Co.,Ltd., Fuzhou President Enterprises Co., Ltd., Uni-President Enterprises (Xinjiang) Food Co., Ltd., Wuhan President Enterprises Food Co., Ltd., Kunshan President Enterprises Food Co., Ltd., Chengdu President Enterprises Food Co., Ltd., Shenyang President Enterprises Co.,Ltd., Harbin Uni-President Enterprise Co.,Ltd., Hefei President Enterprises Co., Ltd., Chengchou President Enterprises Co., Ltd., Beijing President Drink and Food Co., Ltd., President (Kunshan) Food Technology Co., Ltd., Nanchang President Enterprises Co., Ltd., President (Shanghai) Trading Co., Ltd., Kunming President Enterprise Food Co.,Ltd., Yantai Tongli Beverage Industries Co., Ltd., Changsha President Enterprises Co., Ltd., Bama President Mineral Water Co., Ltd., Nanning President Enterprises Co., Ltd., Zhanjiang President Enterprises Co., Ltd., Chongqing President Enterprises Co., Ltd., Taizhou President Enterprises Co., Ltd., Aksu President Enterprises Co., Ltd., Changchun President Enterprises Co., Ltd., Uni-President Shanghai Pearly

Name	Directors who are concurrent work at other companies and positions
	Century Co., Ltd., Baiyin President Enterprises Co., Ltd., Hainan President Enterprises Co., Ltd., Guiyang President Enterprises Co., Ltd., Jinan President Enterprises Co., Ltd., Hangzhou President Enterprises Co., Ltd., Wuxue President Enterprises Mineral Water Co. Ltd., Shijiazhuang President Enterprises Co., Ltd., Xuzhou President Enterprises Co., Ltd., Henan President Enterprises Co., Ltd., President(Kunshan) Trading Co., Ltd., Shaanxi President Enterprises Co., Ltd., Jiangsu President Enterprises Co., Ltd., Changbaishan Unify Corporation (Jilin) Mineral Water Co.,Ltd., Ningxia President Enterprises Co., Ltd., Shanghai President Enterprises Co., Ltd., Inner Mongolia President Enterprises Co., Ltd., Shanxi President Enterprises Co., Ltd., Uni-President Enterprise (Hutubi) Tomato Products Technology Co., Ltd., Uni-President Enterprises (Shanghai) Drink & Food Co., Ltd., Tianjin President Enterprises Co., Ltd., Hunan President Enterprises Co., Ltd., UNI-OAO Travel Service Corp., President Packaging Holdings Ltd., Kuang Chuan Dairy Co., Ltd., Kuang Chuan Foods Ltd., Uni-President Development Corp., President Professional Baseball Team Corp., Tait Marketing & Distribution Co., Ltd., Wei Lih Food Industrial Co., Ltd., Geng Ding Co., Ltd., President Chain Store (BVI) Holdings Ltd., President Chain Store (Labuan)Holdings Limited, Retail Support International Corp., Uni-President Assets Holdings Ltd., Prince Property Management Consulting Co., Ltd., Kao Chyuan Investment Co., Ltd., Shanghai Uni-President Enterprises Management Consulting Limited, Uni-President Enterprises(Kunshan) Property Development Limited **Supervisor** Infinity Holdings Ltd., Eternity Holdings Ltd., Celestial Prosperities Holdings Ltd. **General manager** Presco Netmarketing, Inc., Uni-President Express Corporation
Kao Chyuan Investment Co., Ltd. Representative: Kao, Hsiu-Ling	**Chairman of:** Kao Chyuan Investment Co., Ltd., President Being Corporation, President Fair Development Corporation, Uni-President Department Store Corporation, President Pharmaceutical Corporation, President Drugstore Business Corporation, Eternity Holdings Ltd., Infinity Holdings Ltd., Celestial Prosperities Holdings Ltd. **Director of:** Uni-President Enterprises Corporation, President Chain Store Corporation, Ton Yi Industrial Corporation, ScinoPharm Taiwan., Ltd., President International Development Corporation, Uni-President Development Corporation, Times Square International Hotel Corporation, Uni-Wonder Corporation, President (Shanghai) Health Product Trading Company Ltd., President Century Corporation, President Drugstore (Zhejiang) Business Corporation, Times Square International Holding Company, Grape King Bio Ltd., Prince Housing and Development Corporation **General manager of:** Kao Chyuan Investment Co., Ltd., President Fair Development Corporation

Name	Directors who are concurrent work at other companies and positions
Uni-President Enterprises Corporation Representative: Wu, Tsung-Ping	**Chairman of:** Ton Yi Pharmaceutical Corporation, Kai Nan Investment Co., Ltd. **Director of:** Prince Housing and Development Corporation, President Fair Development Corporation, ScinoPharm Taiwan., Ltd., Uni-President (Vietnam) Co., Ltd., Uni-President (Hong Kong) Holdings Corporation, President Chain Store Corporation, Kuang Chuan Dairy Co., Ltd., Kuang Chuan Foods Ltd., Tung Lo Development Co., Ltd., Tone Sang Construction Corporation, Prince Real Estate Investment Co., Ltd., Times Square International Holding Company, Times Square International Hotel Company, Cheng Shih Investment Co., Ltd. **Supervisor of:** President Kikkoman Inc., Woongjin Foods Co., Ltd., Daeyoung Foods Co., Ltd., Uni-President (Korea) Co., Ltd., Kunshan President Kikkoman Biotechnology Co., Ltd., President International Development Corp., PKZ Food, President Century Corp., President Professional Baseball Team Corp., Nanlien International Corporation, Times Square International Stays Corporation, Uni-President Express Corporation.
Hsin Yung Hsing Investment Co., Ltd. Representative: Hou, Chih-Yuan	**Director of:** Universal Real Estate Development Co., Ltd.

Prince Housing and Development Corporation Rules of Procedure for Shareholders Meetings.

Article 1 To establish a strong governance system and develop robust supervisory capabilities for the meeting of shareholders of this Company, and to strengthen management capabilities, these Rules are established in accordance with Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies to provide a dependable reference.

Article 2 Except as otherwise provided for by laws and regulations, the rules or procedure for the meeting of shareholders shall be subject to these Rules.

Article 3 Except as otherwise provided for by laws and regulations, the meeting of shareholders of this Company shall be convened by the board of directors.

This Corporation shall prepare an electronic version of the notice of meeting of shareholders and the proxy form, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of an annual general meeting of shareholders (AGM) or 15 days before the date of a provisional meeting of shareholders. This Corporation shall prepare an electronic version of the handbook of meeting of shareholders and supplemental meeting materials and upload them to MOPS 21 days before the date of the AGM or 15 days before the date of a provisional meeting of shareholders. In addition, 15 days before the date of the shareholders meeting, this Corporation shall prepare the handbook of a meeting of shareholders and supplemental meeting materials and made them available for review by shareholders at any time. The meeting handbook and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a meeting of shareholders shall be specified in the meeting notice and public announcement. With the consent of the addressee, such can be made electronically. The purpose and major description of the election or dismissal of directors; the amendment to the articles of Incorporation; reduction of paid-in; application for suspension of the public offering; permission for the competition of directors; capitalization of profits; capitalization of reserves; dissolution; merger or demerger of the company, or any matter as stated in Article 185, paragraph 1, the Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act; or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be stated in the meeting notice. None of the above matters shall be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting, such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting. A shareholder holding 1% or more of the total number of issued shares may make one proposal to this Company for discussion at the AGM. No other proposals will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of

directors may exclude it from the agenda.
Prior to the final date of the stock transfer before an AGM is held, this Company shall announce the acceptance of the shareholder’s proposal, the accepted formats (written or electronic) of proposals, and the place and period of acceptance for a minimum of 10 days. Each proposal submitted by shareholders shall not exceed 300 words. Proposals longer than 300 words will not be listed in the handbook for discussion. Shareholders making proposals shall be present in person or represented by a proxy at the general meeting of shareholders and take part in proposal discussion.
Prior to the date of issuance of a meeting notice, this Corporation shall inform shareholders who have submitted proposals of the results of proposal processing and shall list in the meeting notice proposals conforming with the provisions of this article. At the meeting of shareholders, the board of directors shall explain the exclusion of any shareholder proposals in the handbook.

Article 4 Shareholders may appoint a proxy to represent them in a meeting of shareholders by submitting the proxy form issued by this Company and by stating the scope of authorization for the proxy.
Each shareholder shall deliver to this Corporation one proxy form for one proxy only five days prior to a meeting of shareholders. When more than one proxy forms are received, only the earliest one will be accepted, Except with a statement to revoke the previous proxy. After a proxy form is delivered to this Corporation, should a shareholder intend to attend the meeting in person or to exercise its voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation 2 business days before the meeting date. Should the cancellation notice be delivered after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 A meeting of shareholders shall be held in the region where this Company is located or a venue that can be easily accessed by shareholders and suitable for a meeting of shareholders. The meeting shall be held between 9:00 a.m. and 3:00 p.m. Full consideration shall be given to the opinions expressed by independent directors with respect to the place and time of the meeting.

Article 6 This Company shall specify in meeting notice the check-in time, registration location, and related notices to inform shareholders.
The said shareholder check in time shall begin at least 30 minutes before the meeting commences. The registration shall be readily identified, and sufficient competent staff shall be assigned to process shareholder registration.
Shareholders or their proxies (collectively called "shareholders") shall attend the meeting of shareholders with an admission pass, check-in pass, or other admission documents. Under no circumstances shall this Company arbitrarily add requirements for other documents granting admission to a meeting of shareholders. Those recruiting proxy forms shall also bring their identity cards for verification.
This Corporation shall furnish a registry for shareholders check in or shareholders the meeting may hand in a check-in card to substitute check-in procedure.
This Corporation shall provide a AGM handbook, annual report, admission pass, speech note, vote, and other meeting materials for shareholders attending AGM, and a ballot for election, if any.
When the government or an institution is a shareholder, it may be represented by more than one representative at a meeting of shareholders. When an institution is appointed to attend the meeting as a proxy, it may designate only one person to represent it in the

meeting.

Article 7 If a meeting of shareholders is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. Should the chairperson of the board be on leave or unable to exercise the powers of a meeting chair for whatever reasons, the vice chairperson shall chair the meeting in his/her place. Should there be no vice chairperson or the vice chairperson be on leave or unable to exercise the powers of a meeting chair for whatever reasons, the chairperson shall appoint a managing director to represent him/her or a director shall be appointed when there is no managing director. Should no representative be appointed by the chairperson, managing directors or directors may elect one of them to chair the meeting.

When a managing director or director is assigned to chair a meeting of shareholders, this managing director or director must have worked at this Company for a minimum of six months and must understand the financial status of this Company. The same shall apply to an institutional representative.

It is advisable that a meeting of shareholders convened by the board of directors shall be chaired by the chairperson of the board in person and attended by majority directors and at least one member of each functional committee. Their attendances shall be recorded in the meeting minutes.

If a meeting of shareholders is convened by a party with convening power other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall select a chair from among themselves. This Corporation may appoint its attorneys at law, certified public accountants, or related staff to attend a meeting of shareholders.

Article 8 This Company shall maintain a full video and audio recordings of the meeting starting from the check-in and registration, during the meeting and the election.

The said audiovisual data shall be retained for at least one year. Should a law suit be filed according to Article 189 of the Company Act, the said audiovisual data shall be retained until the end of the suit.

Article 9 Attendance of the meeting of shareholders shall be calculated based on the number of shares. The number of shares for voting in writing or electronically shall be calculated based on the shares shown in the check-in register or the check-in pass.

The chair shall call the meeting to order at the appointed meeting time and announce the information covering the number of shares without voting rights and the number of shares present at the meeting.

However, when the shareholders in attendance do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that not more than two such postponements are allowed, and the total length of postponements shall not exceed one hour. If the quorum does is not met after two postponements and the shareholders in attendance still represent less than one third of the total number of issued shares, the chair shall adjourn the meeting.

If the quorum is not met after two postponements mentioned in the preceding paragraph, but the number of shares represented by shareholders in attendance commands at a third or more of the total number of issued shares, a tentative resolution may be adopted in accordance with Article 175, paragraph 1, the Company Act. All shareholders shall be notified of the tentative resolution and another meeting of shareholders shall be convened within one month.

Should the number of shareholders in attendance represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for voting at the meeting of shareholders according to Article 174 of the Company Act.

Article 10 The board of directors shall plan the agenda for the meetings of shareholders it convenes, vote for each proposal (including extraordinary motions and amendments to the original proposals), and proceed with such meetings as planned. Under no circumstances shall the board of directors alter the agenda without the resolution of the meeting of shareholders.

The provisions in the preceding paragraph shall apply *mutatis mutandis* to meetings of shareholders convened by parties other than the board of directors.

The chair shall not directly adjourn a meeting before completing deliberation of the proposals (including extraordinary motions) set in the agenda as stated in the preceding two paragraphs, except with the resolution of the meeting of shareholders. If the chair adjourns the meeting in violation of the rules of procedure, other board members shall quickly assist the shareholders at the meeting in electing a new chair with the agreement of over one half of the votes represented by the attending shareholders to continue with the meeting.

A meeting chair shall grant ample opportunities for the full explanation and discussion of proposals and amendments or extraordinary motions put forward by the shareholders. The meeting chair may end the discussion and call for a vote of sufficiently discussed proposals and arrange sufficient time for voting.

Article 11 Before making a comment, a shareholder present at the meeting shall state in the comment slip the subject matter of the comment, the shareholder’s account number (or admission pass number), and account name. The meeting chair shall determine the order of comment.

A shareholder in attendance who does not speak after submitting a speaker’s slip is considered as silent. Should the content of a comment be inconsistent with the subject matter in the speaker's slip, the comment content shall prevail.

Except with the consent of the chairperson, a shareholder shall speak more than twice in the same proposal, and each speech shall not exceed five minutes. Should a shareholder make a speech in violation of related rules or irrelevant to the subject matter, the chairperson may request such a shareholder to terminate the speech. Except with the approval of the chairperson or the speaking shareholder, under no circumstances shall other shareholders interrupt the speech of a shareholder at the meeting.

When an institutional shareholder appoints two or more representatives to attend a meeting of shareholders, only one of such representatives may speak for the same proposal.

After a shareholder finishes a speech, the chairperson may personally or direct relevant staff to respond to such a speech.

Article 12 Voting at a meeting of shareholders shall be calculated based the number of shares.

With respect to the resolutions made by the meeting of shareholders, the stake of a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. Should a shareholder be a stakeholder of a handbook item and should such a relationship prejudice the interest of this Corporation, that shareholder shall neither vote on that item nor exercise the voting rights as proxy for any other shareholders.

The number of shares not allowed for excising the voting rights according to the preceding paragraph will not be considered in the voting shares of shareholders in attendance.

Except for a trust enterprise or a shareholder services agent approved by the securities competent authority, when a person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by such a proxy shall not exceed 3% of the voting rights represented by the total number of issued shares, and the percentage of voting rights exceeding such a limit will not be considered.

Article 13 Each shareholder is entitled to one vote for each share held, except for restricted shares or non-voting shares under Article 179, paragraph 2, of the Company Act.

When holding a meeting of shareholders, this Corporation may allow shareholders to exercise voting rights by correspondence or electronically, provided that the methods of voting shall be specified in the meeting notice. When exercising voting rights by correspondence or electronically, a shareholder shall be deemed as present in the meeting personally. However, such a shareholder shall be considered as a waiver when voting for extraordinary motions and amendments to original proposals. It is therefore advisable that this Corporation shall avoid extraordinary motions and amendments to original proposals at the meeting. A shareholder intending to exercise voting rights by correspondence or electronically under the preceding paragraph shall deliver a written declaration of intent to this Corporation two days before the date of the meeting of shareholders. When repeat declarations of intent are delivered, the one received earliest shall prevail, except for a declaration made to revoke the previous declaration of intent.

A shareholder wishing to attend a meeting of shareholders after exercising voting rights by correspondence or electronically shall deliver a notice to retract the said voting rights made with the same method as exercising the voting rights in writing two business days before the date of the meeting of shareholders. The voting rights exercised by correspondence or electronically shall prevail for failure to make retraction by the said deadline. When a shareholder exercises voting rights both by correspondence or electronically and by appointing a proxy to attend a meeting of shareholders, the voting rights exercised by the proxy in the meeting shall prevail.

Except the Company Act and the articles of incorporation of this Corporation otherwise require, a proposal shall be passed by an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, the chairperson or staff the chairperson designates shall first announce the total number of voting rights represented by the attending shareholders of each proposal before allowing for shareholders to vote. The outcomes of voting, including the number of votes in favor and against, and the number of abstentions shall be posted on MOPS on the same day after the meeting is adjourned.

When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

The chairperson shall appoint staff to supervise and count the votes if a proposal, provided that the appointed person shall be a shareholder of this Corporation.

Vote counting for proposals or elections in a meeting of shareholders shall be conducted in a common area of the meeting venue. The outcomes, including the statistical tallies of the numbers of votes, shall be announced immediately after counting is completed, and records shall be maintained.

Article 14 Directorial elections shall be implemented in accordance with the related election and appointment rules established by this Company, and the voting results shall be announced on-site immediately, including the list of directors elect and the number of votes with which they were elected, and the list of directors not elected and the number of votes they acquired. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the supervising person and retained properly for at least one year. Should a lawsuit be filed according to Article 189 of the Company Act, the said audiovisual data shall be retained until the end of the suit.

Article 15 Resolutions made by the meeting of shareholders shall be maintained in the meeting minutes signed or sealed by the meeting chair. A copy shall be delivered to each shareholder within 20 days after meeting adjournment. The meeting minutes may be produced and distributed electronically.

This Corporation may distribute the meeting minutes mentioned in the preceding paragraph positing it on MOPS. The meeting minutes shall contain the accurate year, month, day, and place of the meeting, the full name of the meeting chair, the methods by which resolutions were made, a summary of the deliberations and their results, and the results of voting (including the statistical tallies of the numbers of votes). If there is a directorial election, the number of votes of each candidate shall be disclosed.

Meeting minutes shall be retained permanently during the Company’s existence.

Article 16 On the day of the meeting of shareholders, this Company shall produce in the prescribed format of the statistics on the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the venue of the meeting of shareholders.

If matters put forth to a resolution at a meeting of shareholders constitute material information under the applicable laws or regulations or the regulations specified by Taiwan Stock Exchange Corporation, this Company shall upload the content of such resolution to MOPS by the deadline.

Article 17 Staff handling the administrative affairs at a meeting of shareholders shall wear an identification card or an armband.

The chair may direct proctors or security guards to help maintain order at the meeting place. When maintaining order at the meeting place, proctors or security guards shall wear an identification card or armband bearing the word "Proctor."

Should a shareholder attempt to speak through devices other than the public-address equipment prepared by this Company in a meeting, the chairperson may stop such a shareholder. When a shareholder violates the rules of procedure and defies the chairperson's correction, obstructs the proceedings and refuses to heed calls to stop, the chairperson may direct proctors or security guards to escort that shareholder to leave the meeting.

Article 18 The meeting chair may announce a break, where appropriate, in the middle of the meeting. The meeting chair may also temporarily hold the meeting for force majeure or an act of God and resume the meeting wherever the situation allows.

Should the meeting venue be no longer available for continued use and not all items (including extraordinary motions) in the meeting handbook are addressed, the meeting of shareholders may adopt a resolution to continue the meeting at another venue.

Shareholders may postpone or continue the meeting within five days by resolution in accordance with Article 182 of the Company Act.

Article 19 Matters not provided for in these Rules shall be handled in accordance with the Company Act, the related regulations of the competent authorities, and the articles of incorporation of this Company.

Article 20 These Rules, and any amendments hereto, shall be implemented after adoption by the meeting of shareholders.

Articles of Incorporation of Prince Housing and Development Corporation

Chapter I General

Article 1: This Company is incorporated as a company limited by shares in accordance with the Company Act under 太子建設開發股份有限公司 in Chinese or Prince Housing and Development Corp. in English.

Article 2: The scope of business of this Company is as follows:

1. The development, operation, lease, and sale of farms, forests, and animal and aquaculture farms.
2. Commissioned construction, management, lease, and sale of public housing and commercial buildings, tourism hotels, tourism and recreational industries (children’s theme parks and water parks), indoor and outdoor sports facilities, car parks and multistory car parks, supermarkets, harbor and inland bag or bulk warehouses.
3. Development, operations, lease and sale of industrial parks and residential areas.
4. Manufacture and trading of construction materials, and agency and promotion of construction technologies.
5. Estate lease and sale agent.
6. Distribution, import, manufacture, and trading to sports equipment.
7. Commissioned zoning.
8. E201010 Landscape Engineering
9. I503010 Landscape and Interior Designing
10. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: This Company may invest in other industries for business needs regardless of the total investment limit of not more than 40% of the company’s paid-up capital set forth in Article 13 of the Company Act.

Article 4: This Company is headquartered in Tainan City, Republic of China (Taiwan). With the resolution made by the board of directors, this Company may establish branches and factories anywhere inside and outside the territory of the Republic of China. The same shall apply to the withdrawal or relocation of such.

Article 5: This Company shall disclose information in accordance with Article 28 of the Company Act.

Chapter II Shares

Article 6: The total authorized capital of this Company is New Taiwan Dollar Twenty Billion (NTD20 billion) divided into Two Billion (2,000,000,000) shares with a par value at New Taiwan Dollar Ten (NTD10) each. The board of directors is authorized to issue such shares serially.

Article 7: After being approved for establishment or registration change, shares of this Company are issued in registered stocks signed or stamped by a minimum of three directors and certified by competent authorities or the organizations for stock issuance and registration designated by such authorities. When issuing shares publicly, this

Company may exempt from printing the stocks for such shares or print stocks combining with the total number of shares issued, provided registration to the centralized securities depository enterprises shall be made.

Article 8: This Company shall handle stock affairs in accordance with the regulations of the competent authorities and related laws and regulations.

Article 9: No name change or share transfer is allowed within 60 days prior to an annual general meeting of shareholders, within 30 days prior to a provisional meeting of shareholders, or within 5 days prior to the base date for distributing dividends, bonuses, or other benefits.

Article 10: This Company may charge the printing fee and pay the stamp tax for renewal or reissuance of new stocks.

Chapter III Meetings of Shareholders

Article 11: Meetings of shareholders include the general meeting of shareholders and the provisional meeting of shareholders. The former shall be held at least once a year within six months after the end of each accounting year, and the latter shall be held where necessary in accordance with the related laws and regulations.

Article 12: A shareholder unable to attend a meeting of shareholders may appoint a proxy to attend the meeting with a written power of attorney stating the scope of authorization in accordance with Article 177 of the Company Act. Unless the Company Act otherwise requires, proxy appointments shall be made in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by competent authorities.

Article 13: Unless otherwise stated in the Company Act, the chairperson of this Company shall chair a meeting of shareholders. The chairperson who is absent with apologies or unable to carry out his duties for some reason shall appoint a proxy in accordance with Article 208 of the Company Act.

Article 14: Unless otherwise stated by law, resolutions of a meeting of shareholders shall be made with the approval of over one half of shareholders in a meeting attended by shareholders representing over one half of the total number of shares issued. This Company shall include electronic voting as a way to exercise voting rights in a meeting of shareholders, and exercising voting rights by correspondence may also be accepted.

Article 15: Each shareholder of this Company is entitled to one vote for each share held, except for restricted shares or non-voting shares under the Company Act.

Article 16: Resolutions made in at a meeting of shareholders shall be minuted alongside with the year, month, day, and place of the meeting, the full name of the meeting chair, the methods by which resolutions are made, and a summary of the deliberations and their results. The meeting minutes shall be signed or sealed by the meeting chair and a copy delivered to each shareholder within 20 days after meeting adjournment. The meeting minutes may be distributed by means of an announcement. The meeting minutes, the shareholder attendance list, and the power of attorney shall all be retained by this Company for reference and recording.

Chapter IV Board of Directors and Audit Committee

Article 17: The board of directors of this Company consists of 15 directors, including 3 independent directors. The candidate nomination system is adopted to elect competent shareholders. Each director holds a term of 3 years and is valid for re-election. The total number of shares held by all directors shall be handled in accordance with the regulations of the securities management authority. In a directorial election, each share is entitled to voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Those candidates receiving more voting rights shall be elected as directors.

The professional qualifications, stake, concurrent job limitation, nomination, election, and other matters relating to independent shareholders shall be subject to the related regulations of the securities competent authority. The board of directors is authorized to determine the compensation, honorarium, and administrative expense of directors with respect to their involvement in organizational operations and contributions and the standard in the business. However, Article 32 of the Company Act shall also apply to the compensation for directors.

Article 18: The board of directors shall be formed by directors. The chairperson is elected with the approval of one half of directors in a board meeting attended by over two thirds of all director. The same method shall apply to elect the vice chairperson from among directors. The chairperson represents this Company externally and administers the Company in the assistance of the vice chairperson in accordance with the related laws and regulations and the resolutions made by the meeting of shareholders. Should the chairperson be absent or unable to carry out his/her duties for some reasons, the proxy shall be appointed in accordance with the Company Act.

Article 19: The chairperson shall chair a board meeting. The chairperson who is absent with apologies or unable to carry out his/her duties for whatever reasons shall appoint a proxy in accordance with Article 208 of the Company Act.

Article 20: Directors shall attend a board meeting in person. A director who is absent with apologies may assign another director to represent him in a board meeting by issuing a power of attorney specifying the scope of authorization. One on one representation shall apply.

A board meeting may be implemented by a conference call. Directors attending a board meeting by conference call are considered as present.

Article 21: The duties of the board of directors are as follows: 1. Approve various rules for operations. 2. Determine the business policies. 3. Review annual budgets and final accounting. 4. Draw up profit distribution and deficit compensation plans. 5. Draw up capital increase and reduction plans. 6. Determine the appointment and dismissal of important staff. 7. Implement resolutions made by the meeting of shareholders. 8. Discuss and determine external investments. 9. Assume other responsibilities under the law and assigned by the meeting of shareholders. Except for the above matters and matters to be resolved by the meeting of shareholders as specified by the Company Act, all matters shall be implemented with the board resolutions.

Article 22: A board meeting shall be held at least once year. Unless the law otherwise requires, the chairperson shall convene a board meeting, specify the purpose of meeting, and notify all directors 7 days in advance. Provisional board meetings may be convened at any time in case of an emergency.

The meeting notice of the said meetings may be made by correspondence, by fax or electronically.

Article 23: The chairperson shall carry out the resolutions on all business affairs made by the board meeting. Unless otherwise stated in the Company Act, resolutions shall be made by over half of directors at a board meeting attended by over half of the directors. The minutes, the sign-in list and power of attorney of a board meeting shall all be retained by this Company for reference and recording.

Article 24: This Company establishes an audit committee with all independent directors in accordance with the Securities and Exchange Act.

The organization, roles and responsibilities, rules of procedures and other duties of the audit committee shall be subject to the regulations promulgated by the securities competent authority.

Article 25: The roles and responsibilities of supervisors under the Company Act, Securities and Exchange Act, and other related laws and regulations shall apply mutatis mutandis to the audit committee as of the day of committee establishment.

Article 26: This Company may establish other functional committees with articles of organization established by the board of director according to the related laws and regulations.

Article 27: This Company may purchase liability insurance for directors and other important staff during their term through the board of directors.

Chapter V Officers and Employees

Article 28: The appointment, dismissal, and compensation of officers shall be subject to Article 29 of the Company Act. The board of directors shall resolve the responsibility and authority and their scope of officers in respect of the functions and duties of respective departments.

Chapter VI Accounting

Article 29: The accounting year of this Company commences on January 1 and ends on December 31 each year. This Company shall prepare a final account report at the end of each accounting year.

Article 30: At the end of each accounting year, the board of directors shall prepare the following reports and submit them to the meeting of shareholders for ratification.

1. Business Report.
2. Financial statements.
3. Proposals for profit distribution and deficit compensation.

Article 31: The industry in which this Company operates has entered the mature period with keep competitions. When drawing up profit distribution proposals, the board of directors shall consider the capital expenditure and budget and capital needs in the future and measure the need to fulfill the capital needs with earnings before determining the percentage of capital reserve and profit distribution and the amount of dividends or bonuses distributed in cash.

Should there be net profit after the account is closed of every accounting year, apart from paying the business income tax and compensating for the deficits in previous years, the Company shall first appropriate ten per cent (10%) as the legal reserve, except when the accumulated amount of legal reserve equals the amount of the paid-up capital. Then, after appropriating or reversing the special reserve by law, the remaining amount will be the distributed earnings. By adding up the cumulative earnings of the previous years, the sum will be the cumulative distributable earnings. The dividend and bonuses of shareholders can be appropriated with the cumulative distributable earnings, with a minimum of 20% of distributable earnings of the year and the minimum cash dividend of 30% of the total amount appropriated for dividends and bonuses for the shareholders of the year. In addition to dividends, the board of directors shall draw up a proposal for profit distribution and submit it to the meeting of shareholders for resolution before distribution.

Article 32: This Company shall distribute a minimum of 2% of the profits in a year as reward for employees and a maximum of 3% as reward for directors. However, cumulative deficits, if any, shall be compensated for first.

Compensation for employees can be distributed in the form of stocks or in cash and such employees may include employees of subsidiaries complying with the related requirements.

The status of annual profit in paragraph 1 refers to the profit after deducting the compensation for employees and directors from the profit before tax in the year.

The distribution of compensation for employees and directors shall be resolved by over half of directors in a board meeting attended by over two thirds of all directors and reported to the meeting of shareholders.

Chapter VII Addenda

Article 33: The articles of incorporation and rules for business operations of this Company shall be determined by the board of directors separately.

Article 34: This Company may provide endorsements and guarantees for third parties for business purposes according to the relevant regulations of the Company.

Article 35: Matters not provided for in these Articles of Incorporation shall be handled in accordance with the Company Act and other laws and regulations.

Article 36: These Articles of Incorporation were established on August 23, 1973; 1st amendment was made on November 20, 1974; 2nd amendment was made on February 10, 1976; 3rd amendment was made on March 8, 1977; 4th amendment was made on April 28, 1980; 5th amendment was made on May 2, 1981; 6th amendment was made on November 4, 1982; 7th amendment was made on May 16, 1984; 8th amendment was made on April 26, 1986; 9th amendment was made on April 3, 1989; 10th amendment was made on December 27, 1990; 11th amendment was made on June 18, 1991; 12th amendment was made on April 23, 1992; 13th amendment was made on May 7, 1993; 14th amendment was made on May 10, 1994; 15th amendment was made on June 5, 1995; 16th amendment was made on May 24, 1996; 17th amendment was made on June 17, 1997; 18th amendment was made on May 19, 1998; 19th amendment was made on June 9, 1999; 20th amendment was made on June 9, 2000; 21st amendment was made on June 20, 2002; 22nd amendment was made on June 26, 2003; 23rd amendment was made on June 15, 2004; 24th amendment was made on June 27, 2005; 25th amendment was made on June 14, 2006; 26th amendment was made on June 15, 2007; 27th amendment was made on June 13, 2008; 28th amendment was made on June 19, 2009; 29th amendment was made on June 24, 2010; 30th amendment was made on June 17, 2011; 31st amendment was made on June 20, 2012; 32nd amendment was made on June 18, 2013; 33rd amendment was made on June 20, 2014; 34th amendment was made on June 17, 2015; 35th amendment was made on June 21, 2016; 36th amendment was made on June 22, 2017. All amendments are implemented with the resolution of the meeting of shareholders.

Prince Housing & Development corp.

Chairman: Lo, Chih-Hsien

Prince Housing & Development corp.
Procedures for Election of Directors

Article 1: To ensure a just, fair and open election of directors and supervisors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Article 2: Unless otherwise stated by the law or the articles of incorporation of this Corporation, directors shall be elected in accordance with these Procedures.

Article 3: The overall composition of the board of directors shall be taken into consideration in the selection of directors. A board shall be formed with members of comprehensive specialties and a comprehensive policy shall be established appropriate to the operation, operating style, and development requirements. The following two standards shall be considered:

I. Basic requirements and value: Gender, age, nationality, and culture.
II. Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing, and technology), professional skills and business experience.

A board member shall be equipped with the knowledge, skills and competencies required for performing its duties, the overall competencies required for the position are as follows:

I. The ability to make judgments about operations.
II. Accounting and financial analysis ability.
III. Business management ability.
IV. Crisis management ability.
V. Knowledge of the industry.
VI. An international market perspective.
VII. Leadership ability.
VIII. Decision-making ability.

More than one half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director. The board of directors may adjust the board members according to the results of a performance evaluation.

Article 4: The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Article 5: Elections of directors of this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. To review the qualifications, education, experience, and compliance with Article 30 of the Company Act of director candidates, no other proof of qualifications shall be assed, and the review results shall be disclosed to the shareholders for the reference to

elect the qualified directors.
When the number of directors falls below five after the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at the next meeting of shareholders. When the number of directors falls short by one third of the total number prescribed in articles of incorporation of this Company, this Company shall call a provisional meeting of shareholders within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
When the number of independent directors falls below that required by the proviso of Article 14-2 ,paragraph 1, Securities and Exchange Act, or the related provisions of the rules for listing review of the Taiwan Stock Exchange, a by-election shall be held at the next meeting of shareholders to fill the vacancies. When the independent directors are dismissed en masse, a provisional meeting of shareholders shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6: The open-ballot, cumulative voting method will be used for director elections at this Corporation. Each share will have voting rights in the number equal to the directors or supervisors to be elected and may be cast for a single candidate or split among multiple candidates.

Article 7: The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Admission pass numbers printed on the ballots may be used in place of the names of voters.

Article 8: The number of directors is specified in the articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more candidates receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9: Before an election begins, the chairperson shall appoint a number of shareholders as supervising person and counters to scrutinize and count votes in an election. The ballot box shall be prepared by the board of directors and publicly checked by the supervising person before the voting commences.

Article 10: 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 institutional investor, the name of the governmental organization or institutional investor shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or institutional investor and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 11: A ballot is invalid under any one of the following circumstances:

I. The ballot was not prepared by the board of directors.
II. A blank ballot is placed in the ballot box.
III. The writing is unclear and illegible or has been altered.
IV. 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 shareholders' registry or 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.

V. Other words or marks are entered in addition to the candidate's account name (personal name) or shareholder account number (or identity card number) and the number of voting rights allotted.

VI. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 12: The voting rights shall be calculated on site immediately after the end of the poll, and the chairperson shall announce on the site the list of directors elect and the number votes.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the supervising person and retained properly for at least one year. Should a law suit be filed according to Article 189 of the Company Act, the said audiovisual data shall be retained until the end of the suit.

Article 13: The board of directors of this Company shall issue a notice to the directors elect.

Article 14: These Procedures, and any amendments hereto, shall be implemented after approval by the meeting of shareholders.

Appendix 4

Stake of Directors of Prince Housing and Development Corporation

Job Title	Name	The number of shares held as of the deadline for stock transfer	Remarks
Chairman	Lo, Chih-Hsien	162,743,264	Representative of Uni-President Enterprises Corporation
Director	Wu, Tsung-Ping		
Director	Hou, Chih-Yuan	26,471,128	Representative of Hsin Yung Hsing Investment Co., Ltd.
Director	Wu Tseng, Chao-Mei	42,956,030	
Director	Chuang, Shih-Hung	2,346,491	Representative of Hung Yao Investment Co., Ltd.
Director	Kao, Hsiu-Ling	68,464,308	Representative of Kao Chyuan Investment Co., Ltd.
Director	Hou, Po-Ming	669,975	Representative of Yu Peng Investment Co., Ltd.
Director	Hou, Po-Yi	2,086,986	Representative of Sheng Yuan Investment Co., Ltd.
Director	Wu, Chung-Ho	16,064,463	Representative of Young Yuan Investment Co., Ltd.
Director	Chuang,Ying-Chih	47,584,139	Representative of Ruixing International Investment Co., Ltd.
Director	Wu, Chien-Te	116,730,587	Representative of Taipo Investment Co., Ltd.
Director	Wu, Ping-Chih		
Independent Director	Nie, Peng-Ling	16,954	
Total of Directors		486,134,325	

With respect to Article 26 of the Securities and Exchange Act:
The minimum stake of all directors is 38,959,827 shares.

The Impact of Stock Dividend Issuance on Business Performance, EPS, and ROE:
There will be no impact on business performance, EPS, and ROE as no stock dividend was issued in 2019.

太子建設

Prince Housing&Development Corp.

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