Stock Code: 3266

# Sunty Development Co., Ltd

## 2023 Regular Shareholder Meeting

# Handbook

**physical shareholders meeting**
**Date: June 7, 2023**
**Location: 11F., No.97, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City**

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# Sunty Development Co, Ltd.

## Procedure for the 2023 Regular Shareholder Meeting

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VII. Adjournment

# Sunty Development Co, Ltd.

**Agenda for the 2023 Regular Shareholder Meeting**

Time: 9:00 a.m., Thu., June 7, 2023

Location: 11F., No.97, Sec. 2, Dunhua S. Rd., Da'an District, Taipei City

I. Call the meeting to order

II. Chair address

III. Report items

  Report no. 1: 2022 business overview

  Report no. 2: Audit Committee’s audit of 2022 final accounting reports

  Report no. 3: 2022 distribution of remuneration for employees and directors

IV. Proposed resolutions

  Proposal no. 1: Adoption of 2022 business report and final accounting reports

  Proposal no. 2: Adoption of 2022 earnings distribution proposal

V. Discussion items

  Topic no. 1: Amendment to the Company’s Articles of Incorporation

  Topic no. 2: Amendment to the Company’s Procedure of Acquiring or Disposing Assets

  Topic no. 3: Permission regarding the engagement in competitive conduct of the director for the company

VI. Extraordinary motions

VII. Adjournment

## I. Report Items

Report no. 1

Subject: 2022 business overview.

Description: Please refer to Attachment 1 (pages 8–11) for the 2022 business report.

Report no. 2

Subject: Audit Committee's audit of 2022 final accounting reports.

Description: Please refer to Attachment 2 (page 12) for the Audit Committee's audit report.

Report no. 3

Subject: 2022 distribution of remuneration for employees and directors.

Description:
1. In accordance with the Company's Articles of Incorporation, NT$7,468,000 (approximately 3%) were distributed as employee remuneration and NT$2,489,000 (approximately 1%) as director remuneration for 2022.
2. Remuneration for employees and directors were paid in cash. There was no difference between the payment amount and the expense recognized in 2022.

## II. Proposed Resolutions

Report no. 1

Subject: Please adopt the 2022 business report and final accounting reports.

(Proposed by the Board of Directors)

Description: 1. The Company's 2022 financial statements have been audited by Han Yilien, CPA and Tseng Kuo-Yang, CPA from KPMG.

2. The proposal was approved by the 6th Board of Directors' 11th meeting held on March 8, 2023 and has been sent to the Audit Committee for review.

3. Please refer to Attachment 1 (pages 8–11) for the 2022 business report and Attachment 3–4 (pages 13–30) for the CPA' audit report and financial statements.

Resolution:

Report no. 2

Subject: Please adopt the 2022 earnings distribution proposal.

(Proposed by the Board of Directors)

Description:
1. The Company’s 2022 profits after tax amounted to NT$200,246,439, plus changes in actuarial gains and losses for the period of NT$2,858,146, provision of legal reserve of NT$20,310,459 and reversal of special reserve set aside with deductions from equity of NT$6,764,917, plus unappropriated earnings of NT$256,529,667 at the beginning of the period, resulting in accumulated distributable earnings of NT$446,088,710. It is planned to distribute cash dividends totaling NT$176,157,155(NT$0.5per share),therefore, the unappropriated earnings at the end of 2022 amounted to NT$269,931,555.
2. The Chairman is authorized to the method of calculating cash dividends of less than TWD 1 for this year and all cash dividends of less than TWD 1 to look for specified persons. It is proposed that the Chairman of the Company would be fully authorized to deal with matters in connection with the change (if any) to the cash dividend ratio distributable to shareholders as a result of a change in the total outstanding shares of the Company arising from any reasons.
3. Subject to approval of the shareholders’ meeting, the chairman of the Company is authorized to determine the cash dividend record date.
4. Please refer to Attachment V (page 31) for the 2022 earnings distribution schedule.

Resolution:

**III. Discussion Items**

Report no. 1

Cause: Amendment to the Company’s Articles of Incorporation.

(Proposed by the Board of Directors)

Description: 1. In order to cooperate with the revision of the Company Act on the shareholders’ meeting is proceeded via visual communication network, the company's operational needs, and to clarify the company's dividend policy, it is proposed to amend some articles of the Company's Articles of Incorporation.

2. Please refer to attachment 6 (page 32-33) for the comparison of the amended Company’s Articles of Incorporation.

Resolution:

Report no. 2

Cause: Amendment to the Company’s Procedure of Acquiring or Disposing Assets.

(Proposed by the Board of Directors)

Description: 1. This proposal is made pursuant to the revised Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by the Financial Supervisory Commission on January 28, 2022.

2. Please refer to attachment 7 (page 34-40) for the comparison of the amended Company’s Procedure of Acquiring or Disposing Assets.

Resolution:

Report no. 3

Cause: Permission regarding the engagement in competitive conduct of the director for the company. (Proposed by the Board of Directors)

Description: Wei Tai-Lin, the new representative of the company's legal person director Dingyang Investment Co., Ltd., if he may invest in or operate other companies with the same or similar business scope as the company and act as a director or manager, without prejudice to the company's interests, In accordance with Article 209, Item 1 of the Company Law, it is proposed to submit to the general meeting of shareholders for approval to lift the restrictions on non-competition.

| Title | Name | Part-time Company | positions |
|---|---|---|---|
| Director | Wei Tai-Lin | Hsin Tung Yang Construction Co., Ltd. | Director |
| | | Sunty Land Co., Ltd. | Chairman |
| | | Sunty International Land Co., Ltd. | Chairman |
| | | GREAT HARBOR LIMITED | Director |

Resolution:

## VI. Extraordinary Motions

## VII. Adjournment

Attachment 1

# Sunty Development Co, Ltd.
# 2022
# Business Report

## I. 2022 Business Report

(I) Implementation results of business plan

The Company cultivates business in the Greater Taipei area with a good brand image, and expanded to the Taoyuan area in recent years and operates steadily with a strategy of maintaining profitability and preserving advantages. This year, “Li Sunty” have been launched in Taoyuan City’s Zhongli District, “Sunty Li Fang” in Beitou District, Taipei City have been completed, and almost sold out. The project with small sized apartments, which meet the market demand for home-ownership housing. The project excelled at the two key factors, location and brand, and were launched at a time when real estate was stabilizing, and the market responded well.

In 2022, with the sales and deliveries of “Sunty Li Fang” and “Sunty Guo Yong”, the construction revenues of the subsidiary, Hsin Tung Yang Construction Co., Ltd., the consolidated net operating revenue was NT$2,908,371 thousand, an increase of NT$1,891,415 thousand or 185.99% over 2021. Net profits after tax for the year was NT$158,073 thousand, a increase of NT$116,908 thousand from 2021, of which net profits attributable to shareholders of the parent company increased NT$113,349 thousand from 2021 to NT$200,247 thousand, mainly due to more transfer projects, resulting in the improve in net profits after tax.

Unit: NT$ thousand

| Item | 2022 | 2021 | Increase or decrease (%) |
|---|---|---|---|
| Net operating revenues | 2,908,371 | 1,016,956 | 185.99% |
| Operating costs | 2,339,461 | 777,322 | 200.96% |
| Operating profit margins | 568,910 | 239,634 | 137.41% |
| Operating expenses | 382,764 | 212,781 | 79.89% |
| Net operating profits | 186,146 | 26,853 | 593.20% |
| Non-operating incomes and expenses | 4,019 | 28,266 | -85.78% |
| Net profits before tax | 190,165 | 55,119 | 245.01% |
| Income tax expenses | 32,092 | 13,954 | 129.98% |
| Net profits for the period | 158,073 | 41,165 | 284.00% |
| Other comprehensive income | 18,706 | 5,681 | 229.27% |
| Total comprehensive income for the period | 176,779 | 46,846 | 277.36% |

(II) The implementation status of budget

The Company has not published its financial forecast for 2022 in accordance with the “Regulations Governing the Publication of Financial Forecasts of Public Companies”.

(III) Financial receipts and expenditures and profitability analysis

| Item \ Year | | | 2022 | 2021 |
|---|---|---|---|---|
| Capital structure | Debts to assets ratio (%) | | 59.11 | 57.97 |
| | Long-term capital to property, plant, and equipment ratio | | 4447.71 | 3916.42 |
| Liquidity | Current ratio (%) | | 159.87 | 162.76 |
| | Quick ratio (%) | | 18.39 | 23.96 |
| | Interests coverage (multiplier) | | 2.45 | 1.09 |
| Profitability | Return on assets (%) | | 1.28 | 0.34 |
| | Return on equity (%) | | 3.75 | 1.67 |
| | As a percentage of paid-in capital (%) | Operating profits | 5.28 | 0.76 |
| | | Net profits before tax | 5.40 | 1.56 |
| | Net profit margins (%) | | 5.44 | 4.05 |
| | Basic earnings per share (NT$) - after retrospective adjustments | | 0.57 | 0.25 |

(IV) R&D status

1. R&D team: committed to coming up with refined and high quality products.

   The Company's management team has excellent vision and strong leadership abilities, and with more than 30 years of construction-related experience, they are not only familiar with construction regulations, but also have a unique perspective on market trends and dynamics. We have been building residential buildings with consistent dedication to the construction industry, we are constantly innovating technology to create refined and high quality products, and we are committed to human comfort, healthy living, and network technology in our product planning to meet customer needs. Our stable management philosophy has not only created a competitive advantage in the market, but has also established an unshakable reputation in the hearts of consumers.

2. Engineering team: three-link quality control, engineering quality control supervision and management

   The Company appoints construction companies that meet the quality requirements and cost control of the Company to ensure the quality of construction. In addition, through the control of equity and long-term cooperation, we have established a good relationship with the construction companies, so that we can control the progress and quality of construction more precisely to meet the customer's needs in terms of delivery and quality. In addition to improving quality and reducing costs, we will continue to study the use of Sunty's high-performance construction methods to increase the competitiveness of our products.

3. Business team: Blue ocean strategy for product differentiation

   We keep an eye on the political and economic situation and changes in the real estate boom and bust cycle to take hold of market information and use it as a basis for product positioning and marketing strategies. We conduct detailed and precise market research and analysis to launch products that meet market needs, and flexibly adopt sales before, during or after construction to reduce the risk of market fluctuations and carry out a product blue ocean strategy.

## II. 2023 Business Plan Overview

(I) Business policy for the year

1. Considering the current capital size, human resources, investment return and capital turnover efficiency of the Company, we will continue to invest in the construction and sale of small and medium-sized projects in the Greater Taipei area in 2023.
2. We keep an eye on the political and economic situation and changes in the real estate boom and bust cycle to take hold of market information and use it as a basis for product positioning and marketing strategies.
3. Control the cost and quality of construction projects.
4. Offer customer service and product after-sales service.

(II) Expected sales volume

1. Launched sales projects:

(1)“Sunty Li Fang” in Beitou District, Taipei City, is near MRT Guandu Station, with a light commercial atmosphere and affordable housing prices compared to the center of Taipei City, and is close to Costco and Guandu Natural Park, meeting shopping needs and rich in greenery in a quiet environment with all the facilities for comfortable living. have been completed in mid 2022, and almost sold out.

(2)“Sunty Guo Yong-Rize” in Yonghe District, New Taipei City, near MRT Dingxi Station, has the characteristics of quiet alley housing near the MRT, and the Yonghe business district is well-developed and has complete functions. Pre-sales almost sold out and expected to be completed in end 2023.

(3)“Ju Sunty” is located in Zhongshan District, Taipei City, near MRT Tiangong Station, in the center of the city, near Minquan Avenue, Songjiang Avenue and other arterial roads, with excellent transportation access and complete living functions. The building with 15 stories above group and 60 to 159 $m^2$ small and medium-sized apartments are in line with the market demand for first-time buyers and owner-occupiers, with pre-sales at nearly 80% and expected to be completed in mid 2023.

2. Planned sales projects after 2023:

(1)The joint-construction project of the dangerous and old buildings at Shipai Rd., Beitou District, Taipei City, locates a the intersection of Shipai Rd., Sec. 2 and Xingyi Rd., with the quietness and relax of the Tianmu life circle. The residence of small and medium space for 14 levels on the ground is planned. The project will be built first and sold later with construction having started in the second quarter of 2021, and is expected to be completed and sold in 2024.

(2)The joint construction project at Kaifeng Street in Wanhua District, Taipei City locates near MRT Ximen Station, where the Bannan Line and Songshan Line intersect, and in the Ximen specialty business circle. A riverside park is within a walking distance, so it locates well. A dual-building residence of small and medium space is planned. The sales will be commenced after the construction, which was started at the end of 2021, and it is expected to start the sales in 2025 upon the completion.

(3) “Chongqing North Road Project” is a joint construction project in Taipei City’s Shilin District located near the Chongqing North Road interchange of the highway, facing the Keelung River with a distant view of the Taipei 101 and the the Grand Hotel Taipei, as well as a permanent view of the riverbank. Initially planned for small to medium sized houses. It is estimated that the proposal will start the sales according to the economic situation

3. Projects under development:

Taipei City Songren Road, Yongji Road, Dexing East Road, Fulin Road, Guangxin Park and other projects for urban renewal or for unsafe and old buildings, are all undergoing planning and development.

(III) Important production and sales policies

In the first half of year 2022, the domestic real estate market was overheated due to high house prices and delays in project proposals; however, the domestic real estate market was facing inflation, construction and financing tightening, interest rate hikes, the government's policy of cracking down on real estate speculation, financial market shocks, year-end elections, and the epidemic Due to variables such as subsequent development and poor stock market performance, the price perception gap between buyers and sellers has widened, resulting in a slowdown in the overall housing market. Looking forward to the real estate market in 2023, due to the treacherous international situation, the implementation of the amendment to The Equalization of Land Rights Act, the introduction of carbon fees next year, the downward revision of domestic economic growth, the negative growth of real wages, the continuous rise of bank interest rates, the continued pressure of inflation and lack of work, and individual cases Affected by factors such as increasing difficulty in obtaining land, it is expected that the housing market will gradually shrink in the future, and the housing market boom will slow down.

In recent years, in response to the impact of the real estate boom and bust cycle, the Company has adopted a proactive and stable business strategy to keep track of sales progress and recover capital quickly from existing sales projects. In the future, we will actively develop high-quality land with good locations and high sales potential when the housing market is down. We will also keep track of the quality, cost and progress of the construction in progress to ensure the profitability of projects. On the financial side, we will address the conservative practice of banks in lending for construction financing, strive for higher-than-budgeted construction financing facilities for new projects, and explore other financing options. In terms of re-investment, the construction business will expand its underwriting capacity and evaluate the feasibility of revitalizing other investment assets in the hope of increasing profitability through a proactive and diversified model.

## III. The future development strategy of the Company and the impact of the external competitive environment, the regulatory environment and the overall business environment

Real estate is still an important investment tool for the public. The current market atmosphere is wait-and-see, but it is expected to gradually return to the rational stage and move towards stable development. For the assessment of the future real estate boom, the company holds a prudent attitude. In addition to reviewing the strategy and the selection of investment types for case development, actively develop high-quality cases, research and develop product positioning for cases, review and study construction methods, and grasp the time for evaluation and proposals, in order to launch projects with Products with market competitiveness, while ensuring normal working capital and improving operating efficiency. At the same time, we continue to operate with the philosophy of “honest and pragmatism, initiative and innovation, and insistence on quality” to fulfill our corporate social responsibility in the construction field, so as to gain the trust of customers and enhance brand recognition and create maximum profitability for the Company.

Attachment 2

# Audit Committee's Audit Report

The Board of Directors has prepared the Company's business report, financial statements and earnings proposal for the year ended December 31, 2022, where the financial statements have been audited by Han Yilien CPA and Tseng Kuo-Yang CPA from KPMG, who have issued the audit report. The above-mentioned business report, financial statements and earnings distribution proposal have been examined by the Audit Committee and are found to be in conformity with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

Sunty Development Co, Ltd.

Audit Committee Convener: Yu Chun-Ming

March 8, 2023

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# Independent Auditors' Report

To the Board of Directors of Sunty Development Co., LTD:

## Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

## Basis for Opinion

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

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

1. Revenue recognition

   Please refer to notes 4(n) and 6(s) of the notes to parent company only financial statements for the accounting policy on revenue recognition and the description of revenue.

   Description of key audit matter:

   The real estate industry, in which the Company is into, is deeply affected by politics and economics, therefore the management has evaluated and set up relevant internal control procedures. The Company's sales revenue of real estates was $2,441,656 thousand, which represents 98% of total operating revenue for the year ended December 31, 2022. The appropriateness timing and accuracy of revenue recognition have significant impact on financial statement. Therefore, the revenue recognition is considered as one of the key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included testing the effectiveness of the design and implementing the internal control system of sales revenue. Inspection of sales contracts, bank account transaction record and real estate ownership transfer document, etc. In addition, testing the samples of sales transaction before and after the end of the year to ensure the correctness of sales revenue.

2. Valuation of Inventory

Please refer to notes 4(f), 5 and 6(c) of the notes to parent company only financial statements for the accounting policy on measuring inventory, assumptions used and uncertainties considered in determining the net realizable value and the evaluation of inventory.

Description of key audit matter:

As of December 31, 2022, the Company's inventory amounted to $10,363,514 thousand constituted 76% of the total assets. The inventory was presented with the lower of cost or net realizable value method. The property of the Company involves a large portion of capital infusion and long-term payback. Since the Company focuses on real estate industry, which is deeply affected by politics, the general economy, the economic climate and the reform of the real estate tax system. Due to the uncertainty of future input costs of land held for construction sites and construction in progress, the judgment of net realizable value relies on management's subjective judgment or estimation. Thus, the valuation of land held for construction sites and construction in progress is one of the key matters to be evaluated in performing our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding the Company's internal procedures and accounting processes over inventory valuation; obtaining the valuation information on the net realizable value of inventory on the date of the reporting; inspecting and performing sample testing on the comparable market data such as sales prices of the transactions in the neighborhood, registered sales prices of real estate published by contract prices of recent sales of the Company's developments or Ministry of the Interior, or confirming and recalculating the investment return analysis of each developments, to evaluate if the net realizable value of inventory is fairly presented.

**Responsibilities of Management and Those Charged with Governance for the Parent Company Only**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yilien Han and Kuo-Yang Tseng.

KPMG

Taipei, Taiwan (Republic of China)
March 8, 2023

**Notes to Readers**

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

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

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

## SUNTY DEVELOPMENT CO., LTD

### Balance Sheets

### December 31, 2022 and 2021

### (Expressed in Thousands of New Taiwan Dollars)

| | Assets | December 31, 2022 Amount | % | December 31, 2021 Amount | % |
|---|---|---|---|---|---|
| | **Current assets:** | | | | |
| 1100 | Cash and cash equivalents (note 6(a)) | $ 180,568 | 1 | 185,150 | 2 |
| 1170 | Accounts receivable, net (note 6(b)) | 15,411 | - | 9 | - |
| 1180 | Accounts receivable due from related parties, net (notes 6(b) and 7) | 29,129 | - | 29,061 | - |
| 1200 | Other receivables, net | 17,057 | - | 17,810 | - |
| 1220 | Current tax assets | - | - | 131 | - |
| 1320 | Inventories (for construction business), net (notes 6(c) and 8) | 10,363,514 | 76 | 8,949,873 | 70 |
| 1410 | Prepayments | 143,646 | 1 | 105,695 | 1 |
| 1476 | Other current financial assets (notes 6(h), (v), 8 and 9) | 583,264 | 4 | 960,062 | 8 |
| 1479 | Other current assets, others | 872 | - | 1,538 | - |
| 1480 | Current incremental costs of obtaining a contract (note 6(h)) | 490,387 | 4 | 524,798 | 4 |
| | | 11,823,848 | 86 | 10,774,127 | 85 |
| | **Non-current assets:** | | | | |
| 1551 | Investments accounted for using the equity method (note 6(d)) | 696,977 | 5 | 768,305 | 6 |
| 1600 | Property, plant and equipment (notes 6(e) and 8) | 85,639 | 1 | 99,055 | 1 |
| 1755 | Right-of-use assets (note 6(f)) | 711 | - | 2,333 | - |
| 1760 | Investment property, net (notes 6(g) and 8) | 965,954 | 7 | 972,494 | 7 |
| 1780 | Intangible assets | 64 | - | 341 | - |
| 1840 | Deferred tax assets (note 6(p)) | 30,682 | - | 32,304 | - |
| 1980 | Other non-current financial assets (notes 6(h), (v), 8 and 9) | 76,054 | 1 | 82,736 | 1 |
| | | 1,856,081 | 14 | 1,957,568 | 15 |
| | **Total assets** | $ 13,679,929 | 100 | 12,731,695 | 100 |

| | Liabilities and Equity | December 31, 2022 Amount | % | December 31, 2021 Amount | % |
|---|---|---|---|---|---|
| | **Current liabilities:** | | | | |
| 2100 | Short-term borrowings (note 6(i)) | $ 4,646,000 | 34 | 3,789,830 | 30 |
| 2110 | Short-term notes and bills payable (note 6(k)) | 29,919 | - | 179,907 | 1 |
| 2130 | Current contract liabilities (notes 6(s) and 9) | 2,618,171 | 20 | 2,576,903 | 20 |
| 2150 | Notes payable | 10,733 | - | 868 | - |
| 2170 | Accounts payable | 297,764 | 2 | 340,210 | 3 |
| 2180 | Accounts payable to related parties (note 7) | 141,983 | 1 | 72,262 | 1 |
| 2200 | Other payables (notes 6(v) and 7) | 96,421 | 1 | 115,833 | 1 |
| 2230 | Current tax liabilities | 17,392 | - | 6,526 | - |
| 2250 | Current provisions (note 6(m)) | 14,515 | - | 14,531 | - |
| 2280 | Current lease liabilities (note 6(l)) | 764 | - | 1,405 | - |
| 2322 | Long-term borrowings, current portion (note 6(j)) | 30,000 | - | 30,000 | - |
| 2399 | Other current liabilities-others | 10,788 | - | 21,697 | - |
| | | 7,914,450 | 58 | 7,149,972 | 56 |
| | **Non-Current liabilities:** | | | | |
| 2541 | Long-term bank loans (note 6(j)) | 251,500 | 2 | 281,500 | 2 |
| 2550 | Non-current provisions (note 6(m)) | 28,299 | - | 27,376 | - |
| 2573 | Deferred tax liabilities-others (note (p)) | 61 | - | - | - |
| 2580 | Non-current lease liabilities (note 6(l)) | 40,337 | - | 37,948 | 1 |
| 2645 | Guarantee deposits (note 6(v)) | 1,422 | - | 883 | - |
| | | 321,619 | 2 | 347,707 | 3 |
| | **Total liabilities** | 8,236,069 | 60 | 7,497,679 | 59 |
| | **Equity attributable to owners of parent (note 6(q)):** | | | | |
| 3100 | Share capital | 3,523,143 | 26 | 3,523,143 | 28 |
| 3200 | Capital surplus | 802,675 | 6 | 802,701 | 6 |
| 3300 | Retained earnings | 1,161,993 | 8 | 958,888 | 7 |
| 3400 | Other equity interest | (43,951) | - | (50,716) | - |
| | **Total equity** | 5,443,860 | 40 | 5,234,016 | 41 |
| | **Total liabilities and equity** | $ 13,679,929 | 100 | 12,731,695 | 100 |

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

# SUNTY DEVELOPMENT CO., LTD

## Statements of Comprehensive Income

## For the years ended December 31, 2022 and 2021

## (Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

| | | 2022 | | 2021 | |
|---|---|---|---|---|---|
| | | Amount | % | Amount | % |
| 4000 | **Operating revenue (notes 6(n), (s) and 7)** | $ 2,479,996 | 100 | 490,322 | 100 |
| 5000 | **Operating costs (notes 6(c) and 7)** | 1,853,056 | 75 | 250,453 | 51 |
| | **Gross profit from operations** | 626,940 | 25 | 239,869 | 49 |
| | **Operating expenses (note 7):** | | | | |
| 6100 | Selling expenses (note 6(h)) | 136,291 | 6 | 6,985 | 2 |
| 6200 | Administrative expenses | 157,031 | 6 | 128,445 | 26 |
| 6300 | Research and development expenses | 2,505 | - | 1,288 | - |
| | | 295,827 | 12 | 136,718 | 28 |
| | **Net operating income** | 331,113 | 13 | 103,151 | 21 |
| | **Non-operating income and expenses:** | | | | |
| 7100 | Interest income (notes 6(u) and 7) | 1,441 | - | 251 | - |
| 7020 | Other gains and losses, net (note 6(u)) | 2,674 | - | 11,484 | 2 |
| 7050 | Finance costs, net (notes 6(c) and (u)) | (22,994) | (1) | (1,346) | - |
| 7070 | Share of profit (loss) of associates and joint ventures accounted for using the equity method, net | (73,152) | (3) | (13,905) | (3) |
| | | (92,031) | (4) | (3,516) | (1) |
| 7900 | **Profit before income tax** | 239,082 | 9 | 99,635 | 20 |
| 7950 | Less: Income tax expenses (note 6(p)) | 38,835 | 1 | 12,737 | 2 |
| | **Profit** | 200,247 | 8 | 86,898 | 18 |
| 8300 | **Other comprehensive income:** | | | | |
| 8310 | **Components of other comprehensive income that will not be reclassified to profit or loss** | | | | |
| 8330 | Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method, components of other comprehensive income that will not be reclassified to profit or loss | 2,858 | - | 634 | - |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | - | - | - | - |
| | Components of other comprehensive income that will not be reclassified to profit or loss | 2,858 | - | 634 | - |
| 8360 | **Components of other comprehensive income (loss) that will be reclassified to profit or loss** | | | | |
| 8380 | Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method, components of other comprehensive income that will be reclassified to profit or loss | 8,456 | - | 2,745 | - |
| 8399 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss | (1,691) | - | (549) | - |
| | Components of other comprehensive income that will be reclassified to profit or loss | 6,765 | - | 2,196 | - |
| 8300 | **Other comprehensive income** | 9,623 | - | 2,830 | - |
| | **Total comprehensive income** | $ **209,870** | **8** | **89,728** | **18** |
| | **Basic earnings per share (NT dollar) (note 6(r))** | | | | |
| | Basic earnings per share | $ | **0.57** | | **0.25** |
| | Diluted earnings per share | $ | **0.57** | | **0.25** |

See accompanying notes to parent company only financial statements.

**(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)**

## SUNTY DEVELOPMENT CO., LTD

## Statements of Changes in Equity

**For the years ended December 31, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollars)**

| | Share capital | | Retained earnings | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Ordinary shares | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings | Total retained earnings | Exchange differences on translation of foreign financial statements | Total equity |
| **Balance at January 1, 2021** | $ 3,523,143 | 802,339 | 628,685 | 55,726 | 186,945 | 871,356 | (52,912) | 5,143,926 |
| Profit for the period | - | - | - | - | 86,898 | 86,898 | - | 86,898 |
| Other comprehensive income, net of tax | - | - | - | - | 634 | 634 | 2,196 | 2,830 |
| Total comprehensive income | - | - | - | - | 87,532 | 87,532 | 2,196 | 89,728 |
| Appropriation and distribution of retained earnings: | | | | | | | | |
| Legal reserve | - | - | 14,204 | - | (14,204) | - | - | - |
| Reversal of special reserve | - | - | - | (2,814) | 2,814 | - | - | - |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | - | 362 | - | - | - | - | - | 362 |
| Balance at December 31, 2021 | 3,523,143 | 802,701 | 642,889 | 52,912 | 263,087 | 958,888 | (50,716) | 5,234,016 |
| Profit for the period | - | - | - | - | 200,247 | 200,247 | - | 200,247 |
| Other comprehensive income, net of tax | - | - | - | - | 2,858 | 2,858 | 6,765 | 9,623 |
| Total comprehensive income | - | - | - | - | 203,105 | 203,105 | 6,765 | 209,870 |
| Appropriation and distribution of retained earnings: | | | | | | | | |
| Legal reserve | - | - | 8,753 | - | (8,753) | - | - | - |
| Reversal of special reserve | - | - | - | (2,196) | 2,196 | - | - | - |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | - | (26) | - | - | - | - | - | (26) |
| **Balance at December 31, 2022** | **$ 3,523,143** | **802,675** | **651,642** | **50,716** | **459,635** | **1,161,993** | **(43,951)** | **5,443,860** |

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

# SUNTY DEVELOPMENT CO., LTD

## Statements of Cash Flows

## For the years ended December 31, 2022 and 2021

## (Expressed in Thousands of New Taiwan Dollars)

| | | For the years ended December 31 | |
|---|---|---|---|
| | | **2022** | **2021** |
| **Cash flows from (used in) operating activities:** | | | |
| **Profit before income tax** | $ | 239,082 | 99,635 |
| **Adjustments:** | | | |
| **Adjustments to reconcile profit (loss):** | | | |
| Depreciation expense | | 25,974 | 26,327 |
| Amortization expense | | 277 | 303 |
| Net profit on financial assets or liabilities at fair value through profit or loss | | - | (8,659) |
| Interest expense | | 22,994 | 1,346 |
| Interest income | | (1,441) | (251) |
| Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method | | 73,152 | 13,905 |
| Gains on lease modification | | (3) | (7) |
| **Total adjustments to reconcile profit (loss)** | | 120,953 | 32,964 |
| **Changes in operating assets and liabilities:** | | | |
| **Changes in operating assets:** | | | |
| Decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value | | - | 28,583 |
| Decrease in notes receivable | | - | 143 |
| (Increase) decrease in accounts receivable (including related parties) | | (15,470) | 3 |
| Decrease (increase) in other receivables | | 848 | (17,539) |
| Increase in inventories | | (1,350,069) | (1,986,776) |
| Increase in prepayments | | (37,740) | (76,512) |
| Decrease (increase) in other financial assets (current and non-current) | | 382,880 | (63,614) |
| Decrease (increase) in other current assets | | 666 | (489) |
| Decrease (increase) in incremental costs of obtaining a contract | | 34,411 | (93,498) |
| **Total changes in operating assets** | | (984,474) | (2,209,699) |
| **Changes in operating liabilities:** | | | |
| Increase in contract liabilities | | 41,268 | 610,321 |
| Increase (decrease) in notes receivable | | 9,865 | (1,011) |
| Increase in accounts payable (including related parties) | | 27,275 | 130,004 |
| Decrease in other payable | | (21,580) | (26,277) |
| Increase in provisions | | 907 | 5,451 |
| Decrease (increase) in other current liabilities | | (11,596) | 16,048 |
| **Total changes in operating liabilities** | | 46,139 | 734,536 |
| **Total changes in operating assets and liabilities** | | (938,335) | (1,475,163) |
| **Total adjustments** | | (817,382) | (1,442,199) |
| Cash outflow generated from operations | | (578,300) | (1,342,564) |
| Interest received | | 1,346 | 353 |
| Interest paid | | (84,398) | (49,487) |
| Income taxes paid | | (28,057) | (6,605) |
| **Net cash flows from (used in) operating activities** | | (689,409) | (1,398,303) |

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**SUNTY DEVELOPMENT CO., LTD**

**Statements of Cash Flows (CONT'D)**

**For the years ended December 31, 2022 and 2021**

**(Expressed in Thousands of New Taiwan Dollars)**

| | For the years ended December 31 | |
|---|---|---|
| | 2022 | 2021 |
| **Cash flows from (used in) investing activities:** | | |
| Acquisition of investments accounted for using equity method | (285) | (10,297) |
| Acquisition of property, plant and equipment | (1,798) | - |
| Decrease in refundable deposits | 600 | 70 |
| Dividends received | 9,749 | 11,358 |
| **Net cash flows from (used in) investing activities** | 8,266 | 1,131 |
| **Cash flows from (used in) financing activities:** | | |
| Increase in short-term loans | 1,933,170 | 2,563,830 |
| Repayments of short-term loans | (1,077,000) | (1,280,000) |
| Increase in short-term notes and bills payables | 789,250 | 249,724 |
| Decrease in short-term notes and bills payables | (939,238) | (69,817) |
| Repayments of long-term loans | (30,000) | (27,500) |
| Increase (decrease) in guarantee deposits received | 539 | (600) |
| Payment of lease liabilities | (160) | (1,561) |
| **Net cash flows from (used in) financing activities** | 676,561 | 1,434,076 |
| **Net (decrease) increase in cash and cash equivalents** | (4,582) | 36,904 |
| **Cash and cash equivalents at beginning of period** | 185,150 | 148,246 |
| **Cash and cash equivalents at end of period** | $ **180,568** | **185,150** |

See accompanying notes to parent company only financial statements.

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# Independent Auditors' Report

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

## Opinion

We have audited the consolidated financial statements of Sunty Development Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

## Basis for Opinion

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

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be disclosed in this report are as follows:

1. Revenue recognition of property sales

   Please refer to notes 4(o) and 6(t) of the notes to consolidated financial statements for the accounting policy on revenue recognition and the description of revenue.

Description of key audit matter:

The real estate industry, in which the Group is into, is deeply affected by politics and economics condition, therefore, the management has evaluated the matter and set up relevant internal control procedures. The Group's sales revenue on real estate amounting to $2,551,351 thousand constituted 88% of the total sales revenue for the year ended 2022. The appropriateness timing and accuracy of revenue recognition have significant impact on financial statements. Therefore, the revenue recognition is considered as one of the key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included testing the effectiveness of the design and implementing the internal control system of sales revenue. Inspection of sales contracts, bank account transaction records and real estate ownership transfer documents, etc. In addition, testing the samples of sales transaction before and after the end of the year to ensure the correctness of sales revenue.

2. Valuation of Inventory

Please refer to notes 4(h), 5 and 6(d) of the notes to consolidated financial statements for the accounting policy on measuring inventory, assumptions used and uncertainties considered in determining the net realizable value and the evaluation of inventory.

Description of key audit matter:

As of December 31, 2022, the Group's inventory amounted to $10,738,974 thousand constituted 75% of the total assets. The inventory was presented with the lower of cost or net realizable value method. The property of the Group involves a large portion of capital infusion and long-term payback. Since the Group focuses on real estate industry, which is deeply affected by politics, the general economy, the economic climate and the reform of the real estate tax system. Due to the uncertainty of future input costs of land held for construction sites and construction in progress, the judgment of net realizable value relies on management's subjective judgment or estimation. Thus, the valuation of the inventory of land held for construction sites and construction in progress is one of the key matters to be evaluated in performing our audit procedures.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding the Group's internal procedures and accounting processes over inventory valuation; obtaining the valuation information on the net realizable value of inventory on the date of the reporting; inspecting and performing sample testing on the comparable market data such as sales prices of the transactions in the neighborhood, registered sales prices of real estate published by contract prices of recent sales of the Group’ s developments or Ministry of the Interior, or confirming and recalculating the investment return analysis of each developments, to evaluate if the net realizable value of inventory is fairly presented.

**Other Matter**

Sunty Development Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yilien Han and Kuo-Yang Tseng.

KPMG

Taipei, Taiwan (Republic of China)
March 8, 2023

**Notes to Readers**

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

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

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

## SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

## Consolidated Balance Sheets

## December 31, 2022 and 2021

## (Expressed in Thousands of New Taiwan Dollars)

| | Assets | December 31, 2022 Amount | % | December 31, 2021 Amount | % |
|---|---|---|---|---|---|
| | **Current assets:** | | | | |
| 1100 | Cash and cash equivalents (note 6(a)) | $ 510,903 | 4 | 495,217 | 4 |
| 1110 | Current financial assets at fair value through profit or loss (notes 6(b) and (w)) | 267,185 | 2 | 165,321 | 1 |
| 1140 | Current contract assets (note 6(t)) | 36,010 | - | 55,253 | 1 |
| 1150 | Notes receivable, net (note 6(c)) | 4,186 | - | 9,456 | - |
| 1170 | Accounts receivable, net (note 6(c)) | 45,783 | - | 68,012 | 1 |
| 1200 | Other receivables, net | 17,598 | - | 18,083 | - |
| 1220 | Current income tax assets | 13,516 | - | 1,993 | - |
| 1320 | Inventory (for construction) (notes 6(d) and 8) | 10,738,974 | 75 | 9,620,830 | 71 |
| 1410 | Prepayments | 182,428 | 1 | 144,330 | 1 |
| 1476 | Other current financial assets (notes 6(i), 8 and 9) | 587,109 | 4 | 960,881 | 7 |
| 1479 | Other current assets, others | 946 | - | 1,953 | - |
| 1480 | Current incremental costs to obtain acontract (note 6(i)) | 490,387 | 4 | 524,798 | 4 |
| | | 12,895,025 | 90 | 12,066,127 | 90 |
| | **Non-current assets:** | | | | |
| 1600 | Property, plant and equipment (notes 6(f) and 8) | 139,596 | 1 | 154,816 | 1 |
| 1755 | Right-of-use assets (note 6(g)) | 141,992 | 1 | 147,656 | 1 |
| 1760 | Investment property, net (notes 6(h) and 8) | 969,608 | 7 | 974,830 | 7 |
| 1780 | Intangible assets | 194 | - | 878 | - |
| 1840 | Deferred tax assets (note 6(q)) | 41,565 | - | 43,368 | - |
| 1975 | Non-current net defined benefit asset | 8,584 | - | 4,379 | - |
| 1980 | Other non-current financial assets (notes 6(i), 7, 8 and 9) | 78,143 | 1 | 84,824 | 1 |
| | | 1,379,682 | 10 | 1,410,751 | 10 |
| | **Total assets** | $ 14,274,707 | 100 | 13,476,878 | 100 |

| | Liabilities and Equity | December 31, 2022 Amount | % | December 31, 2021 Amount | % |
|---|---|---|---|---|---|
| | **Current liabilities:** | | | | |
| 2100 | Short-term borrowings (note 6(j)) | $ 4,646,000 | 33 | 3,789,830 | 28 |
| 2110 | Short-term notes and bills payable (note 6(l)) | 29,919 | - | 179,907 | 1 |
| 2130 | Current lease liabilities (notes 6(t) and 9) | 2,682,453 | 19 | 2,661,257 | 20 |
| 2150 | Notes payable | 10,733 | - | 2,139 | - |
| 2170 | Accounts payable | 435,663 | 3 | 512,659 | 4 |
| 2180 | Accounts payable to related parties (note 7) | 15,805 | - | 9,099 | - |
| 2200 | Other payables (notes 6(w) and 7) | 166,453 | 1 | 180,749 | 2 |
| 2230 | Current tax liabilities | 19,323 | - | 6,526 | - |
| 2250 | Current provisions (note 6(n)) | 14,515 | - | 14,531 | - |
| 2280 | Current lease liabilities (note 6(m)) | 3,826 | - | 4,912 | - |
| 2322 | Long-term borrowings, current portion (note 6(k)) | 30,000 | - | 30,000 | - |
| 2399 | Other current liabilities-others | 11,196 | - | 22,017 | - |
| | | 8,065,886 | 56 | 7,413,626 | 55 |
| | **Non-Current liabilities:** | | | | |
| 2540 | Long-term borrowings (note 6(k)) | 251,500 | 2 | 281,500 | 2 |
| 2550 | Non-current provisions (note 6(n)) | 42,117 | - | 42,394 | - |
| 2573 | Deferred tax liabilities-others (note (q)) | 61 | - | - | - |
| 2580 | Non-current lease liabilities (note 6(m)) | 74,663 | 1 | 72,194 | 1 |
| 2645 | Guarantee deposits (note 6(w)) | 3,350 | - | 3,239 | - |
| | | 371,691 | 3 | 399,327 | 3 |
| | **Total liabilities** | 8,437,577 | 59 | 7,812,953 | 58 |
| | **Equity attributable to owners of the Company (note 6(r)):** | | | | |
| 3100 | Share capital | 3,523,143 | 25 | 3,523,143 | 26 |
| 3200 | Capital surplus | 802,675 | 5 | 802,701 | 6 |
| 3300 | Retained earnings | 1,161,993 | 8 | 958,888 | 7 |
| 3400 | Other equity interest | (43,951) | - | (50,716) | - |
| | **Total equity attributable to owners of the Company:** | 5,443,860 | 38 | 5,234,016 | 39 |
| 36XX | Non-controlling interests | 393,270 | 3 | 429,909 | 3 |
| | **Total equity** | 5,837,130 | 41 | 5,663,925 | 42 |
| | **Total liabilities and equity** | $ 14,274,707 | 100 | 13,476,878 | 100 |

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

# SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

## Consolidated Statements of Comprehensive Income

## For the years ended December 31, 2022 and 2021

## (In Thousands of New Taiwan Dollars)

| | | 2022 | | 2021 | |
|---|---|---|---|---|---|
| | | Amount | % | Amount | % |
| 4000 | **Operating revenues (notes 6(o), (t) and 7)** | $ 2,908,371 | 100 | 1,016,956 | 100 |
| 5000 | **Operating costs (notes 6(d) and 7)** | 2,339,461 | 81 | 777,322 | 76 |
| 5900 | **Gross profit from operations** | 568,910 | 19 | 239,634 | 24 |
| | **Operating expenses (note 7):** | | | | |
| 6100 | Selling expenses (note 6(i)) | 163,414 | 6 | 25,470 | 3 |
| 6200 | Administrative expenses | 216,845 | 7 | 186,023 | 18 |
| 6300 | Research and development expenses | 2,505 | - | 1,288 | - |
| | | 382,764 | 13 | 212,781 | 21 |
| 6900 | **Net operating income** | 186,146 | 6 | 26,853 | 3 |
| | **Non-operating income and expenses:** | | | | |
| 7100 | Interest income (notes 6(v) and 7) | 6,660 | - | 1,055 | - |
| 7020 | Other gains and losses (note 6(v)) | 20,965 | 1 | 29,102 | 2 |
| 7050 | Finance costs (notes 6(d) and (v)) | (23,606) | (1) | (1,891) | - |
| | | 4,019 | - | 28,266 | 2 |
| 7900 | **Profit before income tax** | 190,165 | 6 | 55,119 | 5 |
| 7950 | **Less: Income tax expenses (note 6(q))** | 32,092 | 1 | 13,954 | 1 |
| | **Profit for the period** | 158,073 | 5 | 41,165 | 4 |
| 8300 | **Other comprehensive income (loss):** | | | | |
| 8310 | **Components of other comprehensive income that will not be reclassified to profit or loss** | | | | |
| 8311 | Gains (losses) on remeasurements of defined benefit plans (note 6(p)) | 3,816 | - | 848 | - |
| 8349 | Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | - | - | - | - |
| | Total components of other comprehensive income that will not be reclassified to profit or loss | 3,816 | - | 848 | - |
| 8360 | **Components of other comprehensive income (loss) that will be reclassified to profit or loss** | | | | |
| 8361 | Exchange differences on translation of foreign financial statements | 16,581 | 1 | 5,382 | 1 |
| 8399 | Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss | (1,691) | - | (549) | - |
| | Items that may be reclassified to profit or loss | 14,890 | 1 | 4,833 | 1 |
| 8300 | **Other comprehensive income (net of tax)** | 18,706 | 1 | 5,681 | 1 |
| | **Total comprehensive income** | **$ 176,779** | **6** | **46,846** | **5** |
| | **Profit (loss), attributable to:** | | | | |
| 8610 | Owners of parent | $ 200,247 | 7 | 86,898 | 8 |
| 8620 | Non-controlling interests | (42,174) | (2) | (45,733) | (4) |
| | | **$ 158,073** | **5** | **41,165** | **4** |
| | **Comprehensive income attributable to:** | | | | |
| 8710 | Owners of parent | $ 209,870 | 7 | 89,728 | 9 |
| 8720 | Non-controlling interests | (33,091) | (1) | (42,882) | (4) |
| | | **$ 176,779** | **6** | **46,846** | **5** |
| | **Basic earnings per share (NT dollar) (note 6(s))** | | | | |
| 9750 | **Basic earnings per share** | **$** | **0.57** | | **0.25** |
| 9850 | **Diluted earnings per share** | **$** | **0.57** | | **0.25** |

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

## SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

## Consolidated Statements of Changes in Equity

## For the years ended December 31, 2022 and 2021

## (Expressed in Thousands of New Taiwan Dollars)

| | Equity attributable to owners of parent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | | Retained earnings | | | | Total other equity interest | | | |
| | Ordinary shares | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings | Total retained earnings | Exchange differences on translation of foreign financial statements | Total equity attributable to owners of parent | Non-controlling interests | Total equity |
| **Balance at January 1, 2021** | $ 3,523,143 | 802,339 | 628,685 | 55,726 | 186,945 | 871,356 | (52,912) | 5,143,926 | 488,292 | 5,632,218 |
| Profit for the period | - | - | - | - | 86,898 | 86,898 | - | 86,898 | (45,733) | 41,165 |
| Other comprehensive income, net of tax | - | - | - | - | 634 | 634 | 2,196 | 2,830 | 2,851 | 5,681 |
| Total comprehensive income | - | - | - | - | 87,532 | 87,532 | 2,196 | 89,728 | (42,882) | 46,846 |
| Appropriation and distribution of retained earnings: | | | | | | | | | | |
| Legal reserve | - | - | 14,204 | - | (14,204) | - | - | - | - | - |
| Reversal of special reserve | - | - | - | (2,814) | 2,814 | - | - | - | - | - |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | - | 362 | - | - | - | - | - | 362 | - | 362 |
| Non-controlling interests (net of tax) | - | - | - | - | - | - | - | - | (15,501) | (15,501) |
| Balance at December 31, 2021 | 3,523,143 | 802,701 | 642,889 | 52,912 | 263,087 | 958,888 | (50,716) | 5,234,016 | 429,909 | 5,663,925 |
| Profit for the period | - | - | - | - | 200,247 | 200,247 | - | 200,247 | (42,174) | 158,073 |
| Other comprehensive income, net of tax | - | - | - | - | 2,858 | 2,858 | 6,765 | 9,623 | 9,083 | 18,706 |
| Total comprehensive income | - | - | - | - | 203,105 | 203,105 | 6,765 | 209,870 | (33,091) | 176,779 |
| Appropriation and distribution of retained earnings: | | | | | | | | | | |
| Legal reserve | - | - | 8,753 | - | (8,753) | - | - | - | - | - |
| Reversal of special reserve | - | - | - | (2,196) | 2,196 | - | - | - | - | - |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | - | (26) | - | - | - | - | - | (26) | - | (26) |
| Non-controlling interests (net of tax) | - | - | - | - | - | - | - | - | (3,548) | (3,548) |
| **Balance at December 31, 2022** | **$ 3,523,143** | **802,675** | **651,642** | **50,716** | **459,635** | **1,161,993** | **(43,951)** | **5,443,860** | **393,270** | **5,837,130** |

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

# SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

## For the years ended December 31, 2022 and 2021

## (Expressed in Thousands of New Taiwan Dollars)

| | For the years ended December 31 | |
|---|---|---|
| | 2022 | 2021 |
| **Cash flows from (used in) operating activities:** | | |
| **Profit before income tax** | $ 190,165 | 55,119 |
| **Adjustments:** | | |
| **Adjustments to reconcile profit (loss):** | | |
| Depreciation expense | 33,045 | 34,122 |
| Amortization expense | 763 | 781 |
| Net profit on financial assets or liabilities at fair value through profit or loss | 2,599 | (26,111) |
| Interest expense | 23,606 | 1,891 |
| Interest income | (6,660) | (1,055) |
| Dividend income | (1,886) | (1,905) |
| Gain on disposal of property, plant and equipment | (20) | - |
| Impairment loss | 730 | - |
| Gain on lease modification | (3) | (13) |
| **Total adjustments to reconcile profit (loss)** | 52,174 | 7,710 |
| **Changes in operating assets and liabilities:** | | |
| (Increase) decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value through profit or loss | (101,658) | 234,697 |
| Decrease in contract assets | 19,243 | 42,730 |
| Decrease in notes receivables | 5,270 | 20,334 |
| Decrease in account receivables | 22,229 | 29,909 |
| Decrease (increase) in other receivables | 854 | (17,536) |
| Increase in inventories | (1,044,620) | (1,884,290) |
| Increase in prepayments | (37,903) | (94,188) |
| Decrease (increase) in other financial assets (current and non-current) | 380,458 | (63,746) |
| Decrease in other current assets | 1,110 | 57 |
| Decrease (increase) in current incremental costs of obtaining a contract | 34,411 | (93,498) |
| Increase in net defined benefit liabilities | (389) | (363) |
| **Total changes in operating assets** | (720,995) | (1,825,894) |
| Increase in contract liabilities | 19,910 | 533,843 |
| Increase in notes payables | 8,594 | 260 |
| (Decrease) increase in accounts payables | (70,368) | 159,318 |
| Decrease in other payables | (17,878) | (41,406) |
| (Decrease) increase in provisions | (293) | 7,731 |
| (Decrease) increase in other current liabilities | (11,507) | 15,864 |
| **Total changes in operating liabilities** | (71,542) | 675,610 |
| **Total changes in operating assets and liabilities** | (792,537) | (1,150,284) |
| **Total adjustments** | (740,363) | (1,142,574) |
| Cash outflow generated from operations | (550,198) | (1,087,455) |
| Interest received | 6,302 | 903 |
| Interest paid | (85,010) | (50,033) |
| Income taxes paid | (30,822) | (7,504) |
| **Net cash flows from (used in) operating activities** | (659,728) | (1,144,089) |

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

# SUNTY DEVELOPMENT CO., LTD. AND SUBSIDIARIES

## Consolidated Statements of Cash Flows (CONT'D)

## For the years ended December 31, 2022 and 2021

## (Expressed in Thousands of New Taiwan Dollars)

| | For the years ended December 31 | |
|---|---|---|
| | 2022 | 2021 |
| **Cash flows from (used in) investing activities:** | | |
| Acquisition of property, plant and equipment | (1,798) | - |
| Proceeds from disposal of property, plant and equipment | 190 | - |
| Decrease in other financial assets | - | 70 |
| Dividends received | 1,886 | 1,905 |
| **Net cash flows from (used in) investing activities** | 278 | 1,975 |
| **Cash flows from (used in) financing activities:** | | |
| Increase in short-term loans | 1,933,170 | 2,563,830 |
| Repayments of short-term loans | (1,077,000) | (1,280,000) |
| Increase in short-term notes and bills payables | 789,250 | 249,724 |
| Decrease in short-term notes and bills payables | (939,238) | (69,817) |
| Repayments of long-term loans | (30,000) | (27,500) |
| Increase (decrease) in guarantee deposits received | 74 | (1,336) |
| Payment of lease liabilities | (4,023) | (5,983) |
| Change in non-controlling interests | (3,574) | (15,139) |
| **Net cash flows used in financing activities** | 668,659 | 1,413,779 |
| **Effect of exchange rate changes on cash and cash equivalents** | 6,477 | 1,625 |
| **Net increase in cash and cash equivalents** | 15,686 | 273,290 |
| **Cash and cash equivalents at beginning of period** | 495,217 | 221,927 |
| **Cash and cash equivalents at end of period** | $ 510,903 | 495,217 |

See accompanying notes to consolidated financial statements.

Attachment 5

**Sunty Development Co, Ltd.**
**Earnings Distribution Schedule**
**2022**

Unit: NT$

| Item | | Amount |
|---|---|---|
| **Source:** | | |
| Unappropriated earnings at the beginning of the period | | 256,529,667 |
| Add: Profits after tax for the year | 200,246,439 | |
| Add: Changes in actuarial gains and losses for the period | 2,858,146 | |
| Net profits after tax for the period plus the amount included in unappropriated earnings for the year other than net profits after tax for the period | | 203,104,585 |
| Less: 10% set aside as legal reserve | | (20,310,459) |
| Add: Reversal of special reserve set aside with deductions from equity | | 6,764,917 |
| Accumulated distributable earnings | | 446,088,710 |
| **Distribution items:** | | |
| Dividends to shareholders(352,314,309shares*0.5 per share) | | 176,157,155 |
| **Unappropriated earnings at the end of the year** | | 269,931,555 |

Attachment 6

# Sunty Development Co, Ltd.
# Comparison of the amended Articles of Incorporation

| | Proposed amendments | Current articles | Reason for amendments |
|---|---|---|---|
| Article 12-1 | <u>The company may hold the shareholder's meeting by video conference or other methods announced by the Ministry of Economic Affairs, R.O.C.</u> | (this article is added) | In response to the digital age, the Company provides a channel for shareholders to easily participate in shareholders' meetings. Therefore, this article is added that the Company's shareholders' meeting may adopt a video conference or other methods announced by the central competent authority according to Article 172-2, Paragraph 1 of the Company Act. |
| Article 15 | The Board of Directors is composed of directors and the chairperson of the board shall be elected to represent the Company externally from among the directors by a majority vote at a meeting attended by more than two-thirds of the directors. <u>And one person can be promoted as the vice chairman of the board in the same way</u> | The Board of Directors is composed of directors and the chairperson of the board shall be elected to represent the Company externally from among the directors by a majority vote at a meeting attended by more than two-thirds of the directors. | To meet the company's business needs. |
| Article 20-1 | <u>The company adopts a residual dividend policy to continuously strengthen the financial structure and improve profitability while maintaining adequate self-owned capital. It distributes stock dividends to retain the required funds, and the remaining surplus is distributed in cash dividends.</u><br>If there are any current net profits in the annual final accounts of the Company, the Company shall first pay taxes, make up for losses, and if there is any remaining balance, 10% shall be set aside as legal reserve, and special reserve shall be set aside in accordance with the regulations of the competent authorities; the remaining balance shall be added to the accumulated unappropriated earnings of the previous year and the adjustment of the current year's unappropriated earnings to get the accumulated distributable earnings, and the Board of Directors shall set aside the appropriate | If there are any current net profits in the annual final accounts of the Company, the Company shall first pay taxes, make up for losses, and if there is any remaining balance, 10% shall be set aside as legal reserve, and special reserve shall be set aside in accordance with the regulations of the competent authorities; the remaining balance shall be added to the accumulated unappropriated earnings of the previous year and the adjustment of the current year's unappropriated earnings to get the accumulated distributable earnings, and the Board of Directors shall set aside the appropriate amount, prepare an earnings distribution proposal, and submit it to the shareholder meeting for resolution. Of this, cash dividends shall not be less than 10% of the total dividends to shareholders.<br><u>As the Company is now in the stage of business expansion, the Board of Directors should give priority to the</u> | Revise the text to make the dividend policy specific and clear base on the actual dividend situation and future operational development needs. |

| | Proposed amendments | Current articles | Reason for amendments |
|---|---|---|---|
| | amount, prepare an earnings distribution proposal, and submit it to the shareholder meeting for resolution. The Company may decide the most appropriate dividend policy and distribute cash dividends and/or stock dividends according to its operating strategy and future capital planning. Of this, cash dividends shall not be less than 10% of the total dividends to shareholders. | Company's future capital expenditure budget and capital requirements when preparing the earnings distribution proposal, and shall only distribute earnings in subsequent years when there are surplus funds. | |
| Article 22 | The Articles of Incorporation was established on December 22, 1992 (Omitted)<br><br>The nineteenth amendment was made on June 21, 2019<br>The twentieth amendment was made on Aug. 23, 2021<br>The 21st amendment was made on Jun. 7, 2023 | The Articles of Incorporation was established on December 22, 1992 (Omitted)<br><br>The nineteenth amendment was made on June 21, 2019<br>The twentieth amendment was made on Aug. 23, 2021 | Added "The 21st amendment was made on Jun. 7, 2023". |

Attachment 7

**Sunty Development Co, Ltd.**
**Comparison of the amended Procedure of Acquiring or Disposing Assets**

| | Proposed amendments | Current articles | Reason for amendments |
|---|---|---|---|
| Article 8 | In acquiring or disposing of real property, equipment or their right of use assets, where the transaction amount reaches 20 percent of the company's paid in capital or NT$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, acquiring or disposing of equipment for business use, or their right of use assets, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:<br>1. If, for any reason, the company needs to use restrictive, specific or special pricing to serve as reference for the transaction price, then the transaction must be resolved by the board of directors before proceeding. Likewise in the case of any changes to the terms of the transaction are made subsequently.<br>2. Where the transaction amount is NT$1billion or more, appraisals from two or more professional appraisers shall be obtained.<br>3. If a valuation conducted by a professional appraiser exhibits any of the following, a CPA must be engaged to provide an opinion with regards to the discrepant value and the reasonableness of the transaction price, except in situations where the valued price is higher than the acquisition price or lower than the selling price:<br>(1) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.<br>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount. 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided that where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may be | In acquiring or disposing of real property, equipment or their right of use assets, where the transaction amount reaches 20 percent of the company's paid in capital or NT$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, acquiring or disposing of equipment for business use, or their right of use assets, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:<br>1. If, for any reason, the company needs to use restrictive, specific or special pricing to serve as reference for the transaction price, then the transaction must be resolved by the board of directors before proceeding. Likewise in the case of any changes to the terms of the transaction are made subsequently.<br>2. Where the transaction amount is NT$1billion or more, appraisals from two or more professional appraisers shall be obtained.<br>3. If a valuation conducted by a professional value exhibits any of the following, a CPA must be engaged to provide an opinion with regards to the discrepant value and the reasonableness of the transaction price <u>in accordance with Statement on Auditing Standards No. 20, published by the Accounting Research and Development Foundation of the Republic of China (ARDF)</u>, except in situations where the valued price is higher than the acquisition price or lower than the selling price:<br>(1) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transactionamount.<br>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount. 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract | This proposal is made pursuant to the revised Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by the Financial Supervisory Commission on January 28, 2022. |

| | Proposed amendments | Current articles | Reason for amendments |
|---|---|---|---|
| | issued by the original professional appraiser.<br>Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph shall be obtained <u>within 2 weeks counting inclusively from the day the appraisal report is obtained</u>. | execution date; provided that where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may be issued by the original professional appraiser.<br>Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph shall be obtained. | |
| Article 9 | In case of acquisition or disposal of securities, the Company shall, prior to the date of occurrence of the event, obtain the financial statements of the issuing company for the most recent period which have been certified or reviewed by a certified public accountant. Such financial statements shall be used as a reference for appraising the transaction price. If the transaction amount has reached 20% of the company's paid-in capital or NT$300 million, the Company shall, prior to the date of occurrence of the event, additionally engage a CPA to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to securities with publicly quoted prices from an active market, or if it has been otherwise provided by the regulations of the Financial Supervisory Commission (FSC).<br><br>(Omitted) | In case of acquisition or disposal of securities, the Company shall, prior to the date of occurrence of the event, obtain the financial statements of the issuing company for the most recent period which have been certified or reviewed by a certified public accountant. Such financial statements shall be used as a reference for appraising the transaction price. If the transaction amount has reached 20% of the company's paid-in capital or NT$300 million, the Company shall, prior to the date of occurrence of the event, additionally engage a CPA to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA requires the evidence of an expert report, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to securities with publicly quoted prices from an active market, or if it has been otherwise provided by the regulations of the Financial Supervisory Commission (FSC).<br><br>(Omitted) | The reason for amendment is the same as that for the amendment to Article 8. |
| Article 10 | If the dollar amount of intangible assets or their right-of-use assets or memberships to be acquired or disposed of by the Company is 20% or more of the Company's paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the | If the dollar amount of intangible assets or their right-of-use assets or memberships to be acquired or disposed of by the Company is 20% or more of the Company's paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the | The reason for amendment is the same as that for the amendment to Article 8. |

| | Proposed amendments | Current articles | Reason for amendments |
|---|---|---|---|
| | Company shall engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. | Company shall engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price<u>; the certified public accountant shall comply with the provisions of the Statement of Auditing Standards No. 20 published by the ARDF of the ROC</u>. | |
| Article 13 | When this company acquires or disposes of real estate or its right-of-use assets from or to a related party, or acquires or disposes of assets other than real estate or its right-of-use assets from or to a related party, and the transaction amount exceeds 20% of the company's paid-in capital, 10% of the company's total assets, or NT$300 million, except when purchasing domestic government bonds, bonds with repurchase (reverse repurchase) agreements, subscription or buy back of currency market funds issued by domestic securities investment trust enterprises, or otherwise specified by law, this company must submit the following information to the Audit Committee, and obtain its approval, and may sign a transaction contract and make the payment only after the transaction has been approved by a board resolution:<br>1. The purpose, necessity, and expected benefits for acquiring or disposing of the asset.<br>2. The reasons for transacting with the particular related party.<br>3. Where real estate is acquired from a related party, any information that is relevant to establish the reasonableness of transaction terms under Articles 14 and 15.<br>4. The date and price at which the related party originally acquired the asset, the original trading counterparty, as well as the relationship between the original trading counterparty and the Company/the Company's related parties.<br>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.<br>6. Professional value's report or CPA's opinion obtained according to the previous Article. | When this company acquires or disposes of real estate or its right-of-use assets from or to a related party, or acquires or disposes of assets other than real estate or its right-of-use assets from or to a related party, and the transaction amount exceeds 20% of the company's paid-in capital, 10% of the company's total assets, or NT$300 million, except when purchasing domestic government bonds, bonds with repurchase (reverse repurchase) agreements, subscription or buy back of currency market funds issued by domestic securities investment trust enterprises, or otherwise specified by law, this company must submit the following information to the Audit Committee, and obtain its approval, and may sign a transaction contract and make the payment only after the transaction has been approved by a board resolution:<br>1. The purpose, necessity, and expected benefits for acquiring or disposing of the asset.<br>2. The reasons for transacting with the particular related party.<br>3. Where real estate is acquired from a related party, any information that is relevant to establish the reasonableness of transaction terms under Articles 14 and 15.<br>4. The date and price at which the related party originally acquired the asset, the original trading counterparty, as well as the relationship between the original trading counterparty and the Company/the Company's related parties.<br>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.<br>6. Professional value's report or CPA's opinion obtained according to the previous Article. | The reason for amendment is the same as that for the amendment to Article 8. |

| | Proposed amendments | Current articles | Reason for amendments |
|---|---|---|---|
| | 7. Restrictive covenants and other important stipulations associated with the transaction.<br>When this company engages in any of the following transactions with a subsidiary, or subsidiaries in which this company holds 100% of all issued equity or total capital engage when the transactions among not up to announcement standard the board may authorize-the chairman to initially approve all such transactions within a certain amount, and subsequently submit the case to the next board meeting for retroactive acknowledgement:<br>1. Acquisition or disposition of equipment for operating use or its right-of-use assets.<br>2. Acquisition or disposition of right-of-use assets connected with real estate for operating use.<br>When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.<br>Where the Company or its subsidiary that is not a domestically listed company engages in any transaction listed in Paragraph 1 and the transaction amount reaches 10 percent of the Company’s total assets, the information listed in Paragraph 1 shall be submitted to the shareholders’ meeting for approval; only after such information has been approved by the shareholders’ meeting may the contract be signed or payment be made. However, this does not apply to the transaction between the Company and its parent or subsidiary, or among subsidiaries. The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be conducted in accordance with Article 20 herein. In the meantime, "within one year" as used herein refers to the year proceeding to the date of occurrence of the current transaction. Amounts that have already been approved by the Audit committee and resolved by a shareholders' meeting and the Board of Directors may be excluded | 7. Restrictive covenants and other important stipulations associated with the transaction.<br>The calculation of the transaction amounts referred to in the preceding paragraph shall be conducted in accordance with Article 20 herein. In the meantime, "within one year" as used herein refers to the year proceeding to the date of occurrence of the current transaction. Amounts that have already been approved by the Audit committee and resolved by the Board of Directors may be excluded from calculation.<br>When this company engages in any of the following transactions with a subsidiary, or subsidiaries in which this company holds 100% of all issued equity or total capital engage when the transactions among not up to announcement standard the board may authorize-the chairman to initially approve all such transactions within a certain amount, and subsequently submit the case to the next board meeting for retroactive acknowledgement:<br>1. Acquisition or disposition of equipment for operating use or its right-of-use assets.<br>2. Acquisition or disposition of right-of-use assets connected with real estate for operating use.<br>When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. | |

| | Proposed amendments | Current articles | Reason for amendments |
|---|---|---|---|
| | from calculation. | | |
| Article 20 | Under any of the following circumstances, the Company shall, within 2 days from the date of occurrence of the event, publicly announce and report the relevant information about the acquisition or disposal of assets on the designated website of the Financial Supervisory Commission using the specified format:<br>1. When acquiring or disposing of real estate or its right-of-use assets from or to a related party, or acquiring or disposing of assets other than real estate or its right-of-use assets from or to a related party, and the transaction amount exceeds 20% of the company's paid-in capital, 10% of the company's total assets, or NT$300 million. However, the purchase of domestic government bonds, bonds with repurchase (reverse repurchase) agreements, or the subscription or buy back of currency market funds issued by domestic securities investment trust enterprises law shall not be subject to this restriction.<br>2. Mergers, divestments, business acquisitions, or share exchanges.<br>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the provisions herein.<br>4. Acquisition or disposal of operating equipment or its right-of-use assets with non-related parties that amounts to more than NT$1 billion.<br>5. Acquisition or disposal of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT$500 million; among such cases.<br>6. Where land is acquired under an arrangement engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, where the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction is more than NT$500 million.<br>7. Asset transactions other than the ones | Under any of the following circumstances, the Company shall, within 2 days from the date of occurrence of the event, publicly announce and report the relevant information about the acquisition or disposal of assets on the designated website of the Financial Supervisory Commission using the specified format:<br>1. When acquiring or disposing of real estate or its right-of-use assets from or to a related party, or acquiring or disposing of assets other than real estate or its right-of-use assets from or to a related party, and the transaction amount exceeds 20% of the company's paid-in capital, 10% of the company's total assets, or NT$300 million. However, the purchase of domestic government bonds, bonds with repurchase (reverse repurchase) agreements, or the subscription or buy back of currency market funds issued by domestic securities investment trust enterprises law shall not be subject to this restriction.<br>2. Mergers, divestments, business acquisitions, or share exchanges.<br>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the provisions herein.<br>4. Acquisition or disposal of operating equipment or its right-of-use assets with non-related parties that amounts to more than NT$1 billion.<br>5. Acquisition or disposal of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT$500 million; among such cases.<br>6. Where land is acquired under an arrangement engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, where the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction is more than NT$500 million.<br>7. Asset transactions other than the ones specified in the five preceding clauses, | The reason for amendment is the same as that for the amendment to Article 8. |

| | Proposed amendments | Current articles | Reason for amendments |
|---|---|---|---|
| | specified in the five preceding clauses, disposals of debt entitlement by a financial institution, or investments in Mainland China that amount to 20% of the company's paid-up capital or more than NT$300 million. This shall not apply to the following circumstances:<br>(1)Trading of domestic government bonds, or a foreign government bond with a sovereign rating not lower than the sovereign rating of the ROC.<br>(2)Trading of bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds that are issued by securities investment trust companies. The amount of transactions above shall be calculated as follows:<br>1. The amount of any individual transaction.<br>2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.<br>3. The cumulative transaction amount of real estate or its right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.<br>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount. The Company shall, in accordance with requirements, compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by Company and its subsidiaries and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. When the Company at the time of public announcement makes an error or omission in an item required by the regulations to be publicly announced and is required to correct it, all the items shall be again publicly announced and | disposals of debt entitlement by a financial institution, or investments in Mainland China that amount to 20% of the company's paid-up capital or more than NT$300 million. This shall not apply to the following circumstances:<br>(1)Trading of domestic government bonds.<br>(2)Trading of bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds that are issued by securities investment trust companies. The amount of transactions above shall be calculated as follows:<br>1. The amount of any individual transaction.<br>2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.<br>3. The cumulative transaction amount of real estate or its right-of-use assets acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.<br>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount. The Company shall, in accordance with requirements, compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by Company and its subsidiaries and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. When the Company at the time of public announcement makes an error or omission in an item required by the regulations to be publicly announced and is required to correct it, all the items shall be again publicly announced and reported in their entirety within 2 days commencing immediately from the date on which the error or omission is known. | |

| | Proposed amendments | Current articles | Reason for amendments |
|---|---|---|---|
| | reported in their entirety within 2 days commencing immediately from the date on which the error or omission is known. After the Company publicly announces its investment in Mainland China in compliance with Subparagraph 4, Paragraph 1 herein, should the competent authority approves of such investment announcement, the Company shall disclose the date of the original public announcement, the name of the investee company in China, the estimated investment amount, trading counterparty, and the date of approval by the competent authority. When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and opinions of the certified public accountant, attorney and securities underwriter at the Company headquarters, where they shall be retained for five years, except where another act provides otherwise. | After the Company publicly announces its investment in Mainland China in compliance with Subparagraph 4, Paragraph 1 herein, should the competent authority approves of such investment announcement, the Company shall disclose the date of the original public announcement, the name of the investee company in China, the estimated investment amount, trading counterparty, and the date of approval by the competent authority. When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports and opinions of the certified public accountant, attorney and securities underwriter at the Company headquarters, where they shall be retained for five years, except where another act provides otherwise. | |

Appendix 1

# Sunty Development Co, Ltd.
# Articles of Incorporation

## Chapter 1 General Principles

Article 1: The Company is organized in accordance with the provisions of the Company Act and is named Sunty Development Co, Ltd.

Article 2: The Company's scope of business is as follows:
01. F401010 International Trade
02. H701010 Housing and Building Development and Rental
03. H701020 Industrial Factory Development and Rental
04. H701040 Specific Area Development
05. H701050 Investment, Development and Construction in Public Construction
06. H701060 New Towns, New Community Development
07. H701070 Process Zone Expropriation and Urban Land Readjustment Agency
08. H701080 Urban Renewal Reconstruction
09. H701090 Urban Renewal Renovation or Maintenance
10. H703090 Real Estate Business
11. H703100 Real Real Estate Leasing
12. H703110 Senior Citizen Residence
13. I102010 Investment Consulting
14. J901020 Regular Hotel
15. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company has its head office in Taipei City and may establish branch offices in or outside of Taiwan if necessary by resolution of the Board of Directors.

Article 3-1: The Company may make external guarantees only for business purposes.

Article 4: The total reinvestment of the Company is not subject to the restriction that it may not exceed 40% of the Company's paid-in capital as stipulated in Article 13 of the Company Act, and the Board of Directors is authorized to execute the same.

## Chapter 2 Shares

Article 5: The authorized total capital of the Company is NT$5,000,000,000 divided into 500,000,000 shares of NT$10 each, of which the unissued shares are authorized to be issued by the Board of Directors in installments. Of these shares, 15 million shares are reserved for stock option certificates, preferred shares with warrants or corporate bonds with warrants.

Article 6: (Deleted)

Article 7: The shares of the Company are issued with the signature or seal of the directors representing the Company, and after obtaining a certification from a bank permitted by law for issuance and certification of shares. The shares of the Company may be issued without the printing of share certificates or in combination with the printing of share certificates for the total number of shares issued. In the case of shares issued under the preceding paragraph, the custody of the combined printed share certificates or the registration of shares without printed share certificates shall be handled in accordance with the centralized securities depository institution, and the combined large-denomination securities may be exchanged at the request of the centralized securities depository institution.

Article 8: The transfer of shares shall cease within 60 days prior to the date of each regular shareholder' meeting, within 30 days prior to the date of special shareholder meeting, or within five days prior to the base date of the Company's distribution of dividends and bonuses or other benefits.

Article 8-1: The Company's stock affairs shall be handled in accordance with the "Regulations

Governing the Administration of Shareholder Services of Public Companies" issued by the competent authorities and relevant laws and regulations.

**Chapter 3 Shareholder Meeting**

Article 9: There are two types of shareholder meeting: regular and special. The regular meeting is held once a year and shall be convened by the Board of Directors in accordance with the law within six months after the end of each fiscal year. A special meeting can be convened according to the law when necessary.

Article 10: When a shareholder is unable to attend the shareholder meeting for some reason, the proxy form issued by the Company shall be provided, specifying the scope of authorization, and a proxy shall be appointed to attend in accordance with Article 177 of the Company Act.

Shareholders who exercise their voting rights electronically are considered to be present in person and their related matters are governed by the law.

Article 11: The shareholders of the Company have one voting right per share. However, there will be no voting right when the Company has any occurrence of a situation stipulated in Article 179 of the Company Act and other laws and regulations.

Article 12: Unless otherwise required by the Company Act, a resolution in a shareholder meeting should be made with the presence of shareholders representing a majority of the total number of outstanding shares and with the consent of a majority of the voting rights of the shareholders present.

Article 13: If the Company's only shareholder is a corporate shareholder, the duties and authorities of the Company's shareholder meeting shall be exercised by the Board of Directors, and the provisions of the Articles of Incorporation regarding the shareholder meeting shall not apply.

Article 13-1: If a shareholder meeting is convened by the Board of Directors, the chairperson of the board shall chair the meeting; in the absence of the chairperson, the chairperson shall designate one of the directors to act as the surrogate, or in the absence of such designation, one of the directors shall nominate one of the directors as the surrogate; if the meeting is convened by someone with the convening right but other than the Board of Directors, the chair of the meeting shall be the person with the convening right, and if there are more than two such persons, one of them shall be elected as the chair of the meeting.

Article 13-2: The resolution of the shareholder meeting shall be recorded in minutes, signed or sealed by the chair of the shareholder meeting, and distributed to the shareholders within 20 days after the meeting, which shall be kept permanently during the existence of the Company. The distribution of the minutes may be made by public announcement.

**Chapter 4 Directors**

Article 14: The Company shall have five to nine directors for a term of three years, who shall be elected by the shareholder meeting from among persons capable of conduct and shall be eligible for re-election. Among the above-mentioned number of directors, independent directors shall not be less than three, and shall not be less than one-fifth of the number of directors.

The total shareholdings of all directors of the Company shall be in accordance with the regulations of the competent securities authorities.

Article 14-1: When the term of office of a director expires before re-election, his or her authorities and duties shall be extended until the re-elected director takes office.

Article 14-2: The <u>election of directors</u> is based on the candidate nomination system by shareholders from the list of director candidates in accordance with the Company Act and the regulations of the competent securities authorities.

Independent directors and non-independent directors shall be elected together, but their respective elected seats shall be calculated separately.

The Company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall consist of all independent directors and shall be responsible for carrying out the duties and responsibilities of the supervisors under the Company Act, the Securities and Exchange Act, and other laws and regulations.

Article 15: The Board of Directors is composed of directors and the chairperson of the board shall be elected to represent the Company externally from among the directors by a majority vote at a meeting attended by more than two-thirds of the directors.

Article 15-1: If the vacancy of directors reaches one-third of the number of seats or all independent directors are dismissed, the Board of Directors shall convene a special shareholder meeting within 60 days to hold a by-election, and the term of office of the succeeding director shall be limited to the original term of office.

Article 16: If the chairperson asks for leave or is unable to exercise the powers of office for some reason, their proxy shall handle affairs in accordance with Article 208 of the Company Act.

Article 16-1: Unless otherwise provided in the Company Act, a resolution of the Board of Directors shall be made with the presence of a majority of the directors and the consent of a majority of the directors present.

Article 16-2: If a director of the Company is concurrently appointed as an advisor or holds other positions in the Company, the remuneration for his or her duties as an advisor or other roles of the Company shall be paid in accordance with the Company's internal management measures.

Article 16-3: The Board of Directors is authorized to set the standard of payment for directors' travel expenses.

Article 16-4: Directors should attend board meetings in person or, if they are unable to attend in person for any reason, they may entrust another director as proxy. When a director entrusts another director to attend the board meeting as a proxy, they shall provide a proxy form every time and specify the scope of authorization. A proxy can only be entrusted by one person. Directors residing abroad may entrust other domestic shareholders in writing to attend the board meetings as proxies. The proxies should apply to the competent authority for registration, and the same applies to amendments.

Article 16-5: The reason should be stated when convening the board meeting, and the directors should be notified seven days in advance. However, in case of emergency, the board meeting may be convened at any time. Notice for the convening of the board meetings can be made in writing, email or fax.

Article 17: The remuneration for all directors shall be based on the value of their participation in and contribution to the operations of the Company, regardless of the operating profits or losses, and shall be determined by the Board of Directors in accordance with the usual standards of the industry.

Article 17-1: (Deleted)

Article 17-2: The Company shall purchase liability insurance for the directors during their term of office for the scope of business performed by the directors.

**Chapter 5 Managerial Officer**

Article 18: The Company shall have a number of managerial officers whose appointment, dismissal and remuneration are governed by Article 29 of the Company Act.

**Chapter 6 Accounting**

Article 19: At the end of each fiscal year, the Board of Directors shall prepare the following reports, submit them to the Audit Committee for review before 30 days of the Regular Shareholder Meeting, and present them to the shareholder meeting for ratification:

(I) Business report (II) Financial statements (III) Earnings distribution or losses make-up proposal.

Article 20: The Company shall set aside not less than 2% and not more than 10% of its annual net profits as remuneration for employees, and not more than 3% as remuneration for directors. However, when the Company still has accumulated losses, it should reserve the make-up amount in advance.

Article 20-1: If there are any current net profits in the annual final accounts of the Company, the Company shall first pay taxes, make up for losses, and if there is any remaining balance, 10% shall be set aside as legal reserve, and special reserve shall be set aside in accordance with the regulations of the competent authorities; the remaining balance shall be added to the accumulated unappropriated earnings of the previous year and the adjustment of the current year's unappropriated earnings to get the accumulated distributable earnings, and the Board of Directors shall set aside the appropriate amount, prepare an earnings distribution proposal, and submit it to the shareholder meeting for resolution. Of this, cash dividends shall not be less than 10% of the total dividends to shareholders.

As the Company is now in the stage of business expansion, the Board of Directors should give priority to the Company's future capital expenditure budget and capital requirements when preparing the earnings distribution proposal, and shall only distribute earnings in subsequent years when there are surplus funds.

**Chapter 7 Supplementary Provisions**

Article 21: Matters not covered in the Articles of Incorporation shall be handled in accordance with the provisions of the Company Act.

Article 22: The Articles of Incorporation was established on December 22, 1992

The first amendment was made on November 6, 2000
The second amendment was made on December 6, 2000
The third amendment was made on March 28, 2002
The fourth amendment was made on June 3, 2002
The fifth amendment was made on March 31, 2003
The sixth amendment was made on June 30, 2004
The seventh amendment was made on May 31, 2005
The eighth amendment was made on June 28, 2006
The ninth amendment was made on June 15, 2007
The tenth amendment was made on June 16, 2009
The eleventh amendment was made on June 15, 2010
The twelfth amendment was made on June 15, 2011
The thirteenth amendment was made on June 15, 2012
The fourteenth amendment was made on November 9, 2012
The fifteenth amendment was made on June 25, 2013
The sixteenth amendment was made on June 11, 2014
The seventeenth amendment was made on June 15, 2016
The eighteenth amendment was made on February 11, 2019
The nineteenth amendment was made on June 21, 2019
The twentieth amendment was made on Aug. 23, 2021

Appendix 2

# Sunty Development Co, Ltd.
# Rules of Procedure for Shareholder Meeting

Amendments approved at the shareholder meeting on June 10, 2020

Article 1: In order to establish a good governance system for the Company's shareholder meeting, improve the supervisory function and strengthen the management function, the Company has set forth the rules in accordance with Article 5 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" for the purpose of compliance.

Article 2: The Company's procedure for shareholder meeting should be governed by the rules unless otherwise required by laws and regulations.

Article 3: (Convening and notice of shareholder meeting)

The Company's shareholder meeting shall be convened by the Board of Directors unless otherwise required by laws and regulations.

The shareholders shall be notified 30 days in advance of the convening of the regular shareholder meeting, and for shareholders holding less than 1,000 registered shares, the meeting shall be announced by means of a public post on the Market Observation Post System 30 days in advance; the shareholders shall be notified 15 days in advance of the convening of the special shareholder meeting, and for shareholders holding less than 1,000 registered shares, the meeting shall be announced by means of a public post on the Market Observation Post System 15 days in advance.

The notice and announcement should specify the causes for convening the meeting; with the consent of the corresponding party, the meeting notice may be given in an electronic form.

The election or dismissal of directors, change of the Articles of Incorporation, reduction of capital, application for suspension of public offering, permission for directors to compete for business, transfer of earnings to capital, transfer of reserves to capital, dissolution, merger, demerger, or the matters set forth in Paragraph 1 of Article 185 of the Company Act, should be listed and explained in the cause for convening and must not be proposed as extraordinary motions; the main contents thereof should be stated, and shall not be proposed by extraordinary motions; the main contents thereof shall be stated on the website designated by the competent securities authority or the Company, and the website address should be included in the notice.

Where re-election of all directors and the date of their assumption of offices are stated in the causes for convening the shareholder meeting, after the completion of the re-election in the meeting, such date of their assumption of offices may not be altered by any extraordinary motion or other means in the same meeting.

Article 4: (Preparation and announcement of shareholder meeting handbook)

The Company shall prepare a handbook for shareholder meetings and send the handbook and supplementary materials to the Market Observation Post System electronically no later than 21 days prior to a regular shareholder meeting or 15 days prior to a special shareholder meeting. The meeting handbook and supplementary materials should be made available to shareholders at any time 15 days before the shareholder meeting, and are exhibited on the premises of the Company and the professional stock affairs agency appointed by the Company, and are distributed on-site at the shareholder meeting.

Article 5: (Handling of proposals before shareholder meetings)

Shareholders holding more than 1% of the total number of issued shares may submit a proposal to the Company for a regular shareholder meeting. However, the number of items in the proposal is limited to one, proposals containing more than one item will not be included in the meeting agenda. However, if the shareholder's proposal is to urge the Company to promote public interests or fulfill its social responsibilities. the Board of Directors may include it in the meeting agenda. In addition, when any of the circumstances of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the meeting agenda.

Prior to the date for suspension of stock transfer before a regular shareholder meeting is held, the Company should publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals must not be less than 10 days.

A shareholder proposal is limited to 300 words. If it exceeds 300 words, the proposal shall not be included in the meeting agenda; the proposing shareholder should attend the shareholder meeting in person or entrust others to attend and participate in the discussion of the proposal.

Prior to the date for issuance of the shareholder meeting notice, the Company should inform the proposing shareholder of the proposal screening results, and shall list the proposals that conform to the provisions of this regulation in the meeting notice. For shareholder proposals that are not included in the meeting agenda, the Board of Directors should explain the reasons for their not being included in the shareholder meeting.

Article 6: (Attendance by proxy at shareholder meetings and authorization)

A shareholder may appoint a proxy to attend a shareholder meeting at each shareholder meeting by presenting a proxy form issued by the Company, stating the scope of authorization.

A shareholder shall issue only one proxy form and appoint only one proxy, and should deliver the proxy form to the Company five days before the shareholder meeting, and in the event of duplicate proxies, the one received earliest shall prevail. However, this does not apply to the situation where a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation should be submitted to the Company two days before the meeting. If the cancellation notice is submitted after that time, the exercise of voting right by the proxy in the meeting shall prevail.

Article 7: (Principles governing the location and time of shareholder meetings)

The location for a shareholder meeting should be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholder meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. The location and time of the meeting shall take into full consideration the opinions of the independent directors.

Article 8: (Preparation of signature books and other documents)

The Company should specify in its shareholder meeting notice the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, should be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted should be clearly marked and a sufficient number of suitable personnel should be assigned to handle the registrations.

Shareholders or their proxies (hereinafter referred to as the shareholders) should present attendance cards, sign-in cards, or other attendance certificates to attend a shareholder meeting. The Company must not arbitrarily add requirements for other documents from the shareholders in support of their eligibility to attend. Solicitors seeking proxy forms should also bring identification documents for verification.

The Company should furnish a signature book for attending shareholders, or the attending shareholders may hand in a sign-in card instead.

The Company should provide attending shareholders with the meeting handbook, annual report, attendance card, speaker slips, voting ballots, and other meeting materials. Where there is an election of directors, election ballots should also be furnished.

When a shareholder is a government or a juristic person, the number of representatives to attend the shareholder meeting is not limited to one. When a juristic person is entrusted to attend a shareholder meeting, only one representative can be appointed to attend.

Article 9: (Chair of the shareholder meeting, and other attendees)

If a shareholder meeting is convened by the Board of Directors, the chairperson of the board shall chair the meeting. When the chairperson is on leave or for any reason unable to exercise the powers of office, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a director serves as chair, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic-person director that serves as chair.

For the shareholder meeting convened by the Board of Directors, the chairperson of the board should preside in person, and a majority of the directors (including at least one independent director), the Audit Committee Convener and at least one representative of various functional committees should attend, and the attendance should be recorded in the shareholder meeting minutes.

If a shareholder meeting is convened by someone with the convening right but other than the Board of Directors, the convening person shall chair the meeting and if there are more than two such persons, one of them shall be elected as the chair of the meeting.

The Company may appoint lawyers, CPA, or related personnel to attend the shareholder meeting.

Article 10: (Audio or video recordings of shareholder meetings as evidence)

The Company, beginning from the time it accepts shareholder attendance registrations, should make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholder meeting, and the voting and vote counting processes. The recorded materials should be kept for at least one year. However, if any shareholder files a lawsuit in accordance with Article 189 of the Company Act, they shall be kept until the end of the lawsuit.

Article 11: (Calculation of the number of shares present at the shareholder meeting)

Attendance in a shareholder meeting should be calculated based on numbers of shares. The number of shares in attendance shall be calculated based on the shares indicated by the signature book or sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair should call the meeting to order at the scheduled meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement. No more than two such postponements, for a combined total of no more than one hour, may be made. When there are still insufficient attending shareholders to represent more than one-third of the total issued shares after two postponements, the chair shall announce the meeting to be aborted.

When there are still insufficient attending shareholders to represent more than one-third of the total issued shares after two postponements, a tentative resolution may be adopted in accordance with Article 175, Paragraph 1 of the Company Act and all shareholders shall be notified of the tentative resolution and another shareholder meeting shall be convened within one month.

Before the conclusion of the meeting, if the attending shareholders represent a majority of the total number of issued shares, the chair may submit a tentative resolution for voting by the shareholder meeting in accordance with Article 174 of the Company Act.

Article 12: (Discussion of proposals)

If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals of that meeting). The meeting should proceed in the order set by the agenda, which may not be changed without a resolution of the shareholder meeting.

If a shareholder meeting is convened by someone with the convening right but other than the Board of Directors, the provisions of the preceding paragraph shall apply mutatis mutandis.

The chair must not declare the meeting adjourned before conclusion of the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholder meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors should promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to voting, the chair may announce the discussion closed, call for voting, and schedule sufficient time for voting.

Article 13: (Shareholders speeches)

Before speaking, an attending shareholder must specify the subject of the speech on a speaker slip , their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

An attending shareholder who has submitted a speaker slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker slip, the spoken content shall prevail.

Shareholders attending the meeting shall not be allowed to inquire about the report items on the agenda until all the report items on the agenda have been read out or addressed by the chair or the chair's designee. Except with the consent of the chair, a shareholder may not speak more than twice, and a single speech may not exceed five minutes.

The preceding provisions about the time and number of speeches of the shareholders attending the meeting shall apply to each of the proposed proposals and discussion items listed on the agenda, as well as to each of the motions proposed at the extraordinary motions.

The time and number of questions and answers by shareholders not listed on the original agenda at the extraordinary motions shall be governed by the provisions of paragraph 3.

If the shareholder's speech violates the rules or exceeds the scope of the topic, the chair may terminate the speech. If the shareholder does not stop speaking, or if there is any other obstruction of the proceedings, the chair may direct the proctors or security personnel to do what is necessary to maintain order or to make the meeting run smoothly.

When an attending shareholder is speaking, other shareholders must not speak or interrupt unless they have sought and obtained the consent of the chair and the speaking shareholder; the chair should stop any violation and the foregoing provisions shall be applied as necessary.

When a government or corporate shareholder appoints two or more representatives to attend a shareholder meeting, only one person may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 14: (Calculation of voting shares and recusal system)

Voting in a shareholder meeting should be calculated based on numbers of shares.

With respect to resolutions of a shareholder meeting, the number of shares held by a shareholder with no voting right shall not be calculated as part of the total number of issued shares.

When a shareholder has a personal interest in relation to an agenda item that would compromise the interests of the Company, that shareholder must not vote on that item, and must not exercise voting right as proxy for any other shareholder.

The number of shares for which voting rights are not allowed to be exercised in the preceding paragraph shall not be calculated as part of the votes represented by attending shareholders.

Except for a trust enterprise or a stock affairs agency approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights of that proxy must not exceed 3% of the voting rights of the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 15: (Voting on proposals)

A shareholder shall have one voting right per share, except when the shares are restricted shares or have no voting rights under Article 179, Paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall allow exercise of voting rights by electronic means or by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise should be specified in the shareholder meeting notice. A shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the meeting in person. However, their rights shall be considered abstained with respect to the extraordinary motions and amendments to original proposals of that meeting; therefore, the Company should avoid submitting extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph should deliver a written declaration of intent to the Company two days before the shareholder meeting. In the event of duplicate declarations of intent, the one received earliest shall prevail. Except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, if the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph should be made to the Company, by the same means by which the voting rights were exercised, two days before the shareholder meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights by correspondence or electronic means and also appointed a proxy to attend the shareholder meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Unless otherwise required by the Company Act and by the Company’s Articles of Incorporation, the approval of a proposal shall require an affirmative vote of a majority of the voting rights of the attending shareholders. If no objection is raised as the chair consulting all shareholders present, the proposal shall be deemed to be passed and shall have the same effect as a voting.

At the time of voting, the chair or the person designated by the chair should first announce the total number of voting rights of the attending shareholders for each proposal, then the shareholders shall vote on each proposal. On the same day after the meeting, the results of shareholders’ approvals, disapprovals and abstentions, shall be entered into the Market Observation Post System.

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

The chair shall determine the order of discussion and voting on the motions proposed by the shareholders at the extraordinary motions; the chairman may combine the motions of the same type.

Article 16: (Vote monitoring, counting and preservation of ballots)

Monitoring and counting personnel for voting on a proposal shall be appointed by the chair, but all monitoring personnel should be shareholders.

Vote counting for shareholder meeting proposals or elections should be conducted in a public place in the shareholder meeting. Immediately after vote counting has been completed, the results of the voting, including the statistics of the votes, shall be announced on the spot in the meeting, and recorded.

Article 17: (Election matters)

In the event of an election of directors at a shareholder meeting, the election results, including the list of elected directors and the number of their elected votes, should be announced on the spot in accordance with the "Procedures for Election of Directors" established by the Company.

The ballots for the election mentioned in the preceding paragraph should be properly kept for at least one year. However, if any shareholder files a lawsuit in accordance with Article 189 of the Company Act, they shall be kept until the end of the lawsuit.

Article 18: (Minutes and signatures)

Resolutions of a shareholder meeting should be recorded in the meeting minutes, which shall be signed or sealed by the chair and distributed to each shareholder within 20 days after the meeting. The meeting minutes shall be produced and distributed in electronic form.

The Company shall distribute the meeting minutes of the preceding paragraph by a public announcement through the Market Observation Post System.

The meeting minutes should accurately record the year, month, day, and place of the meeting, the chair's name, the methods of ratification, and a summary of the discussions and voting results (including statistics of the votes), and disclose the number of votes won by each candidate in the event of an election of directors. The meeting minutes should be kept for the duration of the existence of the Company.

Article 19: (Public announcements)

On the day of a shareholder meeting, the Company should compile in the prescribed format a statistical statement of the number of shares obtained by solicitors and the number of shares represented by proxies, and make an express disclosure in the shareholder meeting.

If a resolution in a shareholder meeting constitutes material information as determined by relevant laws or regulations or by Taiwan Stock Exchange, the Company should transmit the content of such resolution to the Market Observation Post System within the prescribed time period.

Article 20: (Maintenance of the order of the meeting)

The personnel administering the shareholder meeting should wear identification cards or armbands.

The chair may direct proctors or security personnel to help maintain order in the meeting place. Proctors or security officers, when helping maintain order at the scene, should wear armbands or identification cards with the word "Proctor".

If the meeting place is equipped with sound amplifying equipment, the chair may stop any shareholders from speaking unless they are using the equipment set up by the Company.

When a shareholder violates the rules of procedure, disobeys the chair's correction, or obstructs the proceedings and refuses to follow the call to stop, the chair may direct proctors or security personnel to escort the shareholder out of the meeting.

Article 21: (Meeting break, resumption)

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting place cannot be further used and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholder meeting may ratify a resolution to resume the meeting at another place.

The shareholder meeting may, in accordance with the provisions of Article 182 of the Company Act, be resolved to be postponed or resumed within five days.

Article 22: (Supplementary provisions)

Except as provided in the Company Act or the Company's Articles of Incorporation, all matters not provided for in the Rules shall be governed by the chair's ruling. If a shareholder still has a dispute, they should follow the applicable procedures and should not use it to obstruct or interfere with the meeting proceedings.

Article 23: (Implementation)

The rules will be implemented after approval by a shareholder meeting, and the same applies to amendments.

Appendix 3

# Sunty Development Co, Ltd.
## Shareholding of directors

(As of the date for suspension of share transfer for the shareholder meeting: April 9, 2023)

| Title | Name | Number of shares held on the base date | |
|---|---|---|---|
| | | Number of shares | Shareholding percentage |
| Chairperson | Mai Kuan-Cheng | 5,037,363 | 1.43% |
| Director | Dingyang Investment Co., Ltd. Representative: Wei Tai-Lin | 40,738,478 | 11.56% |
| Director | Dingyang Investment Co., Ltd. Representative: Mai Hsiu-Wei | 40,738,478 | 11.56% |
| Independent director | Huang Chi-Kuang | 44,681 | 0.01% |
| Independent director | Yu Chun-Ming | 0 | - |
| Independent director | Chuang Meng-Han | 0 | - |
| **Shareholding of directors** | | ***45,820,522*** | ***13.00%*** |

Note:

I. The shareholding percentage in this table is based on the total number of 352,314,309 shares issued by the Company as of the date for suspension of share transfer for the shareholder meeting.

II. In accordance with Article 26 of the “Securities and Exchange Act” and Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, the minimum number of shares to be held by all directors of the Company is 17,615,716 shares.