Stock Code：6171

大城地產股份有限公司
TA CHENG REAL ESTATE CO.,LTD.

(Formerly known as Taiwan Aries Co., Ltd.)

2024 Annual Shareholders' Meeting

Meeting Handbook

Time: 9:00 am, June 27, 2024
Venue: Meeting room 202, Taichung World Trade Center, No. 60, Tianbao Street, Xitun District, Taichung City

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One. Meeting agenda

Tacheng Real Estate Co., Ltd.

2024 Regular Shareholders' Meeting

Meeting agenda

I. Time: 9:00 am, June 27, 2024

II. Venue: Meeting room 202, Taichung World Trade Center, No. 60, Tianbao Street, Xitun District, Taichung City

III. Convention method: physical shareholders' meeting

IV. Meeting Procedures:

(I) Call meeting to order (number of attending shares is reported)

(II) Chair takes position

(III) Chair's speech

(IV) Reports

(V) Ratification

(VI) Discussions and election

(VII) Other proposal and extraordinary motion

(VIII) Meeting adjournment

Two. Report matters

Proposal 1

Cause: 2023 business report, please review.

Description: For the 2023 business report, please refer to pages 8-14 (Attachment 1) of the manual.

Proposal 2

Cause: 2023 Audit Committee's Audit Report, please review.

Description: For the 2023 Audit Committee's Audit Report, please refer to pages 15 (Attachment 2)of the manual.

Proposal 3

Cause: Report on the 2023 profit sharing remuneration to employees and directors and the distribution, please review.

Description:
(I) Pursuant to Article 19 of the Articles of Incorporation, the Company shall provide 0.1% to 5% of the profit of the year, if any, as the employees' remunerations, and no more than 3% of the same as the directors' remunerations. In case of any accumulated loss, the amount to compensate shall be set aside first.
(II) From the 2023 profit, NT$291,403,410 (i.e. the income of the income before tax and deduction of employees and directors' remuneration distribution, and the accumulated losses are deducted), 0.3% of which will be provided as the employees' remuneration, for NT$874,210, and the directors' remuneration for NT$378,824, or 0.13% of which, both paid in cash. There is no difference from the estimated amount of the year when the expenses was estimated

.

Proposal 4

Cause: Report on the 2023 earning distribution in cash dividends, please review.

Description:
(I) Pursuant to Article 19-1 of the Articles of Incorporation, the Board of Directors are authorized to distribute the shareholders' dividend in cash, and report the shareholders' meeting.
(II) NT$150,000,000 is provided as the shareholders' dividend and paid in cash, or approximately NT$1.5 per share. The calculation is made proportionally up to NTD (rounded off under NTD1). The fractional amount under NT$1 is transferred to the

Company's other income.

(III) The proposal has been resolved by the Board of Directors, and the chairman is authorized to determine the ex-dividend base date, distribution date, and other related matters; if any change in the Company's share capital in the future result in the quantity of the outstanding shares, and any change in the dividend yield require revision, the chairman is also fully authorized to handle such

.

Proposal 5

Cause: Report on the 2023 remuneration to directors, please review.

Description: (I) The remuneration of the Company's directors is handled by complying with the "Regulations to Distribute Remunerations to Directors, Members of Functional Committees, and the President" in the Articles of Incorporation.

1. The Chairman's salary and remuneration consist of fixed monthly pay of NT$30,000, and variable pay (including performance bonus and year-end bonus), as decided by Remuneration Committee in reference to the pay level among the peer companies, and is then subject to the approval of the Board of Directors.
2. Directors' remuneration: Pursuant to Article 19 of the Articles of Incorporation, where the Company makes a profit for a year, no more than 3% of it is provided as the directors' remunerations; the chairman is authorized to formulate the distribution percentage and amount of the directors' remunerations provided pursuant to the Articles of Incorporation based on their participation in the Company's operation and the value they contribute, to submit to the Remuneration Committee for approval before being approved by the Board. The independent directors do not participate the distribution of directors' remunerations.
3. Business execution fees: for each attendance in a board meeting, a director receives NT$6,000 as the traveling subsidy.

   The Company regularly evaluate the directors' remunerations pursuant to the "Regulations for Self and Peer Evaluation of the Board of Directors." The related performance evaluations and reasonableness of remunerations are reviewed by the Remuneration Committee and the Board.

(II) The following table details the remuneration to each individual director for 2023.

December 31, 2023; Unit: NT$ Thousand

Job title	Name	Compensation to directors								Sum of A, B, C, and D as a percentage of net income (%)		Employee compensation received by directors								Sum of A, B, C, D, E, F, and G as a percentage of net income (%)		Compensation from investees other than subsidiaries or from the parent company
		Return (A)		Retirement pension (B)		Remuneration to directors (C) (Note 3)		Professional practice fees (D)				Salaries, bonuses and special allowances, etc. (E)		Retirement pension (F)		Remuneration to employees (G)						
																The Company		Companies included in the financial statements				
		The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	Companies included in the financial statements	
Chairman of Board	Lai, Yuan-Chao	1,640	1,640	-	-	152	152	36	36	0.7376	0.7376	-	-	-	-	-	-	-	-	0.7376	0.7376	None
Director	Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin	-	-	-	-	64	64	36	36	0.0403	0.0403	-	-	-	-	-	-	-	-	0.0403	0.0403	None
Director	Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai	-	-	-	-	64	64	30	30	0.0379	0.0379	-	-	-	-	-	-	-	-	0.0379	0.0379	None
Director	Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling	-	-	-	-	64	64	36	36	0.0403	0.0403	-	-	-	-	-	-	-	-	0.0403	0.0403	None
Director	Representative of Ta You Investment Co., Ltd.: Yuchun Liao	-	-	-	-	34	34	12	12	0.0186	0.0186	1,292	1,292	0.5213	0.5213	-	-	-	-	0.5399	0.5399	None
Independent director	Yang, Tung-Hsiao	360	360	-	-	-	-	48	48	0.1646	0.1646	-	-	-	-	-	-	-	-	0.1646	0.1646	None
Independent director	Young Weiju	360	360	-	-	-	-	48	48	0.1646	0.1646	-	-	-	-	-	-	-	-	0.1646	0.1646	None
Independent director	Lin, Chun-Mao	360	360	-	-	-	-	48	48	0.1646	0.1646	-	-	-	-	-	-	-	-	0.1646	0.1646	None
Independent director	Wen Yen-Jung	179	179	-	-	-	-	12	12	0.0771	0.0771	-	-	-	-	-	-	-	-	0.0771	0.0771	None
Total		2,899	2,899	-	-	378	378	306	306	1.4456	1.4456	1,292	1,292	0.5213	0.5213	-	-	-	-	1.9669	1.9669	-

Proposal 6

Cause: Please review the report on the implementation of transaction involving engaging related parties to build on its own lands.

Description: On June 28, 2023, it has been authorized to commission transactions involving engaging related parties to build on the Company's own lands from the date of adopting the resolution by the shareholders' meeting. The implementation is described in the following table.

Transaction counterpart	Construction project	Authorized amount	Contracted amount
Ta Sheng Construction Co., Ltd.	Land No. 81, Biliu Section, Beitun District, Taichung City	NT$1,083,500 thousand	NT$980,000 thousand

Three. Ratification matters

Proposal 1 by the board of directors

Cause: Please ratify 2023 business report and financial reports.

Description: (I) The Company's 2023 financial statements have been audited by Huang Hsiang-ying and Tsao Yong-jen, CPAs from EnWise CPAs & Co.; and along with the business report are reviewed by the Audit Committee. It is hereby submitted to the shareholders' meeting for ratification.

(II) Please refer to pages 8-14 (Attachment 1) and pages 16-24(Attachment 3) of the annual report for the 2023 business report, Independent Auditor's Report, and financial statements for ratification.

Resolution:

Proposal 2 by the board of directors

Cause: Please ratify the 2023 earning distribution statement.

Description: The Company's 2023 earning distribution statement has been prepared by the Board of Directors pursuant to the Company Act and the Articles of Incorporation as below, please ratify.

Tacheng Real Estate Co., Ltd.
Earnings Distribution Plan
2023

Unit: NT$

Item	Amount
Undistributed earnings, beginning	392,413,009
Add: Current net income	247,834,548
Less: Legal reserve	(24,783,455)
Current distributable earnings	615,464,102
Distribution items	
Shareholder bonus (cash dividend, NT$1.5 per share)	(150,000,000)
Undistributed earnings, ending	465,464,102

Chairman: Lai,Yuan-Chao Managerial Officer:Yuchun Liao Accounting Officer: Teng Hsiang-Chien

Resolution:

Four. Discussions and election matters

Proposal 1 by the board of directors

Cause: Please discuss the amendments to the “Operational Procedures for Endorsements/Guarantees.”

Description: (I) To cope with the Company’s operational needs, it is intended to amend some clauses of the “Operational Procedures for Endorsements/Guarantees.” .

(II) For the comparison table of the Operational Procedures for Endorsements/Guarantees before and after amendments, please refer to pages 25-30 “Attachment 4” of the Handbook. Please discuss.

Resolution:

Proposal 2 by the board of directors

Cause: Proposal to fully re-elect directors.

Description: (I) The term of office of the Company’s incumbent directors will expire on August 26, 2024, and it is intended to hold a full re-election at this regular shareholders’ meeting. The incumbent directors will be discharged after the re-election.

(II) It is intended to elect nine seats of directors (including four seats of independent directors) this time. The candidate nomination system is adopted. The new directors will take office after the re-election, for a term of three years, from June 27, 2024 to June 26, 2027.

(III) The list of the director candidates for this election has been resolved by the Board of Directors on March 14, 2024. Please refer to the page 31-32, “Attachment 5” for the list of the director candidates, their education, experience, and number of shares held, among other information.

(IV). Please elect.

Election results

Proposal 3 by the board of directors

Cause: Please discuss lifting the non-competition restrictions on the company's new directors and their representatives.

Description: (I) Pursuant to Article 209 of the Company Act, “A director who does anything for himself or on behalf of another person that is within the scope of the company’s business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”

(II) To meet the operational needs, it is intended to request the shareholders’ meeting for approval to release the new directors and their representatives from the non-compete restrictions.

(III) Other positions concurrently held by the director candidate are as follows:

Director	Current concurrent positions	Description of the company's main business
Lai, Yuan-Chao	Chairman of Board, Ta Cheng Construction Co., Ltd	Residential and building development, rental and sale
Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai	Special Assistant, Ta Cheng Construction Co., Ltd	Residential and building development, rental and sale
Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin	Vice General Manager, Ta Cheng Construction Co., Ltd.	Residential and building development, rental and sale
Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling	Special Assistant, Ta Cheng Construction Co., Ltd Chairman of Board, Arching Real Estate Co., Ltd.	Residential and building development, rental and sale

(IV). Please Discussions.

Five. Other proposal and extraordinary motion

Meeting adjournment

<Attachment 1>

Tacheng Real Estate Co., Ltd.

Business Report

The Company's 2023 Business Report and 2022 Business Plan are outlined as follows:

I. 2023 Business Report.

(1) Performance results of the Business Plan

The operating revenue, net recognized by the Company in 2023 was NT$1,382,349 thousand, decreased by 28.87% from NT$1,943,504 thousand in the previous year. The operating income was NT$284,718 thousand, decreased by 33.18% from NT$426,112 thousand in the previous year. The net income was NT$247,835 thousand, decreased by 28.38% from NT$346,037 thousand in the previous year.

(2) Budget implementation status: N/A

(3) Revenues & expenses and profitability analysis

1. Revenues and expenses

Unit: NT$ Thousand

Item	2023	2022	Increase/decrease in amount	Increase/decrease in percentage
Operating revenue, net	1,382,349	1,943,504	(561,155)	-28.87%
Gross profit	359,625	521,421	(161,796)	-31.03%
Operating income	284,718	426,112	(141,394)	-33.18%
Non-operating revenues and expenses	5,433	972	4,461	459.06%
Net income	247,835	346,037	(98,202)	-28.38%

2. Profitability analysis

Item		2023	2022
Return on assets (ROA) (%)		7.63	10.42
Return on equity (ROE) (%)		12.99	20.05
As a percentage of paid-in capital	Operating income (%)	28.47	42.61
	Income before tax (%)	29.01	42.91
Net profit margin (%)		17.92	17.80
Earnings per share (NT$)		2.48	3.46

(4) Overview of business development

The Company will develop its business in the following manners:

1. Evaluate suitable land via the market survey for development and construction, in order to increase the operating revenue.
2. Seek a joint construction partner and launch projects in the form of joint construction, in order to increase the operating revenue.
3. Implement the policy of elimination of remaining houses in the completed individual projects proactively, in order to increase the operating revenue and improve the inventory turnover rate.
4. Seek lessees for the land already acquired but remaining undeveloped, in order to increase the rental revenue.

5. The Company’s projects under construction and scheduled dates of completion hereof are shown in the following chart:

Type of Project	Location	Product Planning	Total Houses	Remark
大城 11 月	Beitun District, Taichung City near Xiangshun E. Rd. and Junfu 9th Rd. intersection	B2-12F congregate housing	134 houses	Self-construction on self-possessed land
大城迎好事	Beitun District, Taichung City near Dunfu Road and Dunfu 12th Street	B4-15F congregate housing and shop	243 houses	Jointly constructed with Ta Cheng Construction Co., Ltd.
大城二月埕	Intersection of Junfu 13th Rd. and Taixiang Rd., Beitun District, Taichung City	B3-15F congregate housing and shop	80 houses	Self-construction on self-possessed land
悅讀大城-雲詠	Intersection of Rongde Rd. and Shanxi Rd., Beitun District, Taichung City	B2-13F congregate housing and shop	48 houses	Self-construction on self-possessed land
大城知丘	Intersection of Xiangshun 2nd St. Sec. 2 and Taihe 2nd St., Beitun District, Taichung City	B4-17F congregate housing and shop	198 houses	Jointly constructed with Ta Cheng Construction Co., Ltd.
大城光年	Beitun District, Taichung City near Dunfu Road and Dunfu 3th Street	B3-18F congregate housing and shop	194 houses	Self-construction on self-possessed land

II. Summary of 2024 Business Plan

(1) Business policy:

1. Robust corporate system: Establish a sound corporate governance system through compliance with laws and ethical codes.
2. Stakeholder communication service: Set up the stakeholder section on the official website to enhance the coordination in communication among shareholders, employees and suppliers, and disclosure of financial information.
3. Risk management system: Implement the system by establishing a sound internal control system and internal audit.
4. Budget management system: Set the budget target and review the achievement of the budget regularly via the budget system.
5. Fine-quality customer service: Uphold the honest and pragmatic service attitude, and design construction projects in line with customers' needs.
6. Responsibility for caring employees: Improve the employees' value and expertise through training and incentive for innovative ideas.

(2)Sales volume forecast and the basis thereof

Type of Project	Estimated houses to be sold	Estimated time of completion
大城迎好事	243 houses	August 2024
大城二月埕	80 houses	April 2025
悅讀大城-雲詠	48 houses	March 2026
大城知丘	198 houses	June 2026
大城光年	194 houses	October 2027

(3) Production & marketing policy

1. Observe the characteristics and conditions of the land, and implement the land development effects.
2. Break through the architectural framework, integrate into the aesthetics of life, and implement occupants' life quality.
3. Achieve unique artwork and improve the added value of buildings.
4. Insist on legal construction and education and training to improve the construction quality.
5. Uphold the sustainable management philosophy to improve consumers' willingness to purchase.

III. Future development strategy

(1) Production strategy

1. Land development: Vacant land development as the short-term goal, and implementation of the urban renewal plan as the long-term goal.
2. Product planning: With rigorous construction planning and execution work, the Company keeps researching new construction methods and tries to strike a balance among costs, construction period and quality, in order to improve consumers' reliance on the construction quality.

3. Building technology: Aim to improve the seismic strength of buildings, and emphasize the eco-friendly and energy-conservation space design and planning, and value the revisions to building laws and regulations and effects posed therefore, in order to strengthen the ability to manage construction projects.

(2) Marketing strategy

1. Planning stage: after prudently assessing the location and area of the land, the development department conducts return on investment analysis and evaluates the basis for acquiring land or building jointly with the land owners.
2. Design stage: the research and design department conducts product planning and design based on market demands.
3. Construction stage: the Engineering Dept. supervises the construction by adopt the strict construction planning, to control the quality of projects.
4. Sales stage: the Sales Department prepares product descriptions meeting customers' needs based on product positioning according to local conditions.
5. Delivery stage: the Customer Service Department, with a professional and careful service attitude, conducts after-sales service from pre-sale to delivery.

In nutshell, the Company has won the recognition of consumers through its prudent corporate culture, and gained social recognition and enhanced corporate competitiveness through its prudent and pragmatic style to achieve the goal of sustainable operation.

IV. Effects of external competition, legal environment, and overall business environment

(1) External competition

In Q4 2023, the Cathay Real Estate Index showed a steady price with increased volume season-on-season and year-on-year. In this quarter, the bidding price, price negotiation rate, number of projects promoted are both maintained steady; and amount of projects promoted remained increases slightly, while the sales rate and transaction volume both increased significantly. The Central Bank revised down the economic growth rate for 2023 to 1.40%, and kept the policy interest rate unchanged. A closer look at the performance of each region, comparing to the same quarter last year, the transaction prices in other regions are stable or rising, except that Hsinchu and Tainan go south; other than Hsinchu and Tainan, where the transaction volume decreases, in other regions, the transaction volumes are stable or increasing.

This quarter, under the impact of the equalization of Land Rights Act and the presidential election, the number of projects promoted nationwide fell by more than 10% year-on-year; the transaction volume rebounded due to the recovery of the economics and the stabilization of exports, as well as the surge in Taiwan's stock market. Overall, the housing market this quarter is rather bullish, showing a steady price with increased volume season-on-season and year-on-year. With the continuous facilitation of “Program for Healthy Real Estate Market,” the Equalization of Land Rights Act and Non-self-use House Tax 2.0 are expected to exert the influence constantly. Furthermore, the Central Bank has not loosened its control policies, and that inflation has slowed year-on-year, the housing market shall to be monitored constantly after the election.

By reviewing the whole year, the demand for owner-occupiers is still the main force to supporting the housing market in 2024; continuing the trend of 2024, in 2024, the housing market is expected to move towards the trend of consolidation in price and volume. The domestic housing market is facing inflation, finance tightening for civil engineering and construction funds, financial market volatility, and the passage of the amendments to the Equalization of Land Rights Act after the third read, among other unfavorable factors. The price awareness gap between buyers and sellers has widened. In addition, from the full-year review, due to the continuous downward revision of the economic outlook, the effect of interest rate hikes, the implementation of amended Equalization of Land Rights Act, and the interference from the campaign of presidential election, it is expected that the supply of the housing market will gradually shrink in the future. The Company's response is to prepare adequate product planning and design in response to the location and characteristics of the land, create the added value of the building per se (including the combination of eco-friendly construction materials and horizontal alliance), and through good after-sale service, seek to raise consumers' reliance and demand for the Company's products and also improve their loyalty toward the Company' brand, for the goal of sustainable operation.

(2) Legal environment

The legal environment involves building laws and regulations, taxation and government policies, e.g. two-in-one tax policy for real estate, Equalization ordinance, restrictions on capacity transfer, announced land price and flexible adjustment on the announced present value, and government's efforts in promoting the social housing guarantees and housing justice, charter and escrow policies to activate private vacant houses, housing subsidy resources to assist disadvantaged families, urban renewal to protect adequate housing rights, improvement of the real estate transaction system and construction of the professional leasing mechanism, actual price registration 2.0, and the policy of equalization of land rights. Changes in such laws and regulations will pose certain effects on the building industry's management. The Company will keep paying attention to any study on the laws and regulations to ensure shareholders' equity.

(3) Overall business environment

According to the macroeconomic forecast and observation of the Taiwan Institute of Economic Research, the recent international economic situation has improved slightly, although the manufacturing industry in the U.S. and Europe has continued to shrink. The manufacturing industry in Japan has declined due to reduced global demand, and the service industry has grown slightly with the expansion of new businesses. China is still dragged down by the real estate downturn, but the industrial and commercial activities have recovered.

In terms of the domestic manufacturing industry, benefited from the active business opportunities of emerging technologies, and the demand of goods driven by the gradual closeout of inventory in the supply chain, with the low base, the annual growth rate of export in December continued to rise. Moreover, the export orders and production of some traditional industries performed better than the previous month. Therefore, the manufacturing industry’s economic outlook for the month and the next six months are significantly better than the previous survey. The model simulation shows that the business climate test points for the manufacturing, service, and construction sector in December 2023 increased simultaneously. The testing points of service and construction in December showed an upward trend for the second consecutive month, and the testing point of manufacturing industry turned to rise. In terms of the real estate industry, the number of transactions of building transactions in six major cities in December 2023 grew by 1.4% month-on-month. This is mainly due to the peak season for home buying before the end of the year, plus the injection of the policy “Housing Subsidies for the Youth 2.0.” As a result, the rigid demand continued to emerge, boosting the buying momentum of low-total-price construction projects in suburban areas. Looking to the future, the domestic housing market will continue to develop in a positive trend. After all, the general housing market, which accounts for the majority of the real estate industry, will show a moderate increase in volume with stable price; while the momentum in land transactions and transactions in commercial real estate investment and trading markets will be pushed up by returning owner-occupied buyers, and real estate developers waiting for opportunities. Moreover, the store rental market continues to show a recovery trend due to the booming tourism market.

For the macroeconomics in 2024, the economic growth in Taiwan is expected to be mainly supported by consumption and investment, and external demand will recover. Taiwan Institute of Economic Research forecasts that the domestic economic growth rate in 2024 will be 3.15%. The Company will launch products suitable for consumers by coping with the needs of different locations. It is expected that in the mid- and long term, the development of the housing market will become more robust due to the transparency of housing price information. Therefore, products with good geographical conditions and stable investment returns will be recognized and favored by the market. The Company, with a sustainable operation as the operating philosophy, believes that the planning of product types and the control of construction quality are the factors creating excellent operating performance with future growth momentum.

V. Business goals

Looking to 2024, the real estate industry is still conservative; the domestic economy continues to slow down, the mortgage interest rate is approaching 2%, the amendment to the Equalization of Land Rights Act has been passed after the third reading, and the new supply in the housing market increases incrementally; all these are unfavorable factors. It is estimated that the housing market in this year will show the pattern of "shrunken volume and flat prices.”

The Company will continue to accurately collect and grasp market information, including regional development, changes in laws and regulations, changes in demographic structure, industrial distribution and movement, among other things, and improve the professional ability to judge the current situation, continue to deepen the Taichung market, to seek to be able to increase the company's turnover and profit through professional construction background and the operating approach with the goal of “sincere, simple and sustainable operation.”

The management team and all of the Company’s colleagues would like to extend appreciation to all of you for your support and encouragement. Meanwhile, the Company looks forward to continuing receiving your guidance and suggestions in the coming year. The Company will still adhere to the consistent management philosophy and service to present and share with your remarkable business results.

Wish all of you health and all the best!

Chairman: Lai,Yuan-Chao
General Manager: Yuchun Liao
Accounting Manager: Teng Hsiang-Chien

<Attachment 2>

Audit Committee's review report on the most recent financial statements

Tacheng Real Estate Co., Ltd.

Audit Committee's Review Report

The Company's 2023 business report, financial statements and earnings distribution plan have been prepared and submitted by the Board of Directors. Among the other things, the financial statements were already audited by Huang, Hsiang-Ying, CPA & Tsao, Yong-Jen, CPA of EnWise CPAs & Co., who issued the external auditor's report with unqualified opinions accordingly. Based on the Audit Committee's review, it found no inconsistency existing. The Report is presented in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act accordingly.

Respectfully submitted,

To:
2024 Shareholders' Meeting

Tacheng Real Estate Co., Ltd.
Convener of Audit Committee: Yang, Tung-Hsiao

March 14, 2024

<Attachment 3>

EnWise CPAs & Co.
8-1F, No. 130, Taiyuan N. Rd.,
Taichung City 404
Tel:(04)2296-6234 Fax: (04)2291-0580

External Auditor's Report

To: Tacheng Real Estate Co., Ltd.

Audit Opinions

We have completed our review on the Balance Sheet of Tacheng Real Estate Co., Ltd.(hereinafter referred to as the "Company") on December 31, 2023 and 2022, and Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Individual Financial Statements (including a summary of significant accounting policies) for January 1~December 31, 2023 and 2022.

In our opinion, said individual financial statements in all major respects are in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission. They are sufficient to adequately express the financial status of the Company as of December 31, 2023 and 2022 and its financial performance and cash flow from January 1 through December 31, 2023 and 2022.

Basis for Opinions

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

Key Audit Matters

Key audit matters refer to the most important matters for the audit of 2023 individual financial statements of the Company based on our professional judgment. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We judge that the following key audit matters should be communicated in the audit report:

Inventory valuation

<u>Explanation</u>

The Company’s inventory primarily consists of available-for-sale real estate, land for construction and real estate construction in progress. For the related accounting policies and information, please refer to Notes 4(6) and 6(3) herein. In the Company’s individual financial statements, the inventory is measured at the lower of cost or net realizable value. As the net realizable value might fluctuate significantly subject to the factors including market environment and government policies, that might result in the risk over the inventory cost higher than the net realizable value, it is identified as one of the key audit matters herein.

Audit procedures

The responsive procedures which we already executed to deal with said key audit matters are summarized as follows:

1. Evaluate the management’s loss provision for inventory subject to the nature of inventory.
2. Evaluate the reasonableness of the allowance for inventory valuation loss and the management’s hypotheses.
3. Review the accuracy of the Company's past allowance for inventory valuation loss, and compare it with that estimated in the current period to evaluate whether the estimation methods and hypotheses in the current period are adequate.
4. Verify the changes in the selling price and subsequent inventory market price adopted by the Company's management to evaluate the reasonableness of the net realizable value of inventory.
5. Estimate the recoverable amount based on the independent appraisal report issued by the expert, review the reasonableness of related hypotheses, and evaluate the real estate appraiser’ s qualifications and independence.
6. Consider whether the Company’s disclosure of the information about the allowance for inventory valuation loss is adequate.

Recognition of revenue

Explanation

The Company’s generates its revenue from operation of the available-for-sale real estate. For the related accounting policies and information, please refer to Notes 4(12) and 6(17) herein. The sales revenue refers to a major indicator to determine whether a company achieves the business and financial targets, as well as investors’ expectations. The authenticity, whether the time of recognition is correct and whether it is complete are critical to the individual financial statements. Therefore, it is identified as one of the key audit matters.

Audit procedures

The responsive procedures which we already executed to deal with said key audit matters are summarized as follows:

1. Execute the test on control of the sales and collection cycle, and evaluate whether the accounting policy on recognition of revenue follows the related statements of financial accounting.
2. Execute the analytic procedures for sales revenue, cost and gross profit to evaluate whether there is any significant abnormality in the recognition of revenue.
3. Execute the cutoff test and conduct a random check on the sales contract, settlement information and real estate transfer registration documents of customers to evaluate whether there is any significant abnormality in the timing for recognition of revenue.

4. Analyze the changes in top 10 sales customers to understand and verify whether there are any significant changes and abnormal transactions.
5. Access the statement of sales revenue and sales discount, execute the substantive test, and conduct a random check on the sales contract and related documents executed with customers to evaluate whether there is any abnormality in the recognition of sales revenue and occurrence of sales discount.
6. Evaluate the adequacy of the disclosure of the Company's revenue recognition policy and other information.

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

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and with International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), IFRIC Interpretation, or SIC Interpretation endorsed and promulgated in effect by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, the management is responsible for assessing the ability of the Company to continue operations, disclosing related matters, as well as continuing operations with the basis of accounting, unless the management either intends to liquidate the Company or to cease operations, or has no feasible alternative but to do so.

External Auditors' Responsibilities for the Audit on Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement in the individual financial statements 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 the individual financial statements.
As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the individual 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 internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern, based on the audit evidence obtained. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual 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 contents of the individual financial statements, including the related notes, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence under the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and to communicate with them all relationships and other matters that may reasonably be considered affecting our independence, and where applicable, other matters (including related safeguards).

From the matters communicated with the governance unit, we have determined key audit matters of 2023 individual financial statements of the Company. 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.

EnWise CPAs & Co.

External Auditor: Huang Hsiang-Ying	External Auditor: Tsao Yong-Jen
Securities and Futures Bureau, Financial Supervisor Commission R.O.C. (Taiwan)	Securities and Futures Bureau, Financial Supervisor Commission R.O.C. (Taiwan)
Approval No.: Jin-Guan-Zheng (6) No. 0930144676	Approval No.: Jin-Guan-Zheng (6) No. 0980018119

March 14,2024

Tacheng Real Estate Co., Ltd.

(Formerly known as Taiwan Aries Co., Ltd.)

Balance Sheet

December 31, 2023 and 2022

Unit: NT$ Thousand

Code	Item	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Assets				
11xx	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 553,738	17.0	$ 227,973	7.0
1150	Notes receivable (Notes 4 and 6)	8	-	128	-
1170	Accounts receivable, net (Notes 4, 5 and 6)	-	-	-	-
1200	Other receivables (Note 4)	-	-	5	-
1210	Other receivables-related parties(Notes 4 and 7)	47	-	-	-
1320	Inventory (Notes 4, 5, 6 and 8)	2,571,030	78.9	2,666,986	82.5
1410	Prepayments	13,674	0.4	8,566	0.3
1470	Other current assets (Notes 4, 6, 7 and 8)	35,438	1.1	254,073	7.9
1480	Incremental costs of obtaining a contract-current (Notes 4 and 6)	72,833	2.2	64,684	2.0
11xx	Total current assets	3,246,768	99.6	3,222,415	99.7
15xx	Non-current assets				
1600	Property, plant and equipment (Notes 4 and 6)	102	-	177	-
1755	Right-of-use assets (Notes 4 and 6)	-	-	-	-
1780	Intangible assets (Note 4)	176	-	170	-
1840	Deferred income tax assets (Notes 4, 5 and 6)	11,121	0.3	9,596	0.3
1900	Other non-current assets (Notes 4 and 6)	2,657	0.1	502	-
15xx	Total non-current assets	14,056	0.4	10,445	0.3
	Total assets	$ 3,260,824	100.0	$ 3,232,860	100.0

(Continued)

(Brought Forward)

Tacheng Real Estate Co., Ltd.

(Formerly known as Taiwan Aries Co., Ltd.)

Balance Sheet

December 31, 2023 and 2022

Unit: NT$ Thousand

Code	Item	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Liabilities and equity				
21xx	Current liabilities				
2100	Short-term loan (Notes 4 and 6)	$ 550,900	16.9	$ 736,270	22.8
2130	Contract liabilities-current (Notes 4,6 and 7)	397,837	12.2	404,510	12.5
2150	Notes payable (Note 4)	15,202	0.5	2,044	0.1
2160	Notes payable-related parties (Notes 4 and 7)	43	-	100	-
2170	Accounts payable (Note 4)	32,679	1.0	11,310	0.3
2180	Accounts payable-related parties (Notes 4 and 7)	183,370	5.6	171,738	5.3
2200	Other payables (Note 4)	55,840	1.7	30,732	1.0
2230	Current income tax liabilities (Note 4)	7,517	0.2	30,039	0.9
2300	Other current liabilities (Notes 6 and 7)	36,197	1.1	12,713	0.4
21xx	Total current liabilities	1,279,585	39.2	1,399,456	43.3
	Total liabilities	1,279,585	39.2	1,399,456	43.3
31xx	Equity				
3100	Share capital (Notes 4 and 6)	1,000,000	30.7	1,000,000	30.9
3200	Capital surplus (Note 6)				
3210	Capital surplus at premium	184,558	5.7	184,558	5.7
3220	Capital surplus - treasury stock trading	17,226	0.5	17,226	0.6
3300	Retained earnings (Note 6)				
3310	Legal reserve	139,207	4.3	104,603	3.2
3350	Undistributed earnings	640,248	19.6	527,017	16.3
	Total equity	1,981,239	60.8	1,833,404	56.7
	Total liabilities and equity	$ 3,260,824	100.0	$ 3,232,860	100.0

(Please refer to the Notes to Individual Financial Statements.)

Chairman: Lai,Yuan-Chao   General Manager: Yuchun Liao   Accounting Manager: Teng Hsiang-Chien

Tacheng Real Estate Co., Ltd.
(Formerly known as Taiwan Aries Co., Ltd.)
Statement of Comprehensive Income
2023 and 2022

Unit: NT$ Thousand
(Except NT$ for Earnings per Share)

Code	Item	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenue				
4310	Lease revenue (Notes 4, 6 and 7)	$ 200	-	$ 1,731	0.1
4510	Construction revenue (Notes 4 and 6)	1,382,149	100.0	1,941,773	99.9
4000	Operating revenue, net	1,382,349	100.0	1,943,504	100.0
5000	Operating costs				
5310	Lease costs (Notes 4 and 6)	-	-	2,960	0.2
5510	Construction costs (Notes 6 and 7)	1,022,724	74.0	1,419,123	73.0
5000	Total operating costs	1,022,724	74.0	1,422,083	73.2
5900	Gross profit(loss)	359,625	26.0	521,421	26.8
6000	Operating expenses				
6100	Selling revenue (Notes 4, 6 and 7)	48,897	3.5	68,729	3.5
6200	Administrative expenses (Notes 4, 6 and 7)	26,010	1.9	26,580	1.4
6000	Total operating expenses	74,907	5.4	95,309	4.9
6900	Net operating profit(loss)	284,718	20.6	426,112	21.9
7000	Non-operating revenue and expenditure				
7100	Interest revenue	2,309	0.2	623	-
7010	Other revenue (Note 7)	3,124	0.2	2,466	0.1
7050	Financial costs (Notes 4,6 and 7)	-	-	(24)	-
7000	Total non-operating revenue and expenditure	5,433	0.4	3,065	0.1
7900	Profit before tax(loss)	290,151	21.0	429,177	22.0
7950	Income tax (gains) expenses (Notes 4 and 6)	42,316	3.1	83,140	4.2
8200	Current profit(loss)	247,835	17.9	346,037	17.8
8500	Current total comprehensive(loss) income	$ 247,835	17.9	$ 346,037	17.8
	Earnings per share(loss) (Note 6)				
9750	Basic earnings per share(loss)	$ 2.48		$ 3.46	
9850	Diluted earnings per share(loss)	$ 2.48		$ 3.46	

(Please refer to the Notes to Individual Financial Statements.)

Chairman: Lai,Yuan-Chao

General Manager: Yuchun Liao

Accounting Manager: Teng Hsiang-Chien

Tacheng Real Estate Co., Ltd.

(Formerly known as Taiwan Aries Co., Ltd.)

Statement of Changes in Equity

2023 and 2022

Unit: NT$ Thousand

	Share capital (Note 6)	Capital surplus (Note 6)		Retained earnings (Note 6)		Total
	Ordinary share capital	At premium	Treasury stock trading	Legal reserve	Undistributed earnings	
2022						
Balance on January 1, 2022	$ 866,548	$ 184,558	$ 17,226	$ 62,829	$ 486,188	1,617,349
Appropriation and distribution of retained earnings 2021						
Legal reserve	-	-	-	41,774	(41,774)	-
Cash dividends	-	-	-	-	(129,982)	(129,982)
Stock dividends	133,452	-	-	-	(133,452)	-
Profit (loss)2022	-	-	-	-	346,037	346,037
Balance on December 31, 2022	1,000,000	184,558	17,226	104,603	527,017	1,833,404
2023						
Balance on January 1, 2023	1,000,000	184,558	17,226	104,603	527,017	1,833,404
Appropriation and distribution of retained earnings 2022						
Legal reserve	-	-	-	34,604	(34,604)	-
Cash dividends	-	-	-	-	(100,000)	(100,000)
Profit (loss)2023	-	-	-	-	247,835	247,835
Balance on December 31, 2023	$ 1,000,000	$ 184,558	$ 17,226	$ 139,207	$ 640,248	$ 1,981,239

(Please refer to the Notes to Individual Financial Statements.)

Chairman: Lai,Yuan-Chao General Manager: Yuchun Liao Accounting Manager: Teng Hsiang-Chien

Tacheng Real Estate Co., Ltd.

(Formerly known as Taiwan Aries Co., Ltd.)

Statement of Cash Flows

2023 and 2022

Unit: NT$ Thousand

Item	2023	2022
Cash flow from operating activities		
Profit before tax(loss)	$ 290,151	$ 429,177
Income charges (credits) not affecting cash flow		
Depreciation expenses	75	3,108
Amortization expenses	142	61
Provision (reversal of provision) for bad debt expenses	(126)	(125)
Interest expenditure	20,901	17,684
Interest revenue	(2,309)	(623)
Net changes in operating assets		
Notes receivable	120	(120)
Accounts receivable	126	425
Other receivables	5	154
Other receivables-related parties	(47)	-
Inventory	95,956	325,313
Prepayments	(5,108)	(7,807)
Other current assets	2,601	632
Incremental costs of obtaining a contract-current	(8,149)	19,017
Net changes in operating liabilities		
Contract liabilities-current	(6,673)	(108,603)
Notes payable	13,158	1,095
Notes payable-related parties	(57)	(10)
Accounts payable	21,369	(2,720)
Accounts payable-related parties	11,632	6,053
Other payables	25,268	(8,288)
Other payables-related parties	-	(447)
Other current liabilities	23,484	(133,431)
Cash inflow (outflow) from operating activities	482,519	540,545
Interest collected	2,309	623
Interest paid	(21,061)	(17,737)
Income tax paid	(66,363)	(90,103)
Cash inflow (outflow) from operating activities	397,404	433,328
Cash flow from investing activities		
Increase inProperty, plant and equipment	-	(221)
Increase in intangible assets	(148)	(52)
Increase in other financial assets-current	-	(146,276)
Decrease in other financial assets - current	216,034	-
Increase other non-current assets	(2,155)	-
Decrease other non-current assets	-	2,299
Net cash inflow(outflow) from investing activities	213,731	(144,250)
Cash flow from financing activities		
Increase in short-term loans	-	-
Decrease (increase)short-term loans	(185,370)	(134,500)
Repayment of principal of lease liabilities	-	(2,986)
Cash dividends	(100,000)	(129,982)
Cash inflow (outflow) from financing activities	(285,370)	(267,468)
Net increase (decrease) in cash and cash equivalents	325,765	21,610
Balance of cash and cash equivalents, beginning	227,973	206,363
Balance of cash and cash equivalents, ending	$ 553,738	$ 227,973

(Please refer to the Notes to Individual Financial Statements.)

Chairman:	General Manager:	Accounting Manager:
Lai,Yuan-Chao	Yuchun Liao	Teng Hsiang-Chien

<Attachment 4>

Comparison table of revisions to the endorsement and guarantee operating procedures

After the revision	Before the revision	Explain
Article 3: Counterparties of endorsements/guarantees made by the Company: I.A company which directly or indirectly holds more than 50% of the voting shares of the Company. II.A company in which the Company directly or indirectly holds more than 50% of the voting shares. III.Companies with which the Company does business. For the needs of contracting construction, among peers in the same industry or between co-builders, in accordance with the mutual guarantees stipulated in the contract, or in the joint investment relationship, all the capital contributing shareholders have endorsements/guarantees for the invested company in accordance with their shareholding ratios, or the peers in the same industry are engaged in accordance with the regulations of the Consumer Protection Act The joint guarantee for the performance of the pre-sale house sales contract，such endorsements/guarantees may be made free of the restriction of the preceding paragraph. Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the public company, or through	Article 3: Counterparties of endorsements/guarantees made by the Company: I.A company which directly or indirectly holds more than 50% of the voting shares of the Company. II.A company in which the Company directly or indirectly holds more than 50% of the voting shares. III.Any enterprise with business dealings with the Company. IV.For the needs of contracting construction, among peers in the same industry or between co-builders, in accordance with the mutual guarantees stipulated in the contract, or in the joint investment relationship, all the capital contributing shareholders have endorsements/guarantees for the invested company in accordance with their shareholding ratios, or the peers in the same industry are engaged in accordance with the regulations of the Consumer Protection Act The joint guarantee for the performance of the pre-sale house sales contract.	Amended pursuant to Article 5 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.”

After the revision	Before the revision	Explain
a company in which the public company holds 100% of the voting shares.		
Article 4. The aggregate amount of endorsements/guarantees and the amount of endorsements/guarantees for a single enterprise are as follows: I.The he aggregate external endorsement/guarantee amount of the Company and its subsidiaries is limited to 150% of the Company's net worth. II.The amount of endorsements/guarantees for a single enterprise is determined separately based the following circumstances: (I)To a single enterprise, it shall not exceed 100% of the net worth of the Company. (II)Subsidiaries in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the public company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares. III.Where an endorsement/guarantee is	Article 4. The aggregate amount of endorsements/guarantees and the amount of endorsements/guarantees for a single enterprise are as follows: I.The maximum amount of all endorsements/guarantees made by the Company and its subsidiaries shall not exceed 150% of the net worth as in the Company's most recent financial statements audited or certified by external auditors. II.The amount of endorsements/guarantees for a single enterprise is determined separately based the following circumstances: (I)To a single enterprise, it shall not exceed 100% of the net worth of the Company. (II)Subsidiaries in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the public company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares. III.The endorsements/guarantees	Amended pursuant to Article 12 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."

After the revision	Before the revision	Explain
made due to needs arising from business dealings, the amount shall not exceed the amount of such business dealings except for the provisions above. The amount of business dealings refers to the higher of the amount of purchase or sale between the two parties. IV、The endorsements/guarantees made by the Company pursuant to subparagraph 2 of Article 3, are not subject to the limits of aforementioned aggregated amount of endorsements/guarantees and the endorsement/guarantee made to a single enterprise. The limit of endorsement and guarantee shall not exceed eight times the net worth as the aggregated amount, or four times for one single enterprise. V、If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net worth of the Company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders meeting. The aforementioned net worth is based on the latest financial	made by the Company pursuant to subparagraph 4 of Article 3, are not subject to the limits of aforementioned aggregated amount of endorsements/guarantees and the endorsement/guarantee made to a single enterprise. The limit of endorsement and guarantee shall not exceed eight times the net worth as the aggregated amount, or four times for one single enterprise.	

After the revision	Before the revision	Explain
statements audited and attested or reviewed by CPAs.		
Article 8:Procedures for use and custody of corporate chops The Company shall use the Company's corporate chops registered with the Ministry of Economic Affairs as the exclusive chops for making endorsements/guarantees. The chops shall be kept by a dedicated personnel approved by the Board of Directors, and shall be used in accordance with the Company's procedures before affixing or issuing bills. The same applies if any change is made. For providing guarantees to foreign companies, the letter of guarantee issued by the Company shall be signed by the chairperson upon the authorization of the board of directors .	Article 8: Procedures custody of corporate chops The Company shall use the Company's corporate chops registered with the Ministry of Economic Affairs as the exclusive chops for making endorsements/guarantees. The chops shall be kept by a dedicated personnel approved by the Board of Directors, and shall be used in accordance with the Company's procedures before affixing or issuing bills. The same applies if any change is made.	Amended pursuant to Article 17 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."
Article 9. Procedures for Announcement and Reporting I.Before the 10th day of each month, the financial unit shall send the balance of the endorsement/guarantee of the Company and its subsidiaries of the previous month to the accounting unit, and announce and report along with the turnover within the prescribed time limit on a monthly basis. II.In addition to announcing and reporting the balance of endorsements/guarantees on a monthly basis, if the amount of	Article 9. Procedures for Announcement and Reporting I.Before the 10th day of each month, the financial unit shall send the balance of the endorsement/guarantee of the Company and its subsidiaries of the previous month to the accounting unit, and announce and report along with the turnover within the prescribed time limit on a monthly basis. II.In addition to announcing and reporting the balance of endorsements/guarantees on a monthly basis, if the amount of	Amended pursuant to Article 24 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."

After the revision	Before the revision	Explain
endorsements/guarantees reached any of the following criteria, the financial unit shall notify the accounting unit with the relevant information to announce and report within two days from the date of occurrence: (I)The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement. (II)The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement. (III)The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT$10 millions or more and the aggregate amount of all endorsements/guarantees for, carrying value of equity method investment in, and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement. (IV)The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT$30 million or more, and reaches 5 percent or more of the Company's net worth as stated	endorsements/guarantees reached any of the following criteria, the financial unit shall notify the accounting unit with the relevant information to announce and report within two days from the date of occurrence: (I)The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company's net worth as stated in its latest financial statement. (II)The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company's net worth as stated in its latest financial statement. (III)The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT$10 millions or more and the aggregate amount of all endorsements/guarantees for, carrying value of equity method investment in, and balance of loans to, such enterprise reaches 30 percent or more of the Company's net worth as stated in its latest financial statement. (IV)The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT$30	

After the revision	Before the revision	Explain
in its latest financial statement. The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.	million or more, and reaches 5 percent or more of the Company’s net worth as stated in its latest financial statement. The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.	

<Attachment 5>

Director (Independent director) Candidate list

NO	Candidate Category	Legal person name	Name	Number of shares held (Unit:share)	Main learning experience
I	Director		Lai, Yuan-Cha (Male)	34,625,530	1.Master of Science in Management, National Chung Hsing University 2.Taichung City Urban Design Review Member 3.Managing Director of Taiwan Action Bodhisattva Education Association 4.Chairman of the 11th Taichung Real Estate Development Association 5.Taichung City Construction Dispute Review Member 6.Taichung City Land Value and Standard Land Value Review Member 7.Taichung City Real Estate Dispute Mediation Membe 8. Chairman of Board, Ta Cheng Construction Co., Ltd
II	Director	Jin Cheng Investment Co., Ltd.	Liang-Cheng,Lai (Male)	6,502,820	1.Master in Monetary Economics, University of Exeter 2. Special Assistant, Ta Cheng Construction Co., Ltd
III	Director		Chien, Shu-Chin (Female)		1. Master of Science in Management, National Chung Hsing University 2. Vice General Manager, Ta Cheng Construction Co., Ltd 3. Assistant Officer, EnWise CPAs & Co
IV	Director	Ta You Investment Co., Ltd	Lai, Wen-Ling (Female)	3,317,765	1. Master of Architecture, Feng Chia University 2. Special Assistant, Ta Cheng Construction Co., Ltd 3. Chairman of Board, Arching Real Estate Co., Ltd.
V	Director		Yuchun Liao (Male)		1. Construction Economics Management, The Bartlett School of Architecture 2. Associates Current position: President, Tacheng Real Estate Co.,Ltd.

NO	Candidate Category	Legal person name	Name	Number of shares held (Unit:share)	Main learning experience
					3. General Manager, Atech Plastic Industry Corp. Architectural designer,Da Rong Architects
VI	Independent director		Yang, Tung-Hsiao (Male)	0	1. Doctor of Finance, Louisiana State University 2. Professor of Department of Finance, National Chung Hsing University 3. Vice Professor/Assistant professor of Department of Finance, National Chung Hsing University
VII	Independent director		Young Weiju (Female)	0	1. Doctor of Science in Management, National Yunlin University of Science and Technology 2. Vice Professor of Department of Accounting, Chaoyang University of Technology 3. Senior Assistant General Manager of Chinatrust Investment Co., Ltd. 4.Assistant Manager of Deloitte Taiwan
VIII	Independent director		Lin, Chun-Mao (Male)	0	1. Doctor of Finance, Feng Chia University. 2. Chairman of Board, Nature platform Construction Co., Ltd. 3. CEO of Dingyu Family Office 4. Vice General Manager of UBS
IX	Independent director		Wen Yen-Jung (Female)	0	1. Department of Business Administration National Open University 2. Manager, Nantun Branch, Land Bank 3.Manager, Zhongqing Branch, Land Bank

<Appendix 1>

Tacheng Real Estate Co., Ltd.
Articles of Incorporation

Chapter I. General Provisions

Article 1: The Company was organized in accordance with the Company Act and related laws, and named 大城地產股份有限公司 (Tacheng Real Estate Co., Ltd.).

Article 2: The Company's business activities comprise the following:
(1) E801010 Indoor Decoration.
(2) F106010 Wholesale of Hardware.
(3) F111090 Wholesale of Building Materials.
(4) F211010 Retail Sale of Building Materials.
(5) F501060 Restaurants.
(6) G202010 Parking Area Operators.
(7) H701010 Housing and Building Development and Rental.
(8) H701020 Industrial Factory Development and Rental.
(9) H701040 Specific Area Development.
(10) H701050 Investment, Development and Construction in Public Construction.
(11) H701060 New Towns and New Community Development.
(12) H701070 Process Zone Expropriation and Urban Land Readjustment Agency.
(13) H701080 Urban Renewal Reconstruction.
(14) H701090 Urban Renewal Renovation or Maintenance.
(15) H703090 Real Estate Business.
(16) H703100 Real Estate Leasing.
(17) I401010 General Advertisement Service.
(18) I503010 Landscape and Interior Designing.
(19) J901020 Regular Hotel.
(20) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: If necessary, the Company may make endorsements/guarantees for others. When the Company may invest in another company as a shareholder with liability limited by shares, the total amount of investment made by the Company may be exempted from the restriction about 40% of the paid-in capital under Article 13 of the Company Act.

Article 3: The Company's headquarters shall be located in Taichung City, and branches or branch offices may be established domestically or abroad subject to resolutions by the Board of Directors and approval of the competent authority, if necessary.

Article 4: (Deleted)

Chapter II. Shares

Article 5: The total capital of the Company shall be NT$2 billion, divided into 200 million shares. All of them are ordinary shares, at the par value of NT$10 per share. The Board of Directors is authorized to resolve to issue the shares at different time. NT$60 million shall be retained from the total registered capital referred to in the preceding paragraph, divided into 6 million shares, available for issuance of employee stock warrants, preferred shares with warrants or corporate bonds with warrants. The same may be issued at different time per the resolution of the Board of Directors.

Article 6: (Deleted)

Article 7: The share certificates of the Company shall be registered, and bear the signatures or seals of directors representing the Company and may only be issued subject to certification by the competent authority or any of its approved institutes. The Company may issue shares exempted from the requirements about printing of stock certificates, and shall register the shares with a centralized securities depository institution.

Article 8: Changes of the roster of shareholders, if any, shall be suspended within 60 days before an annual general meeting, within 30 days before a special shareholders' meeting, or within 5 days before the record date decided by the Company for distribution of dividends and bonuses or other benefits. Meanwhile, the Company's shareholders service may be performed in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.

Chapter III. Shareholders' Meetings

Article 9: The shareholders' meeting is classified into two types, the annual general meeting and the special shareholders' meeting. The annual general meeting shall be convened by the Board of Directors pursuant to laws once per year within six months after the end of each fiscal year. The special shareholders' meeting shall be convened according to laws whenever necessary.

When convening a shareholders' meeting, the Company may include the electronic means as one of the approaches for shareholders to exercise voting rights. The relevant matters shall be handled in accordance with related requirements imposed by the competent authority.

Article 9-1: A shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. The shareholders' meeting held via a visual communication network is subject to requirements provided for by the competent authority separately, if any, including the prerequisites, procedures, and other compliance matters, if any.

Article 10: Any shareholder who is unable to attend a shareholders' meeting in person may appoint another shareholder to attend the meeting to exercise the voting right on behalf of him/her by personally presenting a power of attorney indicating the scope of power as printed by the Company. The other matters related to attendance by proxy shall follow Article 177 of the Company Act, and also the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.

Article 11: The Company's shareholders are entitled to one vote per share, unless otherwise provided in laws or Articles of Incorporation.

Article 12: Resolutions at a shareholders' meeting shall, unless otherwise provided for in related laws, be adopted by a majority of voting rights of the shareholders present, who represent a majority of the total outstanding shares.

Chapter IV. Directors and Audit Committee

Article 13: The Company shall appoint 5~9 directors, who shall hold the office for a term of 3 years, via the candidate nomination system required under the Company Act. They shall be elected by the shareholders' meeting from the list of candidates and may be reelected for a second term of office. Upon election of the directors, the Board of Directors may resolve to purchase the liability insurance for the Company's directors. Upon the Company's public offering, the directors' total shareholdings shall follow the security competent authority's requirements.

The independent directors included in the directors referred to in the preceding paragraph shall be no less than three in number and no less than one-fifth of the total number of directors. The professional qualification, shareholdings, restrictions on concurrent positions, determination of independence, attendance by proxy, and other compliance matters with respect to the independent directors shall be determined by the competent authority.

Article 13-1: The Company establishes the Audit Committee pursuant to laws. The Committee shall consist of the whole independent directors, and the relevant Articles of Association shall be adopted by the Board of Directors. The exercise of authority and other compliance matters shall be governed by the related laws and the Company's regulations.

Article 14: The Board of Directors shall consist of the directors. The Chairman shall be elected among and from the directors by a majority of the directors attending a meeting of the Board of Directors at which at least two-thirds of directors are present. The Chairman shall represent the Company externally.

Article 14-1: The Board of Directors meeting shall be convened once per quarter, provided that the special meeting may be convened at any time in the case of emergency or upon request of a majority of the directors. Unless otherwise provided by laws, the meeting shall be convened in writing or electronically.

Article 15: Where the Chairman takes leave or cannot perform his/her duties with causes, the deputy shall be designated in the manner referred to in Article 208 of the Company Act. If a director cannot attend the meeting for some reason, he or she may appoint another director to attend the meeting on behalf of him/her.

Article 16: The Board of Directors is authorized to decide the remuneration and transportation allowance to directors at the rate generally adopted by the peers in the same industry.

Chapter V. Managers

Article 17: The Company shall appoint several managers. The appointment and dismissal thereof and remuneration to them shall be governed by Article 29 of the Company Act.

Chapter VI. Accounting

Article 18: At the end of the fiscal year, the Company shall have the Board of Directors prepare the following documents, and submit them at a shareholders' meeting for ratification through the procedures required by laws:

1. Business Report
2. Financial statements
3. Earnings appropriation or loss compensation plan

Article 19: The annual profits concluded by the Company, if any, shall be subject to employee remuneration of 0.1%~ 5%, and the Board of Directors shall resolve to distribute the same in the form of stock or in cash subject to the specific ratio falling in said appropriation rate range. The other recipients of such remuneration may include the employees of affiliated companies that satisfy certain criteria. The Board of Directors may resolve to distribute no more than 3% of the earnings as the remuneration to directors. The motion for distribution of remuneration to employees and directors shall be reported to a shareholders' meeting. However, profits must first be taken to offset against the Company cumulative losses, if any. Then, the remuneration to employees and directors may be appropriated subject to the ratio referred to in the preceding paragraph.

Article 19-1: If the Company retains earnings upon final account of any fiscal year, it shall first pay the taxes, make up any losses from past years, and then make contribution of 10% as the legal reserve unless the legal reserve has reached the amount of the Company's paid-in capital. After appropriating or reversing a special reserve in accordance with the laws and regulations, the motion for distribution of the balance, if any, plus the accumulative undistributed profit is formulated by the Board of Directors and submitted to a shareholder's meeting for resolution.

The Company may distribute the stock dividends and bonus, capital surplus or legal reserve in cash, in whole or in part, per the resolution adopted by a majority of the directors present at the meeting of Board of Directors attended by more than two-third of the whole directors, and shall report the distribution to a shareholders' meeting.

The Company adopts the dividend policy in response to the current and future development plans and by taking into account the investment environment, funding needs and overview of the industrial competition, as well as shareholders' interest, in order to decide the optimal proportions of shareholder dividends to be distributed in the form of stock and in cash per the earnings appropriation plan proposed by the Board of Directors as resolved by a shareholders' meeting. Among the other things, the cash dividend shall be no less than 20% of the total dividends.

Article 20: (Deleted)

Chapter VII. General Provisions

Article 21: Any matters not covered herein shall be governed by the Company Act.

Article 22: The Articles were established on August 7, 1995.
1st amendments hereto were made on January 17, 1996.
2nd amendments hereto were made on February 9, 1996.
3rd amendments hereto were made on March 4, 1997.
4th amendments hereto were made on March 30, 1997.
5th amendments hereto were made on May 1, 1997.
6th amendments hereto were made on May 31, 1997.

7th amendments hereto were made on May 9, 2000.
8th amendments hereto were made on May 16, 2001.
9th amendments hereto were made on June 25, 2002.
10th amendments hereto were made on June 10, 2003.
11th amendments hereto were made on June 10, 2004.
12th amendments hereto were made on June 10, 2005.
13th amendments hereto were made on June 21, 2006.
14th amendments hereto were made on June 16, 2009.
15th amendments hereto were made on June 21, 2010.
16th amendments hereto were made on May 14, 2012.
17th amendments hereto were made on June 19, 2014.
18th amendments hereto were made on June 22, 2015.
19th amendments hereto were made on June 23, 2016.
20th amendments hereto were made on June 22, 2017.
21st amendments hereto were made on June 19, 2020.
22nd amendments hereto were made on August 27, 2021.
23rd amendments hereto were made on June 17, 2022.

Tacheng Real Estate Co., Ltd.

Chairman: Lai Yuan-Chao

<Appendix 2>

Tacheng Real Estate Co., Ltd.

Rules of Procedure for Shareholders' Meetings

Article 1

The Rules to be followed by the Company are enacted in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies to assist the Company in establishing sound corporate governance systems and robust supervision functions, and strengthen the management mechanism.

Article 2

The rules of procedures for shareholders' meetings of the Company, except as otherwise provided by laws, regulations, or the Articles of Incorporation, shall be as provided in these Rules.

Article 3

Unless otherwise provided by law or regulation, shareholders meetings of the Company shall be convened by the Board of Directors.

Changes to how the Company convenes its shareholders' meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders' meeting notice.

The Company shall prepare electronic versions of the general meeting notice and power of attorney, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors and upload them to the Market Observation Post System (MOPS) before thirty days before the date of annual general meeting or before fifteen days before the date of extraordinary general meeting. The Company shall prepare electronic versions of the general meeting agenda and supplemental meeting materials and upload them to the MOPS before twenty-one days before the date of the annual general meeting or before fifteen days before the date of the extraordinary general meeting. However, if the Company's paid-in capital reaches NT$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the roster of shareholders at the time of holding of the annual general meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by thirty days prior to the day on which the annual general meeting is to be held. In addition, before fifteen days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:

1. For tangible shareholders' meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform electronically.
3. For shareholders' meeting convened by means of visual communication network only, to be shared on the virtual meeting platform electronically.

The reasons for convening a general meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the Corporate Charter, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Paragraph 1 of Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the general meeting. None of the above matters may be raised as an extempore motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.

Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of the Company may propose to the Company a proposal for discussion at an annual general shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda, Additionally, when the circumstances of any subparagraph 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 agenda. Any shareholder may propose any suggestive motion to urge the Company to promote public interests or fulfill its social responsibilities. Procedurally, the shareholder is allowed to propose no more than one motion pursuant to Article 172-1 of the Company Act. Any additional proposal will not be included as a motion.

Prior to the book closure date before an annual general meeting is held, the Company shall 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 may not be less than ten days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting and take part in discussion of the proposal.

The Company shall, prior to preparing and delivering the general meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the general meeting notice the proposals conforming to the requirements set out in this Article. At the general meeting, the Board of Directors shall explain the reasons for exclusion of any shareholder proposals from the agenda.

Article 4

For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the power of attorney issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one power of attorney and appoint only one proxy for any given general meeting, and shall deliver the power of attorney to the Company five days before the date of the general meeting. When duplicate power of attorneys are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a power of attorney 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 shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after due date, votes casted at the meeting by the proxy shall prevail.

After a power of attorney has been delivered to the Company, if the shareholder intends to attend a visual shareholders' meeting, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting date. If the cancellation notice is submitted after due date, votes casted at the meeting by the proxy shall prevail.

Article 5

The venue for a general meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a general meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting referred to in the preceding paragraph shall not apply when the Company convenes a shareholders' meeting by means of visual communication network only.

Article 6

The Company shall specify in its general meeting notices the time during which attendance registrations of shareholders, solicitors and proxies (hereinafter referred to as the “shareholders”) will be accepted, the place to register for attendance, and any other important matters.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least thirty minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders’ meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend general meetings based on the attendance pass, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting power of attorneys shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

Shareholders who attend the meeting shall be given by the Company a copy of the meeting manual, annual report, attendance pass, opinion slip, agenda ballots and any information relevant to the meeting. Additional ballots shall be prepared if director election is also being held during the meeting.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a general meeting. Juristic persons that have been designated as proxy attendants can only appoint one representative to attend the shareholders’ meeting.

Where a shareholders’ meeting is convened by means of visual communication network and any shareholder intends to attend the virtual shareholders’ meeting, the shareholder shall register with the Company within two days prior to the shareholders’ meeting.

In the event of a virtual shareholders’ meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1:

To convene a virtual shareholders’ meeting, the Company shall include the follow particulars in the shareholders’ meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.

2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

   (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.

   (2) Shareholders not registering to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.

   (3) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

   (4) Actions to be taken if the outcome of all proposals have been announced and extempore motion has not been carried out.

3. To convene a virtual shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting shall be specified.

Article 7

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

When a director serves as the chairperson, as referred to in the preceding paragraph, 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 apply if the chairperson is the juristic-person director's representative.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman of Board in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the shareholders' meeting minutes.

For shareholders’ meetings that are convened by any convener other than the Board of Directors, the convener shall chair the meeting. If there are two or more eligible conveners at the same time, one shall be appointed among themselves to chair the meeting.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders’ meeting in a non-voting capacity.

Article 8

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the general meeting, and the voting and vote counting procedures.

The recorded materials referred to in the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Where a virtual shareholders’ meeting is held, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders’ meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9

Attendance at a shareholders’ meeting shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The Chairman shall call the meeting to order at the appointed meeting time, and announce the number of shareholders without voting right and shares of represented by present shareholders at the same time.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-thirds of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-thirds or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10

If the shareholders' meeting is convened by the Board of Directors, its agenda shall be set by the Board of Directors. Relevant motions (including extempore motions and amendments to an original motion) should be decided by voting. The meeting shall be conducted according to the scheduled agenda, and shall not be changed without the resolution of the shareholders' meeting.

If the shareholders' meeting is convened by a convening party other than the Board of Directors, the provisions of the preceding paragraph shall apply.

The person presiding the meeting shall not adjourn a meeting without as at adopted by shareholders if the motions (including extraordinary motions) in the agenda arranged in the above two paragraphs shall not have been resolved. If the person presiding the meeting declares the adjournment of the meeting in a manner in violation of these rules, the other Board members shall help present shareholders elect a new person presiding the meeting to continue the proceedings of the meeting by a resolution representing the majority of the shares represented at the meeting.

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

Article 11

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance pass number), and account name. The order in which shareholders speak will be set by the chairperson.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the contents of the speech do not correspond to the subject given on the speaker's slip, the spoken contents shall prevail.

Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. Notwithstanding, if the shareholder's speech violates the requirements or exceeds the scope of the agenda item, the chairperson may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor. The chairperson shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

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

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the time when the chairperson declares the meeting open until the chairperson declares the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Articles 1~5 do not apply.

As long as questions so raised in accordance with the preceding paragraph do not violate the requirements or exceed the scope of the agenda item, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12

Voting at a shareholders' meeting shall be calculated based on numbers of shares.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the general meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the special motions and amendments to original proposals of that meeting. Therefore, it is advisable that the Company avoid the submission of extempore motions and amendments to original proposals.

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

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or a virtual shareholders' meeting, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two days before the date of the shareholders' 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 both by correspondence or electronic means and by appointing a proxy to attend a general meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of each shareholder. After the conclusion of the meeting, on the same day it is held, the results, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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

The chairperson will appoint a ballot examiner and a ballot counter, provided that the ballot examiner must be a shareholder.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the Company convenes a virtual shareholders' meeting, after the chairperson declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chairperson announces the voting session ends, or will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chairperson announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14

When the shareholders' meeting elects directors, it shall proceed in accordance with the related election regulations established by the Company, and shall announce the results of the election on the spot.

The ballots for the election items mentioned in the preceding paragraph shall be sealed and signed by the monitoring personnel and then properly kept for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15

Resolutions adopted by an annual general meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairperson of the meeting and shall be distributed to all shareholders of the Company within twenty days after the close of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes referred to in the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the election results in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtue shareholders' meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending the virtual shareholders' meeting.

Article 16

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at an annual general meeting constitute material information under applicable laws or regulations and under the regulations of TPEx, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17

Staff handling the administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

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

If the venue is equipped with amplifying equipment, the presiding chair may stop it when the shareholder does not use the equipment set up by the Company to speak.

If a shareholder violates the rules of procedure and does not obey the presiding chair's corrective instructions, and hinders the progress of the meeting and fails to comply, the presiding chair may direct the proctors or security personnel to ask him or her to leave the venue.

Article 18

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

If, before the parliamentary procedure is accomplished in accordance with the agenda (including extempore motions), the meeting venue cannot be occupied any longer, participants may resolve to continue the meeting at an alternative location.

Shareholders may also resolve to postpone or resume the meeting within the next 5 days, according to Article 182 of The Company Act.

Article 19

In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20

When the Company convenes a virtual shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21

In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under Paragraph 2, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under Paragraph 2, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a virtual shareholders' meeting, and the virtual meeting cannot continue as described in Paragraph 2, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under Paragraph 2 is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to Paragraph 2, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under the latter part of Article 12, and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under Paragraph 2.

Article 22

When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

Article 23

The Rules shall be enforced upon approval by a shareholders' meeting. The same shall apply where the Rules are amended.

<Appendix 3>

Tacheng Real Estate Co., Ltd.

Regulations for Election of Directors

Article 1 The Company's election of directors shall be conducted in accordance with the Regulations, unless otherwise is provided by laws or the Articles of Incorporation.

Article 2 The nominal cumulative voting method shall be used for election of the directors of the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

The election of independent directors and the other directors shall be consolidated, provided that the quota of the elected shall be counted separately.

Article 3 According to the quota required under the Articles of Incorporation, in the Company's election of directors, candidates that receive the highest number of votes will be assigned to the available seats in a progressive manner. If two or more candidates receive the same number of votes, and thereby resulting in more elects than the number of seats allocated, the candidates who receive equal number of votes shall draw for the remaining seats available. The chairperson will draw on behalf of those who are absent during the meeting.

Where the elected is a juristic person shareholder, it shall designate a natural person as its proxy to exercise, in its behalf, the duties of a shareholder. Its authorized representative may also be elected as a director of the Company. If there is a plural number of such authorized representatives, each of them may be so elected.

Article 4 The ballots shall be produced by the Company, which shall identify the attendance card number and also the number of votes vested in the given shareholder, and then distributed to each shareholder attending the shareholders' meeting.

Article 5 Before the election process is commenced the chairperson shall assign a certain number of ballot scrutinizer(s) (with shareholder ID) and vote counters to implement related job duties.

Article 6 The ballot cabinet shall be prepared by the Company, and inspected by the ballot scrutinizer(s) in public before voting.

Article 7 If a candidate is a shareholder, a voter must enter the candidate's name and shareholder account number in the "candidate" column of the ballot. In the case of a non-shareholder, the voter shall enter the candidate's full name and ID No.. However, when the candidate is a juristic person shareholder, the name of the juristic person shareholder shall be entered in the "candidate" column of the ballot. Where the juristic person shareholder's representative is named as the candidate, the names of the juristic person shareholder and its representative shall be entered into the ballot.

Article 8 A ballot is invalid under any of the following circumstances:

(1) The ballot is not put inside the ballot cabinet.

(2) The ballot is not that prescribed herein.

(3) The voter fails to complete the ballot to make the ballot remain blank.

(4) The candidate whose name is entered in the ballot is a shareholder, but the candidate's name and shareholder account number do not match those given in the roster of shareholders, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and ID No. do not match.

(5) Other pictures or text, symbol or uncertain matters are entered in addition to the candidate's account name, shareholder account number or name, ID No. and number of voting rights allotted on the ballot.

(6) The writing is unclear and indecipherable on the ballot.

(7) Any of the candidate's account name, account number or name, and ID No. on the ballot has been altered.

(8) The candidate's account name or name entered in the ballot is identical with another shareholder's, but no shareholder account number or ID No. is provided in the ballot to identify such individual.

(9) Two or more candidates are specified on the same ballot.

Article 9 Upon completion of the ballot casting process, the ballots shall be opened on the site and the chairperson or MC shall announce the outcome of election on the site.

Article 10 The Company shall issue the notification to the persons elected as directors.

Article 11 The Regulations shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments therteto shall be affected in the same manner.

<Appendix 4>

Tacheng Real Estate Co., Ltd.
Procedures for Endorsements/Guarantees

Article 1. Objectives

These Procedures are established for the purpose of improving the financial management of the Company's endorsements/guarantees, to achieve business risk control, and to offer a compliance foundation for Company regarding matters related to endorsements/guarantees. These Procedures are established pursuant to the Securities and Exchange Act and other related laws and regulations.

Article 2. Scope of Application

The endorsements/guarantees referred to in these Procedures include:

I. Financing endorsements/guarantees
  1.Bill discount financing.
  2. Endorsement or guarantee made to meet the financing needs of another company.
  3. Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.

II. Customs duty endorsement/guarantee: an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.

III. Other endorsements/guarantees: endorsements or guarantees beyond the scope of the above two subparagraphs.

Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with these Procedures.

Article 3: Counterparties of endorsements/guarantees made by the Company:

I. A company which directly or indirectly holds more than 50% of the voting shares of the Company.

II. A company in which the Company directly or indirectly holds more than 50% of the voting shares.

III. Any enterprise with business dealings with the Company.

IV. For the needs of contracting construction, among peers in the same industry or between co-builders, in accordance with the mutual guarantees stipulated in the contract, or in the joint investment relationship, all the capital contributing shareholders have endorsements/guarantees for the invested company in accordance with their shareholding ratios, or the peers in the same industry are engaged in accordance with the regulations of the Consumer Protection Act The joint guarantee for the performance of the pre-sale house sales contract.

Article 4. The aggregate amount of endorsements/guarantees and the amount of endorsements/guarantees for a single enterprise are as follows:

I. The maximum amount of all endorsements/guarantees made by the Company and its subsidiaries shall not exceed 150% of the net worth as in the Company's most recent financial statements audited or certified by external auditors.

II. The amount of endorsements/guarantees for a single enterprise is determined separately based the following circumstances:

(1) To a single enterprise, it shall not exceed 100% of the net worth of the Company.

(2) Subsidiaries in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the public company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

III. The endorsements/guarantees made by the Company pursuant to subparagraph 4 of Article 3, are not subject to the limits of aforementioned aggregated amount of endorsements/guarantees and the endorsement/guarantee made to a single enterprise. The limit of endorsement and guarantee shall not exceed eight times the net worth as the aggregated amount, or four times for one single enterprise.

Article 5: Procedures for Making Endorsements/Guarantees

I. When making endorsements/guarantees, the finance unit shall, based on the applications of the counterparties of endorsements/guarantees, review each item to see if the qualifications and limits comply with the provisions of these Procedures and whether they meet the criteria for announcement and reporting. The results of the review, along with the evaluation specified in Article 6, shall be reported to the Chairman for approval, and then submitted to the Board of Directors for discussion and approval. Where the endorsement/guarantee is within the authorized limit, the Chairman may, on his/her discretion, approve the application based on the counterparty's creditworthiness and financial position, and to be ratified at the soonest board meeting.

II. The financial unit shall maintain a memorandum book for the endorsements/guarantees. Upon the approval of the Board of Directors or the Chairman, an endorsement/guarantee shall be affixed with the chop pursuant to the prescribed procedures. The counterparty of the endorsement/guarantee, the amount, the date of approval by the Board of Directors or the Chairman, the date of endorsement/guarantee, and the matters to be prudentially evaluated provided in Article 6 shall be recorded for future reference, and photocopies of related instruments such as bills and agreements shall be well retained.

III. The internal auditors shall audit the Operational Procedures for Loaning Funds to

Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the Audit Committee in writing of any material violation found.

IV. The financial unit shall prepare a detailed statement of the guarantees incurred and cancelled on a monthly basis for control, tracking, announcement and reporting; the contingent loss on endorsements/guarantees shall be evaluated and recognized on a quarterly basis, the endorsements/guarantees shall be disclosed in the financial reports, and related information shall be provided to the attesting CPAs.

V. If the counterparty of an endorsement/guarantee previously compliant with the requirements but subsequently not, or the amount of the endorsement/guarantee exceeds the limit due to a change in the basis for calculating the limit, the finance unit shall formulate the improvement plan for amount of the endorsement/guarantee to such counterparty, or the part exceeding the limit; upon the approval of the Chairman, all of violations shall be eliminated within a certain period of time. The related improvement plans will be submitted to the Audit Committee, and shall be completed as scheduled.

VI. By the expiry date of an endorsement/guarantee, the finance unit shall actively notify the guaranteed enterprise to retrieve the guarantee bills deposited in the bank or creditor institution, and to cancel the relevant deeds of the endorsement/guarantee.

Article 6. Detailed Review Procedures

When making endorsements/guarantees, the financial unit shall review and evaluate the following matters, and document such:

(I) Understand the relationship between the counterparties of endorsements/guarantees and the Company, the purpose and use of the borrowings, and the relevance of the Company’s business or the importance of its operations to the Company, along with the Company’s limits of endorsements/guarantees and current balance, to assess the necessity and reasonableness.

(II) Obtain relevant information from the annual reports and financial reports of the counterparties of the endorsements/guarantees, and analyze its operation, finance, creditworthiness, and sources of repayment to assess the possible risks.

(III) Analyze the ratio of the Company’s current endorsement/guarantee balance to the Company’s net worth, the liquidity and cash flow status, and the review results of (I) and (II), in order to assess the impacts on the Company's operational risks, financial position and shareholders' equity.

(IV) For endorsements/guarantees to non-affiliates, depending on the nature and the credit standing of the guaranteed, and the evaluation results of (I) - (III), the Company measure if the guaranteed shall be requested to provide appropriate collateral, and whether the value of the collateral is equivalent to the balance of the endorsement/guarantee on a quarterly basis, and if necessary, the guaranteed may be requested to provide additional collateral.

(V) When the Company and its subsidiaries make endorsements/guarantees for subsidiaries whose net worth is less than half of the paid-in capital, in addition to the evaluations (I) - (III) in the preceding paragraphs, the financial unit shall evaluate the operation of the counterparty's risks, financial status, and the suitability of subsequent endorsements/guarantees on a quarterly basis, and the same shall be reported to the Chairman or the Board of Directors.

If a subsidiary's shares have no face value or a par value other than NTD 10 per share, the paid-in capital shall be the sum of the share capital plus capital reserve - issuance premium.

Article 7. Decision-making and Authorization Hierarchy

I. When making endorsements/guarantees, the Company shall go through the procedures in accordance with Article 5 for approvals and obtain the approval resolved by the Board of Directors. However, for the purpose of timeliness, the board of directors may authorize the chairman to make a decision in advance, and then report to the soonest board meeting for ratification, if the total amount is less than 20% of the net value of the most recent audited or reviewed financial statements. The Board of Directors shall take into full consideration of each independent director's opinions during the discussion ; if any independent director has objection or qualified opinions, it shall be recorded in the minutes of the board meeting.

II. Before making endorsements/guarantees for subsidiaries in which the Company holds, directly or indirectly, 90% of the voting shares, it shall be submitted to the board of directors for a resolution. Where the Company holds 100% of its voting shares directly or indirectly, in such subsidiaries, the preceding provision shall not apply

III. When the Company needs to exceed the limits set out in these Procedures to satisfy its business requirements, and where the conditions set out in the Operational Procedures for Endorsements/Guarantees are complied with, it shall obtain approval from the board of directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the company by the excess endorsement/guarantee. It shall also amend the Operational Procedures for Endorsements/Guarantees accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit.

Article 8: Procedures for Use and Custody of Corporate Chops

The Company shall use the Company's corporate chops registered with the Ministry of Economic Affairs as the exclusive chops for making endorsements/guarantees. The chops shall be kept by a dedicated personnel approved by the Board of Directors, and shall be used in accordance with the Company's procedures before affixing or issuing bills. The same applies if any change is made.

Article 9. Procedures for Announcement and Reporting

I. Before the 10th day of each month, the financial unit shall send the balance of the endorsement/guarantee of the Company and its subsidiaries of the previous month to the accounting unit, and announce and report along with the turnover within the prescribed time limit on a monthly basis.

II. In addition to announcing and reporting the balance of endorsements/guarantees on a monthly basis, if the amount of endorsements/guarantees reached any of the following criteria, the financial unit shall notify the accounting unit with the relevant information to announce and report within two days from the date of occurrence:

(I) The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50 percent or more of the Company’s net worth as stated in its latest financial statement.

(II) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20 percent or more of the Company’s net worth as stated in its latest financial statement.

(III) The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches NT$10 millions or more and the aggregate amount of all endorsements/guarantees for, carrying value of equity method investment in, and balance of loans to, such enterprise reaches 30 percent or more of the Company’s net worth as stated in its latest financial statement.

(IV) The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT$30 million or more, and reaches 5 percent or more of the Company’s net worth as stated in its latest financial statement.

The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.

Article 10. Penalties

When the Company’s personnel undertaking endorsements/guarantees violate the “Regulations Governing Loaning of Funds and Endorsements/Guarantees by Public Companies” promulgated by the Securities and Futures Institute, or these Procedures, the Company shall handle the case, depending on the circumstances of the violation, in accordance with the following provisions. The violation is recorded to be used as a reference for the annual personal performance evaluation.

(I) Violation of approval authority: For the first-time offenders, a verbal warning shall be given. Repetitive offenders shall be given a written warning and shall be compelled to participate in the Company’s internal control system training courses. Repetitive offenders or serious offenders shall be subject to transfer or suspension.

(II) Violation of evaluation procedures: For the first-time offenders, a verbal warning shall be given. Repetitive offenders shall be given a written warning and shall be compelled to participate in the Company's internal control system training courses. Repetitive offenders or serious offenders shall be subject to transfer or suspension.

(III) Violation of announcement and reporting: For the first-time offenders, a verbal warning shall be given. Repetitive offenders shall be given a written warning; repetitive offenders or serious offenders shall be subject to transfer or suspension.

(IV) The line-managers of the offenders shall also be subject to the penalty; however, if the reasonable proof that prior prevention has been made is provided, this shall not apply.

(V) If the Board of Directors, or any director violates the relevant regulations and the resolutions of the Shareholders' Meeting when conducting business, the Audit Committee shall notify the Board of Directors or the Directors to stop the act in accordance with Article 218-2 of the Company Act.

Article 11. Procedures for Controlling the Endorsements/Guarantees Making to Others by Subsidiaries

(I) The Company's subsidiaries that intend to make endorsements/guarantees for others, shall establish procedures for endorsements/guarantees in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and follow the prescribed procedures.

(II) The Company's subsidiary shall immediately notify the Company's financial unit of the occurrence of any endorsement/guarantee made for a third party.

Article 12. Other Matters

The establishment of these Operational Procedures shall be subject to the approval of the majority of all Audit Committee members, and shall be implemented upon the resolution of the Board of Directors and the approval of the shareholders' meeting. For any objection raised by any director, with documentation or writing statement, the Company shall submit the objections to the shareholders' meeting for discussion, and the same applies to amendments.

If the approval of the majority of all Audit Committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board meeting.

<Appendix 5>

Current Shareholding of Directors

Reference date: April 29, 2024

Title	Name	On-Board Date	Number of shares held by them at the time of appointment		Number of shares held recorded on the shareholder roster on the book-closure date	
			Number of shares	Shareholding	Number of shares	Shareholding
Chairman	Lai, Yuan-Chao	August 27,2021	26,919,874	35.73%	34,625,530	34.63%
Director	Representative of Jin Cheng Investment Co., Ltd.: Liang-Cheng,Lai	August 27,2021	4,900,000	6.50%	6,502,820	6.50%
Director	Representative of Jin Cheng Investment Co., Ltd.: Chien, Shu-Chin	August 27,2021				
Director	Representative of Ta You Investment Co., Ltd.: Lai, Wen-Ling	August 27,2021	2,500,000	3.32%	3,317,765	3.32%
Director	Representative of Ta You Investment Co., Ltd.: Yuchun Liao	June 28,2023				
Independent Director	Yang, Tung-Hsiao	August 27,2021	--	--	--	--
Independent Director	Young Weiju	August 27,2021	--	--	--	--
Independent Director	Lin, Chun-Mao	August 27,2021	--	--	--	--
Independent Director	Wen Yen-Jung	June 28,2023	--	--	--	--
Total			34,319,874	45.55%	44,446,115	44.45%

Note: Pursuant to Article 2, subparagraph 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the statutory shares to be held by all directors are 8,000,000 shares.