

Stock Code: 9911

TAIWAN SAKURA CORPORATION

2023 ANNUAL GENERAL SHAREHOLDERS' MEETING

MEETING HANDBOOK

Meeting Date: 21 June 2023

Location: No. 436, Sec. 4, Yatan Rd., Daya Dist., Taichung City, Taiwan, R.O.C.

(Daya Plant)

Type of meeting: Physical Meeting

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2023 Shareholders' Meeting Handbook

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TAIWAN SAKURA CORPORATION
2023 Annual General Shareholders' Meeting

Time: 21 June 2023 at 9:00 a.m. (Wednesday)

Location: No. 436, Sec. 4, Yatan Rd., Daya Dist., Taichung City, Taiwan, R.O.C. (Daya Plant)

Meeting Agenda:

I. Call Meeting to Order

II. Chairman Remarks

III. Matters for Report:

(1) 2022 Business Report

(2) 2022 Audit Committee's Review Report

(3) 2022 Employee and Director Compensation Distribution Report

(4) 2022 Cash Dividends Distribution Report

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IV. Matters for Ratification:

(1) To Accept 2022 Business Report and Financial Statements

(2) To Approve 2022 Earnings Appropriation Proposal

V. Extempore Motion

VI. Adjournment

Matters for Report

Report Items

1. 2022 Business Report

Descriptions: Please refer to Attachment 1 (P.5-6) for details.

2. 2022 Audit Committee's Review Report

Descriptions: Please refer to Attachment 2 (P.7) for details

3. 2022 Employee and Director Compensation Distribution Report

Descriptions:

- (1) Pursuant to Article 20 of Articles of Incorporation adopted by TAIWAN SAKURA CORPORATION (hereinafter "the Company"), in a profitable fiscal year (pretax profit before distribution of employee and director compensation), the Company shall set aside 2% to 8% of the balance from the above as employee compensation, whereas not more than 5% shall be allocated as director compensation.
- (2) The Company's 2022 pretax profit before distribution of employee and director compensation amounted to NT\$1,319,720,531. It is proposed to distribute 3% and 1.9% of the balance in cash as employee and director compensation, respectively. However, the intended recipients of the aforementioned employee compensation include only the employees of the Company and its subsidiaries.
- (3) The difference between the approved and estimated employee and director compensation is shown and explained as follows:

Distribution Item	Amount Approved by Board of Directors	2022 Accrued Amount	Difference	Reason for Difference
Employee Compensation	39,591,616	39,591,616	-	None
Director Compensation	25,074,690	25,074,690	-	

- (4) The 2022 Employee and Director Compensation Distribution Report was approved by the Remuneration Committee and the Company's board of directors (hereinafter the "board of directors") on 10 May 2023.

4. 2022 Cash Dividends Distribution Report

Descriptions:

- (1) Pursuant to Articles 20-1 of Articles of Incorporation, the 2023 Cash Dividends Distribution Report was approved by the board of directors on 10 May 2023.
- (2) The Company's 2022 dividends amounted to NT\$818,148,396, NT\$3.7 per share and it is proposed to be fully distributed in cash. The cash dividends will be distributed in proportion to the percentage of shares held by each shareholder on the dividend declaration date. Cash dividends will be distributed in rounded amount to the nearest NT dollar. Remaining pennies from the cash dividends distribution will be included as the Company's other income.
- (3) The dividend declaration date is on 1 July 2023 and dividend distribution date is on 21 July 2023. The Chairman also has the rights to adjust cash dividends per share if the amount of outstanding shares changes as a result of Company buying back or selling off treasury stocks.

5. Ethical Corporate Management Best Practice Principles Amendment Report

Descriptions: In compliance with relevant legislative amendments and operational practices, the Company approved the revision to the “Ethical Corporate Management Best Practice Principles” in the board meeting convened on 4 January 2023. For comparison table for the “Ethical Corporate Management Best Practice Principles” before and after revision, please refer to Attachment 5 (P.31-35).

6. Rules of Procedure for Board of Directors Meetings Amendment Report

Descriptions: In compliance with relevant legislative amendments and operational practices, the Company approved the revision to the “Rules of Procedure for Board of Directors Meetings” in the board meeting convened on 4 January 2023. For comparison table for the Rules of Procedure for Board of Directors Meetings before and after revision, please refer to Attachment 6 (P.36-37).

Matters for Ratification

Ratification Items

1. Proposed by: The board of directors

Subject: Acceptance of the 2022 Business Report and Financial Statements

Descriptions:

- (1) The 2022 Parent Company Only and Consolidated Financial Statements have been audited by independent auditors, Yu-Ting Huang and Tzu-Ping Huang of Ernst & Young, who have issued the independent auditors' report. The Company's financial statements and the accompanying business reports had been reviewed by the Company's Audit Committee, who issued the Audit Committee's Review Report. Please refer to Attachments 1-3 (P.5-29) for the aforementioned documents.
- (2) Proposed for recognition

Resolution:

2. Proposed by: The board of director

Subject: Approval of the 2022 Earnings Appropriation Report

Descriptions:

- (1) The Company's 2022 net profit after tax of NT\$1,018,940,683; resulting the amount possible to distributable as NT\$2,329,087,099, and the distribute cash dividends NT\$818,148,396.
- (2) Please refer to Attachment 4 (P.30) for details on the 2022 Earnings Appropriation Report.
- (3) Proposed for recognition

Resolution:

Extempore Motion

Adjournment

TAIWAN SAKURA CORPORATION

2022 Business Report

1. Operating direction and actual performance

In recent years, TAIWAN SAKURA CORPORATION has been continuously propelling “operational capabilities of the group” and “the development of medium-to long-term strategic planning”, including the Company has been promoting four major upgrades in “branding, product, sales channels, and services since 2016. Also, since 2019, TAIWAN SAKURA CORPORATION has been initiating the Five-Year Development Plan in Stages, which is based on three major strategies: “Stable Growth of Existing Businesses”, “Future Layout of New Businesses”, and “Core Construction for Sustainable Development”, with the goal of becoming a billion-dollar enterprise.” In 2022, TAIWAN SAKURA CORPORATION officially announced the Group’s new vision as “The Creator of a Better Home Life”, and defined its business landscape revolves around “family needs as the core” to focus the Group’s future business development blueprint.

The overall economic environment in 2022 is still not ideal, and the first half of the year was affected by the conflict between Russia and Ukraine, as well as China’s COVID-19 containment policies. The global supply chain is under strain, and raw material prices continue to rise. Although the pandemic has eased somewhat in the latter half of the year, there are still many uncertain factors at play. The global supply chain is still facing geopolitical challenges, which in turn are impacting changes in consumer behavior. In the face of challenges such as high interest rates, high inflation, and slow economic growth in the overall environment, TAIWAN SAKURA CORPORATION has still achieved 12 consecutive years of revenue growth, largely due to the efforts of all employees and the successful implementation of its strategies. The Company’s operating revenue amounted to \$7.572 billion in 2022, increasing by 7.96% compared to 2021; gross profit amounted to \$1.066 billion, a year-on-year decrease of 2.85%; profit after tax amounted to \$1.019 billion, which gained 0.85% compared to the previous year. In the face of rising operating costs and market uncertainty in the consumer market, the Company will adopt a more cautious approach to management in response.

2. Result of operation plan

Unit: NT\$ (in thousands)

Item	2022	2021	Increase (decrease) %
Operating revenue	7,571,601	7,013,146	7.96%
Operating income	1,066,056	1,097,333	(2.85%)
Pre-tax income	1,255,054	1,225,865	2.38%
Net income	1,018,940	1,010,345	0.85%

3. Forecast and implementation

Unit: Pcs; Sets

Main products	Target sales number in 2022	Actual sales number in 2022	Success rate
Kitchen Appliance	442,897	434,358	98.07%
Water heater	288,714	273,345	94.68%
Cabinet of Kitchen System (Note 1)	33,658	33,283	98.89%
Others (Note 2)	255,386	370,639	145.13%
Total	1,020,655	1,111,625	108.91%

Note 1: This figure only includes complete sets of cabinet of kitchen system; sales that were not completed in sets are not included in the calculation of success rate.

Note 2: This category mainly consists of electrical products purchased externally and water purifiers' filter.

Note 3: The target sales number and actual sales number did not include the quantity sold to subsidiaries.

4. Financial Highlights and Profitability Analysis

(1) Financial Highlight

Unit: NT\$ (in thousands)

Item \ Year	2022	2021	Increase (decrease) %
Cash inflow from operating activities	909,140	927,510	(1.98%)
Cash inflow(outflow) from investment activities	331	(329,997)	100.10%
Cash outflow from financing activities	(822,533)	(741,866)	(10.87%)

(2) Profitability analysis

Item analyzed \ Year		2022	2021	
Profitability	Return on assets (%)	12.54	13.29	
	Return on equity (%)	18.44	19.39	
	Ratio to paid-in capital (%)	Operating income	48.21	49.62
		Pre-tax income	56.75	55.43
	Profit margin (%)	13.45	14.40	
	Earnings per share (NT\$)	4.66	4.62	

5. Research & development

The Research & Development (R&D) team of Taiwan Sakura Corporation has incorporated the “Enjoy Smart Lifestyle with Integrated Solution” brand value into its product research and development. In addition to its continuous focus on developing intelligent, safe, healthy and environmentally friendly kitchen equipment and gas-burning products, the R&D team is also re-entering the field of water filter products. Successfully developed products over the past two years are as follows:

- (1) New automatic temperature water heater
- (2) New automatic temperature water heater with turbo pump water heater
- (3) Beauty skin bath water heater
- (4) Multiple times capacity storage water heater
- (5) Timer control storage water heater
- (6) New heat collection gas cooker
- (7) Easy clean type anti-backfire detection system gas cooker
- (8) Smart of temperature sensor range hood
- (9) Closer-distance of suction range hood
- (10) New oil-guiding tray DC motor range hood
- (11) New oil-guiding tray range hood
- (12) Built-in UV Sterilization dish dryer
- (13) Built-in fast-drying dish dryer
- (14) Tankless RO water purifier
- (15) Slim design tankless RO water purifier
- (16) SQC water purifier
- (17) Smart touch heating water purifier
- (18) Smart touch water dispenser

Chairman: Yung-Chieh Chang General Manager: Yuo-Tu Lin Accounting Supervisor: Hsiu-Chi Chan

TAIWAN SAKURA CORPORATION

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report and Financial Statements (including Parent Only and Consolidated Financial Statements). The Financial Statements (including Parent Only and Consolidated Financial Statements) were audited by Ernst & Young, who issued the accompanying Independent Auditors' Report. The 2022 Business Report, financial statements and proposal for appropriation of earnings have been audited by us, the Audit Committee of the Company, and were deemed appropriate. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report. Please review.

TAIWAN SAKURA CORPORATION

2023 ANNUAL GENERAL SHAREHOLDERS' MEETING

TAIWAN SAKURA CORPORATION

Chairman of the Audit Committee: Jyh-Ren Chen

10 May 2023

Independent Auditors' Report

To Taiwan Sakura Corporation:

Opinion

We have audited the accompanying parent company only balance sheets of Taiwan Sakura Corporation (the “Company”) as of 31 December 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2022 and 2021, and notes to the parent company only financial statements, including the summary of significant accounting policies (together “ the financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and 2021, and their financial performance and cash flows for the years ended 31 December 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of 2022 parent company only financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Income recognition

The Company recognized operating income of NT\$7,571,601 thousand in 2022. The main products are gas cookers, water heaters and kitchen appliances. The main trading partners of the Company are dealers and retailers. The transactions are frequent and of great volume, and the number of contract types is numerous. The judgment and decision on the performance obligation and the time of satisfaction are important to the parent company only financial statements. Therefore, we determined it as a key audit matter. Our audit procedures include, but are not limited to, understanding and testing of the effectiveness of the parent company's internal control related to income recognition in the sales cycle; selecting samples to perform test of details of transactions and reviewing the revenue recognition requirements in orders or contracts to meet the performance obligations; verifying the significant terms and conditions and checking the relevant supporting documents to confirm the accuracy of the timing to transfer commodity rights; examining the relevant supporting documents of the income transaction for a period of time before and after the balance sheet date to determine if that income was recognized at the appropriate timing. We also considered the appropriateness of the disclosure of operating income in Note 6 of the parent company only financial statements.

Other Matter – Making Reference to the Audits of Component Auditors

The financial statements of some of the investee companies included in the parent company only financial statements were not audited by us, the independent accountant, but by other accountants. Therefore, our opinion expressed herein and the amounts listed in the parent company only financial statements of the investee companies are based solely on the audit reports of other auditors. The investments in the investee companies accounted for using the equity method as of 31 December 2022 and 2021 amounted to NT\$1,041,974 thousand and NT\$1,022,809 thousand, respectively, accounting for 12% and 13% of the total assets. For the years ended 31 December 2022 and 2021, the shares of profit and loss of subsidiaries, affiliates and joint ventures recognized by the equity method amounted to NT\$68,530 thousand and NT\$62,417 thousand, respectively, accounting for 5% and 5% of the net income before tax, respectively. For the years ended 31 December 2022 and 2021, the shares of other comprehensive income of subsidiaries, affiliates and joint ventures recognized by the equity method amounted to NT\$11,885 thousand and NT\$(4,659) thousand, respectively, accounting for 22% and (15)% of the other comprehensive income, respectively.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only 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 management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2022 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Huang, Yu-Ting
Huang, Tzu-Ping
Ernst & Young, Taiwan
14 March 2023

Notes to Readers

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

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

Taiwan Sakura Corporation
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of				
		31 December 2022		31 December 2021		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	4, 6(1)	\$1,341,046	16	\$1,254,108	16
1140	Contract assets, current	4, 6(15),(16)	183,142	2	169,648	2
1150	Notes receivable, net	4, 6(2),(16)	110,632	1	93,375	1
1170	Accounts receivable, net	4, 6(2),(16), 7	999,514	12	1,129,403	14
130X	Inventories	4, 6(3)	1,044,374	13	858,975	11
1410	Prepayment		42,019	1	40,288	1
1470	Other current assets		11,928	-	12,311	-
11XX	Total current assets		<u>3,732,655</u>	<u>45</u>	<u>3,558,108</u>	<u>45</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income, non-current	4, 6(4)	67,179	1	203,898	3
1550	Investment accounted for using equity method	4, 6(5)	2,268,001	27	2,083,581	26
1600	Property, plant and equipment	4, 6(6), 8	1,753,311	21	1,715,174	22
1755	Right-of-use assets	4, 6(17)	149,778	2	55,049	1
1760	Investment property, net	4, 6(7), 8	192,619	3	183,433	2
1780	Intangible assets	4, 6(8)	16,778	-	21,370	-
1840	Deferred income tax assets	4, 6(21)	25,189	-	28,901	-
1915	Prepayments for equipment		35,832	-	27,498	-
1900	Other non-current assets	4, 6(9)	108,963	1	40,987	1
15XX	Total non-current assets		<u>4,617,650</u>	<u>55</u>	<u>4,359,891</u>	<u>55</u>
1XXX	Total assets		<u>\$8,350,305</u>	<u>100</u>	<u>\$7,917,999</u>	<u>100</u>

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

Taiwan Sakura Corporation
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of				
		31 December 2022		31 December 2021		
		Amount	%	Amount	%	
Current liabilities						
2100	Short-term loans	4, 6(10)	\$3,138	-	\$ -	-
2130	Contract liabilities, current	4, 6(15)	110,312	1	105,645	1
2150	Notes payable		6,432	-	3,308	-
2170	Accounts payable	7	1,328,849	16	1,365,508	17
2200	Other payables	6(11),(12)	633,680	8	629,711	8
2230	Current income tax liabilities		232,427	3	220,580	3
2280	Leased liabilities, current	4, 6(17)	40,140	-	20,270	-
2300	Other current liabilities	4, 6(13)	43,423	1	40,876	1
21XX	Total current liabilities		<u>2,398,401</u>	<u>29</u>	<u>2,385,898</u>	<u>30</u>
Non-current liabilities						
2570	Deferred income tax liabilities	4, 6(21)	30,282	-	24,686	-
2580	Leased liabilities, non-current	4, 6(17)	173,882	2	34,876	-
2640	Net defined benefit liability, non-current	4, 6(12)	29,748	-	48,885	1
2600	Other non-current liabilities	6(13)	50,774	1	43,540	1
25XX	Total non-current liabilities		<u>284,686</u>	<u>3</u>	<u>151,987</u>	<u>2</u>
2XXX	Total liabilities		<u>2,683,087</u>	<u>32</u>	<u>2,537,885</u>	<u>32</u>
Equity attributable to owners of parent						
31XX	Equity attributable to owners of parent	4, 6(14)				
3100	Capital					
3110	Common stock		<u>2,211,212</u>	<u>26</u>	<u>2,211,212</u>	<u>28</u>
3200	Additional paid-in capital		<u>121,350</u>	<u>1</u>	<u>112,370</u>	<u>1</u>
3300	Retained earnings					
3310	Legal reserve		830,964	10	729,523	9
3320	Special reserve		115,799	1	115,799	1
3350	Unappropriated earnings		2,437,651	30	2,249,490	29
	Total retained earnings		<u>3,384,414</u>	<u>41</u>	<u>3,094,812</u>	<u>39</u>
3400	Other components of equity					
3410	Exchange differences on translation of foreign operations		(108,057)	(1)	(125,832)	(1)
3420	Unrealised gains or losses from financial assets measured at fair value through other comprehensive income		79,547	1	108,800	1
34XX	Total other components of equity		<u>(28,510)</u>	<u>-</u>	<u>(17,032)</u>	<u>-</u>
3500	Treasury stock		<u>(21,248)</u>	<u>-</u>	<u>(21,248)</u>	<u>-</u>
3XXX	Total equity		<u>5,667,218</u>	<u>68</u>	<u>5,380,114</u>	<u>68</u>
	Total liabilities and equity		<u>\$8,350,305</u>	<u>100</u>	<u>\$7,917,999</u>	<u>100</u>

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

Taiwan Sakura Corporation
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the years ended 31 December			
		2022		2021	
		Amount	%	Amount	%
4000 Operating revenues	4, 6(15), 7	\$7,571,601	100	\$7,013,146	100
5000 Operating costs	6(3),(18), 7	(5,192,314)	(69)	(4,654,126)	(66)
5900 Gross profit		2,379,287	31	2,359,020	34
5910 Unrealized profit on sales		(2,319)	-	(1,471)	-
5920 Realized profit on sales		1,471	-	1,663	-
5950 Gross profit, net		2,378,439	31	2,359,212	34
6000 Operating expenses	6(16),(17),(18)				
6100 Selling and marketing expenses		(962,760)	(13)	(911,085)	(13)
6200 Management and administrative expenses		(274,377)	(3)	(261,057)	(4)
6300 Research and development expenses		(75,448)	(1)	(89,444)	(1)
6450 Expected credit gains (losses)		202	-	(293)	-
Total operating expenses		(1,312,383)	(17)	(1,261,879)	(18)
6900 Operating income		1,066,056	14	1,097,333	16
7000 Non-operating income and expenses	6(17),(19)				
7100 Interest income		5,110	-	4,314	-
7010 Other income		31,527	-	30,072	-
7020 Other gains and losses		35,227	1	4,317	-
7050 Finance costs		(1,987)	-	(766)	-
7060 Share of profit of associates and joint ventures accounted for using equity method	6(5)	119,121	2	90,595	1
Total non-operating income and expenses		188,998	3	128,532	1
7900 Income from continuing operations before income tax		1,255,054	17	1,225,865	17
7950 Income tax expense	6(21)	(236,114)	(3)	(215,520)	(3)
8200 Income from continuing operations, net of tax		1,018,940	14	1,010,345	14
8300 Total other comprehensive income	6(5),(20)				
8310 Item that may not be reclassified subsequently to profit or loss					
8311 Remeasurements of defined benefit plans		22,366	-	(3,391)	-
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		19,552	-	38,269	1
8349 Income tax related to items that may not be reclassified subsequently to profit or loss		(4,473)	-	679	-
8360 Items that may be reclassified subsequently to profit or loss					
8361 Exchange differences on translation of foreign operations		10,333	-	(1,817)	-
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		11,885	-	(4,659)	-
8399 Income tax related to items that may be reclassified subsequently to profit or loss		(4,443)	-	1,295	-
Total other comprehensive income (loss), net of tax		55,220	-	30,376	1
8500 Total comprehensive income		\$1,074,160	14	\$1,040,721	15
Earnings per share (NT\$)	6(22)				
9750 Earnings per share-basic		\$4.66		\$4.62	
9850 Earnings per share-diluted		\$4.64		\$4.61	

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

Taiwan Sakura Corporation
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Notes	Retained earnings				Other components of equity				Total Equity
		Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Treasury Stock	
Balance as of 1 January 2021		\$2,211,212	\$104,265	\$640,266	\$115,799	\$2,038,702	\$(120,651)	\$70,531	\$(21,248)	\$5,038,876
Appropriation of earnings, 2020										
Legal reserve				89,257		(89,257)				-
Cash dividends						(707,588)				(707,588)
Donation from shareholders			704							704
Net income in 2021						1,010,345				1,010,345
Other comprehensive income (loss), net of income tax in 2021						(2,712)	(5,181)	38,269		30,376
Total comprehensive income (loss)		-	-	-	-	1,007,633	(5,181)	38,269	-	1,040,721
Adjustment due to dividends subsidiaries received from parent company			7,401							7,401
Balance as of 31 December 2021		<u>\$2,211,212</u>	<u>\$112,370</u>	<u>\$729,523</u>	<u>\$115,799</u>	<u>\$2,249,490</u>	<u>\$(125,832)</u>	<u>\$108,800</u>	<u>\$(21,248)</u>	<u>\$5,380,114</u>
Balance as of 1 January 2022	4,6(14)	\$2,211,212	\$112,370	\$729,523	\$115,799	\$2,249,490	\$(125,832)	\$108,800	\$(21,248)	\$5,380,114
Appropriation of earnings, 2021										
Legal reserve				101,441		(101,441)				-
Cash dividends						(796,036)				(796,036)
Donation from shareholders			654							654
Net income in 2022						1,018,940				1,018,940
Other comprehensive income (loss), net of income tax in 2022						17,893	17,775	19,552		55,220
Total comprehensive income (loss)		-	-	-	-	1,036,833	17,775	19,552	-	1,074,160
Adjustment due to dividends subsidiaries received from parent company			8,326							8,326
Disposal of investments in equity instruments designated at fair value through other comprehensive income						48,805		(48,805)		-
Balance as of 31 December 2022	4,6(14)	<u>\$2,211,212</u>	<u>\$121,350</u>	<u>\$830,964</u>	<u>\$115,799</u>	<u>\$2,437,651</u>	<u>\$(108,057)</u>	<u>\$79,547</u>	<u>\$(21,248)</u>	<u>\$5,667,218</u>

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

Taiwan Sakura Corporation
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2022	2021
Cash flows from operating activities:		
Net income before tax	\$1,255,054	\$1,225,865
Adjustments:		
Adjustments to reconcile net income:		
Depreciation	97,336	89,214
Amortization	23,516	24,711
Expected credit (gain) loss	(202)	293
Interest expense	1,987	766
Interest income	(5,110)	(4,314)
Dividend income	(1,605)	(11,684)
Share of profit of associates and joint ventures accounted for using equity method	(119,121)	(90,595)
Gain on disposal of property, plant and equipment	(302)	(202)
Gain on disposal of investment property	-	(3,262)
Gain on disposal of investment	(166)	(110)
Reversal of impairment loss on non-financial assets	(11,149)	-
Gain from lease modification	-	(18)
Realized loss (gain) on inter-affiliate accounts	848	(1,084)
Changes in operating assets and liabilities:		
Increase in contract assets	(13,530)	(18,653)
(Increase) Decrease in notes receivable	(17,257)	9,510
Decrease (Increase) in accounts receivable	192,393	(124,474)
Increase in inventories	(185,399)	(238,638)
(Increase) Decrease in prepayments	(1,731)	20,166
Decrease (Increase) in other current assets	226	(1,597)
Increase in other non-current assets	(75,272)	(18,432)
Increase in contract liabilities	4,667	19,671
Increase (Decrease) in notes payable	3,124	(3,819)
(Decrease) Increase in accounts payable	(36,659)	158,193
Increase in other payables	3,969	61,095
Increase in other current liabilities	2,547	7,797
Increase in net defined benefit liabilities	124	189
Increase in other non-current liabilities	7,234	22,029
Cash generated from operations	<u>1,125,522</u>	<u>1,122,617</u>
Interest received	5,267	3,842
Dividend received	1,605	11,684
Income tax paid	<u>(223,254)</u>	<u>(210,633)</u>
Net cash provided by operating activities	<u>909,140</u>	<u>927,510</u>

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

(continued)
 Taiwan Sakura Corporation
 PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
 For the years ended 31 December 2022 and 2021
 (Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2022	2021
(Continued)		
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	150,586	-
Acquisition of financial assets measured at fair value through profit or loss	(150,000)	(100,000)
Proceeds from disposal of financial assets measured at fair value through profit	150,166	100,110
Acquisition of investment accounted for using equity method	(100,000)	(173,524)
Acquisition of property, plant and equipment	(94,721)	(293,337)
Proceeds from disposal of property, plant and equipment	518	459
Increase in refundable deposits	(5,973)	(2,905)
Decrease in refundable deposits	315	1,064
Increase in intangible assets	(5,970)	(4,663)
Gain on disposal of investment property	-	109,490
Increase in prepayment for equipment	(17,156)	(26,489)
Dividends distributed by investment accounted for using equity method	72,566	59,798
Net cash provided by (used in) investing activities	331	(329,997)
Cash flows from financing activities:		
Increase in short-term loans	118,898	397,188
Decrease in short-term loans	(115,760)	(397,642)
Decrease in long-term loans	-	(16,120)
Lease principal repayment	(30,015)	(18,175)
Cash dividend distribution	(796,036)	(707,588)
Interest paid	(274)	(233)
Capital surplus due to donation from shareholders	654	704
Net cash used in financing activities	(822,533)	(741,866)
Net increase (decrease) in cash and cash equivalents	86,938	(144,353)
Cash and cash equivalents at beginning of period	1,254,108	1,398,461
Cash and cash equivalents at end of period	\$1,341,046	\$1,254,108

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

Independent Auditors' Report

To Taiwan Sakura Corporation:

Opinion

We have audited the accompanying consolidated balance sheets of Taiwan Sakura Corporation (the “Company”) and its subsidiaries as of 31 December 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of 31 December 2022 and 2021, and their consolidated financial performance and cash flows for the years ended 31 December 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Income recognition

The Company and its subsidiaries recognized operating income of NT\$8,212,862 thousand in 2022. The main products are gas cookers, water heaters and kitchen appliances. The main trading partners of the company are dealers and retailers. The transactions are frequent and of great volume, and the number of contract types is numerous. The judgement and decision on the performance obligation and the time of satisfaction are important to the consolidated financial statements. Therefore, we determined it as a key audit matter. Our audit procedures include, but are not limited to, understanding and testing of the effectiveness of the Company and the subsidiaries' internal control related to income recognition in the sales cycle; selecting samples to perform test of details of transactions and reviewing the revenue recognition requirements in the orders or contracts to meet the performance obligations; verifying the significant terms and conditions and checking the relevant supporting documents to confirm the accuracy of the timing to transfer commodity rights; examining the relevant supporting documents of the income transaction for a period of time before and after the balance sheet date to determine the income recognized at the appropriate timing. We also consider the appropriateness of the disclosure of operating income in Note 6 of the consolidated financial statements.

Other Matter – Making Reference to the Audits of Component Auditors

The financial statements of some of the investee companies included in the consolidated financial statements of the Company and its subsidiaries were not audited by us, the independent accountant, but by other accountants. Therefore, our opinion expressed herein and the amounts listed in the consolidated financial statements of the investee companies are based solely on the audit reports of other auditors. The investments in the investee companies accounted for using the equity method as of 31 December 2022 and 2021 were NT\$1,041,974 thousand and NT\$1,022,809 thousand, respectively, accounting for 12% and 12% of the consolidated total assets. For the years ended 31 December 2022 and 2021, the profit and loss of subsidiaries, affiliates and joint ventures recognized by the equity method amounted to NT\$68,530 thousand and NT\$62,417 thousand, respectively, accounting for 5% and 5% of the consolidated net income before tax, respectively. For the years ended 31 December 2022 and 2021, shares of other comprehensive income of subsidiaries, affiliates and joint ventures recognized by the equity method amounted to NT\$11,885 thousand and NT\$(4,659) thousand, respectively, accounting for 21% and (15)% of the consolidated other comprehensive income, respectively.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended 31 December 2022 and 2021.

Huang, Yu-Ting
Huang, Tzu-Ping
Ernst & Young, Taiwan
14 March 2023

Notes to Readers

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

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

Taiwan Sakura Corporation
CONSOLIDATED BALANCE SHEETS
31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of				
		31 December 2022		31 December 2021		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	4, 6(1)	\$2,036,762	23	\$1,849,085	22
1136	Financial assets measured at amortized cost, current	4, 6(2)	171,778	2	108,131	1
1140	Contract assets, current	4, 6(15),(16)	183,142	2	169,648	2
1150	Notes receivable, net	4, 6(3),(16)	111,022	1	93,525	1
1170	Accounts receivable, net	4, 6(3),(16)	1,052,556	12	1,204,884	15
130X	Inventories	4, 6(4)	1,165,622	14	950,986	12
1410	Prepayment		53,078	1	56,708	1
1470	Other current assets	4	15,320	-	14,715	-
11XX	Total current assets		4,789,280	55	4,447,682	54
Non-current assets						
1517	Financial assets at fair value through other comprehensive income, non-current	4, 6(5)	108,357	1	239,391	3
1550	Investment accounted for using equity method	4, 6(6)	1,041,974	12	1,022,809	12
1600	Property, plant and equipment	4, 6(7), 8	1,965,498	23	1,936,962	24
1755	Right-of-use assets	4, 6(17)	311,690	4	171,573	2
1760	Investment property, net	4, 6(8), 8	192,619	2	183,433	2
1780	Intangible assets	4, 6(9)	154,315	2	165,402	2
1840	Deferred income tax assets	4	26,602	-	30,283	-
1915	Prepayments for equipment		35,832	-	27,498	-
1900	Other non-current assets	4	64,680	1	54,513	1
15XX	Total non-current assets		3,901,567	45	3,831,864	46
1XXX	Total assets		\$8,690,847	100	\$8,279,546	100

(The accompanying notes are an integral part of the consolidated financial statements.)

(continued)

Taiwan Sakura Corporation
CONSOLIDATED BALANCE SHEETS
31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity		Notes	As of			
			31 December 2022		31 December 2021	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term loans	4, 6(10)	\$39,099	-	\$21,212	-
2130	Contract liabilities, current	4, 6(15)	123,819	1	120,591	1
2150	Notes payable		6,584	-	3,403	-
2170	Accounts payable	7	1,393,660	16	1,450,762	18
2200	Other payables	6(11)	725,537	8	717,902	9
2230	Current tax income liabilities	4	254,833	3	242,208	3
2280	Leased liabilities, current	4, 6(17)	53,795	1	33,167	-
2300	Other current liabilities	4, 6(13)	45,882	1	43,030	1
21XX	Total current liabilities		<u>2,643,209</u>	<u>30</u>	<u>2,632,275</u>	<u>32</u>
Non-current liabilities						
2570	Deferred tax income liabilities	4	30,312	-	24,686	-
2580	Leased liabilities, non-current	4, 6(17)	213,128	3	86,932	1
2640	Net defined benefit liability, non-current	4, 6(12)	29,748	-	48,885	1
2600	Other non-current liabilities	6(13)	51,969	1	44,615	-
25XX	Total non-current liabilities		<u>325,157</u>	<u>4</u>	<u>205,118</u>	<u>2</u>
2XXX	Total liabilities		<u>2,968,366</u>	<u>34</u>	<u>2,837,393</u>	<u>34</u>
Equity attributable to owners of parent						
31XX	Equity attributable to owners of parent	4, 6(14)				
3100	Capital					
3110	Common stock		2,211,212	25	2,211,212	27
3200	Additional paid-in capital		121,350	1	112,370	1
3300	Retained earnings					
3310	Legal reserve		830,964	10	729,523	9
3320	Special reserve		115,799	1	115,799	1
3350	Unappropriated earnings		2,437,651	28	2,249,490	27
	Total retained earnings		3,384,414	39	3,094,812	37
3400	Other components of equity					
3410	Exchange differences on translation of foreign operations		(108,057)	(1)	(125,832)	(1)
3420	Unrealised gains or losses from financial assets measured at fair value through other comprehensive income		79,547	1	108,800	1
34XX	Total other components of equity		<u>(28,510)</u>	<u>-</u>	<u>(17,032)</u>	<u>-</u>
3500	Treasury stock		<u>(21,248)</u>	<u>-</u>	<u>(21,248)</u>	<u>-</u>
31XX	Equity attributable to shareholders of the parent		<u>5,667,218</u>	<u>65</u>	<u>5,380,114</u>	<u>65</u>
36XX	Non-controlling interests		55,263	1	62,039	1
3XXX	Total equity		<u>5,722,481</u>	<u>66</u>	<u>5,442,153</u>	<u>66</u>
	Total liabilities and equity		<u>\$8,690,847</u>	<u>100</u>	<u>\$8,279,546</u>	<u>100</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

Taiwan Sakura Corporation
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the years ended 31 December				
		2022		2021		
		Amount	%	Amount	%	
4000	Operating revenues	4, 6(15), 7	\$8,212,862	100	\$7,569,362	100
5000	Operating costs	6(4),(18), 7	(5,475,496)	(67)	(4,880,543)	(64)
5900	Gross profit		2,737,366	33	2,688,819	36
6000	Operating expenses	6(16),(17),(18)				
6100	Selling and marketing expenses		(1,235,497)	(15)	(1,148,187)	(16)
6200	Management and administrative expenses		(313,695)	(3)	(290,519)	(4)
6300	Research and development expenses		(75,448)	(1)	(89,443)	(1)
6450	Expected credit losses		(1,114)	-	(464)	-
	Total operating expenses		(1,625,754)	(19)	(1,528,613)	(21)
6900	Operating income		1,111,612	14	1,160,206	15
7000	Non-operating income and expenses	6(17)(19)				
7100	Interest income		14,075	-	7,020	-
7010	Other income		34,475	-	32,595	1
7020	Other gains and losses		50,035	1	(8,969)	-
7050	Finance costs		(4,894)	-	(2,677)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(6)	68,530	1	62,417	1
	Total non-operating income and expenses		162,221	2	90,386	2
7900	Income from continuing operations before income tax		1,273,833	16	1,250,592	17
7950	Income tax expense	4, 6(21)	(264,380)	(3)	(242,649)	(4)
8200	Income from continuing operations, net of tax		1,009,453	13	1,007,943	13
8300	Total other comprehensive income	6(20)				
8310	Items that may not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit plans		22,366	-	(3,391)	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		19,552	-	38,269	1
8349	Income tax related to items that may not be reclassified subsequently to profit or loss		(4,473)	-	679	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		13,044	-	(1,987)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(6)	11,885	-	(4,659)	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	6(21)	(4,443)	-	1,295	-
	Total other comprehensive income, net of tax		57,931	-	30,206	1
8500	Total comprehensive income		\$1,067,384	13	\$1,038,149	14
8600	Net income attributable to:					
8610	Shareholders of the parent		\$1,018,940		\$1,010,345	
8620	Non-controlling interests		(9,487)		(2,402)	
			<u>\$1,009,453</u>		<u>\$1,007,943</u>	
8700	Comprehensive income attributable to:					
8710	Shareholders of the parent		\$1,074,160		\$1,040,721	
8720	Non-controlling interests		(6,776)		(2,572)	
			<u>\$1,067,384</u>		<u>\$1,038,149</u>	
	Earnings per share (NT\$)	6(22)				
9750	Earnings per share-basic		\$4.66		\$4.62	
9850	Earnings per share-diluted		\$4.64		\$4.61	

(The accompanying notes are an integral part of the consolidated financial statements.)

Taiwan Sakura Corporation
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Notes	Retained earnings					Other components of equity					
	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Treasury Stock	Equity attributable to shareholders of the parent	Non-Controlling Interests	Total Equity
Balance as of 1 January 2021	\$2,211,212	\$104,265	\$640,266	\$115,799	\$2,038,702	\$(120,651)	\$70,531	\$(21,248)	\$5,038,876	\$ -	\$5,038,876
Appropriation of earnings, 2020											
Legal reserve			89,257		(89,257)				-		-
Cash dividends					(707,588)				(707,588)		(707,588)
Received through merger										64,611	64,611
Donation from shareholders		704							704		704
Net income in 2021					1,010,345				1,010,345	(2,402)	1,007,943
Other comprehensive income (loss), net of income tax in 2021					(2,712)	(5,181)	38,269		30,376	(170)	30,206
Total comprehensive income (loss)	-	-	-	-	1,007,633	(5,181)	38,269	-	1,040,721	(2,572)	1,038,149
Adjustment due to dividends subsidiaries received from parent company		7,401							7,401		7,401
Balance as of 31 December 2021	4,6(14) <u>\$2,211,212</u>	<u>\$112,370</u>	<u>\$729,523</u>	<u>\$115,799</u>	<u>\$2,249,490</u>	<u>\$(125,832)</u>	<u>\$108,800</u>	<u>\$(21,248)</u>	<u>\$5,380,114</u>	<u>\$62,039</u>	<u>\$5,442,153</u>
Balance as of 1 January 2022	\$2,211,212	\$112,370	\$729,523	\$115,799	\$2,249,490	\$(125,832)	\$108,800	\$(21,248)	\$5,380,114	\$62,039	\$5,442,153
Appropriation of earnings, 2021											
Legal reserve			101,441		(101,441)				-		-
Cash dividends					(796,036)				(796,036)		(796,036)
Donation from shareholders		654							654		654
Net income in 2022					1,018,940				1,018,940	(9,487)	1,009,453
Other comprehensive income (loss), net of income tax in 2022					17,893	17,775	19,552		55,220	2,711	57,931
Total comprehensive income (loss)	-	-	-	-	1,036,833	17,775	19,552	-	1,074,160	(6,776)	1,067,384
Adjustment due to dividends subsidiaries received from parent company		8,326							8,326		8,326
Disposal of investments in equity instruments designated at fair value through other comprehensive income					48,805		(48,805)				-
Balance as of 31 December 2022	4,6(14) <u>\$2,211,212</u>	<u>\$121,350</u>	<u>\$830,964</u>	<u>\$115,799</u>	<u>\$2,437,651</u>	<u>\$(108,057)</u>	<u>\$79,547</u>	<u>\$(21,248)</u>	<u>\$5,667,218</u>	<u>\$55,263</u>	<u>\$5,722,481</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

Taiwan Sakura Corporation
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2022	2021
Cash flows from operating activities:		
Net income before tax	\$1,273,833	\$1,250,592
Adjustments:		
Adjustments to reconcile net income:		
Depreciation	134,953	118,765
Amortization	38,184	33,920
Expected credit loss	1,114	464
Interest expense	4,894	2,677
Interest income	(14,075)	(7,020)
Dividend income	(1,825)	(11,879)
Share of profit of associates and joint ventures accounted for using equity method	(68,530)	(62,417)
Gain on disposal or retirement of property, plant and equipment	(302)	(202)
Gain on disposals of investment property	-	(3,262)
Gain on disposal of investment	(166)	(110)
Reversal of impairment loss on non-financial assets	(11,149)	-
(Gain from price recovery of inventories) Loss for market price decline and obsolete and slow-moving inventories	(760)	1,860
Gain from lease modification	-	(18)
Realized gain on inter-affiliate accounts	-	(893)
Changes in operating assets and liabilities:		
Increase in contract asset	(13,530)	(18,653)
(Increase) Decrease in notes receivable	(17,497)	9,745
Decrease (Increase) in accounts receivable	154,669	(146,580)
Increase in inventories	(210,358)	(237,910)
Decrease in prepayments	3,437	16,821
(Increase) Decrease in other current assets	(508)	417
Increase in financial assets measured at amortized cost	(63,647)	(108,131)
Increase in other non-current assets	(23,018)	(22,284)
Increase in contract liabilities	3,228	27,804
Increase (Decrease) in notes payable	3,181	(3,975)
(Decrease) Increase in accounts payable	(57,102)	185,230
Increase in other payables	7,635	71,261
Increase in other current liabilities	2,852	8,338
Increase in net defined benefit liabilities	124	189
Increase in other non-current liabilities	7,354	22,125
Cash generated from operations	<u>1,152,991</u>	<u>1,126,874</u>
Interest received	13,881	5,521
Dividend received	1,825	11,879
Income tax paid	<u>(251,201)</u>	<u>(230,580)</u>
Net cash provided by operating activities	<u>917,496</u>	<u>913,694</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

(continued)

Taiwan Sakura Corporation
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2022	2021
(Continued)		
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	150,586	-
Acquisition of financial assets measured at fair value through profit or loss	(150,000)	(100,000)
Proceeds from disposal of financial assets measured at fair value through profit or loss	150,166	100,110
Cash received through merger	-	(28,501)
Acquisition of property, plant and equipment	(98,957)	(293,432)
Proceeds from disposal of property, plant and equipment	518	459
Increase in refundable deposits	(6,274)	(3,375)
Decrease in refundable deposits	316	1,333
Increase in intangible assets	(8,039)	(5,317)
Gain on disposal of investment property	-	109,490
Increase in prepayment for equipment	(17,156)	(26,489)
Dividends distributed by investment accounted for using equity method	64,025	60,830
Net cash provided by (used in) investing activities	<u>85,185</u>	<u>(184,892)</u>
Cash flows from financing activities:		
Increase in short-term loans	197,343	431,276
Decrease in short-term loans	(181,224)	(449,719)
Decrease in long-term loans	-	(16,120)
Lease principal repayment	(45,396)	(29,105)
Cash dividend distribution	(787,710)	(700,187)
Interest paid	(1,956)	(1,407)
Capital surplus due to donation from shareholders	654	704
Net cash used in financing activities	<u>(818,289)</u>	<u>(764,558)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>3,285</u>	<u>(262)</u>
Net increase (decrease) in cash and cash equivalents	<u>187,677</u>	<u>(36,018)</u>
Cash and cash equivalents at beginning of period	<u>1,849,085</u>	<u>1,885,103</u>
Cash and cash equivalents at end of period	<u>\$2,036,762</u>	<u>\$1,849,085</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

TAIWAN SAKURA CORPORATION
2022 Earnings Appropriation Report

Unit: NT\$

Item	Amount
Beginning balance of undistributed earnings	\$1,352,012,038
2022 Re-measurement of net defined benefit plans after tax	17,893,499
2022 Disposal of equity instruments measured at fair value through other comprehensive income	48,804,775
2022 Net income after tax	1,018,940,683
Legal reserve for 2022 (10%)	(108,563,896)
Distributable net profit	2,329,087,099
Distributable items:	
Cash dividends (NT\$3.7 per share)	(818,148,396)
Ending balance of undistributed earnings	\$1,510,938,703
Note: The earnings of 2022 will be distributed first.	

Chairman:

General Manager:

Accounting Supervisor:

Yung-Chieh Chang

Yuo-Tu Lin

Hsiu-Chi Chan

TAIWAN SAKURA CORPORATION

Comparison Table for the Ethical Corporate Management Best Practice Principles Before and After Revision

Before Amendment	After Amendment	Rationale
<p>3. Responsibility and authority</p> <p>3.1. Business Planning Divisions is responsible for the formulation, revision, <u>and coordination</u> of these rules and regulations.</p> <p>3.2. <u>Other units are the departments responsible for cooperating and assisting in the implementation and operation of these rules and regulations.</u></p> <p>3.3. Auditing Office is responsible for auditing the compliance of various units.</p>	<p>3. Responsibility and authority</p> <p>3.1. Business Planning Division</p> <p>3.1.1. is responsible for the formulation, revision, <u>coordination and abolishment</u> of these rules and regulations</p> <p>3.1.2. <u>The unit responsible for promoting the implementation of the Company's "Ethical Corporate Management Best Practice Principles" and conducting related business regarding "prohibition of infringement of intellectual property rights."</u></p> <p>3.2. <u>Finance Department</u></p> <p>3.2.1. <u>The unit responsible for promoting the implementation of the Company's "Ethical Corporate Management Best Practice Principles" and conducting related business regarding "commitment and compliance".</u></p> <p>3.3. <u>Human Resource Department</u></p> <p>3.3.1. <u>The unit responsible for promoting the implementation of the Company's "Ethical Management Best Practice Principles" and conducting related business regarding "ethical management", "prevention plans and measures", "education, training, and assessment," and "reporting and disciplinary actions".</u></p> <p>3.4. <u>Business Unit</u></p> <p>3.4.1. <u>The unit responsible for promoting compliance with the Company's "Ethical Management Best Practice Principles" and conducting related business regarding "prohibition of unfair competition".</u></p> <p>3.5. <u>Manufacturing Management Division and Service Management Division</u></p> <p>3.5.1. <u>The unit responsible for promoting the implementation of the Company's "Ethical Management Best Practice Principles" and conducting related business regarding "preventing harm to stakeholders from the Company's products or services".</u></p> <p>3.6. <u>Other units</u></p> <p><u>Responsible for promoting the implementation of the Company's "Ethical Management Best Practice Principles" and conducting the related business.</u></p> <p>3.7. Auditing Office is responsible for auditing the compliance of various units.</p>	<p>Added responsibility and authority.</p>
<p>6.4.1. The Company shall <u>adhere to</u> the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>6. 4. 1. The Company <u>shall abide by</u> the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>Amended in accordance with the law.</p>
<p>6.5.2.1. While <u>establishing prevention programs</u>, the Company shall analyze business activities within their business scope which are at a higher risk of being involved in unethical conduct establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis, <u>and improve related preventive measures.</u></p>	<p>6.5.2.1. The Company shall <u>establish a risk assessment mechanism against unethical conduct</u>, analyze and <u>assess</u> business activities within their business scope which are at a higher risk of being involved in unethical conduct, and <u>establish prevention programs accordingly</u> and <u>review their adequacy and effectiveness on a regular basis.</u></p>	<p>Amended in accordance with the law.</p>

Before Amendment	After Amendment	Rationale
<p>6.5.2.2. It is advisable for the Company shall at least include preventive measures against the following.</p> <p>6.5.2.2.1. Prohibition of offering and acceptance of bribes: When conducting business, the Company may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form, including kickback, commission, facilitating payment to or from clients, agents, contractors, suppliers, public servants, or other stakeholders. However, the regulation shall not be applied if it complies with the laws of one's place.</p> <p>6.5.2.2.2. Prohibition of providing illegal political donation: When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company shall comply with the Political Donations Act and its own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.</p> <p>6.5.2.2.3. Prohibition of improper charitable donations or sponsorship: When making or offering donations and sponsorship, any personnel of the Company shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.</p> <p>6.5.2.2.4. Prohibition of unreasonable presents, hospitality or other improper benefits: Any personnel of the Company shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.</p>	<p>6.5.2.2. It is advisable for the Company to refer to <u>prevailing domestic and foreign standards or guidelines</u> in establishing the prevention programs, which shall at least include preventive measures against the following.</p> <p>6.5.2.2.1. Prohibition of offering and acceptance of bribes: When conducting business, the Company may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form, including kickback, commission, facilitating payment to or from clients, agents, contractors, suppliers, public servants, or other stakeholders. However, the regulation shall not be applied if it complies with the laws of one's place.</p> <p>6.5.2.2.2. Prohibition of providing illegal political donation: When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company shall comply with the Political Donations Act and its own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.</p> <p>6.5.2.2.3. Prohibition of improper charitable donations or sponsorship: When making or offering donations and sponsorship, any personnel of the Company shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.</p> <p>6.5.2.2.4. Prohibition of unreasonable presents, hospitality or other improper benefits: Any personnel of the Company shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.</p> <p><u>6.5.2.2.5. Prohibition of intellectual property infringement:</u> <u>Any personnel of the Company shall observe applicable laws and regulations, the Company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.</u></p> <p><u>6.5.2.2.6. Prohibition against unfair competition:</u> <u>The Company shall follow the applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</u></p> <p><u>6.5.2.2.7. Prevention of damage caused by products and services to stakeholders:</u> <u>This Company shall ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.</u></p>	<p>Amended and added in accordance with the law.</p>

Before Amendment	After Amendment	Rationale
	<u>6.6.1. The Company shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u>	Amended and added in accordance with the law.
6.6.1. The Company shall clearly specify in their rules and external documents the ethical corporate management policies and the board of directors and <u>the management shall make a commitment</u> to actively implement such policies thoroughly, and shall carry out the policies in internal management and in external commercial activities.	<u>6.6.2. The Company's organizations shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment</u> by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in external commercial activities.	Amended in accordance with the law.
	<u>6.6.3. For the ethical corporate management policies, statements, commitments, and implementation of sections 6.6.1 and 6.6.2, the Company shall create documented information and properly maintain them.</u>	Amended in accordance with the law
6.8.1. <u>The board</u> of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.	6.8.1. Any <u>personnel</u> of the Company shall exercise the due care of good administrators to urge the Company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.	Amended the title.
6.8.2. To achieve sound ethical corporate management, <u>the Company's planning department is responsible for establishing ethical corporate management policies and prevention programs, and the audit department is responsible for overseeing their implementation.</u>	6.8.2. To achieve sound ethical corporate management, <u>the human resource department is responsible for establishing and assigning the implementation of the ethical corporate management policies and prevention programs and shall report to the board of directors on a regular basis (at least once a year).</u>	Amended in accordance with the law.
6.10.2. When a director of the Company attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting, that director shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.	6.10.2. When a director <u>or manager</u> of the Company attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting, that director or manager shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.	Added manager.
6.10.3. <u>Directors or managers</u> , themselves or their spouse, parents, children or any other people shall not obtain improper benefits by taking advantage of their positions.	6.10.3. <u>Any personnel of the Company</u> , themselves or their spouse, parents, children or any other people shall not obtain improper benefits by taking advantage of their positions.	Amended the title.
6.11.2. The internal audit unit of the Company shall examine the compliance status of the preceding system on a regular basis and <u>put down in writing in the form of an audit report to be submitted to the board of directors.</u>	6.11.2. The internal audit unit of the Company shall, based on the results of assessment of the risk of involvement in unethical conduct, <u>devise relevant audit plans, and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</u> <u>6.11.3. The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.</u>	Amended and added in accordance with the law.

Before Amendment	After Amendment	Rationale
	<p><u>6.13. Education, training and appraisal</u> <u>6.13.1. The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.</u> <u>6.13.2. The Company shall periodically organize training and awareness programs for employees and invite the Company’s commercial transaction counterparties so they understand the Company’s resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.</u> <u>6.13.3. The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.</u></p>	Added provisions.
<p><u>6.13. Whistleblowing and discipline</u> <u>6.13.1. The Company shall adopt a concrete whistle-blowing system and keep the whistleblowers' identity and contents of information confidential.</u> <u>6.13.2. The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.</u> <u>6.14. Revision and review of Ethical Corporate Management Best Practice Principles</u> <u>The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage employees to make suggestions, based on which the adopted Ethical Corporate Management Best Practice Principles with a view to achieving better implementation of ethical management.</u></p>	<p><u>6.14. Whistleblowing and discipline</u> <u>6.14.1. The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</u> <u>6.14.1.1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Company to submit reports.</u> <u>6.14.1.2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</u> <u>6.14.1.3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</u> <u>6.14.1.4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</u> <u>6.14.1.5. Confidentiality of the identity of whistleblowers and the content of reported cases, and an undertaking regarding anonymous reporting.</u> <u>6.14.1.6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</u> <u>6.14.2. When material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and submit it in accordance with relevant regulations.</u></p>	Added in accordance with the law.
	<p><u>6.15. Information disclosure</u> <u>The Company shall disclose the implementation status of Ethical Corporate Management Best Practice Principles on its company websites, annual reports, and prospectuses.</u></p>	Provisions added.

Before Amendment	After Amendment	Rationale
<p><u>6.14.</u> Revision and review of Ethical Corporate Management Best Practice Principles The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage employees to make suggestions, based on which the adopted Ethical Corporate Management Best Practice Principles with a view to achieving better implementation of ethical management.</p> <p><u>6.15.</u> The Ethical Corporate Management Best Practice Principles of the Company shall be implemented after the Audit Committee grants the approval, and shall be sent to the board of directors reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p> <p><u>6.16.</u> The Principle was stipulated on 20 October 2014. The Principle was stipulated on 29 April 2019.</p>	<p><u>6.16.</u> Revision and review of Ethical Corporate Management Best Practice Principles The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage employees to make suggestions, based on which the adopted Ethical Corporate Management Best Practice Principles with a view to achieving better implementation of ethical management.</p> <p><u>6.17.</u> The Ethical Corporate Management Best Practice Principles of the Company shall be implemented after the Audit Committee grants the approval, and shall be sent to the board of directors reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p> <p><u>6.16.</u> The Principle was stipulated on 20 October 2014. The Principle was stipulated on 29 April 2019. <u>The Principle was stipulated on 4 January 2023.</u></p>	<p>Order adjustment.</p>

TAIWAN SAKURA CORPORATION

Comparison Table for the Rules of Procedure for Board of Directors Meetings Before and After Revision

Before Amendment	After Amendment	Rationale
<p>6.1. A board meeting should meet at least quarterly, the directors should be informed 7 days in advance in writing, E-mail or by fax. The date, place and reason for convening the board meeting should be clearly stated in the preceding notice shall reason. The directors should be informed 7 days in advance. In emergency circumstances, however, a meeting may be called on shorter notice and the board of directors shall not object to a notice of less than 7 days.</p>	<p>6.1. A board meeting should meet at least quarterly, the directors should be informed 7 days in advance in writing, E-mail or by fax. The date, place and reason for <u>convening</u> the board meeting should be clearly stated in the preceding notice shall reason. The directors should be informed 7 days in advance. In emergency circumstances, however, a meeting may be called on shorter notice and the board of directors shall not object to a notice of less than 7 days.</p> <p><u>The various matters to be discussed by the board of directors as stipulated in section 6.10 shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.</u></p>	<p>Amended in accordance with Article 3 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”.</p>
<p>6.10. The Company shall submit the following items for discussion by the board of directors:</p> <p>6.10.1. The Company’s business plan.</p> <p>6.10.2. Annual financial reports and Q2 financial report that need to be audited and attested by a certified public accountant (CPA).</p> <p>6.10.3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.</p> <p>6.10.4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, funds loan to others, and endorsements or guarantees for others.</p> <p>6.10.5. The offering, issuance, or private placement of any equity-type securities.</p> <p>6.10.6. The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>6.10.7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board meeting for retroactive recognition.</p> <p>6.10.8. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or board meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>6.10.9. The term “related party” in subparagraph</p>	<p>6.10. The Company shall submit the following items for discussion by the board of directors:</p> <p>6.10.1. The Company’s business plan.</p> <p>6.10.2. Annual financial reports and Q2 financial report that need to be audited and attested by a certified public accountant (CPA).</p> <p>6.10.3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.</p> <p>6.10.4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, funds loan to others, and endorsements or guarantees for others.</p> <p>6.10.5. The offering, issuance, or private placement of any equity-type securities.</p> <p><u>6.10.6 The election or discharge of the chairman of the board of directors.</u></p> <p>6.10.7. The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>6.10.8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board meeting for retroactive recognition.</p> <p>6.10.9. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or board meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>6.10.10. The term “related party” in subparagraph</p>	<p>Amended in accordance with Article 7 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”.</p>

Before Amendment	After Amendment	Rationale
<p>6.10.7. of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term “major donation to a non-related party” means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NT\$100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>6.10.10. The term “within a 1-year period” in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p><u>6.10.11. All matters set forth under the preceding subparagraph 6.10.1-6.10.8. shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.</u></p> <p>6.10.12. At least one independent director of the Company shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under subparagraph 6.10.1.-6.10.8., each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.</p>	<p>6.10.8. of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term “major donation to a non-related party” means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NT\$100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>6.10.11. The term “within a 1-year period” in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation. (Deleted 6.10.11.)</p> <p>6.10.12. At least one independent director of the Company shall attend each meeting in person. In the case of a meeting concerning various matter required to be submitted for a resolution by the board of directors under subparagraph 6.10.1.- 6.10.11., each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.</p>	

TAIWAN SAKURA CORPORATION
Articles of Incorporation

Amended by the Shareholders Meeting on 17 June 2022

Chapter I General Provisions

Article 1: The Company is organized under the Company Act as a Company limited by shares and shall be named TAIWAN SAKURA CORPORATION (hereinafter “the Company”).

Article 2: The Company’s scope of business is as follows:

1. CR01010 Fuel Gas Equipment, Materials and Parts Manufacturing
2. E603130 Gas Water Heater Installation
3. E502010 Fuel Pipe Construction
4. F105050 Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures
5. F205040 Retail sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures
6. E801070 Kitchen and Bath Facilities Construction
7. F401010 International Trade
8. F113020 Wholesale of Household Appliance
9. F213010 Retail Sale of Household Appliance
10. E601020 Electric Appliance Installation
11. F106040 Wholesale of Water Containers
12. F206040 Retail Sale of Water Containers
13. F111090 Wholesale of Building Materials
14. F211010 Retail Sale of Building Materials
15. F106020 Wholesale of Articles for Daily Use
16. F206020 Retail Sale of Articles for Daily Use
17. F106010 Wholesale of Ironware
18. F206010 Retail Sale of Ironware
19. CP01010 Hand Tool Manufacturing
20. CN01010 Furniture and Fixtures Manufacturing
21. F213990 Retail Sale of Other Machinery and Equipment
22. F113990 Wholesale of Other Machinery and Equipment
23. E604010 Machinery Installation Construction
24. CD01050 Bicycles and Parts Manufacturing
25. F114040 Wholesale of Bicycle Parts and Supplies
26. F214040 Retail Sale of Bicycles and Parts
27. C901010 Pottery and Ceramics Products Manufacturing
28. C901020 Glass and glass made products Manufacturing
29. CA01100 Aluminum material Rolls over Extends and Crowding
30. CA01130 Copper Material Rolls over Extends and Crowding
31. CA01050 Iron and Steel Rolling, Drawing, and Extruding
32. CA01090 Aluminum Casting Manufacturing
33. CA04010 Metal Surface Treating
34. CA02060 Metal Containers Manufacturing
35. CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified
36. CH01010 Sporting and Athletic Articles Manufacturing
37. F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
38. F209060 Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
39. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
40. E801030 Interior Light Rigid Frame Construction
41. E605010 Computing Equipment Installation Construction
42. F301020 Supermarkets
43. F399040 Retail Business Without Shop
44. F399990 Retail sale of Others
45. J303010 Magazine and Periodical Publication
46. CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing
47. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
48. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3:

The Company is headquartered in Taichung City, Taiwan and when necessary may establish branches or subsidiaries at home or abroad.

Article 3-1

The Company may, in accordance with its business requirements, engage in re-investments and is not subject to the restriction as prescribed by Article 13 of the Company Act.

Article 4

Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Chapter II Shares

Article 5

The authorized capital of the Company is NT\$4.4 billion, consisting of 440 million shares, with a par value of NT\$10 per share, of which NT\$500 million, 50 million shares in total, are reserved for stock options with warrants, preferred shares with warrants, or corporate bonds for the exercise of stock options; the Board of Directors is authorized to issue such reserved stock in separate installments. Unissued shares may be issued by the Board of Directors in installments if deemed necessary.

Article 5-1

The intended recipients of employee stock options, employee subscription of new shares, new restricted employee shares and treasury stock transferred to employees shall include employees of parents or subsidiaries of the company who meet certain requirements; the Board of Directors is authorized to specify such requirements.

Article 6

The Company's share certificates shall be registered and affixed with the seals or by the signature of the board of directors who represent the Company and issued after duly certified or authenticated by the competent authority or a certifying institution appointed by the competent authority.

Article 6-1

The Company may issue shares without printing share certificates after registering by the centralized securities depository enterprise.

Article 7

Share transfer or name-change registration shall be suspended within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

Article 7-1

Shareholders shall provide their seal specimens to the Company for record-keeping purpose. The same instruction shall be applied when shareholders change their aforementioned information. Shareholders shall present the same seals as kept in the Company's records when exercising all rights. All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address or similar stock transaction conducted by shareholders of the Company shall follow the "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and securities regulations.

Chapter III Shareholders' Meeting

Article 8

The two types of the shareholders' meetings of the Company include the general shareholders' meeting and special shareholders' meeting. The general meeting shall be held once a year within 6 months after the end of each fiscal year. A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. The special meeting shall be convened whenever necessarily in accordance with the relevant laws and regulations, where a meeting notice shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. The purpose(s), date and venue for convening any such meeting shall be clearly stated in the meeting notices sent out to the shareholders. The Board of Directors shall convene the meetings in the first paragraph unless specified otherwise by the Company Act.

Article 8-1

In case a shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person. For the preceding two paragraphs, shall abide by the regulations of competent authority in charge of securities affairs.

Article 9

If a shareholder is unable to attend a shareholders' meeting for causes, he may appoint a proxy to attend a shareholders' meeting on his behalf by executing a power of attorney affixed with the seals, signed, and printed by the Company specifying therein the scope of the power authorized to a proxy. In addition to Article 177 of the Company Act, the rules for appointing proxies to attend a shareholders' meeting shall be prescribed in accordance with the "Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.

Article 10

Unless otherwise specified by law, each shareholder is entitled to one vote for each share held.

Article 11

Except as provided in the Company Act, the resolutions shall be adopted by majority of the votes at the shareholders' meeting attended by shareholders representing more than half of the total issued outstanding capital stock of the Company. According to regulatory requirements, shareholders may also vote via an electronic voting system, and those who do shall be deemed as attending the shareholders' meeting in person; electronic voting shall be conducted in accordance with the relevant laws and regulations.

Article 12

Unless otherwise provided by law or regulation, this Company's shareholders' meetings shall be convened by the board of directors. The chairman of the board shall preside at the shareholders' meeting. In case of the chairman's absence, the chairman shall designate one of the directors to act on him/her behalf. If there is no such designation, the directors shall elect one from among themselves as the chairman in the shareholders' meeting. For a shareholders' meeting convened by any other person having the convening right who is not a director, the chairman of the meeting shall be appointed in accordance with the provisions of Article 182-1 of the Company Act.

Chapter IV Directors and Functional Committee

Article 13

The Company shall have seven to eleven directors. The term of the Board of Directors shall be three years, and the directors may be eligible for re-election. The chairman of the board shall be elected from among the directors by a majority in a board meeting attended by over two-thirds of the directors. The same instruction may be applied for an election of the Company's deputy chairman. The chairman represents the Company to preside over all business. Among the aforementioned directors, the Company shall have at least three independent directors, and the number of the independent directors shall be no less than one-fifth of the total number of the directors. The directors shall be elected by adopting a candidate's nomination system. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The election of independent directors and non-independent directors shall be held together; provided, however, the number of independent directors and non-independent directors elected shall be calculated separately. The Company shall follow the governing regulations and rules regarding the professional qualifications, shareholdings, concurrent positions held, method of nomination and appointment and other matters for compliance with respect to independent directors prescribed by the competent authority.

Article 13-1

The total amount of registered shares held by all of the directors of the Company shall be determined pursuant to the standards specified by the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies by the competent authority.

Article 13-2

The Company shall establish an Audit Committee pursuant to Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed of the entire number of independent directors, responsible for exercising the powers of the supervisors prescribed by Company Act and the Securities and Exchange Act or other related regulation. Matters concerning the number, term of office, powers, rules of procedure for meetings, and resources to be provided by this Company when the Audit Committee ("the Committee") exercises its powers shall be specified in accordance with the "Organization Rules of the Audit Committee" of the Company.

Article 13-3

The Company may set up other functional committees; the organization rules of such committees shall be specified by the board of directors in accordance with relevant regulations.

Article 14

The board meeting shall be organized by directors; unless otherwise specified by the Company Act, a resolution shall be adopted by majority of the votes at the board meeting attended by over one-half of the directors. If a board meeting is held in the form of a video conference, the directors who participate in the video conference shall be deemed to have attended the meeting in person. To convene a board meeting, a meeting notice which specifies the purposes of meeting shall be sent to the directors no later than 7 days before the scheduled date. In case of an emergency, a board meeting may be convened at any time. The notice to convene a board meeting shall be in writing, via email or fax.

Article 15

The Chairman of the Board of Directors shall preside the board meeting. In case the Chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, the meeting will be conducted pursuant to Article 208 of the Company Act.

Article 16

A director may appoint another director to attend on his behalf any meeting of the board of Directors by executing a power of attorney specifying therein the scope of the power authorized to the proxy each time. No director may act as proxy for more than one other director.

Article 17

The board of directors is authorized to determine the remuneration for the directors, taking into account the ordinary standards of the industry. The remuneration for the chairman and the deputy chairman are 150% and 100% as much as that of the Company's general manager (the "General Manager"), respectively; The remuneration for other directors may be equal to that of the manage level. The remuneration will be paid regardless of the profit or loss. The Company may take out liability insurance for all the directors; the board of directors is authorized to determine the specifics of such insurance.

Chapter V Managers

Article 18

The Company shall have the General Manager and managers whose appointment, dismissal and remuneration shall be governed according to resolutions adopted by majority of the votes at the board meeting attended by over one-half of the directors, pursuant to Article 29 of the Company Act.

Chapter VI Accounting

Article 19

The fiscal year for the Company shall be from 1 January of each year to 31 December of the same year. After the close of each fiscal year, the following reports shall be prepared by the board of directors and submitted to the regular shareholders' meeting for acceptance: (1) Business Report; (2) Financial Statements; (3) Proposal Concerning Distribution of Earnings or Covering of Deficit.

Article 20

The earnings of the Company in a profitable fiscal year (pretax profit before distribution of employee and director compensation) shall be first reserved to cover the losses accumulated from previous years; 2% to 8% of the balance from the above shall be allocated as employee compensation, whereas not more than 5% shall be allocated as director compensation. The intended recipients of the aforementioned employee compensation shall include employees of parents or subsidiaries of the company who meet certain requirements; the board of directors is authorized to specify such requirements. Employee compensation is distributed in cash or stock; director compensation can only be distributed in cash. In terms of the distribution of employee and director compensation, a special resolution shall be adopted at the board meeting and submitted to the shareholders meeting.

Article 20-1

When allocating the net profits of each fiscal year, the Company should first pay the taxes and make up the losses in previous years, then set aside 10% of the rest after paying tax and making up loss as a legal capital reserve until the accumulated legal capital reserve has equaled the total capital of the Company, and then set aside or reverse the special capital reserve in accordance with relevant regulations by the competent authorities. After legal and special capital reservations, the total remaining earnings after considering the accumulated retained earnings from previous year available will be allocated for distributing dividends by the board of directors; when it is distributed by issuing new shares, the board of directors shall propose the distribution for approval of shareholders' meeting. In terms of distribution of dividends and bonus, the Company authorizes the Board of Directors to distribute the legal capital reserve and the following capital reserve, in whole or in part, in accordance with the regulation; while distributing dividends or bonus in the form of cash, the resolution shall be adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors and submitted to the shareholders' meeting.

Article 20-2

The Company's products are diversified, and it is difficult to distinguish its growth stage. There will still be significant investment and financial improvement plans in the next few years. However, when the Company obtains sufficient funds externally to pay significant annual capital expenditures, it will allocate at least 10% of the distributable earnings each year to distribute dividends to shareholders in the form of stocks and at least issue 30% of the shareholder dividends by cash dividend.

Chapter VII Supplemental Provisions

Article 21

The Company may act as a guarantor for the peers in the industry.

Article 22

In regard to all matters not provided in these Articles of Incorporation, the Company Act or other related regulations shall govern.

Article 23

1. These Articles of Incorporation were enacted on 5 September 1988.
2. The 1st Amendment was on 11 October 1988.
3. The 2nd Amendment was on 16 December 1988.
4. The 3rd Amendment was on 20 April 1990.
5. The 4th Amendment was on 19 May 1990.
6. The 5th Amendment was on 18 May 1991.
7. The 6th Amendment was on 30 May 1992.
8. The 7th Amendment was on 15 April 1993.
9. The 8th Amendment was on 20 April 1994.
10. The 9th Amendment was on 24 May 1995.
11. The 10th Amendment was on 11 May 1996.
12. The 11th Amendment was on 5 May 1997.
13. The 12th Amendment was on 2 June 1998.
14. The 13th Amendment was on 21 June 2000.
15. The 14th Amendment was on 4 June 2002.
16. The 15th Amendment was on 27 April 2005.
17. The 16th Amendment was on 9 June 2010.
18. The 17th Amendment was on 4 June 2013.
19. The 18th Amendment was on 15 June 2015.
20. The 19th Amendment was on 13 June 2016.
21. The 20th Amendment was on 24 June 2019.
22. The 21st Amendment was on 23 June 2020.
23. The 22nd Amendment was on 17 June 2022.

TAIWAN SAKURA CORPORATION **Rules and Procedures of Shareholders' Meetings**

Amended by the Shareholders' Meeting on 17 June 2022

Article 1

The Company's shareholders' meeting shall be conducted in accordance with Rules and Procedures of Shareholders' Meetings. For matters not provided in these rules and procedures, the Company Act and the Articles of Incorporation of the Company shall govern.

Article 2

The attending shareholders (or the representative) shall hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated accordingly, plus the number of shares whose voting rights are exercised on paper or digitally.

Article 2-1

Attendance and votes at a shareholders' meetings 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. A shareholder may appoint a proxy to attend a shareholders' meeting on his behalf by executing a power of attorney specifying therein the scope of the power authorized to a proxy. No shareholder may act as proxy for more than one other shareholder, executing one power of attorney, which shall be delivered to the Company no later than 5 days prior to the scheduled meeting date. If more than one power of attorney is delivered, the first one is adopted, unless withdrawn by a statement. After the delivery of the power of attorney, a shareholder who would like to attend the shareholders' meeting in person or exercise the voting right on paper or digitally shall send a notice to the Company to withdraw the power of attorney no later than 2 days prior to the scheduled meeting date on paper. If the notice is overdue, the voting right shall be exercised in accordance with the power of attorney.

Article 2-2

The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. The restrictions on the venue of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 3

The chair shall call the meeting to order at the appointed meeting time and shall announce at the same time the number of nonvoting share, the number of shares present and the related information. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, 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 wishing to attend the meeting online shall register with the Company in accordance with the rules. 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 4

The shareholders' meeting of the Company shall be convened by the board of directors, unless otherwise specified by laws and regulations. Changes to how this Corporation 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 shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders' meeting or 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. In addition, 15 days before the date of the shareholders' meeting, the Company shall also have the shareholders' meeting agenda and supplemental meeting materials prepared 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 as well as being distributed on-site at the meeting place. 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 physical 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.
- (3) For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders 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 Articles of Incorporation, 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 Article 185, Paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 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 shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting. A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances any subparagraph of Paragraph 4, 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. Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 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 regular shareholders' meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to this article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The preceding paragraph applies mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.

Unless otherwise resolved at the shareholders' meeting, the chair may not announce adjournment of the meeting unless the scheduled agenda items (including extraordinary motions) set forth in the preceding provisions of this Article are concluded. After the meeting is adjourned, shareholders may not separately elect a chair and resume the meeting at the original or another venue; if the chair declares the meeting adjourned in violation of the rules and procedures, the attending shareholders may elect a new chair by agreement of a majority of the votes represented by the attending shareholders, and then resume the meeting.

Article 4-1

If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chair, 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 the chair. When a director serves as chair, 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 true for a representative of a juristic person director that serves as chair. It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the chairman of the 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 meeting minutes. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.

Article 4-2

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. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

Article 4-3

The Company, from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures; the recorded materials shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation. Where a shareholders meeting is held online, 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.

Article 5

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. 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 content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Article 6

A single speech of an attending shareholder may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Article 7

A shareholder may not speak more than twice on the same proposal.

Article 7-1

When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives can speak for each discussion item.

Article 7-2

After an attending shareholder has spoken, the chair may respond in person or appoint 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 chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Paragraphs 5 to 7 do not apply.

Article 7-3

When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 7-4

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair and that all monitoring personnel shall be shareholders of the Company. 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 recorded.

Article 7-5

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting. In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately. When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with the rules 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 8

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days pursuant to Article 182 of the Company Act.

Article 9

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. In a shareholders' meeting, voting rights shall be exercised digitally and may be exercised on paper. When voting rights are exercised on paper or digitally, the procedure of exercising voting rights should be stated on the convening notice of the meeting. If exercising voting rights on paper or digitally, a shareholder is deemed present, but the voting rights to the motions and to the amendments of original proposals are waived at the meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights on paper or digitally under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights on paper or digitally, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 2 days before the date of the shareholders' meeting. If the notice of retraction is overdue, the voting rights already exercised on paper or digitally shall prevail. When a shareholder has exercised voting rights both on paper or digitally and by appointing a proxy to attend a shareholders' 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, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

Article 9-1

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

Article 9-2

The chair may call the disciplinary officers (or security guards) to assist in keeping order of the meeting place. Such disciplinary officers (or security guards) shall wear badges marked "Disciplinary Officers" for identification purpose.

Article 10

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of those who are not elected and the number of votes they receive. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 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 11

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of 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 chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and 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 virtual-only shareholder 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 a virtual-only shareholders meeting online.

Article 12

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 a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 13

In the event of a virtual shareholders meeting, this Corporation 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 14

When the Company convenes a virtual-only 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 15

In the event of a virtual shareholders meeting, 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 the first paragraph, 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 the first paragraph, 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. When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in first paragraph, 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 shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the first paragraph 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 the first paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies. For dates or period set forth under Article 12, second half, and Article 13, Paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the first paragraph.

Article 16

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

Article 17

These Rules and Procedures, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

TAIWAN SAKURA CORPORATION

Shareholdings of All Directors

As of 23 April 2023

Title	Name	Current Shareholding structure		
		Type	Shares	%
Chairman	UNJ Holding Corporation Representative: Yung-Chieh Chang	Ordinary	4,701,000	2.13%
Director	UNJ Holding Corporation Representative: Gen-Cheng Wu	Ordinary		
Director	Yuo-Tu Lin	Ordinary	1,654,301	0.75%
Director	Svago International Corporation Representative: Wen-Su Tsai	Ordinary	2,312,932	1.05%
Director	Svago International Corporation Representative: Hui-Hsun Lee	Ordinary		
Director	Ko Li Te Investment, Ltd. Representative: Ching-Wen Chang	Ordinary	13,268,176	6.00%
Independent Director	Yu-Cheng Chen	Ordinary	0	0.00%
Independent Director	Jyh-Ren Chen	Ordinary	0	0.00%
Independent Director	Ming-Yuan Cheng	Ordinary	0	0.00%
Total			21,936,409	9.92%

Note 1: Total shares issued: 221,121,188 common shares.

Note 2: The minimum number of shares held by all directors was 12,000,000 shares pursuant to Article 26 of the Securities and Exchange Act and Article 2 of the Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.

Note 3: As the Company has established the Audit Committee, the minimum Shareholding requirements for supervisors do not apply.

Note 4: The number of shares held by all directors met the statutory requirements.