

ANNUAL SHAREHOLDERS' MEETING MEETING AGENDA

2022

2022 Annual Shareholders Meeting
Meeting Handbook

Stock Code: 1805



寶徠建設
Better Life



Meeting Time: 9 A.M. Thursday, June 30, 2022

Meeting Venue: 1F., No. 218, Xínhu 1st Rd., Neihu Dist., Taipei City

(the exhibition hall on 1F of the house for beginner's mind)

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Better Life Group Co., Ltd.

Procedure for the 2022 Annual Shareholders Meetings

One. Call the Meeting to Order

Two. Chairperson Remarks

Three. Report Items

Four. Ratification Items

Five. Discussion Items

Six. Extraordinary Motions

Seven. Adjournment

Better Life Group Co., Ltd.

Procedure for the 2022 Annual Shareholders Meetings

Time: 09:00 a.m. on Thursday, June 30, 2022

Venue: 1F., No. 218, Xinhua 1st Rd., Neihu Dist., Taipei City (the exhibition hall on 1F of the house for beginner's mind)

Meeting Type: Physical Shareholders Meeting

One. Call the Meeting to Order

Two. Chairperson Remarks

Three. Report Items

1. 2021 Business Report
2. 2021 Audit Committee's Review Report
3. 2021 Report of Private Placement of Common Shares Status
4. Report on Issuance of Convertible Bonds and Implementation of Sound Operation Plan

Four. Ratification Items

1. 2021 Business Report and Financial Statements
2. 2021 Deficit Compensation Plan

Five. Discussion Items

1. To amend the "Articles of Incorporation"
2. To amend the "Procedures for Acquisition or Disposal of Assets"
3. To amend the "Rules of Procedure for Shareholders Meetings"
4. For the issuance proposal of common shares by private placement in 2021, the unexecuted amount by the date of the shareholders meeting in 2022 will not be executed again
5. Proposal to issue common shares for cash by private placement

Six. Extraordinary Motions

Seven. Adjournment

【Report Items】

I. 2021 Business Report

Explanation: The 2021 Business Report is attached as pp.13-15, attachment I.

II. 2021 Audit Committee's Review Report

Explanation: The 2021 Audit Committee's Review Report is attached as p.16, attachment II.

III. 2021 Report of Private Placement of Common Shares Status

Explanation:

- (I) The Company approved the issuance of common shares by private placement within the limit of 30 million shares at the Annual Shareholders Meeting of 2021, which will exceed one year on August 3, 2022.
- (II) Report on execution up to the date of this shareholders meeting.

IV. Report on Issuance of Convertible Bonds and Implementation of Sound Operation Plan

Explanation: For the information on the Company's Issuance of the first domestic secured convertible corporate bonds and implementation of sound operation plan, please refer to attachments III on pp.17–18 of this handbook.

【Ratification Items】

Proposal 1: proposed by the board of directors

Cause: 2021 Business Report and Financial Statements

Explanation:

- (I) The Company's 2021 parent company only financial statements and consolidated financial statements have been audited by CPA Chang, Shu-Ying and CPA Tseng, Kuo-Yang of KPMG Taiwan.
- (II) For the business report, the independent auditors' audit reports and the aforesaid financial statements, please refer to attachment I on pp. 13–15 and attachment IV on pp.19–38 of this handbook.

Resolution:

Proposal 2: proposed by the board of directors

Cause: 2021 Deficit Compensation Plan

Explanation:

Please refer to the Company's 2021 deficit compensation statement as follows:

Better Life Group Co., Ltd. 2021 Deficit Compensation Statement

Unit: In Thousand New Taiwan Dollars

Item	Amount
Undistributed earnings at the beginning of the period	(382,540,215)
Add: Net loss for the period	(33,677,192)
Undistributed earnings at the end of the period	(416,217,407)

Board Chairperson:
Chung, Hsi-Chi

Manager:
Lin, Jui-Shan

Comptroller:
Huang, Wen-Cheng

Resolution:

【Discussion Items】

Proposal 1: proposed by the board of directors

Cause: To amend the "Articles of Incorporation".

Explanation:

- (I) The Company's "Articles of Incorporation " are proposed to be amended in line with the amended laws and the actual operation of the Company.
- (II) For the comparison table of amendment, please refer to attachments V on pp. 39–41 of this handbook.

Resolution:

Proposal 2: proposed by the board of directors

Cause: To amend the “Procedures for Acquisition or Disposal of Assets”

Explanation:

- (I) In accordance with the Financial Supervisory Commission's letter (Chin-Kuan-Cheng-Fa-Tzu No. 1110380465) dated January 28, 2022, part of the Company's "Procedures for Acquisition or Disposal of Assets" are proposed to be amended.
- (II) For the comparison table of amendment, please refer to attachments VI on pp. 42–51 of this handbook.

Resolution:

Proposal 3: proposed by the board of directors

Cause: To amend the “Rules of Procedure for Shareholders Meetings

Explanation:

- (I) In line with the actual operation of the Company and the amendment example on of the letter (Tai-Cheng-Chih-Li-Tzu No. 1110004250) published by the Taiwan Stock Exchange on March 8, 2022, the Company's "Rules of Procedure of Shareholders' Meeting" are proposed to be amended.
- (II) For the amended "Rules of Procedure of Shareholders' Meeting", please refer to attachments VII on pp. 52–61 of this handbook.

Resolution:

Proposal 4: proposed by the board of directors

Cause: For the issuance proposal of common shares by private placement in 2021, the unexecuted amount by the date of the shareholders meeting in 2022 will not be executed again

Explanation:

- (I) The Company approved the issuance of common shares by private placement within the limit of 30 million shares at the Annual Shareholders Meeting of 2021, which will exceed one year on August 3, 2022, and the Company has not completed process of such matter to date.
- (II) In consideration of the expiration of the processing period, the private placement will not be processed for the unexecuted amounts by the date of the shareholders' meeting in 2022.

Resolution:

Proposal 5: proposed by the board of directors

Cause: Proposal to issue common shares for cash by private placement.

Explanation:

- (I) In order to conduct the construction projects (including but not limited to land purchase and payment for the construction), engage in acquisitions in related industries (including but not limited to investment in other enterprises), increase the working capital (including but not limited to the capital requirement for the agency business) and improve the financial structure (including but not limited to the repayment of bank loans) for the Company, the shareholders meeting is advised to authorize the board of directors to conduct a private placement of common shares, within the limit of 30,000,000 shares, with a par value of NT\$10 per share, in accordance with the Company's articles of incorporation or relevant laws and regulations at an appropriate time, and in light of market conditions and the Company's actual capital requirements. Pursuant to Article 43-6 of the Securities and Exchange Act, the private placement will be carried out once or twice within one year of the date of the resolution of the shareholders meeting.

(II) Types of marketable securities to be issued:

The total number of common shares to be issued in the private placement shall not exceed 30,000,000 shares, and the par value of each share is NT\$10.

(III) Basis and reasonableness of the private placement pricing:

1. The actual issue price of the private placement of common shares shall not be lower than 80 percent of the reference price. The board of directors is proposed to be authorized by the shareholders meeting for deciding the actual date of determination of the price
2. For the reference price of the common share in the private placement, it shall be the higher of the following two calculations:

- (1) The simple average closing price of the common shares of for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
- (2) The simple average closing price of the common shares for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

3. Reasonableness of the pricing:

In addition to the three-year restriction on the transfer of private placement securities and the strict regulations on the qualifications of the offerees stipulated by the Securities and Exchange Act, the criteria for the issuance of private placement securities are set in accordance with the relevant provisions of the “Directions for Public Companies Conducting Private Placements of Securities”, and therefore, there is no circumstance that would materially impair the shareholders' rights and interests, and the price setting principle is reasonable.

4. Taking into account the impact of market fluctuations, the price of the private placement of common shares may be lower than the par value of the shares in the future, which is a result of the current regulations and the fact that the shares issued in the private placement are not freely transferable for three years. If the price of the

private placement is lower than the par value, it is reasonable as it is affected by market price fluctuations.

5. Effect of private placement on shareholders' equity:

- (1) Since the Company still has accumulated losses on its statements, the net value per share is lower than the par value. In addition, taking into account the impact of market fluctuations, there is a possibility that the price of the private placement of common shares may be lower than the par value of the shares in the future, and the difference between the price of the private placement and the par value of the shares will result in an increase in accumulated losses. In the future, the Company will gradually offset the losses by capital reduction, earnings, capital surplus or other statutory means, or handle the matter in other statutory manners depending on the Company's operation and market conditions.
- (2) In addition to the aforesaid pricing method which causes the issue price per share of the private placement to be lower than the par value. Based on the Company's expectation, the successful introduction of insiders, related parties or non-related parties in compliance with Article 43-6 of the Securities and Exchange Act, and the selection of specific persons as stipulated in the order of Securities and Futures Commission, Ministry of Finance (91) Tai-Tsai-Cheng-Yii-Tzu No. 0910003455 dated June 13, 2002— will bring direct or indirect resources and obtain new profit opportunities for the Company, which will enable the Company to operate in a sustainable manner and further ensure the interests of all shareholders. Hence, there should be no material adverse impact on the shareholders' equity.

(IV) Method of selecting the offerees:

1. The offerees for the proposed private placement shall be those who meet the requirements (including, but not limited to, insiders, related parties or strategic investors who can directly or indirectly contribute to the Company's future operations and have a certain level of knowledge

about the Company) of relevant letters and regulation such as Article 43-6 of the Securities and Exchange Act, the letter of Securities and Futures Commission, Ministry of Finance-(91) Tai Tsai Cheng (1) Tzu no. 0910003455 dated June 13, 2002— and the “Directions for Public Companies Conducting Private Placements of Securities” stipulated by the letter-Chin Kuan Cheng Fa Tzu no. 0990046878 dated September 1, 2010

2. Method and objectives of selecting the offerees

Currently, no specific persons have been decided. The Board chairman is proposed to be authorized by the board of directors to select specific persons from among those who can directly or indirectly benefit the Company's future operations and who meet the requirements of the competent authorities.

3. If the offerees are insiders or related parties of the Company

(1) Method and objectives of selecting the offerees: the Company shall select those who can directly or indirectly contribute to the future operation of the Company and have a certain understanding of the Company's operation, thereby, facilitating the future development of the Company's operation

(2) Necessity: In order to improve the Company's profitability, strengthen the financial structure, maintain the Company's sustainable operation, enhance the stability of the operating level and avoid disruption of the Company's normal operation, the Company intends to raise capital from specific persons by way of private placement so as to improve the Company's overall operating quality.

(3) Anticipated benefits: The Company may be able to obtain stable long-term capital through the capital provided by the offerees, reduce its dependence on bank financing to cut interest expenses and make its capital utilization more flexible.

(4) Name list of offerees: Regarding that the offeree is an insider or a related party, please refer to Attachments VIII on pages 62~64 of this handbook for the name list

of current potential offerees.

4. If any offeree is a strategic investor:

- (1) Method and objectives of selecting the offerees: the Company shall select those who can directly or indirectly contribute to the future operation of the Company and have a certain understanding of the Company's operation, thereby, facilitating the future development of the Company's operation
- (2) Necessity: In order to enhance the Company's profitability, strengthen its financial structure and maintain sustainable operations, the Company intends to seek strategic investors who can improve the overall operating quality of the Company through their experience, technology, knowledge or channels. Therefore, it is necessary and reasonable to consider strategic investors who will be beneficial to the Company's future business development as the offerees for this private placement; however, no strategic investors have been decided yet.
- (3) Anticipated benefits: By introducing strategic investors through the private placement, they can help the Company to obtain low-cost, long-term, and stable capital. In addition, their experience, technology, knowledge or channels can improve the overall operation of the Company, thereby increasing the Company's overall shareholders' equity.

(V) Reasons for the necessity of conducting the private placement

1. Reasons for not using a public offering: In consideration of the timeliness, feasibility and uncertainty of the capital market and in order to effectively reduce the cost of capital, the Company intends to raise capital from specific parties through a private placement.
2. Private placement limit: The private placement of common shares shall be conducted with a par value of NT\$10 per share, and within the limit of not more than 30,000,000 shares in total.

3. Use of the private placement funds and anticipated benefits:

The private placement will be carried out once or twice within one year of the date of the resolution of the shareholders meeting.

Number of closings	Use of the funds	Anticipated benefits
First closing — Second closing	To conduct the construction projects (including but not limited to land purchase and payment for the construction), engage in acquisitions in related industries (including but not limited to investment in other enterprises), increase the working capital (including but not limited to the capital requirement for the agency business) and improve the financial structure (including but not limited to the repayment of bank loans)	To obtain stable long-term capital through the capital provided by the offerees, to reduce its dependence on bank financing in order to cut interest expenses, and to make the capital utilization more flexible.

- (VI) The Company has requested Taichung Bank Securities Co., Ltd. to issue an assessment opinion on the necessity and reasonableness of the private placement, which is detailed in attachment IX on pp. 65–77 of this handbook.
- (VII) Rights and obligations of the private placement of common share: The same as the common shares issued by the Company. However, in accordance with the Securities and Exchange Act, the common shares in this private placement may not be re-sold within three years from the delivery date, provided that the circumstances specified in Article 43-8 of the Securities and Exchange Act. Upon three years from the delivery date of the common shares in this private placement and any subsequent allotment, depending on the prevailing conditions, after obtaining the consent letter from the TWSE for meeting the listing criteria, the board of directors will be authorized to decide

whether to apply to the competent authorities for public listing and TWSE trading in accordance with relevant regulations.

- (VIII) Regarding the terms of the private placement, the planned projects, the progress of capital utilization, the anticipated benefits to be achieved and other unfinished matters, if any modification is required in the future by the competent authorities or due to changes in objective circumstances, the Board of Directors will be proposed to be authorized in the shareholders' meeting to handle such matters in accordance with the provisions of the relevant laws and regulations.

Resolution:

【Extraordinary Motions】

【Adjournment】

Better Life Group Co., Ltd.

2021 Business Report

I. 2021 Operating Result

(I) 2021 Operating Result

The 2021 consolidated operating revenue of the Company is NT\$185,474 thousand, a decrease of NT\$34,288 thousand from the last year's consolidated operating revenue of NT\$219,762 thousand. The 2021 parent-only operating revenue is NT\$136,378 thousand, a decrease of NT\$68,900 thousand from the last year's parent-only operating revenue of NT\$205,278 thousand.

The 2021 consolidated comprehensive income (loss) for the year is at a loss of NT\$30,339 thousand, and the consolidated net loss for the period is NT\$33,677 thousand, and the loss per share is NT\$0.34.

(II) Budget Implementation Status: Not applicable.

(III) Financial Revenue/Expenditure and Profitability Analysis

The consolidated financial revenue/expenditure and profitability analysis of the Company in the last two years are as follows:

Unit: In Thousand New Taiwan Dollars, %

Item \ Year		2021	2020
Financial revenue/exp enditure	Net operating income	185,474	219,762
	Gross profit	31,983	20,774
	Net loss for the period	(33,677)	(61,775)
Profitability	Return on assets (ROA) (%)	(1.47)	(3.50)
	Return on shareholders' equity (%)	(5.61)	(9.72)
	Operating income to paid-in capital ratio (%)	(3.38)	(5.29)
	Net income before tax to paid-in capital ratio (%)	(3.25)	(6.16)
	Net profit margin (%)	(18.16)	(28.11)
	Earnings per share (EPS) (NT\$)	(0.34)	(0.62)

(IV) Research and Development

To thoroughly understand the real estate market, the Company has actively collected various land and real estate market information, in order to plan and design the most quality product and to satisfy consumer demands. In addition, the Company also implements rigorous control on the construction quality, project progress and cost, in order to achieve both profit and quality at the same time.

II. 2022 Business Plan Overview

(I) Operational Directives

The Company will continue to uphold the philosophy of “Commitment, Style, Perfection” and establish professional team with extensive construction experience, in order to achieve the corporation mission of sustainable operation.

(II) Important Production and Sales Policies

”Qingpu-Better Life Garden” store units will continue to be sold in 2022.

” Mountain in the Cloud” (Kang ChiaoAsahi Villa) located at Huacheng area of Xindian District, New Taipei City, will continue to be sold in 2022.

“Song Yong” project, located in Xinyi District, Taipei City, is currently under construction, and its house units are expected to be sold in 2022.

“Pauian Pau-Garden” project, located in Songshan District, Taipei City, will continue its pre-sale and start of construction in 2022.

” Yongjing Park Project” , located at Zhongshan District, Taipei City, is currently under the review of urban renewal business plan.

“Hwa Ya Hi-tech Plant & Office Project” , located in Guishan District, Taoyuan City, is current under the preliminary land category change related operation.

III. Impacts of External Competitive Environment, Legal Environment and Overall Operating Environment on Company’s Future Development Strategy:

(I) Future Development Strategy:

- (1) Through in-depth study of individual project characteristics, the Company will focus on the construction quality and after-sale service, in order to improve product differentiation and elaboration, thereby achieving irreplaceability of products.
- (2) Strengthen the Company's brand value and competitiveness, in order to increase profit margin and to achieve maximum profit for the Company.
- (3) Cooperate with the asset revitalization policy of the Company along with the consideration of the industrial development trend,

the Company will continue to evaluate the feasibility for investing in green energy industry and tourism business.

(II) Analysis of Impacts of External Competitive Environment, Legal Environment and Overall Operating Environment:

- (1) In response to the government's promotion in urban renewal policy, the Company will continue to actively launch urban renewal projects.
- (2) Pay attention to industrial latest news, any changes to regulations and overall political and economic environment.
- (3) Focus on construction quality, enhance customer service, in order to improve customer satisfaction. In addition, the Company expects to establish quality brand image and provide high quality products in order to achieve win-win situation for both customers and the Company.

Chairman: Chung, Hsi-Chi

Managerial Officer: Lin, Jui-Shan

Accounting Officer: Huang, Wen-Cheng

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Parent Only and Consolidated Financial Statements (including Balance Sheets, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows), which have been audited by KPMG Taiwan CPA Shu-Ying Chang and CPA Kuo-Yang Tseng, and the review report is hereby issued. The aforementioned Financial Statements, Business Report and Business Report, Financial Statements and Loss Make-up Proposal have been reviewed and considered to be complied with relevant rules by the undersigned, the Audit Committee of the Company. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for review.

To:

Better Life Group Co., Ltd. 2022 Annual General Shareholders' Meeting

Audit Committee

Convener: Huang, Kuo-Shih

March 16, 2022

Issuance of Corporate Bonds

Corporate bond type		2021 first issuance of domestic secured convertible corporate bonds
Issuance (processing) date		September 24, 2021
Par value		Par value of NT\$100 thousand
Issuance and transaction place (Note)		Note applicable
Issuance price		Issue in full at par value
Total		Total par value of NT\$300 million
Interest rate		Face interest rate 0%
Period		Three years, Maturity date: September 24, 2024
Guaranteed institution		Taichung Commercial Bank Co., Ltd.
Trustor		Land Bank of Taiwan Co., Ltd.
Underwriting Institution		Taichung Bank Securities Co., Ltd.
Certified Attorney		Attorney-at-law Yang-Wen Chiu
Certified Public Accountant		CPA Shu-Ying Chang and CPA Kuo-Yang Tseng
Repayment method		In addition to the conversion into the Company's common shares applied by the secures holder according to the conversion method of the Company, or early redemption by the Company according to the conversion method, or retirement after the Company's buy back from the over-the-counter market, within ten business days after the maturity of the convertible bonds, the Company may redeem all at once according to the face value of the bond at that time.
Outstanding Principle		NT\$300 million
Redemption or early repayment clause		For the period from the next day (December 25, 2021) of three months after the issuance of convertible bond to the date of forty days (August 15, 2024) before the maturity of the issuance period, if the common stock closing price of the Company continues to reach 30% (inclusive) of the conversion price for thirty business days ; or the balance of the outstanding convertible bond is lower than 10% of the total original issuance amount, the Company may redeem the bond.
Restrictive clause		None
Name of credit rating agency, rating date, rating result of corporate bonds		Note applicable
Other rights attached	Converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities	Up to the date of February 28, 2022, the aggregate converted ordinary shares is 0 shares.
	Issuance and conversion (exchange or subscription) method	Please refer to the Prospectus.
Issuance and conversion, exchange or subscription method, issuing condition dilution on equity and impact on existing shareholders' equity		Please refer to the Prospectus.
Name of transfer agent for the transfer subject matter		Note applicable

Note: It is for information of overseas corporate bonds.

Better Life Group Co., Ltd.

Report on Implementation of Sound Operation Plan

Unit: In Thousand New Taiwan Dollars

Accounting Item	Actual number	Estimated number	Difference	%	Analysis of Cause
Operating revenue	185,474	303,385	(117,911)	-38.87%	It is mainly due to the impact of the COVID-19 pandemic, the sale of Mountain in the Cloud(Kang ChiaoAsahi Villa) is one house unit less than expected, and the delivery of two house units (A62, A17) is delayed to 2022; It is due to that the number of house units for other proprietors of Mountain in the Cloud(Kang ChiaoAsahi Villa) sold by the subsidiary Better Life Real Estate Co., Ltd. is greater than expected.
Operating costs	153,491	274,618	(121,127)	-44.11%	Same as above
Gross profit	31,983	28,767	3,216	11.18%	It is mainly due to that the number of house units for other proprietors of Mountain in the Cloud (Kang ChiaoAsahi Villa) sold by the subsidiary Better Life Real Estate Co., Ltd. is greater than expected. The ratio of the agency revenue to the overall revenue is higher than expected.
Profit margin	17.24%	9.48%	7.76%	81.86%	Same as above
Operating expenses	65,885	66,361	(476)	-0.72%	
Expense ratio	35.52%	21.87%	13.65%	62.40%	It is mainly due to that the operating revenue is lower than expected.
Net operating profit (loss)	(33,902)	(37,594)	3,692	-9.82%	It is mainly due to that the number of house units for other proprietors of Mountain in the Cloud(Kang ChiaoAsahi Villa) sold by the subsidiary Better Life Real Estate Co., Ltd. is greater than expected. The ratio of the agency revenue to the overall revenue is higher than expected.
Operating profit ratio	-18.28%	-12.39%	-5.89%	47.51%	It is mainly due to that the operating revenue of the current period is lower than expected.
Non-operating income	20,005	6,426	13,579	211.31%	It is mainly due to that the land in Miaoli is rented out and listed as investment property and the gain on reversal of impairment loss is recognized
Non-operating expenses	18,658	21,180	(2,522)	-11.91%	It is mainly due to the difference in the timing for recognizing the CB underwrite service fee
Net profit (loss) before income tax	(32,555)	(52,348)	19,793	-37.81%	Due to impact of all of the aforementioned reasons
Income tax expense	1,122	0	1,122	#DIV/0!	Land value increment tax for sale of Mountain in the Cloud(Kang ChiaoAsahi Villa)
Net income after tax	(33,677)	(52,348)	18,671	-35.67%	Due to impact of all of the aforementioned reasons
Net interest rate	-18.16%	-17.25%	-0.90%	5.23%	Due to impact of all of the aforementioned reasons

Independent Auditors' Report

To Better Life Group Co., Ltd.,

Audit opinion

We have audited the accompanying financial statements of Better Life Group Co., LTD., which comprise the balance sheet as of December 31, 2021 and 2020, and the Statements of Comprehensive Income, the statement of changes in equity and the statement of cash flows from January 1, 2021 to December 31, 2021 and from January 1, 2020 to December 31, 2020, as well as the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Better Life Group Co., LTD. as of December 31, 2021 and 2020 and for the years then ended, and its financial performance and cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for the audit opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. We explain further our responsibility under the standards in the section concerning the auditor's responsibility in the audit of parent company only financial statements. The personnel in our firm, subject to independence requirements, maintains independence from Better Life Group Co., LTD. and fulfills other responsibilities in accordance with the Norm of Professional Ethics for Certified Public Accountant and under the norms. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key audit matters

Key audit matters are the matters of most significance based on our professional judgement and audits of parent company only financial statements for 2021. These matters have been dealt with in the audit of the parent company only financial statements as a whole and during the process of forming the audit opinion. Hence, we do not issue opinions separately on such matters. Key audit matters of the parent company only financial statements of the Company are stated as follows:

I. Revenue recognition

Please refer to Note 4 (15) to the parent company only financial statements regarding the accounting policy of revenue recognition. Please refer to Note 6 (18) for the detailed breakdown of contract revenue.

Description:

The primary operating revenue for Better Life Group Co., LTD. in 2021 were from the sale of real estate. The risk of material misstatement lies in the truthfulness of revenue. As operating revenue are concerned with the operating performance of management, it is possible that management seeks to achieve expected net profits with early or deferred operating revenue recognition and causes material misstatement of operating revenue. Hence, the testing of revenue recognition was one of the significant assessments for our audits of Better Life Group Co., LTD.'s financial statements.

Audit procedures

The audit procedures we have implemented for the specific aspects described in the above-

mentioned key audit matters include:

- Performed a control test on sales and payment collection cycles to evaluate how the control prevents and detects errors and fraud in revenue recognition;
- Performed a cut-off test on revenue from the sale of property to assess whether the revenue in the preceding paragraph is recognized in an appropriate period.
- Substantive tests on revenue recognition by sampling and cross referencing the documents in relation to real estate sale contracts and property ownership registrations and by inspecting the sale system data and general ledger entries, in order to assess whether Better Life Group Co., LTD. recognized revenue according to relevant standards and regulations.

II. Inventory valuation

Please refer to Note 4 (7) to the parent company only financial statements for the accounting policy of inventory valuation. Please refer to Note 5 to the parent company only financial statements for the uncertainties in relation to the accounting estimates and assumptions of inventory valuation and to Note 6 (4) to the parent company only financial statements for inventory details.

Description:

Inventory is an important operating asset for Better Life Group Co., LTD. It accounted for approximately 58% of the total assets. Inventory valuation is based on International Financial Reporting Standards No. 2. The net realizable value of Better Life Group Co., LTD.'s inventory is based on future selling prices and construction costs estimated by management and subject to the influence of the political and economic environments. Inappropriate estimates of the net realizable value will result in a misstatement of financial reports. Hence, the testing of inventory valuation was one of the significant assessments for our audits of Better Life Group Co., LTD.'s financial statements.

Audit procedures:

Our main inspection procedures on the above key audit matter include the acquisition of Better Life Group Co., LTD.'s data for estimates of the net realizable value of inventory, sampling of such data to check against the contracts sold, reference to the Ministry of Interior's most recently published actual transaction prices of real estate or the transaction prices in the same proximity so as to evaluate the next realizable value of properties available for sale. To assess whether the net realizable value of buildings under construction is reasonable, we sampled and inspected the return-on-investment analysis by the Company, compared the return-on-investment data and market prices and, where necessary, obtained the appraisal reports.

Responsibility of management and those charged with governance for parent company only financial statements

The responsibilities of the management are to prepare the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and to maintain necessary internal control associated with the preparation in order to ensure that the financial statements are free from material misstatement arising from fraud or error.

When preparing the parent company only financial statements, management is also responsible for the assessment of Better Life Group Co., LTD.'s ability to continue as a going concern, disclosure of relevant matters and the adoption of the going concern basis of accounting unless management either intends to liquidate Better Life Group Co., LTD. or cease operations or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) in Better Life Group Co., LTD. are responsible for overseeing the financial reporting process.

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 auditing standards generally accepted will always detect a material misstatement when it exists. Untruthful expressions might have been caused by frauds or errors. Misstatements individually or in aggregate are considered material, if they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

We have utilized our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards generally accepted in the Republic of China. We also performed the following tasks:

1. Identify and assess the risks of material misstatement of the parent company only financial statements 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. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Obtain a necessary understanding of internal control relevant to the audit in order to design audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Better Life Group Co., LTD.'s internal control.
3. Evaluated the adequacy of accounting policies adopted by the management and the reasonability of accounting estimates and related disclosures made.
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 Better Life Group Co., LTD.'s ability to continue as a going concern. If we conclude that a material uncertainty exists with such events or conditions, 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 inappropriate, to modify our opinion. Conclusions made by the CPAs are based on the audit findings obtained as of the date of audit report. However, future events or conditions may render Better Life Group Co., LTD. unable to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the notes, and whether the parent company only financial statements fairly represent the underlying transactions and events.
6. Obtained sufficient and appropriate audit evidence concerning the financial information of investees using the equity method, to express an opinion on the parent company only financial statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion about Better Life Group Co., LTD.

The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

We determined the key audit matters for Better Life Group Co., LTD.'s 2021 parent company only financial statements based on our communication with those charged with governance. We have clearly indicated such matters in the auditors' report. unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

KPMG Taiwan

CHANG SHU YING
CPA:
TZENG GUO YANG

Competent Security Authority : Jin-Guan-Zheng-VI No. 0940100754
Approval Document No. : Jin-Guan-Zheng-VI No. 0940129108
March 16, 2022

Notes to Readers

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

The independent auditors' audit 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' audit report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Balance Sheets Originally Issued in Chinese)

Better Life Group Co., Ltd.

Balance Sheets

For the Year Ended December 31, 2021 and 2020

Unit: In Thousand New Taiwan Dollars

		2021.12.31		2020.12.31	
		Amount	%	Amount	%
Assets					
Current assets:					
1100	Cash and cash equivalents (Note 6(1))	\$ 34,481	2	10,432	1
1150	Notes receivable, net (Notes 6(3) and (18))	394	-	1,269	-
1170	Accounts receivable, net (Notes 6(3) and (18))	43,050	3	-	-
1320	Inventories (for construction industry) (Notes 6(4), 7, 8, and 9)	836,516	58	890,219	66
1410	Prepayments (Note 6(5))	61,716	4	76,467	6
1424	Excess business tax paid	20,996	2	19,430	2
1476	Other financial assets - current (Note 8)	29,063	2	11,679	1
1478	Construction deposits paid (Notes 7 and 9)	219,817	15	192,170	14
1480	Incremental cost of obtaining contracts - current (Note 7)	15,472	1	3,356	-
		<u>1,261,505</u>	<u>87</u>	<u>1,205,022</u>	<u>90</u>
Non-current assets:					
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(2))	17,944	2	18,628	1
1550	Investments using the equity method (Note 6(6))	53,686	4	41,608	3
1600	Property, plant and equipment (Notes 6(7) and 8)	196	-	65,169	5
1755	Right-of-use assets (Note 6(9))	13,549	1	10,558	1
1760	Net investment property (Notes 6(8) and 8)	83,047	6	-	-
1780	Intangible assets	163	-	342	-
1980	Other financial assets - non-current (Note 7)	1,154	-	1,724	-
		<u>169,739</u>	<u>13</u>	<u>138,029</u>	<u>10</u>
Total assets		<u>\$ 1,431,244</u>	<u>100</u>	<u>1,343,051</u>	<u>100</u>

(English Translation of Balance Sheets Originally Issued in Chinese)

Better Life Group Co., Ltd.

Balance Sheets (Continued)

For the Year Ended December 31, 2021 and 2020

Unit: In Thousand New Taiwan Dollars

		2021.12.31		2020.12.31	
		Amount	%	Amount	%
Liabilities and equity					
Current liabilities:					
2100	Short-term borrowings (Note 6(10))	\$ 423,053	30	606,684	45
2110	Short-term notes payable (Note 6(11))	-	-	26,989	2
2130	Contract liabilities - current (Notes 6(18) and 9)	48,776	3	21,934	2
2150	Notes payable (Note 7)	6,100	-	10,137	-
2170	Accounts payable (Note 7)	32,142	2	33,960	3
2200	Other payables (Note 7)	7,870	1	6,963	-
2280	Lease liabilities - current (Notes 6(13) and 7)	2,919	-	3,527	-
2305	Other financial liabilities - current	3	-	-	-
2399	Other current liabilities - other (Note 9)	26,925	2	20,583	2
		<u>547,788</u>	<u>38</u>	<u>730,777</u>	<u>54</u>
Non-current liabilities:					
2530	Corporate bonds payable (Notes 6(12) and 7)	276,030	19	-	-
2580	Lease liabilities - non-current (Notes 6(13) and 7)	11,100	1	7,437	-
		<u>834,918</u>	<u>58</u>	<u>738,214</u>	<u>54</u>
Total liabilities					
Equity (Note 6(16)):					
3110	Common stock	1,002,654	70	1,002,654	75
3200	Capital surplus	21,938	2	110	-
3310	Legal reserve	4,320	-	4,320	-
3350	Undistributed earnings (or deficit to be compensated)	(416,218)	(29)	(382,541)	(28)
3400	Other equity interests	(16,368)	(1)	(19,706)	(1)
		<u>596,326</u>	<u>42</u>	<u>604,837</u>	<u>46</u>
Total equity					
Total liabilities and equity		<u>\$ 1,431,244</u>	<u>100</u>	<u>1,343,051</u>	<u>100</u>

(Please refer to the notes to parent company only financial statements)

Chairman: Chung, Hsi-Chi Manager: Lin, Jui-Shan

**Accounting Manager:
Huang, Wen-Cheng**

(English Translation of Statements of Comprehensive Income Originally Issued in Chinese)

Better Life Group Co., Ltd.

Statements of Comprehensive Income

For the Years Ended December 31, 2021 and 2020

Unit: NTD thousands

		2021		2020	
		Amount	%	Amount	%
4000	Operating income (Note 6(18))	\$ 136,378	100	205,278	100
5000	Operating costs (Note 6(4))	130,332	96	190,102	93
	Gross profit	6,046	4	15,176	7
6000	Operating expenses (Notes 6(13), (14), and 7):				
6100	Selling expenses	16,112	12	17,169	8
6200	General and administrative expenses	36,976	27	38,964	19
		53,088	39	56,133	27
	Net operating loss	(47,042)	(35)	(40,957)	(20)
	Non-operating income and expenses (Notes 6(13), (20), and 7):				
7100	Interest income	3,197	2	3,864	2
7010	Other income	4,301	3	2,703	1
7020	Other gains and losses	9,611	7	(3)	-
7050	Financial costs	(14,776)	(11)	(13,311)	(6)
7070	Share of profit or loss of subsidiaries, associates, and joint ventures recognized using equity method (Note 13)	12,154	9	(14,071)	(7)
	Total non-operating income and expenses	14,487	10	(20,818)	(10)
7900	Net loss before tax	(32,555)	(25)	(61,775)	(30)
7950	Less: Income tax expenses (Note 6(15))	1,122	1	-	-
8200	Net loss for the period	(33,677)	(26)	(61,775)	(30)
8300	Other comprehensive income (Note 6(16))				
8310	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized gains or losses on equity instrument investments at fair value through other comprehensive income	3,414	3	-	-
8349	Less: Income tax related to items not reclassified	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	3,414	3	-	-
8360	Items that may subsequently be reclassified to profit or loss				
8380	Share of other comprehensive income of subsidiaries, associates, and joint ventures recognized using equity method - items that may be reclassified to profit or loss	(76)	-	525	-
8399	Less: Income tax related to items that may be reclassified to profit or loss	-	-	-	-
	Total items that may subsequently be reclassified to profit or loss	(76)	-	525	-
8300	Other comprehensive income for the current period	3,338	3	525	-
	Total comprehensive income for the current period	\$ (30,339)	(23)	(61,250)	(30)
	Loss per share (Note 6(17))				
9750	Basic loss per share (NTD)	\$	(0.34)		(0.62)
9850	Diluted loss per share (NTD)	\$	(0.34)		(0.62)

(Please refer to the notes to parent company only financial statements)

Chairman: Chung, Hsi-Chi Manager: Lin, Jui-Shan

**Accounting Manager:
Huang, Wen-Cheng**

(English Translation of Statements of Changes in Equity Originally Issued in Chinese)

Better Life Group Co., Ltd.

Statements of Changes in Equity

For the Years Ended December 31, 2021 and 2020

Unit: In Thousand New Taiwan Dollars

	Share capital		Retained earnings			Other equity items		
	Common stock	Capital surplus	Legal reserve	Undistributed earnings	Exchange difference on translation of financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total equity	
Balance on January 1, 2020	\$ 1,002,654	110	4,320	(320,766)	(435)	(19,796)	666,087	
Net loss for the period	-	-	-	(61,775)	-	-	(61,775)	
Other comprehensive income for the current period	-	-	-	-	525	-	525	
Total comprehensive income for the current period	-	-	-	(61,775)	525	-	(61,250)	
Balance on December 31, 2020	1,002,654	110	4,320	(382,541)	90	(19,796)	604,837	
Net loss for the period	-	-	-	(33,677)	-	-	(33,677)	
Other comprehensive income for the current period	-	-	-	-	(76)	3,414	3,338	
Total comprehensive income for the current period	-	-	-	(33,677)	(76)	3,414	(30,339)	
Items recognized as equity components due to the issuance of convertible bonds - from stock options	-	21,828	-	-	-	-	21,828	
Balance on December 31, 2021	\$ 1,002,654	21,938	4,320	(416,218)	14	(16,382)	596,326	

(Please refer to the notes to parent company only financial statements)

Chairman: Chung, Hsi-Chi

Manager: Lin, Jui-Shan

Accounting Manager: Huang, Wen-Cheng

(English Translation of Statements of Cash Flows Originally Issued in Chinese)

Better Life Group Co., Ltd.

Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

Unit: NTD thousands

	2021	2020
Cash flow from operating activities:		
Net loss before tax for the current period	\$ (32,555)	(61,775)
Adjustments:		
Income and expenses		
Depreciation expense	3,610	5,167
Amortization expense	179	135
Interest expense	14,776	13,311
Interest income	(3,197)	(3,864)
Share of (profit) loss of subsidiaries, associates, and joint ventures recognized using equity method	(12,154)	14,071
Loss on disposal and scrapping of property, plant and equipment	205	-
Gain on reversal of property, plant and equipment	(11,787)	-
Gain on lease modifications	(400)	(1)
Total income and expenses	(8,768)	28,819
Changes in assets/liabilities related to operating activities:		
Net change in assets related to operating activities:		
Notes receivable	875	850
Accounts receivable	(43,050)	-
Inventories	55,329	16,811
Prepayments	13,184	(16,305)
Other financial assets	(20,531)	4,503
Construction deposits paid	(27,647)	(3,308)
Incremental cost of obtaining contracts	(12,116)	3,381
Total net change in assets related to operating activities	(33,956)	5,932
Net change in liabilities related to operating activities:		
Contract liabilities	26,842	6,135
Notes payable	(4,037)	10,137
Accounts payable	(8,218)	(2,141)
Other payables	765	1,803
Non-current liabilities	6,342	20,395
Other financial liabilities - current	3	(18,846)
Total net change in liabilities related to operating activities	21,697	17,483
Total net change in assets and liabilities related to operating activities	(12,259)	23,415
Total adjustments	(21,027)	52,234
Cash outflow from operations	(53,582)	(9,541)
Interest received	3,197	3,864
Interest paid	(13,087)	(11,221)
Income tax paid	(1,122)	-
Net cash outflow from operating activities	(64,594)	(16,898)

(English Translation of Statements of Cash Flows Originally Issued in Chinese)

Better Life Group Co., Ltd.

Statements of Cash Flows (Continued)

For the Years Ended December 31, 2021 and 2020

Unit: NTD thousands

	2021	2020
Cash flow from investing activities:		
Financial assets (payment returned due to capital reduction) at fair value through other comprehensive income - non-current	4,098	2,820
Acquisition of investment using the equity method	-	(61,826)
Acquisition of property, plant and equipment	(205)	-
Guarantee deposits paid	570	1,758
Other receivables - related parties	-	18,193
Acquisition of intangible assets	-	(267)
Other financial assets	3,147	3,307
Net cash inflows (outflows) from investing activities	7,610	(36,015)
Cash flow from financing activities:		
Increase (decrease) in short-term borrowings	(183,631)	377,424
Increase (decrease) in short-term notes payable	(27,304)	(459,594)
Lease principal repaid	(3,032)	(4,967)
Corporate bonds issued	295,000	-
Net cash inflows (outflows) from financing activities	81,033	(87,137)
Increase (decrease) in cash and cash equivalents in the current period	24,049	(140,050)
Balance of cash and cash equivalents at the beginning of the period	10,432	150,482
Balance of cash and cash equivalents at the end of the period	\$ 34,481	10,432

(Please refer to the notes to parent company only financial statements)

Chairman: Chung, Hsi-Chi Manager: Lin, Jui-Shan

**Accounting Manager:
Huang, Wen-Cheng**

Independent Auditors' Report

To Better Life Group Co., Ltd.,

Audit opinion

We have audited the accompanying financial statements of Better Life Group Co., LTD. and the subsidiaries (Better Life Group), which comprise the consolidated balance sheet as of December 31, 2021 and 2020, and the consolidated Statements of Comprehensive Income, the consolidated statement of changes in equity and the consolidated statement of cash flows from January 1, 2021 to December 31, 2021 and from January 1, 2020 to December 31, 2020, as well as the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Better Life Group as of December 31, 2021 and 2020, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission.

Basis for the audit opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. We explain further our responsibility under the standards in the section concerning the auditor's responsibility in the audit of consolidated financial statements. The personnel in our firm, subject to independence requirements, maintains independence from Better Life Group and fulfills other responsibilities in accordance with the Norm of Professional Ethics for Certified Public Accountant and under the norms. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key audit matters

Key audit matters are the matters of most significance based on our professional judgement and audits of Better Life Group's consolidated financial statements for 2021. These matters have been dealt with in the audit of the consolidated financial statements as a whole and during the process of forming the audit opinion. Hence, we do not issue opinions separately on such matters. Key audit matters of the parent company only financial statements of the Company are stated as follows:

I. Revenue recognition

Please refer to Note 4 (15) to the consolidated financial statements regarding the accounting policy of revenue recognition. Please refer to Note 6 (17) for the detailed breakdown of contract revenue.

Description:

The primary operating revenue for Better Life Group in 2021 were from the sale of real estate. The risk of material misstatement lies in the truthfulness of revenue. As operating revenue are concerned with the operating performance of management, it is possible that management seeks to achieve expected net profits with early or deferred operating revenue recognition and causes material misstatement of operating revenue. Hence, the testing of revenue recognition was one of the significant assessments for our audits of Better Life Group's financial statements.

Audit procedures

The audit procedures we have implemented for the specific aspects described in the above-mentioned key audit matters include:

- Performed a control test on sales and payment collection cycles to evaluate how the control prevents and detects errors and fraud in revenue recognition;
- Performed a cut-off test on revenue from the sale of property to assess whether the revenue in the preceding paragraph is recognized in an appropriate period.
- Substantive tests on revenue recognition by sampling and cross referencing the documents in relation to real estate sale contracts and property ownership registrations and by inspecting the sale system data and general ledger entries, in order to assess whether Better Life Group recognized revenue according to relevant standards and regulations.

II. Inventory valuation

Please refer to Note 4 (8) to the consolidated financial statements for the accounting policy of inventory valuation. Please refer to Note 5 to the consolidated financial statements for the uncertainties in relation to the accounting estimates and assumptions of inventory valuation and to Note 6 (4) to the consolidated financial statements for inventory details.

Description:

Inventory is an important operating asset for Better Life Group. It accounted for approximately 58% of the total assets. Inventory valuation is based on International Financial Reporting Standards No. 2. The net realizable value of Better Life Group's inventory is based on future selling prices and construction costs estimated by management and subject to the influence of the political and economic environments. Inappropriate estimates of the net realizable value will result in a misstatement of financial reports. Hence, the testing of inventory valuation was one of the significant assessments for our audits of Better Life Group's financial statements.

Audit procedures:

Our main inspection procedures on the above key audit matter include the acquisition of Better Life Group's data for estimates of the net realizable value of inventory, sampling of such data to check against the contracts sold, reference to the Ministry of Interior's most recently published actual transaction prices of real estate or the transaction prices in the same proximity so as to evaluate the net realizable value of properties available for sale. To assess whether the net realizable value of buildings under construction is reasonable, we sampled and inspected the return-on-investment analysis by the Company, compared the return-on-investment data and market prices and, where necessary, obtained the appraisal reports.

Other matters

Better Life Group Co., LTD. has prepared its parent company only financial statements for 2021 and 2020 and for which we have issued an audit report and an unqualified opinion.

Responsibility of management and those charged with governance for consolidated financial statements

Management is responsible for the preparation of consolidated financial statements for fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission. Management is also responsible for the maintenance of necessary internal control in relation to the preparation of consolidated financial statements, to ensure no material misstatement in consolidated financial statements due to frauds or errors.

When preparing the consolidated financial statements, management is also responsible for the assessment of Better Life Group's ability to continue as a going concern, disclosure of relevant matters and the adoption of the going concern basis of accounting unless management either intends to liquidate Better Life Group or cease operations or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) in Better Life Group are responsible for overseeing the financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted will always detect a material misstatement when it exists. Untruthful expressions might have been caused by frauds or errors. Misstatements individually or in aggregate are considered material, if they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. We have utilized our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards generally accepted in the Republic of China. We also performed the following tasks:

1. Identify and assess the risks of material misstatement of the consolidated financial statements 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. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Obtain a necessary understanding of internal control relevant to the audit in order to design audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Better Life Group's internal control.
3. Evaluated the adequacy of accounting policies adopted by the management and the reasonability of accounting estimates and related disclosures made.
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 Better Life Group's ability to continue as a going concern. If we conclude that a material uncertainty exists with such events or conditions, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inappropriate, to modify our opinion. Conclusions made by the CPAs are based on the audit findings obtained as of the date of audit report. However, future events or conditions may render Better Life Group unable to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements fairly represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit and for the forming of our audit opinion.

The matters communicated between us and the governing bodies included the planned scope and times of the audit and material audit findings (including any material defects in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

We determined the key audit matters for Better Life Group's 2021 consolidated financial statements based on our communication with those charged with governance. We have clearly indicated such matters in the auditors' report, unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

KPMG Taiwan

CHANG SHU YING

CPA:

TZENG GUO YANG

Competent Security Authority :	Jin-Guan-Zheng-VI No. 0940100754
Approval Document No.	Jin-Guan-Zheng-VI No. 0940129108
March 16, 2022	

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and 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 auditor's audit 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' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Balance Sheets Originally Issued in Chinese)

Better Life Group Co., LTD. and the Subsidiaries

Consolidated Balance Sheets

For the Year Ended December 31, 2021 and 2020

Unit: In Thousand New Taiwan Dollars

Assets		2021.12.31		2020.12.31	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (Note 6(1))	\$ 58,289	4	32,973	2
1150	Notes receivable, net (Note 6 (3) and (17))	5,760	-	1,269	-
1170	Accounts receivable, net (Note 6 (3) and (17))	58,156	4	698	-
1320	Inventories (for construction industry) (Notes 6(4), 7, 8, and 9)	836,516	58	890,219	65
1410	Prepayments (Note 6(5))	61,716	4	76,467	6
1424	Excess business tax paid	25,470	2	24,853	2
1476	Other financial assets - current (Note 8)	29,281	2	11,832	1
1478	Construction deposits paid (Notes 7 and 9)	219,817	15	192,170	14
1480	Incremental cost of obtaining contracts - current (Note 7)	12,069	1	1,398	-
1482	Costs to fulfil contracts, current	2,957	-	3,261	-
		<u>1,310,031</u>	<u>90</u>	<u>1,235,140</u>	<u>90</u>
Non-current assets:					
1517	Financial assets measured at fair value through other comprehensive income – non-current (Note 6 (2))	17,944	1	18,628	1
1600	Property, plant and equipment (Notes 6 (6) and 8)	11,266	1	84,582	6
1755	Right-of-use assets (Note 6 (8))	34,877	2	35,629	3
1760	Investment property (Notes 6 (7), 8 and 9)	83,047	6	-	-
1780	Intangible assets	163	-	342	-
1980	Other financial assets - non-current (Note 7)	1,775	-	3,450	-
		<u>149,072</u>	<u>10</u>	<u>142,631</u>	<u>10</u>
Total assets		\$ 1,459,103	100	1,377,771	100

(English Translation of Consolidated Balance Sheets Originally Issued in Chinese)

Better Life Group Co., LTD. and the Subsidiaries

Consolidated Balance Sheets (continued)

For the Year Ended December 31, 2021 and 2020

Unit: In Thousand New Taiwan Dollars

		2021.12.31		2020.12.31	
		Amount	%	Amount	%
Liabilities and equity					
Current liabilities:					
2100	Short-term loans (Note 6 (9))	\$ 423,053	29	606,684	44
2110	Short-term notes and bills payable (Note 6 (10))	-	-	26,989	2
2130	Contract liabilities – current (Notes 6 (17) and 9)	52,776	4	22,434	2
2150	Notes payable (Note 7)	6,100	-	10,137	1
2170	Accounts payable (Note 7)	25,801	2	36,907	3
2200	Other payables	13,923	1	10,896	-
2280	Lease liabilities - current (Notes 6 (12) 7)	5,957	-	6,424	-
2305	Other financial liabilities - current	829	-	572	-
2399	Other current liabilities (Notes 7 and 9)	27,408	2	21,067	2
		<u>555,847</u>	<u>38</u>	<u>742,110</u>	<u>54</u>
Non-current liabilities:					
2530	Corporate bonds payable (Note 6 (11))	276,030	19	-	-
2580	Lease liabilities – non-current (Notes 6 (12) and 7)	30,900	2	30,824	2
	Total liabilities	<u>862,777</u>	<u>59</u>	<u>772,934</u>	<u>56</u>
Equity attributable to owners of the parent (Note 6 (15))					
3110	Common stock	1,002,654	69	1,002,654	73
3200	Capital surplus	21,938	2	110	-
3310	Legal reserve	4,320	-	4,320	-
3350	Undistributed earnings (or deficit to be compensated)	(416,218)	(29)	(382,541)	(28)
3400	Other equity interests	(16,368)	(1)	(19,706)	(1)
	Total equity	<u>596,326</u>	<u>41</u>	<u>604,837</u>	<u>44</u>
	Total liabilities and equity	<u>\$ 1,459,103</u>	<u>100</u>	<u>1,377,771</u>	<u>100</u>

(Please refer to the notes to the consolidated financial statements.)

Chairman: Chung, Hsi-Chi Manager: Lin, Jui-Shan

**Accounting Manager:
Huang, Wen-Cheng**

(English Translation of Consolidated Statements of Comprehensive Income Originally Issued in Chinese)

**Better Life Group Co., LTD. and the Subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2021 and 2020**

Unit: NTD thousands

		2021		2020	
		Amount	%	Amount	%
4000	Operating income (Note 6 (17))	\$ 185,474	100	219,762	100
5000	Operating costs (Notes 6 (4) and 7)	153,491	83	198,988	91
	Gross profit	31,983	17	20,774	9
6000	Operating expenses (Notes 6 (12), (13) and 7)				
6100	Selling expenses	23,051	12	25,985	12
6200	General and administrative expenses	42,834	23	47,977	22
		65,885	35	73,962	34
6500	Other Income and expenses, net	-	-	114	-
6900	Operating losses	(33,902)	(18)	(53,074)	(25)
	Non-operating Income and expenses (Notes 6 (12), (19) and 7)				
7100	Interest income	3,202	2	3,465	2
7010	Other income	4,616	2	2,727	1
7020	Other gains and losses (Note 6 (6))	9,520	5	(220)	-
7050	Financial costs	(15,991)	(9)	(14,673)	(7)
	Total non-operating income and expenses	1,347	-	(8,701)	(4)
7900	Net loss before tax	(32,555)	(18)	(61,775)	(29)
7950	Less: income taxes (Note 6 (14))	1,122	1	-	-
8200	Net loss for the period	(33,677)	(19)	(61,775)	(29)
8300	Other comprehensive income (Note 6 (15))				
8310	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized gains or losses on equity instrument investments at fair value through other comprehensive income	3,414	2	-	-
8349	Less: Income tax related to items not reclassified	-	-	-	-
	Total items that will not be reclassified subsequently to profit or loss	3,414	2	-	-
8360	Items that may subsequently be reclassified to profit or loss				
8361	Exchange difference on translation of financial statements of foreign operations	(76)	-	525	-
8399	Less: Income tax related to items that may be reclassified to profit or loss	-	-	-	-
	Total items that may subsequently be reclassified to profit or loss	(76)	-	525	-
8300	Other comprehensive income for the current period	3,338	2	525	-
	Total comprehensive income for the current period	\$ (30,339)	(17)	(61,250)	(29)
	Net income attributable to				
8610	Owners of the parent	\$ (33,677)	(19)	(61,775)	(29)
	Other comprehensive income attributable to				
8710	Owners of the parent	\$ (30,339)	(17)	(61,250)	(29)
	Loss per share (Note 6 (16))				
9750	Basic loss per share (NTD)	\$ (0.34)		(0.62)	
9850	Diluted loss per share (NTD)	\$ (0.34)		(0.62)	

(Please refer to the notes to the consolidated financial statements.)

Chairman: Chung, Hsi-Chi Manager: Lin, Jui-Shan

**Accounting Manager:
Huang, Wen-Cheng**

(English Translation of Consolidated Statements of Changes in Equity Originally Issued in Chinese)

**Better Life Group Co., LTD. and the Subsidiaries
Consolidated Statement of Changes in Equity
For the Years Ended December 31, 2021 and 2020**

Unit: In Thousand New Taiwan Dollars

	Equity attributable to owners of the parent						
	Share capital	Retained earnings			Other equity items		
		Capital surplus	Legal reserve	Undistributed earnings	Exchange differences in translation of foreign financial statements	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Equity attributable to owners of the parent
Balance on January 1, 2020							
Net loss for the period	\$ 1,002,654	110	4,320	(320,766)	(435)	(19,796)	666,087
Other comprehensive income for the current period	-	-	-	(61,775)	-	-	(61,775)
Total comprehensive income for the current period	-	-	-	(61,775)	525	-	525
Balance on December 31, 2020	1,002,654	110	4,320	(382,541)	90	(19,796)	604,837
Net loss for the period	-	-	-	(33,677)	-	-	(33,677)
Other comprehensive income for the current period	-	-	-	-	(76)	3,414	3,338
Total comprehensive income for the current period	-	-	-	(33,677)	(76)	3,414	(30,339)
Due to recognition of equity component (warrants) of convertible bonds issued	-	21,828	-	-	-	-	21,828
Balance on December 31, 2021	\$ 1,002,654	21,938	4,320	(416,218)	14	(16,382)	596,326

Balance on January 1, 2020
Net loss for the period
Other comprehensive income for the current period
Total comprehensive income for the current period
Balance on December 31, 2020
Net loss for the period
Other comprehensive income for the current period
Total comprehensive income for the current period
Due to recognition of equity component (warrants) of convertible bonds issued
Balance on December 31, 2021

(Please refer to the notes to the consolidated financial statements.)

Chairman: Chung, Hsi-Chi

Manager: Lin, Jui-Shan

Accounting Manager: Huang, Wen-Cheng

(English Translation of Consolidated Statement of Cash Flows Originally Issued in Chinese)

Better Life Group Co., LTD. and the Subsidiaries
Consolidated Statement of Cash Flows
For the Years Ended December 31, 2021 and 2020

Unit: NTD thousands

	2021	2020
Cash flow from operating activities:		
Net loss before tax for the current period	\$ (32,555)	(61,775)
Adjustments:		
Income and expenses		
Depreciation expense	9,030	9,378
Amortization expense	179	135
Interest expense	15,991	14,673
Interest income	(3,202)	(3,465)
Loss on disposal and scrapping of property, plant and equipment	205	-
Gain on reversal of property, plant and equipment	(11,787)	-
Gain on lease modifications	(400)	(1)
Total income and expenses	10,016	20,720
Changes in assets/liabilities related to operating activities:		
Net change in assets related to operating activities:		
Notes receivable	(4,491)	850
Accounts receivable	(57,458)	(698)
Inventories	55,329	16,811
Prepayments	14,133	(16,397)
Other financial assets	(20,597)	4,468
Construction deposits paid	(27,647)	(3,308)
Incremental cost of obtaining contracts	(10,671)	1,409
Costs to fulfil contracts	304	670
Total net change in assets related to operating activities	(51,098)	3,805
Net change in liabilities related to operating activities:		
Contract liabilities	30,342	6,635
Notes payable	(4,037)	10,137
Accounts payable	(11,091)	3,145
Other payables	2,887	906
Non-current liabilities	6,344	20,742
Other financial liabilities - current	262	(18,274)
Total net change in liabilities related to operating activities	24,707	23,291
Total net change in assets and liabilities related to operating activities	(26,391)	27,096
Total adjustments	(16,375)	47,816
Cash outflow from operations	(48,930)	(13,959)
Interest received	3,202	3,465
Interest paid	(14,302)	(12,583)
Income tax paid	(1,122)	-
Net cash outflow from operating activities	(61,152)	(23,077)

(English Translation of Consolidated Statement of Cash Flows Originally Issued in Chinese)

Better Life Group Co., LTD. and the Subsidiaries

Consolidated statement of cash flows (continued)

For the Years Ended December 31, 2021 and 2020

Unit: NTD thousands

	2021	2020
Cash flow from investing activities:		
Financial assets (payment returned due to capital reduction) at fair value through other comprehensive income - non-current	4,098	2,820
Acquisition of property, plant and equipment	(205)	(16,268)
Guarantee deposits paid	1,671	1,283
Acquisition of intangible assets	-	(267)
Other financial assets	3,147	3,307
Net cash inflows (outflows) from investing activities	8,711	(9,125)
Cash flow from financing activities:		
Increase (decrease) of short-term loans	(183,631)	377,424
Increase (decrease) in short-term notes payable	(27,304)	(459,594)
Corporate bonds issued	295,000	-
Lease principal repaid	(6,292)	(7,351)
Net cash inflows (outflows) from financing activities	77,773	(89,521)
Effect of exchange rate changes on cash and cash equivalents	(16)	457
Increase (decrease) in cash and cash equivalents in the current period	25,316	(121,266)
Balance of cash and cash equivalents at the beginning of the period	32,973	154,239
Balance of cash and cash equivalents at the end of the period	\$ 58,289	32,973

(Please refer to the notes to the consolidated financial statements.)

Chairman: Chung, Hsi-Chi Manager: Lin, Jui-Shan

**Accounting Manager:
Huang, Wen-Cheng**

Better Life Group Co., Ltd.

Comparison Table for Amendments of "Articles of Incorporation" of the Company

Provision After Amendment	Provision Before Amendment	Reason of Amendment
<p>Article 10: The shareholders' meeting shall be classified into two types of the ordinary shareholders' meeting and extraordinary shareholders' meeting:</p> <p>I. An ordinary shareholders' meeting shall be convened within six months after the end of each fiscal year.</p> <p>II. An extraordinary shareholders' meeting shall be convened whenever necessary according to the laws.</p> <p>Unless otherwise specified in the Company Act, the shareholders' meeting shall be convened by the board of directors.</p> <p><u>During the convention of the shareholders' meeting, video conference or other methods announced by the central competent authority may be adopted.</u></p>	<p>Article 10: The shareholders' meeting shall be classified into two types of the ordinary shareholders' meeting and extraordinary shareholders' meeting:</p> <p>I. An ordinary shareholders' meeting shall be convened within six months after the end of each fiscal year.</p> <p>II. An extraordinary shareholders' meeting shall be convened whenever necessary according to the laws.</p> <p>Unless otherwise specified in the Company Act, the shareholders' meeting shall be convened by the board of directors.</p>	Amendment made in accordance with the law.
<p>Article 30: Regarding the determination on the proposal of earnings distribution, the board of directors of the Company shall consider the future capital expense budget and demand of fund of the Company and shall also evaluate the necessity to fulfill the demand of fund with the surplus earnings in order to determine the amount of earnings to be reserved or distributed as well as the amount of distribution of dividends or bonuses in cash or stock to shareholders.</p> <p>For the net profit before tax of the current period before deduction of the remuneration of employees and remuneration of directors of the Company, not less than 4% of such profit shall be appropriated as the remuneration of employees, and no higher than 4% of such profit shall be</p>	<p>Article 30: Regarding the determination on the proposal of earnings distribution, the board of directors of the Company shall consider the future capital expense budget and demand of fund of the Company and shall also evaluate the necessity to fulfill the demand of fund with the surplus earnings in order to determine the amount of earnings to be reserved or distributed as well as the amount of distribution of dividends or bonuses in cash or stock to shareholders.</p> <p>For the net profit before tax of the current period before deduction of the remuneration of employees and remuneration of directors of the Company, not less than 4% of such profit shall be appropriated as the remuneration of employees, and no higher than 4% of such profit shall be</p>	Newly added according to the practice.

Provision After Amendment	Provision Before Amendment	Reason of Amendment
<p>appropriated as the remuneration of directors and supervisors. However, if the Company still has accumulated losses (including adjustment of undistributed earnings amount), an amount shall be reserved for making up the accumulated loss first. The subjects for the issuance of remunerations may include employees of a holding or subordinate company satisfy certain criteria, and the board of directors is authorized to specify such criteria.</p> <p>Where the Company has a net profit after tax in the final accounts of the current year, amount shall be appropriated to compensate accumulated losses (including adjustment of undistributed earnings amount) first, followed by appropriating 10% of such profit as the legal reserve; provided that the aggregate of the legal reserve has reached the paid-in capital of the Company, such requirement shall not be applied. In addition, special reserve may be set aside or reversed depending upon the business needs or according to the regulations of the competent authority. For the remaining earnings together with the initial undistributed earnings (including adjustment of undistributed earnings amount), the board of directors may establish the proposal for distribution of earnings, and when it is performed via the method of issuance of new shares, it shall be reported to the shareholders' meeting for resolution before the distribution thereof.</p> <p><u>The distribution of earnings described in the preceding paragraph may be made in the form of stock or cash; provided that the issuance of cash bonus shall not be lower than 10% of the total dividend distribution amount for the current year.</u></p>	<p>appropriated as the remuneration of directors and supervisors. However, if the Company still has accumulated losses (including adjustment of undistributed earnings amount), an amount shall be reserved for making up the accumulated loss first. The subjects for the issuance of remunerations may include employees of a holding or subordinate company satisfy certain criteria, and the board of directors is authorized to specify such criteria.</p> <p>Where the Company has a net profit after tax in the final accounts of the current year, amount shall be appropriated to compensate accumulated losses (including adjustment of undistributed earnings amount) first, followed by appropriating 10% of such profit as the legal reserve; provided that the aggregate of the legal reserve has reached the paid-in capital of the Company, such requirement shall not be applied. In addition, special reserve may be set aside or reversed depending upon the business needs or according to the regulations of the competent authority. For the remaining earnings together with the initial undistributed earnings (including adjustment of undistributed earnings amount), the board of directors may establish the proposal for distribution of earnings, and when it is performed via the method of issuance of new shares, it shall be reported to the shareholders' meeting for resolution before the distribution thereof.</p>	

Provision After Amendment	Provision Before Amendment	Reason of Amendment
<p>When all or a portion of the dividends and bonuses or legal reserve and capital reserve distributed by the Company are made in the form of cash, the board of directors may be authorized to execute the distribution in accordance with the resolution of the board of directors' meeting attended by more than two thirds of the directors and the consents of a majority of the attending directors. In addition, report to the shareholders' meeting shall also be made.</p> <p>Regarding the employees for the stocks repurchased by the Company according to the law, employees for the issuance of employee stock option certificates, employees for subscription of shares during the issuance of new shares or for the issuance of restricted stock for employees, the aforementioned employees may include employees of parent or subsidiaries of the Company meeting certain specific requirements. The board of directors is authorized to determine the criteria and subscription method thereof.</p>	<p>When all or a portion of the dividends and bonuses or legal reserve and capital reserve distributed by the Company are made in the form of cash, the board of directors may be authorized to execute the distribution in accordance with the resolution of the board of directors' meeting attended by more than two thirds of the directors and the consents of a majority of the attending directors. In addition, report to the shareholders' meeting shall also be made.</p> <p>Regarding the employees for the stocks repurchased by the Company according to the law, employees for the issuance of employee stock option certificates, employees for subscription of shares during the issuance of new shares or for the issuance of restricted stock for employees, the aforementioned employees may include employees of parent or subsidiaries of the Company meeting certain specific requirements. The board of directors is authorized to determine the criteria and subscription method thereof.</p>	
<p>Article 33:</p> <p>These Article of Incorporation were duly enacted on May 2, 1978...(omitted), the 38th amendment was made on June 18, 2020, <u>and the 39th amendment was made on June 30, 2022.</u> These Articles of Incorporation shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>Article 33:</p> <p>These Article of Incorporation were duly enacted on May 2, 1978...(omitted), the 38th amendment was made on June 18, 2020. These Articles of Incorporation shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>Newly added the amendment number and date.</p>

Better Life Group Co., Ltd.

“Procedures for Acquisition or Disposal of Assets”

Comparison Table for Provisions Before and After Amendments

Provision After Amendment	Provision Before Amendment	Description
<p>Article 4: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>II. May not be a related party or de facto related party of any party to the transaction.</p> <p>III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding Paragraph shall comply with the <u>self-disciplinary rules of its own industrial association</u> and the</p>	<p>Article 4: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>II. May not be a related party or de facto related party of any party to the transaction.</p> <p>III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding Paragraph shall comply with the following:</p>	<p>Amendment made in accordance with the law.</p>

Provision After Amendment	Provision Before Amendment	Description
<p>following:</p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p>	<p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>IV. They shall issue a statement attesting to the <u>professional</u> competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>reasonable and accurate</u>, and that they have complied with applicable laws and regulations.</p>	
<p>Article 5:</p> <p>In acquiring or disposing of real property, equipment or right-of-use assets thereof, where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal</p>	<p>Article 5:</p> <p>In acquiring or disposing of real property, equipment or right-of-use assets thereof, where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal</p>	<p>Amendment made in accordance with the law.</p>

Provision After Amendment	Provision Before Amendment	Description
<p>report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions.</p> <p>I. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(I) The discrepancy between the appraisal result and the transaction amount is 20 percent</p>	<p>report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions.</p> <p>I. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to <u>perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (hereinafter referred to as "ARDF")</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(I) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction</p>	

Provision After Amendment	Provision Before Amendment	Description
<p>or more of the transaction amount.</p> <p>(II) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>IV. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>V. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>VI. When the Company has established the construction business, except where a limited price, specified price, or special price is employed as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence, <u>and the certified public accountant's opinion under Subparagraph 3 of the preceding Paragraph, shall be obtained within 2 weeks counting inclusively from the date of obtaining the appraisal report.</u></p>	<p>amount.</p> <p>(II) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>IV. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>V. <u>Where</u> the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p> <p>VI. When the Company has established the construction business, except where a limited price, specified price, or special price is employed as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence <u>and</u> the certified public accountant's opinion under Subparagraph 3 of the preceding Paragraph, shall be obtained within 2 weeks counting inclusively from the date of obtaining the appraisal report.</p>	
<p>Article 6: Procedures for acquisition or disposal of securities investment</p> <p>I. Executing Unit</p> <p>When the Company invests in</p>	<p>Article 6: Procedures for acquisition or disposal of securities investment</p> <p>I. Executing Unit</p> <p>When the Company invests in</p>	<p>Amendment made in accordance with the law.</p>

Provision After Amendment	Provision Before Amendment	Description
<p>long-term or short-term securities, it shall be submitted for approval according to the delegation of authority, following which the financial and accounting unit shall be responsible for the execution thereof.</p> <p>II. Obtaining expert opinion</p> <p>(I) For the acquisition or disposal of securities of the Company, it is necessary to obtain the financial statements of the most recent period of the subject company certified or audited by CPA before the transaction occurrence date as the reference for evaluating the transaction price.</p> <p>(II) Where the Company acquires or disposes of securities and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.</p> <p>(III) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	<p>long-term or short-term securities, it shall be submitted for approval according to the delegation of authority, following which the financial and accounting unit shall be responsible for the execution thereof.</p> <p>II. Obtaining expert opinion</p> <p>(I) For the acquisition or disposal of securities of the Company, it is necessary to obtain the financial statements of the most recent period of the subject company certified or audited by CPA before the transaction occurrence date as the reference for evaluating the transaction price.</p> <p>(II) When the transaction amount of the acquisition or disposal of securities reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.</p> <p>(III) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	
Article 7: Procedure for handling	Article 7: Procedure for handling	Amendment

Provision After Amendment	Provision Before Amendment	Description
<p>related party transaction ...(Subparagraphs 1 to 9 omitted)</p> <p>(This paragraph is moved to Paragraph 8)</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and the parent company, subsidiaries or between subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital, the board of directors may authorize the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the most recent board of directors' meeting:</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>After the Company establishes independent directors, when a real property or its right-of-use assets is acquired from or disposed with a related party, it shall be reported to the board of directors for discussion, and the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the meeting minutes of the board of directors meeting.</p> <p>After an audit committee has been established by the Company, the matters for which Paragraph 1 requires recognition by the</p>	<p>related party transaction ...(Subparagraphs 1 to 9 omitted)</p> <p>The calculation of the transaction amounts referred to in Subparagraph of the preceding Paragraph shall be done in accordance with Item 5 of Subparagraph 1 of Article 12, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and the parent company, subsidiaries or between subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital, the board of directors may authorize the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the most recent board of directors' meeting:</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>After the Company establishes independent directors, when a real property or its right-of-use assets is acquired from or disposed with a related party, it shall be reported to the board of directors for discussion, and the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the meeting minutes of the board of</p>	<p>made in accordance with the law.</p>

Provision After Amendment	Provision Before Amendment	Description
<p>supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution,</p> <p>In case where the consents of more than one-half of all members of the audit committee cannot be obtained in the preceding Paragraph, then the consents of more than two-thirds of all directors shall be obtained, and the meeting mutinies of the board of directors' meeting shall be recorded with the resolution of the audit committee.</p> <p>The terms "all audit committee members" described in the preceding Paragraph and "all directors" described in the preceding Paragraph shall be counted as the actual number of persons currently holding those positions.</p> <p><u>When the Company or a subsidiary engages in any transaction described in Subparagraph 8 of Paragraph 1, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall submit all specified documents to the shareholders' meeting for approval before signing the transaction contract or make payment. However, such restriction shall not be applicable to transactions between the Company and the parent or subsidiaries, or between subsidiaries.</u></p> <p>The calculation of the transaction amounts referred to in <u>Subparagraph 8 of Paragraph 1 and the preceding Paragraph</u> shall be made in accordance with Item 8 of Subparagraph 1 of Article 12, and the term "within the preceding year" described refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the audit committee, <u>the shareholders' meeting and the board</u></p>	<p>directors meeting.</p> <p>After an audit committee has been established by the Company, the matters for which Paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution,</p> <p>In case where the consents of more than one-half of all members of the audit committee cannot be obtained in the preceding Paragraph, then the consents of more than two-thirds of all directors shall be obtained, and the meeting mutinies of the board of directors' meeting shall be recorded with the resolution of the audit committee.</p> <p>The terms "all audit committee members" described in the preceding Paragraph and "all directors" described in the preceding Paragraph shall be counted as the actual number of persons currently holding those positions.</p> <p>(Newly added this paragraph)</p>	

Provision After Amendment	Provision Before Amendment	Description
of directors need not be counted toward the transaction amount.		
<p>Article 8: Procedures for acquisition or disposal of intangible assets or right-of-use assets thereof or memberships ...(Subparagraphs 1 to 3 omitted)</p> <p>IV. Expert assessment opinion report for intangible assets or right-of-use assets thereof or memberships</p> <p>(I) Where the Company acquires or disposes of memberships and the transaction amount reaches 1 percent or more of paid-in capital or NT\$3 million or more, the Company shall also obtain an appraisal report from a professional.</p> <p>(II) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof and the transaction amount reaches 10 percent or more of paid-in capital or NT\$20 million or more, the Company shall also obtain an appraisal report from a professional.</p> <p>(III) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>Article 8: Procedures for acquisition or disposal of intangible assets or right-of-use assets thereof or memberships ...(Subparagraphs 1 to 3 omitted)</p> <p>IV. Expert assessment opinion report for intangible assets or right-of-use assets thereof or memberships</p> <p>(I) Where the Company acquires or disposes of memberships and the transaction amount reaches 1 percent or more of paid-in capital or NT\$3 million or more, the Company shall also obtain an appraisal report from a professional.</p> <p>(II) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof and the transaction amount reaches 10 percent or more of paid-in capital or NT\$20 million or more, the Company shall also obtain an appraisal report from a professional.</p> <p>(III) (III) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p>	<p>Amendment made in accordance with the law.</p>
Article 12: Procedures for public disclosure of information	Article 12: Procedures for public disclosure of information	Amendment made in

Provision After Amendment	Provision Before Amendment	Description
<p>I. Required announcement and report items and standards for announcement and report (Items 1 to 6 omitted)</p> <p>(VII) Where an asset transaction other than any of those referred to in the preceding six Items, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds <u>or foreign government bonds of credit rating not inferior to the authority rating of or nation.</u> 2. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of index investment securities,</u> or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 3. Trading of bonds under repurchase and resale agreements, or subscription 	<p>I. Required announcement and report items and standards for announcement and report (Items 1 to 6 omitted)</p> <p>(VII) Where an asset transaction other than any of those referred to in the preceding six Items, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds. 2. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 	<p>accordance with the law.</p>

Provision After Amendment	Provision Before Amendment	Description
or redemption of money market funds issued by domestic securities investment trust enterprises. (Content below omitted)	3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (Content below omitted)	

Better Life Group Co., Ltd.

Rules of Procedure for Shareholders' Meeting

Article 1: To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" jointly established by Taiwan Stock Exchange Corporation and Taipei Exchange.

Article 2: The rules of procedures for shareholders' meeting of the Company, except as otherwise provided by law, regulation or the articles of incorporation, shall be as provided in these Rules.

Article 3: Unless otherwise provided by law or regulation, the shareholders' meetings of the Company shall be convened by the board of directors.

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

The Company shall prepare electronic versions of the 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 or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 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 before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30 percent or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

The Corporate 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:

- I. For physical shareholders meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- III. 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 or supervisors, 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 corporation, or any matter under Paragraph 1 of Article 185 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 proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any Subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and for a proposal containing more than 300 words, such proposal is not 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 the provisions of 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.

Article 4: For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

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

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business

days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

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

Article 5: 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. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting. The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 6: The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively referred to as "shareholders") will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person. Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date. In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1: To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:

- I. How shareholders attend the virtual meeting and exercise their rights. How shareholders attend the virtual meeting and exercise their rights.
- II. Actions to be taken if the virtual meeting platform or participation in the virtual

meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

- (I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (II) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - (III) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
 - (IV) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
- III. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 7: 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 chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, 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 chair. 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. When there are two or more such convening parties, they shall mutually select a chair from among themselves. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8: The Company shall record on audio or video tape the entire proceedings of a shareholders' meeting and preserve the recordings for at least one year. However, if 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.

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

Article 9: Attendance at 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.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

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

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

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

Article 10: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; 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, call for a vote, and schedule sufficient time for voting.

Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance 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.

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

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.

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

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

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the 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 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

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

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting

rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that 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 by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail; except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a 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. In addition, on the same day after the conclusion of the shareholders' meeting, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the Market Observation Post System (MOPS).

When there is an amendment or 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 anyone among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall have the identity of 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 a record made of the vote.

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 Article 6 decide to attend the

physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14: The election of directors or supervisors 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 directors and supervisors not elected and number of votes they received.

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. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 15: 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 Market Observation Post System (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 voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of Directors. The minutes shall be retained for the duration of the existence of this 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 16: On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

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

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17: Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

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

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18: 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 extraordinary 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 five days in accordance with Article 182 of the Company Act.

Article 19: In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20: When the Company convenes a virtual-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 21: In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

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

182 of the Company Act shall not apply.

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

For a meeting to be postponed or resumed under Paragraph 2, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session. During a postponed or resumed session of a shareholders meeting held under Paragraph 2, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.

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

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

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

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

Article 22: When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 23: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Name list of potential offerees (privately placed common shares of 2022)

Offerees		Relations with the Company	Top 10 juristic person shareholders		
		Insider/related party	Name	Shareholding %	Relationship with the Company
1	Pu Cheng Construction Co., Ltd.	Related party	Puchuan Advertising Co., Ltd.	100.00%	Related party
2	Puchuan Advertising Co., Ltd.	Insider	Pu Meng Investment Co., Ltd.	19.96%	Related party
			Chun Fu Investment Co., Ltd.	12.39%	None
			Pu Jui Investment Co., Ltd.	11.09%	Related party
			Yang Che Investment Co., Ltd.	8.42%	None
			Pu Kuan Investment Co., Ltd.	11.38%	Related party
			Ho Chung Investment Co., Ltd.	6.12%	None
			Pu Ying Investment Co., Ltd.	10.45%	Related party
			Pu Kuan Investment Co., Ltd.	3.71%	None
3	Pu Hsu Advertising Co., Ltd.	Related party	Ching Hsiang Investment Co., Ltd.	4.61%	None
			Pu Ching Investment Co., Ltd.	2.88%	None
4	Pauian Advertising Co., Ltd.	Related party	Puchuan Advertising Co., Ltd.	100.00%	Related party
			Puchuan Advertising Co., Ltd.	30.40%	Related party
			Pu Meng Investment Co., Ltd.	15.20%	Related party

Offerees		Relations with the Company	Top 10 juristic person shareholders		
			Insider/related party	Name	Shareholding % Relationship with the Company
5	Pu Yuan Construction Co., Ltd.	Related party		Pu Kuan Investment Co., Ltd.	15.20% Related party
				Pu Chia Investment Co., Ltd.	18.00% Related party
				Pu Jui Investment Co., Ltd.	18.00% Related party
				Pu Ying Investment Co., Ltd.	3.20% Related party
6	Pu Chang Construction Co., Ltd.	Related party		Puchuan Advertising Co., Ltd.	100.00% Related party
7	Yung Hsin Construction Co., Ltd.	Related party		Pu Ying Investment Co., Ltd.	19.00% Related party
				Pu Meng Investment Co., Ltd.	19.00% Related party
				Yang Che Investment Co., Ltd.	19.00% None
				Pu Jui Investment Co., Ltd.	19.00% Related party
				Pu Chia Investment Co., Ltd.	19.00% Related party
8	Pu Meng Investment Co., Ltd.	Related party		Pu Kuan Investment Co., Ltd.	5.00% Related party
				Li, Chung-Shu Lin, Wan-Lin	80.00% 20.00% Related party Related party
9	Pu Kuan Investment Co., Ltd.	Related party		Pu Meng Investment Co., Ltd.	15.00% Related party
				Li, Chung-Shu	80.00% Related party
				Pu Ying Investment Co., Ltd.	5.00% Related party

Offerees		Relations with the Company	Top 10 juristic person shareholders		
			Name	Shareholding %	Relationship with the Company
10	Pu Ying Investment Co., Ltd.	Related party	Li, Chung-Shu	90.00%	Related party
			Yuan, Mei-Hui	10.00%	None
11	Sant Lui International Co., Ltd	Related party	Yung Hsin Construction Co., Ltd.	100.00%	Related party
12	Pu Jui Investment Co., Ltd.	Related party	Lin, Jui-Shan	100.00%	Insider
13	Pu Chia Investment Co., Ltd.	Related party	Huang, Tzu-Min	100.00%	Insider
14	Pu Cheng Investment Co., Ltd.	Related party	Chen, Chun-Liang	100.00%	Insider
15	Li, Chung-Shu	Related party			
16	Lin, Jui-Shan	Insider/related party			
17	Chen, Chun-Liang	Insider			

Better Life Group Co., Ltd.

Securities Underwriter's Assessment Opinion Report on Necessity and Reasonableness for Conducting Private Placement

Principal of the opinion report: Better Life Group Co., LTD.

Receiver of the opinion report: Better Life Group Co., LTD.

Purpose of the opinion report: It is only used for
conducting the 2022 private placements of marketable
securities of Better Life Group Co., Ltd.

Report type: Securities underwriter's assessment opinion report on the necessity and
reasonableness for the private placement

Assessment agency: Taichung Bank Securities Co., Ltd.

May 9, 2022

It is expected that on May 11, 2022, the board of directors of Better Life Group Co., Ltd.(hereinafter referred to as Better Life Group or the Company) will resolve to conduct a private placement of common shares within the limit of 30,000,000 shares. The private placement shall not be processed until it is approved in the shareholders' meeting on June 30, 2022, and the board of directors is authorized to conduct the private placement once or twice within one year from the date of the shareholders' meeting.

According to the Company's 2021 audited financial statements audited by CPAs, its loss to be compensated was \$416,218 thousand, and its net loss after tax was \$33,677 thousand. Therefore, it has met the requirements of the third point of “Directions for Public Companies Conducting Private Placements of Securities”

“A public company with a net profit and no accumulated loss for the most recent fiscal year shall use the public offering method to issue securities, except in any of the following circumstances in which a private placement may be conducted: (hereafter omitted)”

In addition, according to point 4 of “Directions for Public Companies Conducting Private Placements of Securities” and referring to the proposal of the Board of Directors' Meeting on May 11, 2022, the Company issued 100,265,400 shares, and the resolution is for a private placement of common shares within the total number of shares not exceeding 30,000,000 shares. It is estimated that if all the shares are issued, they will represent 23.03% of the Company's share capital after the private placement; since the possibility of a change in managerial control cannot be excluded in the future, it is necessary to request the securities underwriter to provide an assessment opinion on the necessity and reasonableness of the private placement.

The content of this opinion shall be used exclusively as a reference basis for Better Life Group's shareholders meeting to resolve its private placement on 30 June, 2022, and shall not be intended for other purposes. The contents of this opinion are based on the proposal of the Board of Directors of the Company dated May 11, 2022 and the financial information provided by the Company. Hence, we hereby disclaim any liability for any future changes to the contents of this opinion due to changes in the private placement plan or other circumstances.

I. Company Profile

Better Life Group was established on June 30, 1978 and its shares were listed and traded on October 20, 1989. its principal business is to contract construction companies to build public housing projects and commercial buildings for lease out and sales. Its paid-in capital was NT\$1,002,654 thousand up to December 31, 2021. The Company's condensed financial information for the last three years is as follows:

Balance Sheets

Unit: In Thousand New Taiwan Dollars

Item \ Year	2019	2020	2021
Current assets	1,363,502	1,235,140	1,310,031
Non-current assets:	116,481	142,631	149,072
Total assets	1,479,983	1,377,771	1,459,103
Current liabilities	800,940	742,110	555,847
Non-current liabilities	12,956	30,824	306,930
Total liabilities	813,896	772,934	862,777
Capital	1,002,654	1,002,654	1,002,654
Capital surplus	110	110	21,938
Retained earnings	(316,446)	(378,221)	(411,898)
Other equity interests	(20,231)	(19,706)	(16,368)
Total equity	666,087	604,837	596,326
Net value per share(dollar)	6.64	6.03	5.95

Data source: The consolidated financial statements audited by CPAs in each year.

Statements of Comprehensive Income

Unit: In Thousand New Taiwan Dollars

Item \ Year	2019	2020	2021
Operating revenue	127,168	219,762	185,474
Gross profit	20,486	20,774	31,983
Gross profit	16.11%	9.45%	17.24%
Operating profit(loss)	(60,379)	(53,074)	(33,902)
Operating profit ratio	(47.48%)	(24.15)%	(18.28)%
Non-operating income and expenses	(11,297)	(8,701)	1,347
Net profit (loss) attributable to owners of the parent	(72,992)	(61,775)	(33,677)
Earnings(loss) per share(\$)	(0.91)	(0.62)	(0.34)

Data source: The consolidated financial statements audited by CPAs in each year.

II. Underwriter's assessment opinion

Better Life Group proposed to hold a board meeting on May 11, 2022 and expects to conduct a private placement of common shares within 30,000,000 shares in total, the proceeds of which will be used to carry out the construction projects (including but not limited to land purchase and payment for the construction), engage in acquisitions in related industries (including but not limited to investment in other enterprises), increase the working capital (including but not limited to the capital requirement for the agency business) and improve the financial structure (including but not limited to the repayment of bank loans). In accordance with the proposal of the board of directors' meeting on May 11, 2022, the offerees for the private placement are insiders, related parties or specific persons who meet the conditions set by the competent authorities. However, up to the date of this opinion report, the Company has not selected any investors for the private placement.

The underwriter's assessment of the necessity and reasonableness of the Company's private placement of securities is as follows.

(I) Assessment of lawfulness

1. Article 3 of the “Directions for Public Companies Conducting Private Placements of Securities”

The Company's 2021 financial statements audited by CPAs indicate a loss to be compensated of \$416,218 thousand and a net loss after tax of \$33,677 thousand. Therefore, the Company is not subject to the restriction of Article 3 of the “Directions for Public Companies Conducting Private Placements of Securities” that " A public company with a net profit and no accumulated deficit for the most recent fiscal year shall not use private placement to issue securities,".

2. The provisions of price of private placement and theoretical price stipulated in subparagraphs 1 and 2, paragraph 1, article 4 of the “Directions for Public Companies Conducting Private Placements of Securities”

Pursuant to subparagraph 1, paragraph 1, article 4 of “Directions for Public Companies Conducting Private Placements of Securities,” “Where the company is a TWSE listed or TPEX listed company or an emerging stock company, if the price per share of the privately placed common shares is lower than 80 percent of the reference price, or if the issuance price of the preferred shares, convertible corporate bonds, preferred shares with warrants, corporate bonds with warrants, or employee stock warrants is lower than 80 percent of the theoretical price, state the independent expert's opinion on the basis and reasonableness of the pricing on the meeting notice, to serve as a reference for the shareholders to decide whether to agree.” In addition, according to subparagraph 2, paragraph 1 of the article 4, “If the offeree is an insider or a related party of the Company, the price per share of the private placement shall not be less than 80% of the reference price.” According to the proposal of the board of directors' meeting held on May 11, 2022, the issue price of this private placement is intended to be no less than 80% of the reference price or theoretical price, and has been submitted to the board of directors' meeting for discussion. Hence it should comply with the relevant laws and regulations.

3. The provisions of offerees stipulated in subparagraphs 2, paragraph 1, article 4 of the “Directions for Public Companies Conducting Private Placements of Securities”

According to subparagraph 2, paragraph 1, article 4 of “Directions for Public Companies Conducting Private Placements of Securities,” If the offerees are insiders or related parties of the company, the list of offerees, method and objectives of selecting the offerees, and the relationship between the offerees and the company shall be fully discussed at a meeting of the board of directors and stated in the notice to convene the shareholders' meeting, failing which no such person may subscribe afterwards. If any offeree is a strategic investor, the

method and objectives of selecting the offeree, the necessity for that selection, and the anticipated benefits shall be fully discussed at a meeting of the board of directors and stated in the notice to convene the shareholders' meeting. This private placement will be fully discussed in the board of directors' meeting and will be stated in the causes of the annual shareholders meeting on June 30, 2022 so that Therefore, there are no apprehension of violating the relevant laws and regulations.

(II) Current status of Better Life Group

1. profit status

Better Life Group's main products and services are real estate construction and trading. In recent years, the company has been conservative and has launched few projects, and consequently has operated at a loss in the last three years.

Unit: In Thousand New Taiwan Dollars

Item \ Year	2019	2020	2021
Operating revenue	127,168	219,762	185,474
Gross profit	20,486	20,774	31,983
Gross profit	16.11%	9.45%	17.24%
Operating profit(loss)	(60,379)	(53,074)	(33,902)
Operating profit ratio	(47.48%)	(24.15)%	(18.28)%
Non-operating income and expenses	(11,297)	(8,701)	1,347
Net profit (loss) attributable to owners of the parent	(72,992)	(61,775)	(33,677)
Earnings(loss) per share(\$)	(0.91)	(0.62)	(0.34)

Data source: The consolidated financial statements audited by CPAs in each year.

2. Major financial ratios

Item \ Year	2019	2020	2021
Debt ratio(%)	54.99	56.10	59.13
Current ratio(%)	170.24	166.44	235.68
Quick ratio(%)	46.39	32.83	69.50
Cash flow ratio(%)	(0.98)	(3.11)	(11.00)
Cash Flow Adequacy Ratio	(150.18)	(130.08)	(255.25)
Cash re-investment ratio	(1.12)	(3.53)	(6.71)

Data source: Market Observation Post System

According to the Company's financial statements of 2021, the Company's main liabilities were bank loans of \$423,053 thousand and corporate bonds payable of \$276,030 thousand with interest rates ranging from 1.85% to 2.09%. In recent years, cash flow from operating activities has been negative, and therefore the related ratios such as cash flows have also been negative.

3. Information on cash flows

Unit: In Thousand New Taiwan Dollars

Item \ Year	2019	2020	2021
Net cash flow from operating activities	(7,835)	(23,077)	(61,152)
Net cash flow from investing activities	6,645	(9,125)	8,711
Net cash flow from financing activities	108,305	(89,521)	77,773
Effect of exchange rate changes on cash and cash equivalents	(236)	457	(16)
Increase (decrease) in cash and cash equivalents in the current period	106,879	(121,266)	25,316

Data source: The financial statements audited by CPAs in each year.

In summary, according to the Company's 2019-2021 financial statements audited by CPAs, the Company's net cash flows from operating activities for the last three years was obviously insufficient, and in order to improve the Company's operations, the funds raised from the private placement that the Company expects to conduct in 2022 will be used to carry out the construction projects (including but not limited to land purchase and payment for the construction), engage in acquisitions in related industries (including but not limited to investment in other enterprises), increase the working capital (including but not limited to the capital requirement for the agency business) and improve the financial structure (including but not limited to the repayment of bank loans). Therefore, the private placement is expected to enhance the Company's profitability, improve its financial structure and strengthen its competitiveness, and it's reasonable to believe that a positive benefit to shareholders' equity will be generated.

(III) Assessment of the necessity and reasonableness of the private placement of common shares

1. Necessity assessment

Due to the impact of the relatively few projects, Better Life Group continued to have operational losses from 2019 to 2021. In order to actively improve the operational quality, the fund raised in this private placement is intended to be used to carry out the construction projects (including but not limited to land purchase and payment for the construction), engage in acquisitions in related industries (including but not limited to investment in other enterprises), increase the working capital (including but not limited to the capital requirement for the agency business) and improve the financial structure (including but not limited to the repayment of bank loans) After assessing the Company's operations, debt ratio and cash flows for the past three years, there is still room for improvement. Therefore, the Company's private placement of common share is expected to be effective in improving the Company's corporate structure and shareholders' equity, and thus this private placement of securities is necessary.

2. Reasonableness assessment

(1) Reasonableness of the type of securities to be privately placed

Better Life Group is intending to conduct a private placement of common shares within the limit of 30,000,000 shares, which is a common type of marketable securities issuance and thus is considered reasonable.

This private placement is proposed to be submitted by the Board of Directors on May 11, 2022 for approval by the Shareholders' Meeting on June 30, 2022, and the Board of Directors may be authorized by the shareholders' meeting to carry out the private placement once or twice within one year. If the maximum dilution ratio after the issuance of all 30,000,000 common shares in the private placement is 23.03%, the issue price shall be at least 80% of the reference price. After the assessment, the pricing is considered to be in line with market practice. Therefore, there is still no material adverse impact on shareholders' equity.

(2) Reasonableness of the anticipated benefits of private placement

Better Life Group's proposed private placement is limited to a total of 30,000,000 shares of common stock, which will be used to carry out the construction projects (including but not limited to land purchase and payment for the construction), engage in acquisitions in related industries (including but not limited to investment in other enterprises), increase the working capital (including but not limited to the capital requirement for the agency business) and improve the financial structure (including but not limited to the repayment of bank loans), thereby, having positive impacts on shareholders' equity. The anticipated benefits are described below:

If all securities are issued in the future, the Company may be able to obtain stable long-term capital, reduce its dependence on bank financing to cut interest expenses and make its capital utilization more flexible.

After reviewing the terms of the private placement, the use of funds and the benefits of the private placement as reported by the board of directors in its proposal on May 11, 2022, no material irregularities were found. Therefore, the private placement is expected to have a positive effect on the Company's finance and shareholders' equity. Consequently, it is reasonable to expect that the private placement can save interest costs, increase the Company's profitability and enhance shareholders' equity.

3. Selection of offerees and assessment of possibilities

The Offerees of this private placement are selected based on the specific persons in compliance with Article 43-6 of the Securities and Exchange Act and the Financial

Supervisory Commission's Order—(91) Tai Tsai Cheng Yi i Tzu No. 0910003455. Currently, no specific person has been selected.

(1) If the offerees are insiders or related parties

If the offeree is an insider or a related party, the tentative list, selection method and purpose, and its feasibility and necessity are described as follows.

A. Selection method and purpose of the Offerees

If the offerees are insiders or related parties, they will be selected based on their ability to contribute directly or indirectly to the Company's future operations and their understanding of the Company. The tentative list includes the following parties.

Potential offerees	Relations with the company
Pu Cheng Construction Co., Ltd.	Related party
Pu Chuan Advertising Co., Ltd.	Insider
Pu Hsu Advertising Co., Ltd.	Related party
Pauian Advertising Co., Ltd.	Related party
Pu Yuan Construction Co., Ltd.	Related party
Pu Chang Construction Co., Ltd.	Related party
Yung Hsin Construction Co., Ltd.	Related party
Pu Meng Investment Co., Ltd.	Related party
Pu Kuan Investment Co., Ltd.	Related party
Pu Ying Investment Co., Ltd.	Related party
Sant Law International Co., Ltd	Related party
Pu Jui Investment Co., Ltd.	Related party
Pu Chia Investment Co., Ltd.	Related party
Pu Cheng Investment Co., Ltd.	Related party
Li, Chung-Shu	Related party
Lin, Jui-Shan	Insider/related party
Chen,Chun-Liang	Insider

Data source: provided by the company

B. If the offeree is a juristic person, names of the top ten shareholders, their shareholding ratio, and the relationship with the company are as follows:

Potential offerees	Top 10 shareholders' names	Shareholding	Relations with the company
Pu Cheng Construction Co., Ltd.	Pu Chuan Advertising Co., Ltd.	100%	Related party
Pu Chuan Advertising Co., Ltd.	Pu Meng Investment Co., Ltd.	19.96%	Related party
	Chun Fu Investment Co., Ltd.	12.39%	None
	Pu Jui Investment Co., Ltd.	11.09%	Related party
	Yang Che Investment Co., Ltd.	8.42%	None
	Pu Kuan Investment Co., Ltd.	11.38%	Related party
	Ho Chung Investment Co., Ltd.	6.12%	None
	Pu Ying Investment Co., Ltd.	10.45%	Related party
	Pu Guan Investment Co., Ltd.	3.71%	None
	Ching Hsiang Investment Co., Ltd.	4.61%	None
	Pu Ching Investment Co., Ltd.	2.88%	None
Pu Hsu Advertising Co., Ltd.	Pu Chuan Advertising Co., Ltd.	100%	Related party
Pauian Advertising Co., Ltd.	Pu Chuan Advertising Co., Ltd.	100%	Related party
Pu Yuan Construction Co., Ltd.	Pu Chuan Advertising Co., Ltd.	30.40%	Related party
	Pu Meng Investment Co., Ltd.	15.20%	Related party
	Pu Kuan Investment Co., Ltd.	15.20%	Related party
	Pu Chia Investment Co., Ltd.	18.00%	Related party
	Pu Jui Investment Co., Ltd.	18.00%	Related party
	Pu Ying Investment Co., Ltd.	3.20%	Related party
Pu Chang Construction Co., Ltd.	Pu Chuan Advertising Co., Ltd.	100%	Related party
Yung Hsin Construction Co., Ltd.	Pu Ying Investment Co., Ltd.	19.00%	Related party
	Pu Meng Investment Co., Ltd.	19.00%	Related party
	Yang Che Investment Co., Ltd.	19.00%	None
	Pu Jui Investment Co., Ltd.	19.00%	Related party
	Pu Chia Investment Co., Ltd.	19.00%	Related party
	Pu Kuan Investment Co., Ltd.	5.00%	Related party
Pu Meng Investment Co., Ltd.	Li, Chung-Shu	80.00%	Related party
	Lin, Wan-Lin	20.00%	Related party
Pu Kuan Investment Co., Ltd.	Pu Meng Investment Co., Ltd.	15.00%	Related party
	Li, Chung-Shu	80.00%	Related party
	Pu Ying Investment Co., Ltd.	5.00%	Related party
Pu Ying Investment Co., Ltd.	Li, Chung-Shu	90.00%	Related party
	Yuan, Mei-Hui	10.00%	None
Sant Law International Co., Ltd	Yung Hsin Construction Co., Ltd.	100%	Related party
Pu Jui Investment Co., Ltd.	Lin, Jui-Shan	100%	Insider
Pu Chia Investment Co., Ltd.	Huang, Tzu-Min	100%	Insider
Pu Cheng Investment Co., Ltd.	Chen, Chun-Liang	100%	Insider

Data source: provided by the company

C. Feasibility and necessity of offerees

After reviewing the above-mentioned list of insiders or related parties who may participate in the offering of the Company, we found out that they are the Company's

corporate directors or their related parties, or the Company's management. Since these offerees are familiar with the Company's business, when the Company is improving its operation, the participation of the above-mentioned insiders or related parties in the private placement of securities can stabilize the managerial control by increasing the shareholding ratio of the Company's insiders/related parties or the management and provide the necessary capital for the Company's operation, thereby reducing the financial of the Company. Hence, it would be feasible and necessary for the Company to select the above-mentioned insiders or related parties who may participate in the offering.

(2) If any offeree is a strategic investor:

A. Selection method and purpose of the Offerees

The Company's resolution may introduce strategic investors through the private placement, which may help the Company obtain long-term stable capital on the one hand, and assist the Company in expanding its operations and diversifying its business on the other hand, thus effectively enhancing the shareholders' equity. Therefore, the strategic investors to be introduced will be selected based on their ability to help the Company strengthen its competitive advantage or create shareholders' equity; however, the Company has not yet selected the strategic investors for this private placement.

B. Feasibility and necessity of offerees

In order to enhance the profitability, strengthen the financial structure and maintain the sustainable operations, the Company intends to seek proactively strategic investors who can improve the overall operating quality of the Company through their experience, technology, knowledge or channels. Therefore, it is necessary and reasonable to consider strategic investors who will be beneficial to the Company's future business development to be the offerees for this private placement; however, no strategic investors have been selected yet.

4. Influence on business, finance and shareholders' equity after the transfer of managerial control

Currently, Better Life Group has already issued 100,265 thousand shares; after the issuance of all 30,000,000 common shares in the private placement, it is estimated to represent 23.03% of the total issued and converted share capital. In the event of future changes in the number of directors or managerial control of the Company, the information will be disclosed in accordance with relevant regulations in order to protect the shareholders' equity.

The influence on Better Life Group 's business, finance and shareholders' equity in the

event that the change in the number of directors results in a transfer of the managerial control of Better Life Group is described as follows:

(1) Influence on the Company's business

The Company's private placement is planned to be participated by the Company's insiders/relatives or specific persons who meet the requirements set by the competent authorities to directly and positively contribute to the Company's operations, and the funds are mainly used to carry out the construction projects (including but not limited to land purchase and payment for the construction), engage in acquisitions in related industries (including but not limited to investment in other enterprises), increase the working capital (including but not limited to the capital requirement for the agency business) and improve the financial structure (including but not limited to the repayment of bank loans). It is expected to help the Company improve its operations and further enhance shareholders' equity, and therefore has a positive effect on the Company's business operations.

(2) Influence on the Company's finances

The Company's private placement of securities is limited to a total of 30,000,000 common shares with a par value of \$10 per share. The private placement will not only help the Company to obtain long-term stable capital, but also reduce the debt ratio and effectively strengthen the financial structure; consequently, there is no material adverse influence on the Company's financial condition.

(3) Influence on shareholders' equity

The private placement will not only help the Company to obtain long-term stable capital, but also bring in insiders and related parties to enhance the Company's profitability and shareholders' equity. According to the pricing principle of the private placement of common shares, the issue price shall be set at no less than 80% of the reference price (theoretical price). Therefore, the price of the private placement is in compliance with “Directions for Public Companies Conducting Private Placements of Securities ” and is not likely to have a material adverse effect on shareholders' equity.

Since the Company still has accumulated losses on its statements, the net value per share is lower than the par value. In addition, taking into account the impact of market fluctuations, there is a possibility that the price of the private placement of common shares may be lower than the par value of the shares in the future, and the difference between the price of the private placement and the par value of the shares will result in an increase in accumulated losses. In the future, the Company will gradually offset the losses by capital reduction, earnings, capital surplus or

other statutory means, or handle the matter in other statutory manners depending on the Company's operation and market conditions. Therefore, the private placement has no material adverse effect on the shareholders' equity of the Company yet.

After comprehensively considering various factors such as the Company's future long-term development and compliance with legal restrictions on fund raising, the private placement of Better Life Group's common shares is assessed to be beneficial to shareholders' equity, as it can obtain long-term stable capital and improve the financial structure for the Company. In addition, considering the profitability of the Company and the uncertainty and timeliness of raising capital by public offering, it is necessary and reasonable for the Company to conduct a private placement of marketable securities.

On the other hand, reviewing the information of the board of directors' meeting prepared by the Company, the issuance procedures, the content of discussion of the proposal, the basis for setting the price of the private placement, and the selection method of the specific persons are all in compliance with the Securities and Exchange Act and relevant laws and regulations. Hence there are no significant abnormalities yet.

Independence Statement

- I. We were entrusted by Better Life Group to provide a securities underwriter's opinion report on the necessity and reasonableness of the private placement of securities in 2022, and we prepared such opinion report with independent spirit.
- II. For the purpose to provide the said opinion, we hereby declare that we are not engaged in any of the following matters .
 - (I) Where either party and its parent company, and all of the subsidiaries of its parent company, aggregately hold 10 percent or more of the total shares of the other party.
 - (II) Where either party and its subsidiaries appoint more than half of the directors of the other party.
 - (III) Where the board chairperson or president of either party is the spouse or a relative within the second degree or closer of the board chairperson or president of the other party.
 - (IV) Where 20 percent or more of the total number of shares of either party is held by the same shareholder.
 - (V) Where half or more of the directors or supervisors of either party are the same as the directors or supervisors of the other party; the spouses, children, and relatives within the second degree or closer of the said persons count as "the same".
 - (VI) Where either party and related parties hold a total of 50 percent or more of the total issued shares of the other party.
 - (VII) Where the two parties, according to the relevant laws or regulations, must apply for combination, or have filed with the Fair Trade Commission for combination and have not had the combination prohibited thereby.
 - (VIII) Where, under the regulations of other laws or in actuality, either party directly or indirectly controls the personnel, financial, or business affairs of the other party.
- III. In order to present the necessity and reasonableness of the private placement of securities, I prepared the expert assessment opinion with a spirit of independence.

Declarant: Taichung Bank Securities Co., Ltd.

Delegate: She, Hsiu-Hui

Date: May 9, 2022

Better Life Group Co., Ltd. Article of Incorporation

Chapter I General Rules

- Article 1: The Company shall be incorporated according to regulations related to company limited by shares specified in the Company Act and its name shall be Better Life Group Co., Ltd.
- Article 2: The scope of business the Company is as follows:
1. Processing, manufacturing and trading of electronic parts and glass fiber and glass products.
 2. Processing, manufacturing and trading of ceramic products and building materials.
 3. Processing, manufacturing and trading of plastic casing of television and radio, etc.
 4. Import/export and distribution of relevant productions and equipment raw materials of preceding paragraphs.
 5. Rental business of relevant machinery and equipment of preceding paragraphs.
 6. Entrust construction contractors to construct public housing and commercial buildings as well as lease and sale business
 7. Garden greening planning design and forest playground business operation. (excluding business of architect)
 8. H703010 Factory Rental.
 9. H703020 Warehouse Rental.
 10. H703030 Office building rental.
 11. H703050 Conference Room Rental
 12. H701020 Industrial Factory Development and Rental.
 13. J101040 Waste Treatment.
 14. J101030 Waste Disposal.
 15. IZ99990 Other Industrial and Commercial Services (Food, Drug Research and Development).
 16. A102040 Recreational Agriculture.
 17. CC01080 Electronics Components Manufacturing.
 18. F119010 Wholesale of Electronic Materials.
 19. F219010 Retail Sale of Electronic Materials.
 20. CC01090 Manufacture of Batteries and Accumulators.
 21. F113110 Wholesale of Batteries.
 22. F213110 Retail Sale of Batteries.
 23. F113030 Wholesale of Precision Instruments.
 24. F113070 Wholesale of Telecommunication Apparatus.
 25. F213060 Retail Sale of Telecommunication Apparatus.
 26. F401021 Import of Controlled Telecommunications Radio-Frequency Devices and Materials
 27. I103030 Hospital Management Consulting Services.
 28. EZ01010 Well Drilling Services.
 29. EZ07010 Drilling Engineering.
 30. B201010 Mining of Metal Ores.
 31. B301010 Mining of Non-metallic.
 32. C901020 Glass and Glass Products Manufacturing.
 33. CG01010 Jewelry and Precious Metals Products Manufacturing.
 34. F115020 Wholesale of Ores.
 35. F215020 Retail Sale of Ores.
 36. CE01030 Optical Instruments Manufacturing.
 37. H701010 Housing and Building Development and Rental.

- 38. H701040 Specific Area Development.
- 39. H701050 Investment, Development and Construction in Public Construction.
- 40. H701060 New Towns, New Community Development.
- 41. H701070 Process Zone Expropriation and Urban Land Readjustment Agency.
- 42. H701080 Urban Renewal Reconstruction.
- 43. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
The operation of the aforementioned businesses shall comply with relevant laws and regulations.

Article 3: For relevant businesses described in the preceding article, external guarantees may be provided to business operators in the same industry. The external re-investment made by the Company may exceed more than 40% of the paid-in capital of the Company, and the board of directors is authorized to execute such investment.

Article 4: The Company shall have its head office in Taipei City, and when it is determined to be necessary, upon the resolution of the board of directors, branch offices and factories may be established domestically or overseas.

Chapter II Shares

Article 5: The total capital of the Company shall be NT\$ 6,750,000,000, divided into 675,000,000 shares, at a par value of NT\$ 10, and the board of directors is authorized to perform share issuance at discrete times. Special shares may be issued within the aforementioned total amount.

For the total capital amount described in the preceding paragraph, an amount of NT\$40,000,000 shall be reserved for the issuance of employee share subscription warrants, for a total of 4,000,000 shares at a par value of NT\$ 10 per share, which may be issued at discrete times in accordance with the resolution of the board of directors.

Article 6: After the share certificates of the Company share approved for registration, the shares shall be signed or sealed by the director representing the Company and shall be certified for issuance of the share certificates according to the laws.

During the issuance of new shares, the Company may consolidate the total number of current issuance for printing of share certificates, and may also adopt the method of exemption of printing of share certificates for the issuance of shares, and the Company shall appoint a centralized securities custody enterprise/institution for registration of the shares.

Article 7: The shares of the Company shall be in registered form. Shareholders shall use their real names. For those using the corporate name or alias, the names and addresses of the shareholders or their representatives shall be recorded in the shareholders' roster of the Company.

Article 8: Shareholders of the Company performing shareholder services of share transfer, creation of rights and pledges, reporting of loss, inheritance, gift and chop loss, change or address change, etc., unless the laws and securities regulations specify otherwise, shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies".

Article 9: Any transfer registration of shares shall be prohibited within sixty days prior to the ordinary shareholders' meeting, thirty days prior to the extraordinary shareholders' meeting, or five days prior to the record date for the distribution of dividends and bonuses or other interests by the Company.

Chapter III Shareholders' Meeting

- Article 10: The shareholders' meeting shall be classified into two types of the ordinary shareholders' meeting and extraordinary shareholders' meeting:
- I. An ordinary shareholders' meeting shall be convened within six months after the end of each fiscal year.
 - II. An extraordinary shareholders' meeting shall be convened whenever necessary according to the laws.
Unless otherwise specified in the Company Act, the shareholders' meeting shall be convened by the board of directors.
- Article 11: All shareholders shall be informed of the date, location and reasons of convention thirty days before the convention of an ordinary shareholders' meeting, and fifteen days before the convention of an extraordinary shareholders' meeting.
Shareholders holding less than 1,000 shares may be informed with the announcement according to the aforementioned time limit.
- Article 12: Each shareholder of the Company 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 of Article 179 of the Company Act.
- Article 13: A shareholders' meeting, unless otherwise specified in the Company Act, shall be attended by a majority of the shareholders presented representing more than half of the total number of the outstanding shares in order to convene the shareholders' meeting, and resolutions thereof shall be executed based on the majority of the voting rights of the attending shareholders.
- Article 14: Where a shareholder for any reasons cannot attend the shareholders' meeting in person, he or she may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the Company, and the power of attorney shall be delivered to the Company five days before the convention of the shareholders' meeting.
With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.
In case of any duplicates of power of attorneys described in the preceding paragraph, the one served to the Company first shall prevail; however, where a declaration is made to cancel the previous power of attorney, such restriction shall not be applied.
- Article 15: During the convention of a shareholders' meeting, the chairman shall act as the chair. In case where the chairman is absent due to reasons, the vice chairman shall act as the deputy chair. Where the vice chairman is also absent due to reasons, the chairman shall designate a director to act as the deputy chair. In case where no director is designated by the chairman, the directors shall elect one person among themselves to act as the deputy chair.
- Article 16: Resolutions made in a shareholders' meeting shall be recorded in meeting minutes and shall be handled according to Article 183 of the Company Act.

Chapter IV Directors

- Article 17: The Company shall have seven to nine director, and the candidates nomination system is adopted. The directors shall be elected by the shareholders' meeting from the candidate roster. The nomination method shall be handled according to Article 192-1 of the Company Act. The term of office of directors shall be three years, and the directors may

be eligible for re-elections. In case where no election of new directors is effected after the expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.

In the roster of directors described in the preceding paragraph, the number of Independent Directors shall not be less than three and shall not be less than one fifth of the total number of Directors. Relevant matters of the professional qualification, shareholding, concurrent job position limitation, nomination and election methods of the independent directors and other necessary requirements shall be handled according to relevant laws and regulations.

Article 18: The board of directors shall be formed by the directors, and one of the directors shall be elected as the chairman, and another director shall be elected as the vice chairman.

The chairman shall internally execute the authorities of the board of directors and shall also represent the Company externally.

Article 19: The board of directors' meetings shall be convened at least once quarterly. During the convention of the board of directors' meeting, notices indicating the reasons of convention shall be delivered to all directors seven days in advance; provided that in case of emergencies, such meeting may be convened at any time. The notice for the convention of the board of directors' meeting may be made in writing or in the form of electronic transmission, after obtaining prior consent from the recipients thereof.

When the number of vacancies of directors reaches one third of the total number of directors, or when all of the independent directors are discharged, the board of directors shall convene an extraordinary shareholders' meeting within sixty days to fill the vacancies.

Article 20: Where a director cannot attend the board of directors' meeting due to reasons, he or she may issue a written power of attorney to appoint another director to attend the meeting as a proxy on his or her behalf.

In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 21: The chairman shall the chair of the board of directors' meeting. In case where the chairman is on leave or cannot exercise his power and authority for any cause, the vice chairman may act as a proxy thereof. If the vice chairman is also on leave or cannot exercise his power due to reasons, the chairman may appoint a director to act as a proxy thereof. In case where the chairman fails to appoint a proxy, the directors shall elect one person from among the directors to act as the proxy.

Article 22: Unless otherwise specified in the Company Act, a board of directors' meeting shall be attended by a majority of the directors in order to convene the meeting, and resolutions thereof shall be executed based on the consents of a majority of the attending directors.

Article 23: The authorities of the board of directors are as follows:

- (I) Determination of business plan and business execution supervision.
- (II) Review of important rules and contracts.
- (III) Appointment and dismissal of president.
- (IV) Review of budget and final accounts.
- (V) Determine distribution of earnings.
- (VI) Proposal and resolution for capital increase/decrease.
- (VII) Review and execution of external investment cooperation.
- (VIII) Approval of the purchase and disposition of important properties.
- (IX) Convention of shareholders' meeting.
- (X) Other authorities according to the laws and granted by the shareholders' meeting.

Article 24: When directors of the Company are performing duties of the Company, regardless whether the Company is operating at a loss or profit, the Company may pay remuneration to directors, and the board of directors is authorized to handle the remuneration according to the common standard adopted in the same industry and relevant laws.

Chapter V Audit Committee

Article 25: The Company establishes the audit committee according to Article 14-4 of the Securities and Exchange Act, and the audit committee shall be formed by all of the independent directors, responsible for executing the authorities of supervisors according to the Company Act, Securities and Exchange Act and other laws and regulations.

Article 26: The members, exercise of authorities and other required compliance matters of the audit committee shall be handled according to relevant laws and regulations, and the charter of the audit committee shall be further established by the board of directors.

Chapter VI Managerial Officers and Employees

Article 27: The Company shall have one president to follow instructions of the chairman and to execute resolutions of the board of directors, and to manage all matters of the Company. The Company has several vice presidents to assist the president to handle affairs.

Article 28: The Company installs managerial officers according to the provisions of the Company Act, and the appointment, dismissal and the remuneration of the managerial officers shall be handled in accordance with Article 29 of the Company Act and relevant laws and regulations. For the rest of the employees, the president determines the employment or dismissal of the employees based on the negotiation with the chairman.

Chapter VII Final Accounts and Dividend Policy

Article 29: The fiscal year of the Company adopts the annual system, and at the end of each fiscal year, the board of directors shall prepare the following reports and statements for submission to the shareholder's meeting for ratification.

(I) Business Report.

(II) Financial Statements.

(III) Proposal for Distribution of Surplus Earnings or Covering Losses

Article 30: Regarding the determination on the proposal of earnings distribution, the board of directors of the Company shall consider the future capital expense budget and demand of fund of the Company and shall also evaluate the necessity to fulfill the demand of fund with the surplus earnings in order to determine the amount of earnings to be reserved or distributed as well as the amount of distribution of dividends or bonuses in cash or stock to shareholders.

For the net profit before tax of the current period before deduction of the remuneration of employees and remuneration of directors of the Company, not less than 4% of such profit shall be appropriated as the remuneration of employees, and no higher than 4% of such profit shall be appropriated as the remuneration of directors and supervisors. However, if the Company still has accumulated losses (including adjustment of undistributed earnings amount), an amount shall be reserved for making up the accumulated loss first. The subjects for the issuance of remunerations may include employees of a holding or subordinate company satisfy certain criteria, and the board of directors is authorized to specify such criteria.

Where the Company has a net profit after tax in the final accounts of the current year, amount shall be appropriated to compensate accumulated losses (including adjustment of undistributed earnings amount) first, followed by appropriating 10% of such profit as the legal reserve; provided that the aggregate of the legal reserve has reached the paid-in capital of the Company, such requirement shall not be applied. In addition, special reserve

may be set aside or reversed depending upon the business needs or according to the regulations of the competent authority. For the remaining earnings together with the initial undistributed earnings (including adjustment of undistributed earnings amount), the board of directors may establish the proposal for distribution of earnings, and when it is performed via the method of issuance of new shares, it shall be reported to the shareholders' meeting for resolution before the distribution thereof.

When all or a portion of the dividends and bonuses or legal reserve and capital reserve distributed by the Company are made in the form of cash, the board of directors may be authorized to execute the distribution in accordance with the resolution of the board of directors' meeting attended by more than two thirds of the directors and the consents of a majority of the attending directors. In addition, report to the shareholders' meeting shall also be made.

Regarding the employees for the stocks repurchased by the Company according to the law, employees for the issuance of employee stock option certificates, employees for subscription of shares during the issuance of new shares or for the issuance of restricted stock for employees, the aforementioned employees may include employees of parent or subsidiaries of the Company meeting certain specific requirements. The board of directors is authorized to determine the criteria and subscription method thereof.

Article 31: The organizational charters and operational rules of the Company shall be further established.

Article 32: For any matters not specified in these Articles of Incorporation, such matters shall be handled in accordance with the provisions of the Company Act and other relevant laws.

Article 33: These Articles of Incorporation were duly enacted on May 2, 1978, the 1st amendment was made by the extraordinary shareholders' meeting on October 26, 1978, the 2nd amendment was made on June 18, 1980, the 3rd amendment was made on February 18, 1981, the 4th amendment was made on May 30, 1981, the 5th amendment was made on September 26, 1980, the 6th amendment was made on January 10, 1984, the 7th amendment was made on May 2, 1986, the 8th amendment was made on January 15, 1988, the 9th amendment was made on June 30, 1988, the 10th amendment was made on April 8, 1989, the 11th amendment was made on May 10, 1990, the 12th amendment was made on April 17, 1991, the 13th amendment was made on June 9, 1992, the 14th amendment was made on June 14, 1993, the 15th amendment was made on June 6, 1994, the 16th amendment was made on October 18, 1994, the 17th amendment was made on April 17, 1995, the 18th amendment was made on March 25, 1996, the 19th amendment was made on October 14, 1997, the 20th amendment was made on June 24, 1999, the 21st amendment was made on September 28, 2000, the 22nd amendment was made on June 28, 2001, the 23rd amendment was made on June 28, 2002, the 24th amendment was made on June 30, 2003, the 25th amendment was made on September 6, 2004, the 26th amendment was made on June 30, 2005, the 27th amendment was made on October 14, 2005, the 28th amendment was made on June 28, 2007, the 29th amendment was made on June 26, 2009, the 30th amendment was made on May 27, 2010, the 31st amendment was made on June 17, 2011, the 32nd amendment was made on June 28, 2012, the 33rd amendment was made on June 26, 2013, the 34th amendment was made on June 16, 2015, the 35th amendment was made on June 21, 2016, the 36th amendment was made on June 27, 2017, the 37th amendment was made on June 28, 2019, the 38th amendment was made on June 18, 2020. These Articles of Incorporation shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Better Life Group Co., Ltd.

Procedures for Acquisition or Disposal of Assets

Approved by the shareholders' meeting on June 18, 2020

Article 1: These Procedures are established in accordance with Article 36-1 of the Securities and Exchange Act and the January 19 2007 Jin-Guan-Yi-Zi No. 0960001463 Decree,

Article 2: The term "assets" as used in these Procedures includes the following:

- I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- II. Real property (including land, houses and buildings, investment property, land use right and construction enterprise inventory) and equipment.
- III. Memberships.
- IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other major assets.

Article 3: Terms used in these Procedures are defined as follows:

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "transfer of shares") under Article 156-3 of the Company Act.
- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

- V. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- VII. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
- VIII. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
- IX. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 4: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- II. May not be a related party or de facto related party of any party to the transaction.
- III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding Paragraph shall comply with the following:

- I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- II. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- III. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 5: In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- I. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (hereinafter referred to as "ARDF") and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (I) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - (II) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- IV. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and

not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

- V. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.
- VI. When the Company has established the construction business, except where a limited price, specified price, or special price is employed as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the appraisal report shall be obtained within 2 weeks counting inclusively from the date of occurrence and the certified public accountant's opinion under Subparagraph, shall be obtained within 2 weeks counting inclusively from the date of obtaining the appraisal report.

Article 6: Procedures for acquisition or disposal of securities investment

- I. Executing Unit
When the Company invests in long-term or short-term securities, it shall be submitted for approval according to the delegation of authority, following which the financial and accounting unit shall be responsible for the execution thereof.
- II. Obtaining expert opinion
 - (I) For the acquisition or disposal of securities of the Company, it is necessary to obtain the financial statements of the most recent period of the subject company certified or audited by CPA before the transaction occurrence date as the reference for evaluating the transaction price.
 - (II) When the transaction amount of the acquisition or disposal of securities reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.
 - (III) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 7: Procedure for handling related party transaction

- I. The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
 - (I) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum

non-financial industry lending rate announced by the Ministry of Finance.

- (II) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
- II. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding Paragraph.
- III. The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property in accordance with Subparagraph 1 and Subparagraph 2 shall also engage a CPA to check the appraisal and render a specific opinion.
- IV. Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Subparagraph 1 and Subparagraph 2 are uniformly lower than the transaction price, the following steps shall be taken: However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
 - (I) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - 1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - 2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - (II) Where the Company acquiring real property or obtaining real property right-of-use assets through leasing from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely

valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding Paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

- V. Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding four Subparagraphs are uniformly lower than the transaction price, the following steps shall be taken: The Company that has set aside a special reserve under this subparagraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.
 - (I) The Company shall set aside a special reserve in accordance with Paragraph I of Article 41 of the Act against the difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. {2Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
 - (II) audit committee shall comply with Article 218 of the Company Act.
 - (III) Actions taken pursuant to the preceding two Items shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
- VI. Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the Subparagraph 8, and Subparagraph 1, Subparagraph 2 and Subparagraph 3 do not apply:
 - (I) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - (II) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 - (III) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.

- (IV) The real property right-of-use assets for business use are acquired by the Company with the parent or subsidiaries, or by subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
- VII. When the Company acquires real property or right-of-use assets from a related party, it shall also comply with the Subparagraph 5 if there is other evidence indicating that the acquisition was not an arm's length transaction.
- VIII. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and the board of directors:
 - (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
 - (II) The reason for choosing the related party as a transaction counterparty.
 - (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Subparagraphs of this Article.
 - (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
 - (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
 - (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in accordance with Article 9.
 - (VII) Restrictive covenants and other important stipulations associated with the transaction.
- IX. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of these Procedures.

The calculation of the transaction amount referred to in the preceding Paragraph shall be made in accordance with Article 8-1 herein. When

judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. The calculation of the transaction amounts referred to in Subparagraph of the preceding Paragraph shall be done in accordance with Item 5 of Subparagraph 1 of Article 12, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the Company and the parent company, subsidiaries or between subsidiaries in which the Company directly or indirectly holds 100 percent of the issued shares or authorized capital, the board of directors may authorize the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the most recent board of directors' meeting:

- I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
- II. Acquisition or disposal of real property right-of-use assets held for business use.

After the Company establishes independent directors, when a real property or its right-of-use assets is acquired from or disposed with a related party, it shall be reported to the board of directors for discussion, and the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the meeting minutes of the board of directors meeting.

After an audit committee has been established by the Company, the matters for which Paragraph 1 requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution,

In case where the consents of more than one-half of all members of the audit committee cannot be obtained in the preceding Paragraph, then the consents of more than two-thirds of all directors shall be obtained, and the meeting minutes of the board of directors' meeting shall be recorded with the resolution of the audit committee.

The terms "all audit committee members" described in the preceding Paragraph and "all directors" described in the preceding Paragraph shall be counted as the actual number of persons currently holding those positions.

Article 8: Procedures for acquisition or disposal of intangible assets or right-of-use assets thereof or memberships

- I. Assessment and operating procedures
The acquisition or disposal of intangible assets or right-of-use assets thereof or memberships shall be handled according to the internal control system fixed asset cycle procedures of the Company.
- II. Procedures for determining transaction criteria and degree of authority delegation
 - (I) For the acquisition or disposal of memberships, the market fair price shall be considered to determine the transaction terms and transaction

- price through resolution, and analysis report shall be prepared for submission to the President. Where the amount is less than or equal to 1 percent of the paid-in capital or NT\$3 million, it shall be reported to the President for approval and shall be submitted to the most recent board of directors' meeting for approval after the occurrence of the event. Where the amount exceeds NT\$3 million, it shall be submitted to the boards of directors for approval before executing the matter.
- (II) For the acquisition or disposal of intangible assets or right-of-use assets thereof, the market fair price shall be considered to determine the transaction terms and transaction price, and analysis report shall be prepared for submission to the Chairman. Where the amount is less than or equal to 10 percent of the paid-in capital or NT\$20 million, it shall be reported to the Chairman for approval and shall be submitted to the most recent board of directors' meeting for approval after the occurrence of the event. Where the amount exceeds NT\$20 million, it shall be submitted to the boards of directors for approval before executing the matter.
 - (III) Where the acquisition or disposal of asset of the Company is required to be approved by the board of directors according to the procedures stipulated or other laws and regulations, if any director expresses dissent and it is contained in the minutes or a written statement, the Company shall also submit the director's dissenting opinion to the audit committee. When the acquisition or disposal of asset transaction is submitted to the board of directors for discussion, the opinion of each independent director's shall be considered sufficiently. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the meeting minutes of the board of directors meeting.
- III. Executing unit
When the Company acquires or disposes intangible assets or right-of-use assets thereof or memberships, it is necessary to proceed with the report for approval according to the delegation of authority described in the preceding Paragraph, following which the use department and financial and accounting department or administrative department shall be responsible for the execution thereof.
- IV. Expert assessment opinion report for intangible assets or right-of-use assets thereof or memberships
- (I) Where the Company acquires or disposes of memberships and the transaction amount reaches 1 percent or more of paid-in capital or NT\$3 million or more, the Company shall also obtain an appraisal report from a professional.
 - (II) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof and the transaction amount reaches 10 percent or more of paid-in capital or NT\$20 million or more, the Company shall also obtain an appraisal report from a professional.
 - (III) Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government

agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

Article 8-1: The calculation of the transaction amount described in Article 5, Article 6 and Article 8 shall be done in accordance with Item 5 of Subparagraph 1 of Article 12 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained according to these Procedures need not be counted toward the transaction amount.

Article 9: Procedures for acquisition or disposal of claims of financial institutions
The Company, in principle, does not perform any acquisition or disposal of claims of financial institutions. However, if the Company plans to perform transactions related to acquisition or disposal of claims of financial institutions, it shall be reported to the board of directors for approval first, following which the assessment and procedures thereof may then be established.

Article 10: Procedures for acquisition or disposal derivatives

I. Transaction principles and directives

(I) Transaction type

1. The derivatives traded by the Company refer to transaction contracts (such as forward contracts, options contracts, futures, interest rate or exchange rate, swap contracts, and hybrid contracts formed as a combination of the aforementioned commodities etc.), whose value is derived from commodities of asset, interest rate, exchange rate, index or other benefits etc.
2. Regarding matters related to bond margin trading, such matters shall be handled according to relevant requirements of these Procedures. The requirements of these Procedures may not be applicable to bond trading under repurchase agreement.

(II) Operating (hedging) strategy

The Company engaging in financial derivatives trading shall be for the purpose of hedging, and the trading commodities shall be selected and used mainly for hedging risks arising from the business operation of the Company. The currency held shall match with the foreign currency required for the actual import and export transactions of the Company and based on the principle of offset of the entire internal position (refers to foreign currency income and expenditure) of the Company, thereby reducing the overall foreign exchange risk of the Company and saving foreign exchange operational cost. Other trades of special purposes shall be assessed carefully and shall be submitted to the board of directors for approval before execution.

(III) Delegation of Responsibilities

1. Department of Finance

(1) Trading personnel

- A. Responsible for the establishment of the financial product trading strategy of the entire company.

- B. Trading personnel shall, based on the periodic calculation position of every two weeks, collect market information, perform trend determination and risk assessment, establish operation strategy, in order to use such information and strategy as the basis for trading after approval is obtained according to the approval authority.
 - C. Execute trading according to the authorization granted and the existing strategy.
 - D. In case of any major changes in the financial market, when the trading personnel determine that the existing strategy is not applicable, then assessment report shall be submitted at any time, and strategy shall be re-established, following which once the approval of President is obtained, it is used as a basis for engaging in trading.
- (2) Accounting personnel
- A. Perform trading confirmation.
 - B. Review whether trading is executed according to the authorization authority and predefined strategy.
 - C. Perform valuation monthly, and submit valuation report to the President.
 - D. Accounting affairs handling.
 - E. Perform reporting and public announcement according to the regulations of FSC.
- (3) Settlement personnel: Perform settlement works.
- (4) Derivatives approval authority
- | | | |
|-------------------------------------|-----------------------------------|--|
| Approval authority | Daily trading
authority | Net accumulated
position trading
authority |
| Financial and
accounting officer | Less than US\$0.5M
(inclusive) | Less than US\$1.5M
(inclusive) |
| President | US\$0.5M-2M
(inclusive) | Less than US\$5M
(inclusive) |
| Chairman | Above US\$2M
(inclusive) | Less than US\$10M
(inclusive) |
- B. Other transactions of specific purposes shall be reported to the board of directors for approval before execution of such transactions.
 - C. Where the acquisition or disposal of asset of the Company is required to be approved by the board of directors according to the procedures stipulated or other laws and regulations, if any director expresses dissent and it is contained in the minutes or a written statement, the Company shall also submit the director's dissenting opinion to the audit committee. When the acquisition or disposal of asset transaction is submitted to the board of directors for discussion, the opinion of each independent director's shall be considered sufficiently. If an independent director objects to or expresses reservations about

any matter, it shall be recorded in the meeting minutes of the board of directors meeting.

2. Auditing Department

Responsible for understanding the appropriateness of derivative trading internal control and auditing the status of trading department's compliance with the operating procedures, and analyzing the trading cycle, preparing audit report. In addition, in case of material deficiency, report shall be submitted to the board of directors.

3. Performance Evaluation

(1) Hedge Trades

- A. The profit or loss obtained from difference between the exchange rate cost recognized and the financial derivative trading made by the Company is used as the basis for performance evaluation.
- B. To sufficiently manage and express the evaluation risks of transactions, the Company adopts the monthly evaluation method to assess the profit and loss.
- C. The Department of Finance shall provide foreign exchange position evaluation and foreign exchange market trend as well as market analysis for submission to the President as reference and guidance for management.

(2) Trading of Specific Purpose

The actual profit or loss generated is used as the basis for performance evaluation, and the accounting personnel shall periodically prepare reports on the position in order to submit to the management level for review and reference.

4. Establishment of contract total amount and loss limit

(1) Contract total amount

A. Hedge trade limit

The Department of Finance shall manage the overall position of the Company in order to avoid transaction risks. The hedge trade amount shall not exceed two thirds of the overall net position of the Company. If it exceeds the limit of two thirds, it shall be reported to the President for approval.

B. Trading of Specific Purpose

For the prediction of the market change status, the Department of Finance may establish strategy according to the needs and report to the President and Chairman for approval in order to proceed further. For trading of specific purpose of the Company, the total contract amount of the net aggregate position of the entire company shall not exceed the limit of US\$10 million. In case where any trading exceeds the aforementioned amount, the approval of the board of directors shall be obtained, the policy instructions shall be complied.

(2) Establishment of loss limit

- A. Hedge trades shall be for the purpose of risk avoidance, and the trading foreign exchange risk net position shall be used as the basis, and 100 percent of such net position shall be used as the hedge limit.

- B. For trading contracts with specific purpose, after the establishment of position, it is necessary to set up the stop-loss point in order to prevent excessive loss. The setting of the stop-loss point shall not exceed 10 percent of the trading contract amount. If the loss amount exceeds 10 percent of the trading amount, it shall be reported to the President immediately, and reported to the board of directors in order to discuss necessary responsive measures.
- C. The individual contract loss amount shall not exceed the lower amount of the US\$200 thousand and 5 percent of the trading contract amount, as the loss limit.
- D. The maximum annual loss of trading operation of specific purpose shall be US\$300 thousand.

II. Risk management measures

(I) Credit risk management

Since market is subject to the changes of various factors such that operational risk of derivatives is likely to occur, consequently, with regard to the market risk management, it shall be performed according to the following principle:

- 1. Transaction counterparties: shall be domestic/foreign well-known financial institutions in principle.
- 2. Transaction commodities: shall be limited to products provided by domestic/foreign well-known financial institutions.
- 3. Transaction amount: The open transaction amount of one identical transaction counterparty shall not exceed 10 percent of the authorized total amount; provided that where the approval of the President is obtained, such restriction shall not be applicable.

(II) Market risk management

The open foreign exchange trading market provided by banks are considered in principle, and the futures market is temporarily not considered.

(III) Liquidity risk management

To ensure the market liquidity, during the selection of financial products, the ones with relatively higher liquidity (i.e. can be squared off in the market at any time) shall be selected in principle. The financial institutions entrusted to perform transactions shall have sufficient information and the capability to perform transaction in any market at any time.

(IV) Cash Flow Risk Management

To ensure the stability of working capital of the Company, the source of fund for the Company to engage in derivatives trading shall be limited to own fund only, and the operating amount shall consider the fund demand anticipated for the cash income/expenditure in the next three months.

(V) Operational risk management

- 1. Shall comply with the authorization limit, operation procedures specified by the Company properly and shall be included in the internal audit in order to prevent operating risk.

2. Personnel engaging in derivatives trading shall not concurrently act as the operators for the confirmation and delivery of transactions.
 3. Risk measurement, supervision and control personnel shall be from departments different from the personnel described in the preceding Subparagraph, and shall report to the board of directors or senior supervisor responsible for the position decision making.
 4. The positions held for the derivatives trading shall be assessed at least once weekly. However, for hedge trades performed due to business needs, such trades shall be assessed at least twice monthly. The assessment report shall be submitted to the senior management officer authorized by the board of directors.
 5. Other important risk management measures.
- (VI) Product risk management
Internal trading personnel shall be equipped with complete and correct professional knowledge on financial commodities, and shall request banks to disclose risks in order to prevent the risk of misuse of financial products.
- (VII) Legal risk management
Documents to be signed with financial institutions shall reviewed by professional personnel of the foreign exchange and legal or legal consultant before executing official signing in order to prevent legal risk.
- III. Internal audit system
- (I) Internal auditors shall periodically understand the appropriateness of the derivatives trading internal control, and shall audit the status of the trading department complying with the procedures for engaging in derivatives trading and analyze the trading cycle in order to prepare audit report. In case of discovery of material breach, written notice shall be submitted to the audit committee.
 - (II) Internal auditors shall submit the audit report along with the internal audit operation annual audit plan execution status to the Securities and Futures Bureau before the end of February of next year, and shall also report the abnormality improvement status to the Securities and Futures Bureau for recordation no later than the end of May of next year.
 - (III) The board of directors shall authorize senior management officers to periodically supervise and assess whether derivative trading performed are handled properly according to the trading procedures established by the Company, and whether the risk borne is within the acceptable range. In case of any abnormalities indicated in the market price assessment report (such as the position held has exceeded the loss limit), report to the Chairman shall be made immediately, and responsive measures shall be adopted.
 - (IV) The positions held for the derivatives trading shall be assessed at least once weekly. However, for hedge trades performed due to business needs, such trades shall be assessed at least twice monthly. The assessment report shall be submitted to the senior management officer authorized by the board of directors.
- IV. Supervision management principles for board of directors for engaging in derivative trading

- (I) The board of directors shall designate senior management officers to be aware of the supervision and control of the risks of derivative trading, and the management principle is as follows:
 - 1. Periodically assess whether the risk management measures currently adopted are appropriate and properly handle matters according to the procedures for handling derivatives trading stipulated by the Company.
 - 2. Supervise transactions and profit or loss condition. In case of discovery of any abnormality, necessary responsive measures shall be adopted, and shall report to the board of directors immediately. Where the Company has established independent directors, the board of directors' meeting shall be attended by the independent directors and opinions shall be provided.
- (II) Periodically assess whether the performance of the derivatives trading complies with the predefined management strategies and whether the risk borne is within the acceptable range of the Company.
- (III) When the Company engages in derivative trading, where relevant personnel are authorized to according to the requirements of the procedures for derivative trading, it is necessary to report to the most recent board of directors' meeting after such trading.
- (IV) The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under Item 5-4 of Subparagraph 2, Item 1-1 and Item 2 of this Subparagraph of this Article shall be recorded in detail in the log book.

Article 11: Procedures for merger, demerger, acquisition or transfer of shares

- I. Assessment and operating procedures
 - (I) To conduct merger, demerger, acquisition or transfer of shares, the Company is recommended to appoint attorney, CPA and securities underwriter to jointly establish the statutory procedure and predefined schedule, and organize project team to execute according to the statutory procedure. In addition, prior to convening the board of directors to resolve on the matter, the Company shall engage a CPA, attorney, or securities underwriter to provide opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for discussion and approval. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
 - (II) The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in Subparagraph

(1) of Paragraph 1 of this Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. In addition, where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

II. Other matters requiring attention

- (I) Date of board of directors' meeting: The Company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and a shareholders meeting on the same day to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent thereto. The Company participating in a transfer of shares shall call a board of directors' meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
- (II) Prior non-disclosure undertaking: All personnel of the companies participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- (III) Principles for share exchange ratio or acquisition price establishment and alternation: Companies conducting a merger, demerger, acquisition or transfer of shares, prior to convening the board of directors of both parties to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and shall report to the shareholders' meeting. The share exchange ratio or acquisition price shall not be altered arbitrarily in principle; however, where the contract has specified terms/conditions permitting alternation and such alternation have been publicly disclosed, then such restriction shall not be applied. The criteria permitted for the alternation of share exchange ratio or acquisition price are as follows:
 - 1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.

2. An action, such as a disposal of major assets, that affects the company's financial operations.
 3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- (IV) Required content of contract: The contract for participation by a public company in a merger, demerger, acquisition, or of shares shall comply with the regulations of Article 317-1 of the Company Act and Article 22 of Business Mergers And Acquisitions Act, and shall also record the following:
1. Handling of breach of contract.
 2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 4. The manner of handling changes in the number of participating entities or companies.
 5. Preliminary progress schedule for plan execution, and anticipated completion date.
 6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
- (V) When there is change in the number of companies participating in merger, demerger, acquisition or transfer of share: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- (VI) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company and shall handle the board of directors' meeting date according to Item 1

of Subparagraph 2 of this Article, prior non-disclosure undertaking according to Item 2 of Subparagraph 2 of this Article and requirements for the change in the number of companies participating in merger, demerger, acquisition or transfer of share according to Item 2 of Subparagraph 2 of this Article.

- (VII) When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for five years for reference:
1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
 3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.
- (VIII) When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within two days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in Items 7-1 and 7-2 to the FSC for recordation.
- (IX) Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two Items.

Article 12: Procedures for public disclosure of information

- I. Required announcement and report items and standards for announcement and report
- (I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

- (II) Merger, demerger, acquisition, or transfer of shares.
- (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
- (IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - 1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - 2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- (V) Acquisition or disposal by the Company in the construction business of real property or right-of-use assets thereof for construction use, and the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the paid-in capital reaches NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.
- (VI) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.
- (VII) Where an asset transaction other than any of those referred to in the preceding six Items, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - 1. Trading of domestic government bonds.
 - 2. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
 - 3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (VIII) The amount of transactions described in the preceding paragraph shall be calculated as follows, and the term of "within the preceding year"

as used in the preceding seven Items refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

II. Time-limit for public announcement and report

Where the public announcements specified in Subparagraph 1 are required and the transaction amount reaches the standard for public announcement and report with respect to the Company acquiring or disposing assets, a public announcement and report shall be made within two days counting inclusively from the date of occurrence of the event.

III. Procedures for public announcement and report

- (I) The Company shall publicly announce and report relevant information on the FSC designated website.
- (II) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the tenth day of each month.
- (III) When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
- (IV) The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for five years except where another act provides otherwise.
- (V) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported according to this Article, a public report of relevant information shall be made on the information reporting website designated by FSC, Executive Yuan, within two days counting inclusively from the date of occurrence of the event:
 1. Change, termination, or rescission of a contract signed in regard to the original transaction.

2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

Article 13: Subsidiary of the Company shall proceed according to the following requirements:

- I. A subsidiary shall also establish its “Procedures for Acquisition and Disposal of Assets” according to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, which shall be approved by the board of directors of the subsidiary and then reported to the shareholders’ meeting of both companies for approval. The same requirements shall be applied to amendments thereof.
- II. When a subsidiary acquires or disposes assets, it shall also handle the matter according to the regulations of the Company.
- III. Information required to be publicly announced and reported in accordance with the provisions of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” by a subsidiary that is not itself a public company in Taiwan shall be reported by the Company on behalf on such subsidiary.
- IV. The paid-in capital or total assets of the Company (parent) shall be the standard applicable to a subsidiary in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Subparagraph 1 of the preceding Paragraph.

Article 13-1: For requirements related to the calculation of 10 percent of total assets described in these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used. In the case of a company whose shares have no par value or a par value other than NT\$10, then regarding the calculation of transaction amounts of 20% of paid-in capital specified in these Procedures, 10 percent of equity attributable to owners of the parent shall be substituted; regarding the for calculations of transaction amounts relative to paid-in capital reaching NT\$10 billion specified in these Procedures, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

Article 14: Penalties

Where an employee of the Company handling acquisition or disposal of assets violates the regulations of these Procedures, it shall be reported for evaluation according to the Personnel Management Regulations and the Employee Handbook of the Company in order to impose penalties according to the severity of such violation.

Article 15: Implementation and Amendment

The “Procedures for Acquisition or Disposal of Assets” established by the Company shall be implemented upon approval from the audit committee and board of directors, and submitted to the shareholders’ meeting for approval. The same applies when the Procedures are amended. During discussion of the board of directors’ meeting, if any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to the audit committee.

After the Company establishes independent directors, these Procedures for Acquisition and Disposal of Assets shall be submitted for discussion by the board of directors, and the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the meeting minutes of the board of directors meeting.

After the audit committee has been established by the Company, when the procedures for the acquisition and disposal of assets and major asset or derivative transactions are adopted or amended they shall be approved by one-half or more of all Audit Committee members and submitted to the board of directors for a resolution.

In case where the consents of more than one-half of all members of the audit committee cannot be obtained in the preceding Paragraph, then the consents of more than two-thirds of all directors shall be obtained, and the meeting minutes of the board of directors' meeting shall be recorded with the resolution of the audit committee.

The terms "all audit committee members" described in the preceding Paragraph and "all directors" described in the preceding Paragraph shall be counted as the actual number of persons currently holding those positions.

Article 16: Supplementary Provisions

In case of any matters not specified in these Procedures, such matters shall be handled according to relevant laws and relevant regulations of the Company.

Where the competent authority makes any amendment to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" or further announces a letter or decree, the Company shall comply with the regulations specified in the new letter or decree.

Better Life Group Co., Ltd.

Rules of Procedure for Shareholders' Meeting

Adopted by the general shareholders' meeting resolution on June 28, 2002

- I. The Company's shareholders' meetings, except as otherwise provided by laws and regulations, shall be as provided in these Rules.
- II. Shareholders' meetings shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in.
- III. The attendance and voting at a shareholders meeting shall be calculated based the number of shares.
- IV. 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.
- V. 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 chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
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. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- VI. 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.
- VII. The Company shall record on audio or video tape the entire proceedings of a shareholders' meeting and preserve the recordings for at least one year.
- VIII. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If attending shareholders represent more than one-third but less than half of outstanding shares after two postponements,

the attending shareholders may reach a tentative resolution according to Paragraph 1 of Article 175 of the Company Act.

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.

- IX. 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 provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.

During the convention of a shareholders' meeting, if the chair declares the meeting adjourned in violation of the rules of procedure, a new chair may be elected based on the agreement of a majority of the votes represented by the attending shareholders in order to continue the meeting.

Except for the condition described in the preceding paragraph, after the chair declares the meeting adjourned, shareholders shall not further elect a chair to continue the meeting at the original site or at another place.

- X. 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.

- XI. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes.

If the shareholder's speech violates the rules of the preceding paragraph or exceeds the scope of the agenda item, the chair may terminate the speech.

- XII. When a juristic person is appointed to attend a shareholders' meeting as proxy, it shall 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 so appointed

may speak on the same proposal.

- XIII. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- XIV. When the chair at a shareholders' meeting 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 a vote.
- XV. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Voting results shall be made known on-site immediately and recorded in writing.
- XVI. When a meeting is in progress, the chair may announce a break based on time considerations.
- XVII. Except as otherwise provided in the Company Act and the 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.

When a proposal comes to a vote, if no shareholder voices an objection following an inquiry by the chair, the proposal will be deemed to be approved, and it shall have the same effect as that reached through voting.
- XVIII. 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 anyone among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- XIX. The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) assist to maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."
- XX. These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Better Life Group Co., Ltd.

Shareholding of Directors

- (I) The Company's total paid-in capital is \$1,002,654,000, and the total number of issued shares is 100,265,400.
- (II) In accordance with Article 26 of the Securities and Exchange Act, all directors of the Company shall hold a minimum of 8,000,000 shares.
- (III) Up to the book closure date(May 2, 2022) of the Annual Shareholders Meeting, numbers of the directors' shareholdings recorded in the shareholders' register are as follow:

Position	Name	Number of shareholdings recorded in the shareholders' register on the book closure date(May 2, 2022)	Shareholding
Director	Nien Mei Investment Co., Ltd. Delegate: Chung, Hsi-Chi Delegate: Shih, Hao-Chi Delegate: Liao, Yu-Hsin	4,122,000	4.11%
Director	Puchuan Advertising Co., Ltd. Delegate: Lin, Jui-Shan Delegate: Chen, Chun-Liang Delegate: Su, Li-Yu	9,067,200	9.04%
Independent director	Huang, Kuo-Shih	0	0%
Independent director	Li, Pei-Chang	0	0%
Independent director	Kuo, Yu-Hsin	0	0%
Total shareholding of all directors		13,189,200	13.15%



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