

Stock Code: 5508



**YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.**

**2024 Annual General Shareholders' Meeting**

**Agenda Handbook**

**Notice to readers**

*This English-version agenda handbook is a translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

Meeting Time: June 12<sup>th</sup>, 2024, at 9:00 AM

Meeting Place: 12F, No. 183, Liu-He Road, Kaohsiung, Taiwan  
Physical Shareholders' Meeting

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**YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.**

**2024 Annual General Shareholders' Meeting Agenda**

Meeting Time: June 12<sup>th</sup>, 2024, at 9:00 AM

Meeting Place: 12F, No. 183, Liu-He Road, Kaohsiung, Taiwan  
Physical Shareholder's Meeting

- I. Attendance Status Report
- II. Commencement of Meeting & Chairman's Remarks
- III. Matters to Report
  1. 2023 Business Report
  2. 2023 Audit Committee's Review Report
  3. 2023 Profit Sharing Compensation Report
  4. 2023 Earnings Distribution
  5. 2023 Issued Corporate Bond Report
  6. Directors Remuneration Report
  7. Report on Other Material Matters
- IV. Matters for Acknowledgement  
2023 Business Report and Financial Statements
- V. Matters for Election  
Election of the 13th YCDC Board of Directors
- VI. Other Proposals  
The Release of Directors from the Non-Competition Restrictions
- VII. Provisional Motion
- VIII. Adjournment

## **【Report #1】 2023 Business Report**

### **YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.**

#### **Business Report of the Year 2023**

#### **Operating Performance in 2023**

##### **A. Operating Plan Implementation**

Total consolidated revenue for 2023 reached NT\$8,227 million, which records a 99.07% strong growth from NT\$4,133 million in 2022. Net income increased 78.01% to NT\$2,729 million, compared with 2022 net income of NT\$1,533 million, resulting in diluted earnings per share was NT\$12.55.

##### **1. Land Development**

The Company aims to acquire land for medium to medium-high-priced housing. We used to start planning and permit applications right after the acquisitions. In 2023, the Company acquired lands for construction in Gushan and Zuoying.

##### **2. Product Design, Research and Development**

The Company's product design and development are based on the perspective of functionality, health, and convenience. We stay attentive to the developments including government policy and market swing.

##### **3. Construction Management Research and Development**

The Company values the significance of worksite safety, strictly supervises construction quality, tracks construction progress, and monitors construction costs at all times. There are 10 quality asset portfolios in construction located in Fengshan, Renwu, Gushan, Sanmin, Lingya and Nanzi regions, including Project Baocheng II, Project Dachang, Project Dachang II, Project Fengdong, Project Fengdong II, Project Zhongdu V, Project Longhua IX, Project Normal Univ., Project Kaohsiung Univ. II, and Project Kaohsiung Univ. III.

##### **4. Customer Service Research and Development**

The usage licenses of Project Bo-Cui, Project Yuan-Xu, Project Qing-Yuan, Project Yong-Guang, Project Fenghua Town, and Project R5 New Generation were approved in 2023. The Company has imposed a one-on-one approach and customer-based service, from signing the contract to handing the product over to the customer, and further maintenance services.

## **B. Budget Implementation**

The Company did not make a financial forecast for 2023, therefore a yearly comparison will not be disclosed.

## **C. Financial Income/Expenditure and Profitability Analysis**

### **1. Financial Income and Expenditure Analysis**

The net cash inflow from operating activities in 2023 was NT\$ 3,971 million, which sees a NT\$ 4,534 million cash inflow of increases in profit and contract liabilities and decreases in inventories. Net cash outflow from financing activities was NT\$ 3,787 million, mainly due to a NT\$ 6,421 million cash outflow of bank loan repayments.

### **2. Profitability Analysis**

The net profit ratio for FY 2023 was 33.17%, a drop of 10.57% from 37.09% of FY 2022; 2023 annual EPS was up to NT\$ 12.55 from NT\$7.05 in 2022. The sales performance was boosted by regional development and the new preferential mortgage program, which ramped up the revenue and the net profit after tax. A decrease in the net profit ratio caused by the gross margin shrinks due to higher wages and material costs.

## **D. Research and Development Status**

The company has invested a considerable amount of human resources and costs over the years and has continuously launched new housing products and services to meet the needs of customers. However, the Company belongs to the construction investment industry, entrusts professional builders to residential and commercial buildings for lease and sale, and does not require construction technology research and development.

## **Business Plan for 2024**

### **A. Business Objectives**

The Company's operating policies for the year 2024 includes:

1. Continue to sell the remaining of the Company's inventory, increase revenue and improve profitability
2. Continue seeking lands that are worth investing in, expand the scale of the Company
3. Monitor construction progress and improve construction quality.

### **B. Sales Forecast**

The Company expects the following projects to generate revenue from the portfolio for sale: Her-Fon, Bo-Cui, Yuan-Xu, Qing-Yuan, Yong-Guang, Fenghua Town, Project R5 New Generation, and the projects estimated completion on 2024 of Project Baocheng II, Project Dachang, and Project Fengdong with the total of 1,000 units. The projection for 2024 is the sale of 580 units.

### **C. Sales & Production Policy**

As mentioned above, there will be portfolios expected to be available for sale in 2024. The Company will value both price and quality in order to provide safe products and improve revenue.

Safety is the priority of production management. The Company insists on rigorous construction quality control and adheres to four inspection procedures to ensure the quality by manufacturer, checking engineer, technician, and architect. Ensure that the work meets the specifications and quality according to the drawings and method statement on construction. In every project, four inspection procedures work to check the materials, methods, also quality and safety of the residence.

### **Development Strategy**

The Company's business remains dependent on construction and is working towards increasing its scale and improving its profitability. The Company will work on four different aspects in the future:

#### **A. Land development**

Land development is essential for construction companies. The Company does market surveys, understands the market needs, defines market segments, and carefully selects a better location to develop. If there are cases worth invest, whether a city renewal case or the land rights case, the Company is willing to invest and not rules development to other neighboring cities out.

#### **B. Financial Management**

A stable financial structure is a philosophy that the Company has always adhered to. The Company maintains the most efficient use of the fund and accounts for its scale; it doesn't over-expand on credit use.

#### **C. Manufacture Policy**

The Company entrusts professional builders for construction rolling programs on plan; quality and progress are the priority, as accurately budget control.

#### **D. Marketing Strategy**

The Company separates Sales Department and Customer Service Department to improve sales efficiency and customer service quality. The sales department accounts for the work before signing, and the customer service department accounts for which after signing a contract.

## **The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions**

### **A. External competitive environment**

The impact of the external competitive environment according to the Kaohsiung Construction Cost Index compiled by the Kaohsiung City Government, the cumulative average in 2023 was 108.06, an increase of 1.52% compared with the average index in the previous year, of which the material index was 107.92 with a YoY increase of 0.58%, and the labor index had a shift of 3.31% to 108.39. Affected by factors such as geopolitical issues, trade conflicts, and climate change, the price of cement materials and machinery equipment, has risen by 10% to 20% compared with 2021. In addition, the supply and demand situation of the construction labor market has changed, and the tightness is unprecedented, and labor bargaining. The increase in capacity has further contributed to the rise in the quotations for work shifts. The lack of work leads to prolonged construction periods and significant fluctuations in wage quotations, all of which challenge cost control, and the prices of existing homes and new projects continue to rise.

As the construction cost of new residential buildings continues to rise, the investment in new projects tends to be wary compared with the previous period. According to the statistics of the Public Works Bureau of Kaohsiung City Government, the cumulative floor area of H2 residential buildings (excluding farmhouses) for the year 2023 was 1.89 million square meters, the number of 15,031 households, both decreased by 34% and 34% compared with the previous period. It is expected that the supply of new homes in the market will maintain a certain level of growth in the future years based on the yearly projects started scope over 15 thousand housing construction from 2020 to 2022.

### **B. Regulatory environment**

The Central Bank has made five amendments to its selective credit control measures since December 2020 to help enhance bank management of real estate credit risk and curb an excessive flow of credit resources into the real estate market. In addition, the Central Bank's tightening of the policy rates and the reserve requirement ratios since March 2022 have both slowed the growth in construction loans and housing loans, also the non-performing loan ratio of real estate lending has stayed low. As government agencies carry on with their policy efforts under the Healthy Real Estate Market Plan and improve relevant mechanisms and measures, housing transactions and the price uptrend have both eased so far this year, with more policy effects expected to show successively.

Under the influence of the hiking rate and control policies, the proportion of land financing has dropped from 65% to 50% and increased restrictions on financing the remaining house, which cost more in capital acquisition. Under the premise of a solid and stable financial foundation, the Company has established and maintained healthy mutual trust with banks. The Company issued ordinary corporate bonds with fixed interest rates to reduce the impact of interest rate fluctuations, which also increased the flexibility of capital utilization.

### **C. Macroeconomic conditions**

Global economic prospects face many downside risks which could weigh on the momentum of the global economic recovery. Global inflation prospects remain uncertain as commodity supply is threatened by climate change and geopolitical risks. If heightened, they could push commodity prices higher. International institutions expect the global economy to expand rapidly in 2024. Considering still elevated inflation rates, some central banks continued their rate hike paths, while other central banks kept policy rates on hold. The future path of domestic inflation trends would likely be affected by movements of international commodity prices and domestic services prices, as well as weather events.

In 2023, the housing market recorded slower transaction activity and a gradual moderation in the price uptrend. Construction and real estate industries as well as banks continued to be cautious about the housing market outlook. The hiring bottleneck as continued labor shortage in construction industries pushed up wage and related costs. The electricity tariff also hikes on the prices in the services and materials. Looking ahead, uncertainties still abounded for price trends and economic activity. Major institutions at home and abroad projected Taiwan's economy to grow by 2.36%~3.35% in 2024.

Going forward, in view of downside risks to the global economy and the persistence of inflationary pressures, the Company will stay attentive to the developments including the spillover effects of tightening monetary, international raw material price changes, geopolitical risks, and extreme weather events. The Company will adjust its implementations in a timely manner as warranted to fit the market trend, so as to fulfill the duties of operation stability and appropriately reflect the business performance or achievements in dividends.



## **【Report #2】 2023 Audit Committee's Review Report**

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.  
Audit Committee's Review Report

To: The 2024 Regular Shareholders' Meeting

The Board of Directors has prepared the Company's 2023 Business Report, the Proposal for Profit Distribution, and the Financial Statements certified by CPA of the Deloitte Taiwan. The Business Report, Financial Statements, and the Proposal for Profit Distribution have been reviewed and determined to be correct and accurate by the Audit Committee members of Yungshin Construction & Development Co., Ltd. According to Article 219 of the Company Act, we hereby submit this report.

Chairman of the Audit Committee: Tsung-Hung Chen

Feb. 26, 2024

## **【Report #3】 2023 Profit Sharing Compensation Report**

Remark:

1. According to Article 18 of "Articles of Association," the Company shall set aside between 0.1% to 1% of its annual profits as a bonus to employees of the Company and set aside 3% or less of its annual profits as a bonus to Directors.
2. All members of board of Directors unanimously agreed to a waiver of profit-sharing compensation. Directors' profit-sharing compensation is 0.
3. Remuneration Committee recommends 0.1% of the Company's profit as profit-sharing compensation for employees and pay in cash. Profit-sharing compensation of employees was NT\$3,410,791.
4. Profit-sharing compensation of managerial officers was recommended by Remuneration Committee based on company performance and personal achievement.

## 【Report #4】 2023 Earnings Distribution

### Remark:

1. The shareholder cash dividend of NT\$ 11.2912 per share, a total amount of earnings distribution for FY2023 of NT\$ 2,455,024,535 will pay in cash.
2. 2023 net profit will be distributed with priority. The distribution of earnings is calculated to the dollar (round up to the dollar). The total amount of the odd shares will be booked as the Company's other income.
3. It is proposed that the Board authorize the Chairman to fix the record date of the ex-cash dividend. Should the total number of common shares outstanding change and the ultimate cash to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Company's Chairman be authorized to relevant distribution matters.
4. 2023 Earnings Distribution as below:

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.  
2023 Earnings Distribution  
(Expressed in New Taiwan dollars)

ITEM	AMOUNT
Undistributed surplus at the beginning of the period	\$24, 660
Net profit after tax for the current period	\$2, 728, 591, 314
Retained surplus after the benefit plan	<u>(790, 443)</u>
The net profit after tax for the current period plus the undistributed surplus at the beginning of the period	2, 727, 800, 871
Withdrawal of statutory reserve	<u>(272, 780, 087)</u>
Distributable surplus for the current period	2, 455, 045, 444
Shareholder dividend (shareholder cash dividend of TWD 6.3454 per share)	<u>(2, 455, 024, 535)</u>
Undistributed surplus at the end of the period	<u>\$20, 909</u>

Note: According to Article 18-1, it is authorized the board of directors approves the distribution of cash dividends by special resolution and reports to the shareholders' meeting.

## 【Report #5】 2023 Issued Corporate Bond Report

### Remark:

1. To repay loans and enrich working capital, the 2023 corporate bond issue plan was adopted by the board of directors on Mar. 1, 2023. It was authorized to issue NT\$2 billion amount in secured or Unsecured.
2. The corporate bond was issued in a total amount of NT 600 million in 2023, related matters as below: (Unit: NT\$)

No.	Date Issued	Duration	Interest Rate	Maturity
112-1	2023/07/21	5Y	2.975%	2028/07/21
Type	Unsecured corporate bond			
Nominal Amount	600,000,000			
Interest Payment	Paid each year			
Repayment Method	If the early redemption right is not exercised, repayment in a lump sum upon maturity.			
Conditions for redemption or early redemption	All or part of the bond could be redeemed by the issuer prior to the bond's maturity date. It could be called at any interest payment date with 30 days' notice to bondholders. The call would be exercisable at the face value of the bond with an interest of holding period.			

## 【Report #6】 Directors Remuneration Report

### Remark:

1. The payment of directors' remuneration according to Article 15 and Article 18 of "Articles of Association."
2. Concerning the industry standards and directors' attendance, the remuneration of directors under the approval on Nov. 1, 2021, at NT\$300,000 for each director per year. Among these, the chairman, Yung-Shuo Investment, and its representative Mr. Chen Jun-Ming, voluntarily waived the remuneration. To create better business performance, all members of the board of directors unanimously agreed to a waiver of profit-sharing compensation during the term.
3. Remuneration of directors please refer to page 24.

## **【Report #7】 Report on Other Material Matters**

### **Remark:**

1. To fulfill the Company's social responsibility initiatives, comply with the regulations under the competent authorities, and strengthen corporate governance; the board of directors of the Company formulated or revised material internal policy and regulations, which included: "Corporate Governance Best Practice Principles," " Rules Governing Financial and Business Matters Between the Company and its Affiliated Enterprises," "Risk Management Best Practice Principles," " Regulations Governing Procedure for Board of Directors Meetings," and " Audit Committee Charter." Above material internal principles, please refer to the release documents on the website of the Company.
2. Information on any material transaction between the Company and its related parties was fully disclosed under regulations, and these transactions caused no material effects.

## **【Acknowledgement #1】**

[Proposed by the Board]

Proposal: 2023 Business Report and Financial Statements are submitted for ratification.

### **Remark:**

1. 2023 Business Report, Financial Statements, and Earnings Distribution Proposal have been approved by the Board and examined by the Audit Committee. The Company's 2023 financial statements were managed by CPAs of Deloitte Taiwan, and completed the inspection on February 26, 2024.
2. 2023 Business Report, please refer to page 2.  
2023 Financial Statements, please refer to page 25.  
2023 Earnings Distribution, please refer to page 8.

### **Resolution:**

**【Election】 Election of the 13th YCDC Board of Directors [Proposed by the Board]**

**Remark:**

1. As the term of the 12th session of the Board of Directors (including independent directors) will expire on Aug. 3rd, 2024, it is proposed to elect the 13th session of the Board of Directors (including independent directors) at the 2024 Annual General Meeting. In compliance with the Company's Articles of Association, a candidate nomination system shall be adopted for the election of seven(7) Directors (including four independent directors.) Each director shall be appointed to a term of office for three years, and the term of office of the 13th session of the Board is 2024/06/12 ~ 2027/06/11. The rules and process of such system shall comply with "Procedures for Election of Directors" of the Company.
2. In compliance with Article 192-1 of the Company Act, the list of director candidates proposed by the Company has been approved by the Board on February 26th, 2024. Listed below are the director candidates and their respective background for the 13th term of the Board.

Title	Candidates	Education	Background	Current Position(s)	Shareholding
Director	Yung-Shuo Investment Representative: Jung-Ming Chen	Univ. of San Francisco -MBA	YungShin Construction - GM	YungShin Construction - GM	88,692,563 40,056
Director	Yi-Yuan Hung	National Sun Yat-sen Univ. – MBA	YungShin Construction - VP	None	1,290
Director	Yi-Chun Chen	Univ. of San Francisco - Entrepreneurship	YungShin Construction - CGO	YungShin Construction - CGO	10,290
Independent Director	Tsung-Hung Chen	National Sun Yat-sen Univ. - MBA	WeiCheng Construction - Director	WeiCheng Construction - Director	35,000
Independent Director	Sung-Chiao Lin	National Chengchi Univ.-Bachelor of Business Administration	KGI Bank - AM	Tysonics Corp.- Director Data Knit & Co. - Supervisor	0
Independent Director	Chi-Chong Ho	National Sun Yat-sen Univ. – MBA	Taiwan Sakura - AVP	Elite Household Technology-GM	2,000
Independent Director	Shu-Mei Huang	Kaohsiung Commercial High School	Huang Shu-Mei Land Administration Agent Office	Huang Shu-Mei Land Administration Agent Office	0

3. The independent director candidates, Mr. Tsung-Hung Chen have a wealth of knowledge and experience in industry and can give critical advice to the Company. Although he has positioned as independent directors for three terms, the Company remains reliance on the expertise for playing full of specialty in addition to duty performance, and monitor and give professional advice to the board of directors. Therefore, he remains to be the candidates to the independent director of the Company in this election.

**Voting results:**

**【Other Proposal #1】 The Release of Directors from the Non-Competition Restrictions** [Proposed by the Board]

Remark:

1. According to Article 209 of the Company Act, any Director conducting business for himself/herself or on another’s behalf, and the scope of which coincides with the Company’s business scope, shall explain at the Shareholders’ Meeting the essential contents of such conduct and obtain approval from shareholders in the Meeting.
2. The list of newly-elected Directors and the juristic person shareholder who appoints its authorized representatives to be elected as directors in annual Shareholders’ Meeting of 2024 as the same or similar duty in other companies within the scope of the Company's business is as follow. Based on the premise interest of the Company without impairment, it is proposed to release the Directors and juristic person shareholders which appoints its authorized representatives to be elected as directors after having assumed office from non-competition restrictions for approval following Article 209 of the Company Act.
3. The release of Directors from the non-competition restrictions:

Directors		Current Position(s) in other companies
Independent Director	Tsung-Hung Chen	Director of Great City Construction Co., Ltd.
Independent Director	Sung-Chiao Lin	Director of Tysonics Corp. Supervisor of Data Knit & Co. Ltd.
Independent Director	Chi-Chong Ho	Director of Elite Household Technology Ltd.
Independent Director	Shu-Mei Huang	Chairman of Huang Shu-Mei Land Administration Agent Office

Resolutions:

**【Provisional Motion】**

**【Adjournment】**

## **【Appendix I】**

# **YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. Articles of Association**

### **Chapter 1 General Provisions**

Article 1: The Company is duly incorporated under the provisions of the Company Act of the Republic of China, and shall be called “YUNGSHIN Construction & Development Co., Ltd.”

Article 2: The Company's businesses are as follows:

1. Entrust construction companies to build national residential and commercial buildings for lease and sale.
2. Relevant construction material trading business (except futures).
3. Design and construction business related to interior decoration.
4. Except where permits are required, to run operations not forbidden or limited by laws and regulations. (ZZ99999)

Article 2-1: Where the Company invests in other companies, its total investment may exceed 40% of its paid-in capital as stipulated under Article 13 of the Company Act.

Article 2-2: The Company may provide guarantee according to the Procedures for Endorsement & Guarantee of the Company.

Article 3: The Company shall have its principal business office in Kaohsiung City. The Company may set up domestic and foreign branch offices, subject to approval of the board of directors.

Article 4: The Company's public announcements shall comply with Article 28 of the Company Act.

### **Chapter 2 Shares**

Article 5: The Company's total capital shall be twenty-five hundred million New Taiwan Dollars (NT\$2,500,000,000) divided into 250,000,000 shares of NT\$10 each. The board of directors is authorized to issue the un-issued shares in separate trenches.

Article 6: Shares issued by the Company are not required to be evidenced by share certificates, provided that they shall be recorded at the securities central depository enterprises. Matters relating to the Company's shares shall be dealt with the Company Act and the relevant laws and regulations.

Article 7: Registration of share transfer shall be closed within sixty (60) days prior to the general shareholders' meeting, or within thirty (30) days prior to an extraordinary shareholders' meeting or within five (5) days prior to the record date on which the Company distributes the dividends or bonuses.

### **Chapter 3 Shareholders' Meeting**

Article 8: The shareholders' meeting of the Company consists of Annual General and Extraordinary Meetings; the meeting shall be held under the relevant laws and regulations. Notices of shareholders' meeting may be in writing or by means of electronic transmission after obtaining shareholder approval.

Article 9: A shareholder who is unable to attend a shareholders' meeting may duly authorize another person as his proxy to attend and vote on his behalf pursuant to a power of the ambit of the proxy's authority.

Article 10: The shareholders of the Company shall have one voting right for each share, except the shares which set forth in the relevant laws and regulations are no voting right.

Article 11: Unless otherwise provided for in the Company Act, a quorum shall be present at the shareholders' meeting if shareholders representing more than half of the shares issued by the Company are in attendance, and resolutions at the said assembly shall be adopted if approved by a majority of the shareholders in attendance.

Article 11-1: The company intends to rescind the public offering, subject to the approval of the shareholders' meeting; and it shall not be altered during the listed period.

### **Chapter 4 Directors and Audit Committee**

Article 12: There shall be seven to nine (7~9) directors of the Company, who are elected and appointed from the persons with legal capacity at the shareholders' meeting. The directors shall each have a three-year term of office and are eligible for re-election. The total number of shares that should be held by all preceding Directors shall be subject to the provision established by the Securities Management Institution.

Article 12-1: Directors shall be elected by adopting candidate nomination system in accordance with the Article 192-1 of Company Act. The number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect.

The independent and non-independent directors shall be elected at the same time, but the number of votes shall be calculated separately. The number of the directors set forth in the preceding article shall include at least three (3) independent directors. The following relationships may not exist among more than half of the Company's directors:

1. A spousal relationship.
2. A familial relationship within the second degree of kinship.

Article 12-2: Pursuant to Article 14-4 of the Securities and Exchange Act, the Company will establish an Audit Committee. The Audit Committee shall make up of the entire number of independent directors, and it is responsible of executing powers relegated to Supervisors by the Company Act, Securities and Exchange Act and other laws and regulations.

The organizing members, terms, exercise of powers and other matters to be abided by the Audit Committee shall follow Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and be set out in an audit committee charter.

Article 13: The board of directors of the Company shall comprise the directors. The Chairman as representative of the Company externally shall be submitted by the board of directors by a resolution adopted by a majority vote at a meeting of the Board of Directors attended by over two-thirds of the directors.

Article 13-1: Meetings of the board of directors shall be convened by the Chairman. The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. Nevertheless, in case of emergency, the said meeting may be convened anytime. The notice set forth in the preceding paragraph may be effected by means of electronic transmission.

Article 14: In case the chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, the chairman shall designate the proxy to act on his behalf under the Article 208 of the Company Act.

Article 14-1: Where a director is unable to attend a board meeting, he may authorize another director to attend on his behalf by issuing a power of attorney in the latter's favor specifying the business to be conducted thereat and the scope of the authority to be granted. A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only.

Article 15: The compensation of the directors to be resolved by the board of directors authorized herein will be based on the level of each one's participation in and the value of individual's contribution to the Company's operation as well as the ordinary standard of the competitors' compensation whether the Company operate at a profit or loss.

## **Chapter 5 Managers**

Article 16: The Company may have a President, Vice Presidents, and Managers. Its appointment, discharge and remuneration shall be handled in accordance with the provision of Article 29 of the Company Act.

## **Chapter 6 Accounting**

Article 17: After the end of each fiscal year of the Company, the board of directors shall prepare and submit the following reports to the Annual General Meeting of the Shareholders for approval according the legal procedures:(1) Business report. (2) Financial statements. (3) Proposal for allocation of surplus profit or making up loss.

Article 18: If the Company makes profit in a fiscal year (the profit refers to profit before tax without deducting profit-sharing compensation of employees or directors), employees' profit-sharing compensation, no less than 0.1% and no more than 1% of the profit, and directors' profit-sharing compensation, no more than 3%, shall be set aside. However, in case the Company has accumulated losses, the Company shall reserve an amount to offset accumulated losses beforehand. The profit-sharing compensation of employees or directors shall be set aside afterwards according to the principles mentioned above.

The employees' compensation shall be distributed in the form of stock or cash; while the directors' compensation shall be distributed only in the form of cash.

Above compensation shall be adopted by the board meeting and be reported at a shareholders' meeting.



Article 18-1: If the Company reports a surplus at the year end, after clearing taxes, the Company shall first offset losses from previous years (if any), then set aside 10% of the balance as the statutory surplus reserve, and set aside or reverse special surplus reserve per the provisions. After that, if the distribution of the balance plus the retained earnings accrued from prior years in the form of new shares to be issued by the Company, the board of directors shall propose a surplus distribution plan and submit the distribution plan to the shareholders' meeting for approval, and then distribute it.

The surplus profit distributable as dividends and bonuses in whole or in part can be distributed in the form of cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The Company's business invests in construction and real estate, which is capital-intensive and closely related to the economy.

The distribution of shareholders' dividends shall take into consideration the changes in the outlook for the Company's businesses, long-term strategic development, financial management, capital budgeting, and protection of shareholders' rights and interests. The dividends shall be distributed in the combination of cash and stocks, provided that cash dividends shall not be less than 10% of the total amount of dividends.

Article 19: All matters not covered herein shall be undertaken in accordance with the Company Act.

Article 20: This charter was established on March 10, 1987.

The first amendment was made on December 30, 1989.

The second amendment was made on February 3, 1990.

The third amendment was made on June 6, 1990.

The fourth amendment was made on June 21, 1990.

The fifth amendment was made on February 28, 1991.

The sixth amendment was made on June 21, 1991.

The seventh amendment was made on September 5, 1994.

The eighth amendment was made on October 11, 1994.

The ninth amendment was made on June 24, 1995.

The tenth amendment was made on May 8, 1996.

The eleventh amendment was made on April 3, 1997.

The twelfth amendment was made on July 1, 1997.

The thirteenth amendment was made on February 21, 1998.

The fourteenth amendment was made on April 2, 1999.

The fifteenth amendment was made on June 15, 2000.

The sixteenth amendment was made on June 27, 2001.

The seventeenth amendment was made on May 21, 2002.

The eighteenth amendment was made on November 26, 2004.

The nineteenth amendment was made on April 6, 2005.

The twentieth revision was made on June 14, 2006.

The twenty-first amendment was made on June 25th, 2007.

The 22nd revision was made on June 26, 2009.

The twenty-third amendment was made on June 29th, 2010.

The twenty-fourth amendment was made on June 24, 2011 in the Republic of China.

The twenty-fifth amendment was made on June 28th, 2012.

The twenty-sixth amendment was made on June 26, 2014.

The twenty-seventh amendment was made on June 16, 2016.

The twenty-eighth amendment was made on June 12, 2018.

The twenty-ninth amendment was made on May 27, 2020.

YUNGSHIN Construction Development Co., Ltd.

Chairman: Jing-Ming Chen

## 【Appendix II】

### YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

#### Rules of Procedure for Shareholder Meetings

2021/08/04

##### 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.

##### Article 2

The rules of procedures for the Company's shareholders' meetings, 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 Company's shareholders' meetings shall be convened by the board of directors.

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. In addition, before 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; and it shall be distributed on-site at the meeting.

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 Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors and supervisors 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 one 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 Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation 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 no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the

shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to 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 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.

#### Article 6

The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for 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.

Shareholders or proxies (collectively "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 or supervisors, 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.

#### Article 7

If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson 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 chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

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

If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. 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, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

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

#### 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, 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.

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 Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

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.

#### 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 three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

#### Article 13

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

When the Company holds a shareholder 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 before 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, 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. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed 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 be shareholders of the Company.

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

#### 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 supervisors 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 one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

#### Article 15

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their 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 or supervisors. The minutes shall be retained for the duration of the existence of the Company.

#### 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 and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' 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

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.

## **【Appendix III】**

### **YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.**

#### **Procedures for Election of Directors**

2020/05/27

##### Article 1

Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

##### Article 2

A familial relationship within the second degree of kinship may not exist among more than half of the Company's directors.

##### Article 3

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

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

##### Article 4

Elections of directors at the Company shall be conducted in accordance with the candidate nomination system, and the cumulative voting method shall be used. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

The Board or a shareholder holding one percent or more of the total number of issued shares may present a slate of director candidates in writing to the Company; independent and non-independent director positions shall be nominated separately. The adopt nominees shall be submitted to the shareholders' meeting, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The related matters for accepting the nomination of director candidates and public notice are subject to the Company Act, Securities and Exchange Act and related Acts and regulations.

##### Article 5

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below three, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

##### Article 6

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

##### Article 7

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

##### Article 8

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 9

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 10

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 11

The voting rights shall be calculated on site immediately after the end of the poll, and the results of persons elected as directors shall be announced by the chair or a person designated by the chair on the site.

Article 12

The board of directors of the Company shall issue notifications to the persons elected as directors. °

Article 13

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.



## 【Appendix IV】

### YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. Shareholding of Directors

As recorded in the shareholders' register as of the book closure date for the shareholders' meeting, the number of shares held by all directors as follows:

Title	Name	Shareholding when Elected		Current Shareholding	
		share	%	share	%
Chairman	Yung-Shuo Investment Co.,Ltd Representative: Jung-Ming Chen	89,042,563	40.95%	88,692,563	40.79%
Director	Yi-Yung Hong	1,290	0.00%	1,290	0.00%
Independent Director	Tsung-Hung Chen	36,000	0.02%	35,000	0.02%
Independent Director	Jong-Ming Huang	0	0.00%	0	0.00%
Independent Director	Sung-Chiao Lin	0	0.00%	0	0.00%
Independent Director	Chi-Chung Ho	10,000	0.00%	2,000	0.00%
Total		89,089,853	40.97%	88,741,853	88,730,853

Note1: The ratios above are calculated based on total issued shares (217,428,133 shares) on Apr. 14, 2024.

Note2: According to article 2 of “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” when the independent directors of a public company exceed one-half of the total director seats, and an audit committee has been established, the provisions on the minimum percentage requirements for the shareholding respectively of all directors shall not apply.

## 【Appendix V】

### YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. Remuneration of Directors

Unit: NT\$ thousands

Title	Name	Remuneration						Amount & Ratio of Total Remuneration (A+B+C+D) to Net Income (%)				Remuneration Received by Directors for Concurrent Service as An Employee				Amount & Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or parent company				
		Base Compensation (A)		Severance Pay (B)		Directors' Profit-sharing Compensation (C)		Allowances (D)		Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)		The Company	All Consolidated Entities					
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	Cash	Stock	Cash	Stock							
Chairman	Yung-Shuo Investment Rep.: Jung-Ming Chen	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None		
Independent Director	Tsung-Hung Chen	300	300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	300	0.01%	None
Independent Director	Jong-Ming Huang	300	300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	300	0.01%	None
Independent Director	Sung-Chiao Lin	300	300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	300	0.01%	None
Independent Director	Chi-Jung Hu	300	300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	300	0.01%	None
Director	Yi-Yung Hong	300	300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	300	0.01%	None

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: Considering the simplicity of the Company's business, and the responsibilities, risks, and time assumed by each independent director are roughly the same, the Company pays independent directors fixed remuneration concerning the industry standard. As for the director's profit-sharing compensation, the directors unanimously agreed to waive the distribution.

2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors: N/A

Note 1: This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

## **【Appendix VI】**

### **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Shareholders of YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

#### **Opinion**

We have audited the accompanying balance sheets of YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD. ( the "Company" ) as at December 31, 2023 and 2022, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

#### **Basis for opinion**

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

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2023 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 financial statements are stated as follows:

#### **Evaluation of Inventories**

Refer to Note 4, Note 5, and Note 8 for accounting policy on evaluation of inventories and details of inventories. Inventory is an important asset for the Company. As of December 31, 2023, the Company's inventory amounted to NT\$16,155,939 thousand, which accounted for 96% of the total assets.

Inventory includes land, building materials, designs, and the costs related to construction, which was valued at the lower of cost or net realizable value. The net realizable value is based on the recent actual transaction price of each construction project or the surrounding area where the construction project is located. Inventory

valuation is listed as a key audit matter because the relevant evaluation process involves major estimates and judgments.

How our audit addressed the matter:

1. At the end of the year, we observed and counted all inventories to determine the actual completion progress of the inventory and selected sample to check the accuracy of the accumulated inventory cost of the building under construction.
2. We selected samples to check the supporting documents of inventory valuation and recalculated the net realizable value of inventory to ensure the appropriateness of inventory valuation.

## **Responsibilities of management and those charged with governance for the financial statements**

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

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

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

## **Auditors' responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Xiu-wen Chen and Jia-ling Jiang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
February 26, 2024

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.  
**BALANCE SHEETS**  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

ASSETS		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					
1100	Cash (Notes 6)	\$ 403,233	2	\$ 254,955	2
1170	Accounts receivable (Notes 7 & 20)	24,800	-	116	-
1200	Other receivables	276	-	27	-
1320	Inventories (Note 4, 5, 8 & 27)	16,155,939	96	16,824,957	97
1478	Construction deposits paid	7,491	-	5,728	-
1479	Other current assets (Note 9)	168,031	1	204,097	1
11XX	Total current assets	16,759,770	99	17,289,880	100
<b>NONCURRENT ASSETS</b>					
1600	Property, plant and equipment (Note 4, 10 & 27)	17,596	-	16,378	-
1755	Right-of-use assets (Note 4 & 11)	356	-	685	-
1760	Investment property (Note 4, 12 & 27)	11,279	-	11,393	-
1920	Guarantee deposits paid	29,085	-	17,025	-
1980	Other non-current financial assets (Note 27)	41,060	1	23,052	-
1995	Other non-current assets	2,382	-	660	-
15XX	Total non-current assets	101,758	1	69,193	-
1XXX	Total Assets	\$ 16,861,528	100	\$ 17,359,073	100
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
2100	Current borrowings (Note 13 & 27)	\$ 1,370,000	8	\$ 1,840,000	11
2110	Short-term notes and bills payable (Note 13 & 27)	-	-	999,735	6
2130	Current contract liabilities (Note 4 & 20)	424,229	3	61,792	1
2150	Notes payable (Note 15)	-	-	13,065	-
2170	Accounts payable (Note 15)	625,914	4	752,577	4
2219	Other payables (Note 16)	153,096	-	55,835	-
2230	Current tax liabilities (Note 22)	501,354	3	203,562	1
2280	Current lease liabilities (Note 4 & 11)	3,827	-	4,907	-
2322	Long-term borrowings, current portion (Note 13 & 27)	2,211,000	13	4,643,600	27
2399	Other current liabilities	7,259	1	1,642	-
21XX	Total current liabilities	5,296,679	32	8,576,715	50
<b>NON-CURRENT LIABILITIES</b>					
2530	Bonds payable (Note 14)	2,187,351	13	1,587,718	9
2540	Long-term bank loans (Note 13 & 27)	2,053,000	12	1,155,500	7
2580	Non-current lease liabilities (Note 4 & 11)	186,374	1	232,617	1
2640	Net defined benefit liability, non-current (Note 4 & 17)	1,753	-	18,285	-
2645	Guarantee deposits received	156	-	156	-
25XX	Total non-current liabilities	4,428,634	26	2,994,276	17
2XXX	Total Liabilities	9,725,313	58	11,570,991	67
<b>EQUITY (Note 19)</b>					
3110	Ordinary share	2,174,281	13	2,174,281	13
3200	Capital surplus	231,750	1	231,750	1
Retained earnings					
3310	Legal reserve	2,002,356	11	1,849,060	11
3350	Unappropriated retained earnings	2,727,828	17	1,532,991	8
3300	Total retained earnings	4,730,184	28	3,382,051	19
3XXX	Total Equity	7,136,215	42	5,788,082	33
Total Liabilities and Equity		\$ 16,861,528	100	\$ 17,359,073	100

The accompanying notes are an integral part of these financial statements.

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as for earnings per share amount)

Items	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue (Note 4 & 20)	\$8,227,076	100	\$4,132,796	100
5510 Operating costs (Note 8 & 21)	<u>4,395,985</u>	<u>53</u>	<u>2,012,018</u>	<u>49</u>
5900 Gross profit (loss) from operations	<u>3,831,091</u>	<u>47</u>	<u>2,120,778</u>	<u>51</u>
Operating expenses (Note 21)				
6100 Selling expenses	218,203	3	78,345	2
6200 Administrative expenses	<u>202,994</u>	<u>3</u>	<u>155,687</u>	<u>4</u>
6000 Total operating expenses	<u>421,197</u>	<u>6</u>	<u>234,032</u>	<u>6</u>
6900 Net operating income (loss)	<u>3,409,894</u>	<u>41</u>	<u>1,886,746</u>	<u>45</u>
Non-operating income and expenses				
7100 Interest income	1,298	-	484	-
7190 Other income	169	-	521	-
7050 Finance costs (Note 21)	( <u>3,981</u> )	-	( <u>677</u> )	-
7000 Total non-operating income and expenses	( <u>2,514</u> )	-	<u>328</u>	-
7900 Profit (loss) from continuing operations before tax	3,407,380	41	1,887,074	45
7950 Total tax expense (Note 4 & 22)	<u>678,789</u>	<u>8</u>	<u>354,282</u>	<u>9</u>
8200 Profit (loss)	2,728,591	33	1,532,792	36
8300 Other comprehensive income (Note 17)				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans	( <u>790</u> )	-	<u>171</u>	-
8500 Total comprehensive income	<u>\$ 2,727,801</u>	<u>33</u>	<u>\$1,532,963</u>	<u>36</u>

(Continued)

Items		2023		2022	
		Amount	%	Amount	%
Earnings per share (Note 23)					
9750	Basic	\$ 12.55		\$ 7.05	
9850	Diluted	\$ 12.55		\$ 7.05	

(Concluded)

The accompanying notes are an integral part of these financial statements.



YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars)

	Ordinary share	Capital surplus	Legal reserve	Retained Earnings		Total equity
				Unappropriated retained earnings	Total retained earnings	
A1	\$2,174,281	\$ 231,750	1,655,644	1,934,195	3,589,839	5,995,870
B1	-	-	193,416	( 193,416)	-	-
B5	-	-	-	(1,740,751)	(1,740,751)	(1,740,751)
	-	-	193,416	(1,934,167)	(1,740,751)	(1,740,751)
D1	-	-	-	1,532,792	1,532,792	1,532,792
D3	-	-	-	171	171	171
D5	-	-	-	1,532,963	1,532,963	1,532,963
Z1	2,174,281	231,750	1,849,060	1,532,991	3,382,051	5,788,082
B1	-	-	153,296	( 153,296)	-	-
B5	-	-	-	(1,379,668)	(1,379,668)	(1,379,668)
	-	-	153,296	(1,532,964)	(1,379,668)	(1,379,668)
D1	-	-	-	2,728,591	2,728,591	2,728,591
D3	-	-	-	( 790)	( 790)	( 790)
D5	-	-	-	2,727,801	2,727,801	2,727,801
Z1	\$2,174,281	\$ 231,750	\$2,002,356	\$2,727,828	\$4,730,184	\$7,136,215

The accompanying notes are an integral part of these financial statements.

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars)

Items	2023	2022
Cash flows from (used in) operating activities		
A10000 Profit (loss) before tax	\$3,407,380	\$1,887,074
A20010 Adjustments to reconcile profit (loss)		
A20100 Depreciation expense	827	743
A20200 Amortization expense	325	87
A20900 Interest expense	3,981	677
A21200 Interest income	( 1,298)	( 484)
A29900 Other expense (income)	-	8
A30000 Changes in operating assets and liabilities		
A31150 Accounts receivable	( 24,684)	78,933
A31180 Other receivable	( 104)	-
A31200 Inventories	835,810	( 3,830,375)
A31240 Other current assets	36,066	( 65,855)
A31270 Assets recognised as incremental costs to obtain contract with customers	-	581
A32125 Contract liabilities	362,437	( 164,625)
A32130 Notes payable	( 13,065)	( 9,645)
A32150 Accounts payable	( 126,663)	108,846
A32180 Other payable	64,723	( 94,622)
A32230 Other current liabilities	5,617	( 1,948)
A32240 Net defined benefit liability	( 17,322)	181
A33000 Cash inflow (outflow) generated from operations	4,534,030	( 2,090,424)
A33100 Interest received	1,153	463
A33300 Interest paid	( 183,012)	( 123,327)
A33500 Income taxes refund (paid)	( 380,997)	( 429,412)
AAAA Net cash flows from (used in) operating activities	<u>3,971,174</u>	<u>( 2,642,700)</u>
Cash flows from (used in) investing activities		
B02700 Acquisition of property, plant and equipment	( 1,602)	( 183)
B03700 Increase in refundable deposits	( 13,823)	( 963)
B06500 Increase in other financial assets	( 18,008)	-
B06700 Increase in other non-current assets	( 2,047)	( 578)
BBBB Net cash flows from (used in) investing activities	<u>( 35,480)</u>	<u>( 1,724)</u>
Cash flows from (used in) financing activities		
C00100 Increase in short-term loans	2,845,000	2,620,000
C00200 Decrease in short-term loans	( 3,315,000)	( 1,425,000)

(Continued)

	Items	2023	2022
C00500	Increase in short-term notes and bills payable	\$ 8,595,505	\$10,298,837
C00600	Decrease in short-term notes and bills payable	( 9,595,240)	( 9,648,943)
C01200	Proceeds from issuing bonds	599,008	588,724
C01300	Repayments of bonds	-	( 600,000)
C01600	Proceeds from long-term debt	1,570,500	3,330,100
C01700	Repayments of long-term debt	( 3,105,600)	( 1,045,000)
C04020	Payments of lease liabilities	( 1,921)	( 2,382)
C04500	Cash dividends paid	( 1,379,668)	( 1,740,751)
CCCC	Net cash flows from (used in) financing activities	<u>(3,787,416)</u>	<u>2,375,585</u>
EEEE	Net increase (decrease) in cash and cash equivalents	148,278	( 268,839)
E00100	Cash and cash equivalents at beginning of period	<u>254,955</u>	<u>523,794</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 403,233</u>	<u>\$ 254,955</u>

(Concluded)

The accompanying notes are an integral part of these financial statements.