

Stock Code: 5508



YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

2024 Annual Report

Notice to readers

This English-version annual report is a summary 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.

2024 Annual Report is available at: <https://emops.twse.com.tw>
<https://www.ys-construction.com.tw>

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Spokesperson

Name: Yi-Chun Chen

Title: Assistant Manager

Tel: 886-7-2229460

E-mail: ysa501@yungshin.com.tw

Deputy Spokesperson

Name: Hsien-Shu Chiu

Title: Vice President

Tel: 886-7-2229460

E-mail: ys7805@yungshin.com.tw

Headquarters

YUNGSHIN CONSTRUCTION & DEVELOPMENT CO., LTD.

Address: 12F., No. 193, Liuhe Rd., Xinxing Dist., Kaohsiung

Tel: 886-7-2229460

Stock Transfer Agent

Yuanta Securities

Address: B1F., No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City

Tel: 886-2-25865859

Website: <https://www.yuanta.com.tw>

Auditors

Deloitte Taiwan

Auditors: Xiu-wen Chen, Chang-Jun Wu

Address: 2F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung

Tel.: 886-7-5301888

Website: <https://www2.deloitte.com>

Overseas Securities Exchange: N/A**Corporate Website**

<http://www.ys-construction.com.tw>

Contents

I. Letter to Shareholders.....	1
 II. Corporate Governance Report	
2.1 Directors and Management Team.....	7
2.2 Remuneration of Directors, Independent Directors and Management Team....	12
2.3 Implementation of Corporate Governance	15
2.4 Information Regarding the Company's Audit Fee and Independence.....	35
2.5 Information on Replacement of CPAs	35
2.6 Information Regarding the Company's Chairperson and Management Team has Held a Position at the Accounting Firm of its CPAs in the Recent Year.....	36
2.7 Changes in Shareholding of Directors, Managers and Major Shareholders.....	36
2.8 Relationship among the Top Ten Shareholders.....	37
2.9 Total Ownership of Shares in Investee Enterprises.....	37
 III. Capital Overview	
3.1 Capital and Shares.....	38
3.2 Bonds.....	42
3.3 Preferred Shares.....	44
3.4 Global Depository Receipts	44
3.5 Employee Stock Options.....	44
3.6 New Restricted Employee Shares.....	44
3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions.	44
3.8 Financing Plans and Implementation.....	44

Contents

IV. Operational Highlights

4.1	Business Activities.....	45
4.2	Market and Sales Overview.....	48
4.3	Human Resources.....	53
4.4	Environmental Protection Expenditure.....	53
4.5	Labor Relations.....	54
4.6	Cyber Security Management.....	56
4.7	Important Contracts.....	57

V. Review of Financial Conditions, Operating Results, and Risk Management

5.1	Analysis of Financial Status.....	58
5.2	Analysis of Operation Results.....	58
5.3	Analysis of Cash Flow.....	59
5.4	Major Capital Expenditure Items.....	59
5.5	Investment Policy in Last Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year.....	59
5.6	Analysis of Risk Management.....	60
5.7	Other important matters.....	62

VI. Special Disclosure

6.1	Summary of Affiliated Companies.....	63
6.2	Private Placement Securities in the Most Recent Years.....	63
6.3	The Shares in the Company Held or Disposed of by Subsidiaries	63
6.4	Other Matters that Require Additional Description.....	63
6.5	The Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which Might Materially Affect Shareholders' Equity or the Price of the company's Securities, has Occurred During the Most Recent Fiscal Year or During the Current Fiscal year up to the Date of Publication of the Annual Report.....	63

I. Letter to Shareholders

Dear Shareholders,

First of all, I would like to express my gratitude for your ongoing support throughout the year. YungShin Construction & Development Co., Ltd. (hereinafter referred to as “the Company”, “YUNGSHIN”, or "YCDC") has responded to the evolving business landscape by taking an assertive approach to enhance our competitiveness. The following are outlined: our operating performance in 2024, business plan for 2025, corporate development strategy, external competitive environment, regulatory environment, and macroeconomic conditions.

Business Report of the Year 2024

Operating Performance in 2024

A. Operating Plan Implementation

Total consolidated revenue for 2024 reached NT\$10,035 million, which records a 21.98% strong growth from NT\$8,227 million in 2023. Net income increased 27.72% to NT\$3,485 million, compared with 2023 net income of NT\$2,729 million, resulting in diluted earnings per share was NT\$16.03.

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 2024, the Company acquired lands for construction in Nanzi, Fengshan, and Renwu.

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 14 quality asset portfolios in construction located in Fengshan, Renwu, Gushan, Lingya and Nanzi regions, including Project Sijia, Project Baocheng III, Project Fengdong II, Project Zhongan II, Project Dachang II, Project Dachang III, Project Longhua IX, Project Longhua X, Project Normal Univ., Project Heping V, Project Kaohsiung Univ. II, III, VI, and VII.

4. Customer Service Research and Development

The usage licenses of Project Hui-Shang-Pin, Project Shui-Lu, Project Cheng-Guang, and Project Qile were approved in 2024. 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 2024, 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 2024 was NT\$ 2,249 million, which sees a NT\$ 3,204 million cash inflow related to the changes of profit, contract liabilities and inventories. Net cash outflow from financing activities was NT\$ 2,375 million, mainly due to cash outflows of bank loan repayments and cash dividends.

2. Profitability Analysis

The net profit ratio for FY 2024 was 34.73%, a shift from 33.17% of FY 2023; 2024 annual EPS was up to NT\$ 16.03 from NT\$12.55 in 2023. 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.

D. Research and Development Status

The company has invested a significant amount of human resources and costs over the years. It has continuously launched new housing products and services to meet customer needs. However, the company operates in the construction investment industry, and it entrusts professional builders with the construction of residential and commercial buildings for lease and sale. The company does not engage in construction technology research and development.

Business Plan for 2025

A. Business Objectives

The Company's operating policies for the year 2025 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, Fenghua Town, Project R5 New Generation, Project Hui-Shang-Pin, Project Shui-Lu, Project Cheng-Guang, Project Qile, and the projects estimated completion on 2025 of Project Kaohsiung Univ. II, Project Dachang II, and Project Longhua IX with the total of 1,100 units. The projection for 2025 is the sale of 450 units.

C. Sales & Production Policy

The Company plans to have portfolios available for sale in 2025. Both price and quality will be valued 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 quality. These procedures involve the manufacturer, checking engineer, technician, and architect to ensure that the work meets specifications and quality according to the drawings and method statement on construction. In every project, these four inspection procedures work to check the materials, methods, quality, and safety of the residence.

Development Strategy

The Company's business is still reliant on construction and is striving to increase its scale and enhance its profitability. In the future, the Company will focus on four different aspects:

A. Land development

Land development is crucial for property investment companies. The Company conducts market surveys, understands market needs, defines market segments, and carefully selects prime locations for development. If there are viable investment opportunities, whether it's a city renewal project or a land rights case, the Company is willing to invest and doesn't rule out development in neighboring cities.

B. Financial Management

A stable financial foundation is a principle the Company has always followed. The Company ensures the most effective use of funds and tailors it to its size; it refrains from excessive credit expansion.

C. Manufacture Policy

The Company relies on professional builders to execute construction projects according to the plan. Quality and progress are the top priorities, along with strict budget control.

D. Marketing Strategy

The Company has separated the Sales Department and Customer Service Department to enhance sales efficiency and customer service quality. The Sales Department is responsible for pre-contract work, while the Customer Service Department handles post-contract activities.

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 2024 was 109.88, an increase of 1.68% compared with the average index in the privier, of which the material index was 109.47 with an YoY increase of 1.68%, and the labor index had a shift of 2.22% to 110.80. Affected by factors such as geopolitical issues, climate change, and labor shortage, the price of cement materials and machinery equipment, has risen by 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.

The real estate demand is expected to increase accompanied by local investment, the investment in new projects tends to bloom 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 2024 was 2.54 million square meters, the number of 20,247 households, both increased by 34% and 35% 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 2022 to 2024.

B. Regulatory environment

The housing market transactions began to climb back up and housing prices saw steeper rises since the second half of last year. This led to the annual growth rate of housing loans trending upward to the highest point since May 2006. The ratio of real estate lending to total lending of all banks stayed elevated at a higher level to its historical record. To help banks mitigate risks associated with real estate lending, the Bank decided to adjust the selective credit control measures and raise the reserve requirement ratios. Additionally, the Bank held meetings with a total of 34 domestic banks in August to request these banks to develop a quantitative, self-disciplinary improvement plan covering a one-year horizon. The goal is to reduce the over-concentration of credit resources in loans to the real estate sector, as well as to contain housing market speculation and property hoarding.

The policy changes, such as not allowing any grace period for the first outstanding home loan for individuals who already own one or more properties, and reducing the cap on the loan-to-value (LTV) ratio for second or subsequent outstanding home loans, have weakened the real estate market, causing tepid growth. Additionally, the reduction of the LTV ratio cap for loans on unsold housing units and the self-disciplinary improvement program of banks have limited the financial management flexibility of the Company.

C. Macroeconomic conditions

Global economic and financial outlooks are still shrouded in many uncertainties. Climate change and geopolitical risks threaten commodity supplies. The global inflation further eased. The European and US central banks started their rate-cut cycles successively to avoid excessive tightening; however, the Bank of Japan delivered another rate increase thanks to a virtuous cycle between prices and wages. These monetary policy changes in major countries have led to increased volatility in international financial markets.

With regard to domestic economic and financial conditions, Taiwan's exports have recorded solid growth, driven by robust demand for artificial intelligence and other emerging technology applications. Private investment has also increased, and private consumption has continued to grow. However, since August 2024, the housing market has experienced slower transaction activity due to policy control. The cost of construction materials is expected to rise as suppliers pass on carbon fees to buyers. Looking ahead, there are still uncertainties regarding price trends and real estate transactions. The construction, real estate, and banking industries remain

cautious about the housing market outlook.

Going forward, considering the uncertain risks to the global economy and the persistence of inflationary pressures, the Company will closely monitor government policies, financial conditions, international raw material price changes, geopolitical risks, and extreme weather events. The Company will adjust its operations promptly to align with market trends, ensuring operational stability and accurately reflecting business performance in dividends.

The Company will focus on selling the remaining portfolios, ensuring the safety and quality of completed projects to maintain stability and achieve growth. The Company always works hard and strives to generate higher performance to meet the expectations of all shareholders. Thank you!

Best wishes everyone

Good health and good luck

Chairman

Chen Jing Ming

II. Corporate Governance Report

2.1 Directors and Management Team

2.1.1 Directors

Information on Directors (Including Independent Directors)

Unit: shares; April 14th, 2025

Title	Nationality	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Executives or Directors Who are Spouses or within Two Degrees of Kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	ROC	Yung-Shuo Investment Representative: Jung-Ming Chen	M 61~70	Jun. 12 th 2024	3	April 02 1987	88,692,563	40.79	88,692,563	40.79	0	0	0	0	-	-	-	-	-	-
							40,056	0.02	40,056	0.02	1,680	0.00	0	0	Univ. of San Francisco -MBA YCDC - GM	GM of YCDC	Note2	Note2	Note2	Note1
Director	ROC	Yi-Yuan Hung	M 61~70	Jun. 12 th 2024	3	June 14 1997	1,290	0.00	1,290	0.00	0	0	0	0	National Sun Yat-sen Univ. – MBA YCDC - VP	-	-	-	-	-
Director	ROC	Yi-Chun Chen	F 31~40	Jun. 12 th 2024	3	Jun. 12 th 2024	10,290	0.00	10,290	0.00	0	0	0	0	Univ. of San Francisco - MS YCDC - CGO	CGO of YCDC	Note2	Note2	Note2	-
Independent Director	ROC	Tsung-Hung Chen	M 61~70	Jun. 12 th 2024	3	June 30 2015	35,000	0.02	35,000	0.02	5,000	0.00	0	0	National Sun Yat-sen Univ. – MBA WeiCheng Construction - Director	-	-	-	-	-
Independent Director	ROC	Sung-Chiao Lin	M 61~70	Jun. 12 th 2024	3	June 12 2018	0	0	0	0	0	0	0	0	National Chengchi Univ.-Bachelor of Business Administration KGI Bank - AM	-	-	-	-	-
Independent Director	ROC	Chi-Chong Ho	M 61~70	Jun. 12 th 2024	3	August 4 2021	2,000	0.00	2,000	0	0	0	0	0	National Sun Yat-sen Univ. – MBA Taiwan Sakura - AVP	-	-	-	-	-
Independent Director	ROC	Shu-Mei Huang	F 61~70	Jun. 12 th 2024	3	Jun. 12 th 2024	0	0	0	0	0	0	0	0	Huang Shu-Mei Land Administration Agent Office	-	-	-	-	-

Note1: The Chairman of the BoD and the President of the Company are the same person. The company focuses on its core business; at present, the business strategy is clear and the execution is highly efficient under the management of the President. To strengthen corporate governance, the company has more than half of the seats of independent directors. In addition, the chairman of the BoD also serves as the President, voluntarily giving up any salary, which reduces concerns about conflicts of interest and sharing the remaining profits with shareholders.

Note2: There is a kinship between Directors Jung-Ming Chen and Yi-Chun Chen.

Major shareholders of the institutional shareholders

Dec. 31st, 2024

Name of Institutional Shareholders	Major Shareholders
Yung-Shuo Investment	Yung-Te Investment (14%), Jia-Zhan Investment (13.8%), Hui-Jia Corp. (13.5%), Kohinoor Corp. (12.8%), Gao-Shin Construction (12.3%), Yung-Shin Investment (12.1%), Jia-Chang Investment (11.8%), Yuan-Kang Corp. (9.4%), Yi-Chun Chen (0.1%), Zhi-Jie Chen (0.03%).

Major shareholders of the Company's major institutional shareholders

Dec. 31st, 2024

Name of Institutional Shareholders	Major Shareholders
Yung-Te Investment	Yuan-Kang Corp.(15%), Gao-Shin Construction(15%), Hui-Jia Corp.(14.5%), Yung-Shin Investment(12.5%), Jia-Zhan Investment(12%), Jia-Chang Investment(10.8%)
Jia-Zhan Investment	Yung-Te Investment (15.1%), Yuan-Kang Corp.(15%), Hui-Jia Corp.(15%), Yung-Shin Investment(14%), Jia-Chang Investment(11.5%), Kohinoor Corp. (11%)
Hui-Jia Corp.	Yung-Shuo Investment(14%), Gao-Shin Construction(14%), Yung-Te Investment (13.9%), Jia-Zhan Investment(13.9%), Yung-Shin Investment(13.9%), Yuan-Kang Corp.(13.9%)
Kohinoor Corp.	Yung-Shuo Investment(15%), Hui-Jia Corp.(14.9%), Yung-Te Investment (14%), Yung-Shin Investment(13.5%), Jia-Chang Investment(12%), Yuan-Kang Corp.(10%)
Gao-Shin Construction	Yung-Shin Investment(15.3%), Yung-Te Investment (13.9%), Jia-Zhan Investment(13.8%), Hui-Jia Corp.(13.8%), Kohinoor Corp. (12.1%), Yuan-Kang Corp.(12.1%)
Yung-Shin Investment	Yuan-Kang Corp.(16.1%), Yung-Te Investment (12.5%), Jia-Zhan Investment(12.5%), Yung-Shuo Investment(12.5%), Jia-Chang Investment(12.5%), Gao-Shin Construction(12.5%)
Jia-Chang Investment	Yung-Shuo Investment(14%), Jia-Zhan Investment(14%), Gao-Shin Construction(14%), Yung-Te Investment (13.9%), Yung-Shin Investment(13.9%), Yuan-Kang Corp.(14%)
Yuan-Kang Corp.	Yung-Shuo Investment(14.8%), Jia-Zhan Investment(14.7%), Yung-Te Investment (13.4%), Yung-Shin Investment(12.9%), Hui-Jia Corp.(12.9%), Kohinoor Corp. (12.1%)

Professional Qualifications, Experience and the Independence of Directors and Independent Directors

April 14th, 2025

<div> <div>Qualification</div> <div>Name</div> </div>	Professions & Experience	Independence	Board Member of Other Listed Companies
Director (Chairman) Jung-Ming Chen	the President of YCDC, 30+ years of experience in managing construction company	<ul style="list-style-type: none"> • There is no such thing as more than half of the directors concurrently serving as employees or managers. • There is no such thing as more than half of the directors within spouses or relatives in the second degree. 	0
Director Yi-Yuan Hung	worked in the bank and construction industry, had good knowledge of finance and auditing, 30+ years of experience in corporate finance		0
Director Yi-Chun Chen	CGO of YCDC, with more than 8 years real-estate related work experience		0
Independent Director Chun-Hong Chen	worked in the trading and construction industry and had good knowledge of real estate, 25+ years of experience in operation management	Independent directors, their spouses and relatives within the second degree are not in the following circumstances in the two years before the election and during their tenure: <ul style="list-style-type: none"> • Acting as a director of the Company or its affiliated companies. • Serve as a director of a company with a specific relationship with the Company (refer to Article 3, Item 1, Items 5-8 of the Regulations on the Establishment of Independent Directors of Public Offering Companies and Matters to be Complied with). • Remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliated companies. 	0
Independent Director Song-Chu Lin	worked in a bank and had good knowledge of finance and auditing, 25+ years of experience in banking and accounting		0
Independent Director Chi-Chong Ho	worked in the construction industry and had good knowledge of building materials, 30+ years of experience in operation management.		0
Independent Director Shu-Mei Huang	Land Administration Agent With more than 30 years of experience in land registration and attesting contracts in respect of real estate.		0

The Diversity Policy and Status of Independence of the BoD

• Diversity

Policy & Target: The Company stipulates the director diversity policy, the responsibilities, and duties of the BoD in the “Corporate Governance Best Practice Principles”. To strengthen corporate governance and promote the sound development of the composition and structure of the BoD, the company's director diversity goal-setting board members should include at least one female member, one member with financial or accounting majors, and one member with relevant qualifications in the industry or upstream and downstream sectors with more than 15 years of working experience.

Implementation Status: The current BoD of YCDC was elected by the shareholders in 2024 to consist of 7 directors with a term of three years. The members of the current BoD include professionals and talents with many years of practical experience, knowledge, and skills from the real estate, construction, and finance industries. The members of the BoD suit the diversity goals and policy, and the professional qualities and abilities necessary for the sustainable development of the Company.

The Diversity of the BoD

Director \ Diversity	Component								Industry Experience						Professional Ability			
	Nationality	Gender	Staff	Age			Term of Independent Director		Real Estate	Construction	Up/Down Stream	Finance	Marketing	Banking & Insurance	Law	Accounting & Finance	RM	Others
				~50	51-60	61-70	~9yrs	over 9 yrs										
Jung-Ming Chen	ROC	M	V			V			V	V	O	O	V		O	O	V	
Yi-Yuan Hung	ROC	M				V			V		O	V	O	V	O	V	V	
Yi-Chun Chen	ROC	F	V	V					V		O	O	V		O	O	O	
Chun-Hong Chen (ID)	ROC	M			V			V	O	V	O		O		O	O	V	
Song-Chu Lin (ID)	ROC	M				V	V					V	O	V	O	V	O	
Chi-Chong Ho (ID)	ROC	M				V	V		O	O	V		V		O	O	V	
Shu-Mei Huang (ID)	ROC	F				V	V		V						O			V

Note 1: ID - Independent Director , RM - Risk Management, V - as having ability, O - as having partial ability

Note 2: The female member of BoD does not account for one-third (28.6%). The company conducted a comprehensive re-election of directors on 2024/06/12. To avoid significant changes in the previous directors (more than one-third), 2 female members were nominated and elected this time. To enhance the gender diversity of directors, we plan to contact potential candidates who meet gender diversity before nomination for the next term.

• **Independence**

The current board of directors is composed of 7 directors, including 4 independent directors(57%), and there are no items in Article 30 of the “Company Act.” The kinship among directors complies with Article 26-3 of the “Securities and Exchange Act.” In the two years before the election and during the term period, the independent directors did not have any incidents stipulated in Article 3, Item 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.” The independent director, 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. Other independence info of the board please refer to page 7 "Information on Directors (Including Independent Directors)" and page 9 " Professional Qualifications, Experience and the Independence of Directors and Independent Directors."

2.1.2 Management Team

April 14th, 2025

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	ROC	Jung-Ming Chen	M	1987/04/02	40,056	0.02%	1,680	0%	0	0%	Univ. of San Francisco -MBA	Chairman of Zhongda Ltd. ^{Note2}	CGO	Yi-Chun Chen	F-D	Note1
Vice President of Purchasing	ROC	Yu-Fang Lu	F	2010/07/01	0	0%	0	0%	0	0%	National Kaohsiung Univ. of Applied Sciences - Civil Engineering	-	-	-	-	-
Vice President of Engineering	ROC	Yi-Chen Wu	M	2021/01/01	0	0%	0	0%	0	0%	National Kaohsiung Univ. of Applied Sciences - Civil Engineering	-	-	-	-	-
Vice President of Marketing	ROC	Hsien-Shu Chiu	F	2021/01/01	0	0%	0	0%	0	0%	Tunghai Univ. - Department of Business Administration	-	-	-	-	-
Vice President of Customer Service	ROC	Hsiang-Fang Chen	F	2021/01/01	0	0%	0	0%	0	0%	Tunghai Univ.- Department of International Business	Supervisor of Zhongda Ltd.	-	-	-	-
Principal Accounting Officer	ROC	Chen-Ling Yu	F	2019/01/01	2,000	0%	0	0%	0	0%	Cultural Univ. - Department of Accounting	-	-	-	-	-
Associate of Marketing	ROC	Peng-Yung Lo	M	2021/01/01	5,360	0%	3,600	0%	0	0%	Nanya Institute of Technology – Department of Chemistry	-	-	-	-	-
Corporate Governance Officer	ROC	Yi-Chun Chen	F	2022/10/31	10,290	0.01%	0	0%	0	0%	Univ. of San Francisco - Entrepreneurship	-	President	Jung-Ming Chen	F-D	-

Note1: The Chairman of the BoD and the President of the Company are the same person, the explanation please refer to page 7 ” Information on Directors (Including Independent Directors.)”

Note2: Zhongda Development Enterprise Co., Ltd. (abbreviated as ” Zhongda Ltd.”) is a 100% holding subsidiary of the Company.

2.2 Remuneration of Directors, Independent Directors and Management Team

Remuneration of Directors and Independent Directors (Voluntary Individual Disclosure)

(Expressed in thousands of New Taiwan dollars)

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 from the 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	The Company		All Consolidated Entities		The Company	All Consolidated Entities				
														Cash	Stock	Cash	Stock						
Chairman	Yung-Shuo Investment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Rep.: Jung-Ming Chen	0	0	0	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	300 0.01%	300 0.01%	0	0	0	0	0	0	0	0	300 0.01%	300 0.01%	None	
Independent Director	Sung-Chiao Lin	300	300	0	0	0	0	0	0	300 0.01%	300 0.01%	0	0	0	0	0	0	0	0	300 0.01%	300 0.01%	None	
Independent Director	Chi-Jung Hu	300	300	0	0	0	0	0	0	300 0.01%	300 0.01%	0	0	0	0	0	0	0	0	300 0.01%	300 0.01%	None	
Independent Director	Shu-Mei Huang	166	166	0	0	0	0	0	0	166 0.00%	166 0.00%	0	0	0	0	0	0	0	0	166 0.00%	166 0.00%	None	
Director	Yi-Yung Hong	300	300	0	0	0	0	0	0	300 0.01%	300 0.01%	0	0	0	0	0	0	0	0	300 0.01%	300 0.01%	None	
Director	Yi-Chun Chen	0	0	0	0	0	0	0	0	0	0	1,546	1,546	59	59	77	0	77	0	1,682 0.05%	1,682 0.05%	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

Note1: 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.

Note2: Independent director Mr. Huang Jong-Ming term expired on 2024/06/12, the base compensation during the tenure in 2024 was NT\$ 134 thousand.

Remuneration of the President and Vice Presidents (Voluntary Individual Disclosure)

This table covered the managerial officers with the top five highest remuneration amounts.

(Expressed in thousands of New Taiwan dollars)

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Profit-Sharing Compensation (D)				Amount & Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		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			
President	Jung-Ming Chen	0	0	0	0	0	0	0	0	0	0	0 0.00%	0 0.00%	None
Vice President of Purchasing	Yu-Fang Lu	2,069	2,069	108	108	1,406	1,406	166	0	166	0	3,749 0.11%	3,749 0.11%	None
Vice President of Engineering	Yi-Chen Wu	1,865	1,865	37	37	1,205	1,205	151	0	151	0	3,258 0.09%	3,258 0.09%	None
Vice President of Marketing	Hsien-Shu Chiu	1,696	1,696	104	104	1,205	1,205	138	0	138	0	3,143 0.09%	3,143 0.09%	None
Vice President of Customer Service	Hsiang-Fang Chen	1,600	1,600	100	100	1005	1005	130	0	130	0	2,835 0.08%	2,835 0.08%	None

Note1: The chairman of the BoD also serves as the President, Mr. Chen Jung-Ming, voluntarily giving up any salary, which reduces concerns about conflicts of interest and sharing the remaining profits with shareholders.

Note2: 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.

Distributions of Employee Profit-Sharing Compensation to Managerial Officers

(Expressed in thousands of New Taiwan dollars)

Dec. 31st, 2024

Title		Name	Compensation - in Stock	Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	President	Jung-Ming Chen	0	896	896	0.03%
	VP of Purchasing	Yu-Fang Lu				
	VP of Engineering	Yi-Chen Wu				
	VP of Customer Service	Hsiang-Fang Chen				
	VP of Marketing	Hsien-Shu Chiu				
	Principal Accounting Officer	Chen-Ling Yu				
	Associate of Marketing	Peng-Yung Lo				
	Corporate Governance Officer	Yi-Chun Chen				

Comparison of Remuneration for Directors, President and Vice Presidents in the Most Recent Two Fiscal Years and the Remuneration Policy

A. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, president and vice presidents of the Company, to the net income.

(Expressed in thousands of New Taiwan dollars)

Total remuneration paid to directors, president and vice presidents to net income	2023		2024	
	Amount	Ratio	Amount	Ratio
Directors	1,500	0.05%	1,500	0.04%
President & Vice Presidents	10,595	0.39%	12,985	0.37%

The changes in the remuneration paid ratio to directors, president, and vice presidents of the Company in the last two years are due to a growth of profit.

B. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance.

According to Article 15 and Article 18 of “Articles of Association”, the amount of directors' remuneration shall be determined by the BoD, and take into account the extent and value of the services provided for the management of the Company and the standards of the industry, regardless of profit or loss. 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, provided however that the Company shall first offset its losses in previous years that have not been previously offset. The employees may be paid remuneration in stock or cash. The Directors may be paid remuneration only in cash.

Remuneration of Directors

Concerning the standards of the industry and attendance of the directors, the remuneration of the current BoD was approved by the BoD on Jul. 29, 2024, at NT\$300,000 for each director per year. Among these the chairman Mr. Chen Jun-Ming and director Mrs. Chen Yi-Chun voluntarily waive the remuneration.

To create better business performance and profit distributions to shareholders, all BoD members unanimously agreed to waive profit-sharing compensation during the term.

Remuneration of Managerial Officers

The company's remuneration structure can be separated into fixed and variable salaries. The fixed salary is the monthly pay, consisting of salary and allowances, and the variable salary is bonuses and profit-sharing compensation. The company's Remuneration Committee refers to the industry standards, business performance, and future risk situation, inspecting and evaluating the rationality of managerial officers' remuneration. The Remuneration Committee recommends managers' year-end bonuses and whether to adjust their salary and allowance structure by measuring the annual profit situation, individual managers' performance achievement, and sustainable operation indicators (such as good faith, regulatory compliance, construction efficiency, stakeholder relationships... etc.); which can reasonably reflect the manager's correlation between personal and the Company performance achievement. The employee profit-sharing compensation approved by the BoD under the "Articles of Association" shall be distributed to the managers with the ratio of their monthly salary to the total monthly salary of all employees. In addition, the chairman of the BoD also serves as the president of the Company, voluntarily waiving any pay, reducing concerns about conflicts of interest, and sharing the remaining profits with shareholders.

2.3 Implementation of Corporate Governance

2.3.1 Board of Directors

■ Operation of the Board of Directors

A total of 6(A) meetings of the Board of Directors were held in the previous period. The attendance of director and supervisor were as follows: (Attendance Rate : 92.3%)

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman	Yung-Shuo Investment Rep.: Jung-Ming Chen	6	0	100%	
Director	Yi-Yung Hong	4	2	67%	
Director	Yi-Chun Chen	3	0	100%	2024/06/12 on board
Independent Director	Tsung-Hung Chen	5	1	83%	
Independent Director	Sung-Chiao Lin	6	0	100%	
Independent Director	Chi-Jung Hu	6	0	100%	
Independent Director	Shu-Mei Huang	3	0	100%	2024/06/12 on board
Independent Director	Jong-Ming Huang	3	0	100%	Term expired

Note: If any director left office before the end of the fiscal year, their in-person attendance rate should be calculated based on the period they were in.

Other Information Required to be Disclosed

A. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(1) Any matter under Article 14-3 of the Securities and Exchange Act:

Please refer to page 33~34 of the Annual Report.

(2) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution: N/A

B. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted.

Session	Motion	Recusals of Interest Conflict	Result
2024/07/29	The corporate chop registered with the Ministry of Economic Affairs is kept in the custody of designated people.	Mrs. Chen Yi-Chun is one of the designated people to keep the chop, she entered recusal during discussion and voting.	Other present members agree to pass.
2024/07/29	2024 salary adjustment including managerial personnel.	Mrs. Chen Yi-Chun is CGO of YCDC, she entered recusal during discussion and voting.	Other present members agree to pass.

C. Implementation of Evaluations of the Board of Directors

Evaluation Cycle	Once a year
Evaluation Period	Jan. 1st to Dec. 31st of the assessment year
Scope of Evaluation	BoD (Whole & Individual Directors) Functional Committees (Remuneration Committee & Audit Committee)
Method of Evaluation	(1) The internal evaluation of the board (the Chairman rep. the BoD) (2) Self-evaluation by individual board members (3) The internal evaluation of functional committees (the Committee Convenor rep. the whole committee members)
Evaluation Content	<p>(1) Self-Performance Evaluation of the Board</p> <p><u>Evaluating Criteria</u></p> <p>There are 45 standards to evaluate the performance with the following five aspects: participation in the operation (25%), improvement of the decision-making quality (26%), composition and structure of the BoD (16%), election and continuing education of the directors (17%), and internal control (16%).</p> <p><u>Evaluation Results</u></p> <p>Self-Performance Evaluation Result: 90.48.</p> <p>The current BoD members have professional knowledge or industry experience to evaluate and supervise the company's operating conditions and the effectiveness of the internal control. In 2024, the board meeting was held every quarter, and the attendance rate was 92.3%.</p> <p>(2) Self-Performance Evaluation of Board Members</p> <p><u>Evaluating Criteria</u></p> <p>There are 23 standards to evaluate the performance with the following six aspects: alignment of the goals and missions (15%), awareness of the duties (15%), participation in the operation (30%), internal relationship and communication (12%), professionalism and continuing education (15%), and internal control (13%).</p> <p><u>Evaluation Results</u></p> <p>Self-Performance Evaluation Result: 85.6~100</p>

	<p>7 members finished the questionnaire of self-evaluation. Most of them can understand the responsibilities and obligations of directors, grasp the company's goals, policies, and industry characteristics, ensure sufficient and sufficient investment in board affairs, establish positive communication with the management team, and effectively evaluate and supervise various internal controls.</p> <p>(3) Self-Performance Evaluation of the Functional Committee [Remuneration Committee]</p> <p><u>Evaluating Criteria</u></p> <p>There are 21 standards to evaluate the performance with the following five aspects: participation in the operation (20%), awareness of the duties (25%), improvement of the decision-making quality (25%), composition of the committee (15%), and internal control (15%).</p> <p><u>Evaluation Results</u></p> <p>Self-Performance Evaluation Result: 90+.</p> <p>The members of the functional committee are properly composed with the expertise and knowledge, they can perform evaluation and supervision in a timely, professional, and objective manner and make suggestions. The annual convening situation was good.</p> <p>[Audit Committee]</p> <p><u>Evaluating Criteria</u></p> <p>There are 22 standards to evaluate the performance with the following five aspects: participation in the operation (20%), awareness of the duties (25%), improvement of the decision-making quality (25%), composition of the committee (15%), and internal control (15%).</p> <p><u>Evaluation Results</u></p> <p>Self-Performance Evaluation Result: 90+.</p> <p>The members of the functional committee are properly composed with expertise and management insight; they also attach importance to emerging issues and policies such as AQI and ESG, they can perform evaluation and supervision in a timely, professional, and objective manner and make suggestions. The annual convening situation was good.</p>
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D. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years:

The Company established an audit committee composed of all independent directors. There are more than half of the independent directors of the BoD, a total of four seats, to strengthen corporate governance and the functions of the BoD.

2.3.2 Audit Committee

The Committee is composed of the entire 4 independent directors, the professions and experience of the Committee members please refer to "Professional Qualifications, Experience and the Independence of Directors and Independent Directors". The main function of the Audit Committee is to supervise the fair presentation of the financial reports; the hiring (and dismissal), independence, and performance of CPA; the effective implementation of internal control; the compliance with relevant laws and regulations; the management of the existing or potential risks.

The core deliberation subject in 2024 includes reviewing quarterly and annual financial reports; evaluating the effectiveness of internal control by reviewing internal and external auditing and regular management reports; evaluating the independence and competence of CPA and the rationality of fees; and other major company matters. The Audit Committee members shall recuse themselves from proposals that may have interest conflict, however, there was no proposal that involved the interest of the members in the year. During the year, the audit committee convened 5 times, and the attendance rate was 95%.

Operation of the Audit Committee

A total of 5(A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent Director	Tsung-Hung Chen	4	1	80%	Convenor
Independent Director	Sung-Chiao Lin	5	0	100%	
Independent Director	Chi-Jung Hu	5	0	100%	
Independent Director	Jong-Ming Huang	3	0	100%	Term expired
Independent Director	Shu-Mei Huang	2	0	100%	2024/06/12 on board

Other Information Required to be Disclosed

A. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

(1) Matters referred to in Article 14-5 of the Securities and Exchange Act.

Session	Motion	Result	Executive Situation
2024/01/29	1. Land Acquisition (with unrelated parties) 2. Matters of corporate bond issuing	Present members agree to pass.	Approved by the BoD or shareholders' meeting.
2024/02/26	1. 2023 annual financial statements 2. 2023 earnings distribution 3. 2023 annual business report 4. 2023 Implementation status and statement of the internal control 5. Amendment of "Regulations Governing Procedure for Board of Directors Meetings" 6. Amendment of "Audit Committee Charter" 7. The company applies for financing guarantee limit from financial institutions. 8. Audit Committee's Review Report	Present members agree to pass.	Approved by the BoD or shareholders' meeting.
2024/04/29	1. Appointment and the remuneration of CPA 2. The financial report for the first quarter of 2024 3. Land Acquisition (with unrelated parties) 4. The company applies for financing guarantee limit from financial institutions. 5. 2023 Sustainability Report	Present members agree to pass.	Approved by the BoD
2024/07/29	1. The financial report for the second quarter of 2024 2. Land Acquisition (with unrelated parties) 3. The company applies for financing guarantee limit from financial institutions. 4. Amend the documents of Internal Control Systems 5. The corporate chop registered with the Ministry of Economic Affairs is kept in the custody of designated people.	Present members agree to pass.	Approved by the BoD
2024/10/28	1. The financial report for the third quarter of 2024 2. Land Acquisition (with unrelated parties) 3. The company applies for financing guarantee limit from financial institutions. 4. Amendment of "Sustainable Development Best Practice Principles" 5. The internal audit plan for the year 2025	Present members agree to pass.	Approved by the BoD

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

B. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None

C. Communications between the independent directors, the Company's chief internal auditor and CPAs:

The internal audit supervisor regularly provides audit reports to independent directors and conducts internal audit reports in the Audit Committee meeting every quarter. The internal audit supervisor reports to the independent directors on the audit business and the content of the annual audit plan. Also, the implementation of the audit business, the tracking of audit deficiencies, recent release of regulations or other matters by supervisory authorities, and comment of amendment of Internal Control Systems documents have been fully communicated. Independent directors have been notified and no opinion.

After the annual audit is completed, the accountant sends a communication letter to each independent director by mail. The communication includes the audit method, significant accounting estimates and key audit matters, significant exposures that need to be disclosed in the financial report and their impact on the financial report, as well as the audit quality indicators of the accountant team.

The independent directors of the Company have direct communication channels with the internal audit officer and CPAs by e-mail, phone, or face-to-face as needed. The independent directors follow the regulations of the competent authority, regularly check the Company's financial and business conditions, and directly communicate with the management team.

2.3.3 Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for Listed Companies and the Reasons

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for Listed Companies and the reasons
	Y	N	Summary Description	
1.Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for Listed Companies?	√		The “Corporate Governance Best-Practice Principles” has been approved by the BoD and placed on the corporate governance section of the Company's website.	None
2. Shareholding Structure and Shareholders’ Rights				
(1) Does the Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	√		To ensure the rights and interests of shareholders, the Company has established stock management procedures and dedicated personnel to properly handle shareholders' suggestions, doubts, and disputes.	None
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	√		The Company tracks the changes in the shareholding of directors, managers, and major shareholders holding more than 5% of the shares every month.	None
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	√		The Company establishes appropriate risk control mechanisms and firewalls by the “Corporate Governance Best Practice Principles,” “Supervision and management of subsidiaries,” “Operational Procedures for Endorsements/Guarantees,” “Operational Procedures for Loaning Funds to Others,” “Procedures for the Acquisition or Disposal of Assets.” Related contacts are treated as independent third parties, or transactions with related parties are approved by BoD. Unconventional transactions are prohibited.	None
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	√		The Company has established insider trading prevention and management measures, prohibiting company insiders from using unpublished information on the market to buy and sell securities, to prevent insider trading from happening.	None
3. Composition and responsibilities of the board of directors				
(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	√		The composition of the BoD implements policy on diversity of "Corporate Governance Best Practice Principles," please refer to "The Diversity of the BoD." (page 9~10)	None
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?		√	The Company set up functional committees for auditing and remuneration. Other committees will be established in consideration of the company's operation if needed.	None

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for Listed Companies and the reasons
	Y	N	Summary Description	
<p>(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?</p> <p>(4) Does the Company regularly evaluate its external auditors' independence?</p>	√		<p>The Company established regulations governing the board performance evaluation, conduct and report regularly scheduled performance assessments; please refer to "Implementation of Evaluations of the Board of Directors." (page 16)</p> <p>The Company evaluates the professionalism, quality, and independence of the CPA every year. The evaluation factors referring to AQIs include the experience of the CPAs and audit team, non-audit service, report quality, timing character of the report, shareholding situation, ethical behavior, professionalism of the CPA team, and regulatory compliance.</p>	<p>None</p> <p>None</p>
4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	√		The Company appointed its chief corporate governance officer, who is in charge of matters relating to BoD or shareholder's meetings; for further info please refer to the corporate governance section of the Company's website.	None
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	√		The Company maintains multiple channels of communication with its banks, shareholders, employees, consumers, suppliers, community, or other stakeholders, respecting and safeguarding their legal rights and interests, for further info please refer to the stakeholders' section of the Company's website.	None
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	√		The Company engages a professional shareholder services agent, Yuanta Securities, to handle shareholders' matters.	None

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for Listed Companies and the reasons
	Y	N	Summary Description	
<p>7. Information Disclosure</p> <p>(1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?</p> <p>(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?</p> <p>(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?</p>	√		<p>The Company publishes its financial reports and the material financial or business transactions on MOPS before the specified deadline. To enhance information disclosure, the Company regularly updates its finances, operations, and corporate governance information on the website. The spokesperson system works well to ensure the proper and timely disclosure of information.</p> <p>Website : www.ys-construction.com.tw</p>	<p>None</p> <p>None</p> <p>None</p>
<p>8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?</p>	√		<p>Please refer to the website or the Sustainability Report of the Company.</p>	None
<p>9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement:</p> <p>The Company instructs a team to study and discuss the evaluation results, and improve the unscored items one by one in stages.</p>				

2.3.4 Remuneration Committee

■ Composition of the Remuneration Committee

Dec. 31st, 2024

Capacity / Name	Qualifications	Professional Qualifications and Experience	Independence	Number of Other Public Companies at Which the Person Concurrently Serves as Remuneration Committee Member
Independent Director (Convenor)	Tsung-Hung Chen	(Note)	(Note)	0
Independent Director	Chi-Jung Hu	(Note)	(Note)	0
Independent Director	Shu-Mei Huang	(Note)	(Note)	0

Note: The professional qualifications, experience, and independence of the Remuneration Committee, please refer to “Professional Qualifications, Experience and the Independence of Directors and Independent Directors” on page 9.

■ Operation of the Remuneration Committee

- A. The Company’s remuneration committee has a total of 3 members.
- B. The term of the current members is from 2024/06/12 to 2027/06/11. The number of remuneration committee meetings held in the most recent fiscal year was: 2(A). The attendance by the members was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent Director (Convenor)	Tsung-Hung Chen	2	0	100%	
Independent Director	Chi-Jung Hu	2	0	100%	
Independent Director	Sung-Chiao Lin	1	0	100%	Note
Independent Director	Shu-Mei Huang	1	0	100%	Note

Note: The Circumstances of the Remuneration Committee members change because the term expired on 2024/06/12.

■ Other Information Required to be Disclosed

- A. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee: None.
- B. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members’ opinion: None.

C. Implementation Summary

The functions of the Remuneration Committee are to professionally and objectively evaluate the policies and systems for compensation of the directors and managerial officers of the Company, also submit recommendations.

The core deliberation subject in 2024 includes reviewing the performance assessment standards, goals, and the policies, systems, standards, and structure for the compensation of the directors, and managerial officers of the Company; periodically assessing the degree to which performance goals for the directors and managerial officers have been achieved. During the year, the Remuneration Committee convened 2 times, and the attendance rate was 100%.

Session	Motion	Result	Executive Situation
2024/01/29	1. Evaluations & remuneration of the BoD 2. Year-end bonus and promotion for managerial officers 3. 2023 profit-sharing compensation of employees and directors	1.~2.Refer to the industry standard, the Company's profit, personal business content, and results of individual managers, and reach a consensus recommendation. 3. Follow the Company's practice and reach a consensus resolution.	Approved by the BoD
2024/06/24	1. Annual salary adjustment (including managerial officers.) 2. Regular review of the compensation policy system. 3. Motion of directors' remuneration	1. Evaluate and approve according to the case. 2. Assess the current system work appropriate. 3. Please refer to page 15.	Submit to the BoD.

2.3.5 Implementation Status and Deviations from the Sustainable Development Best Practice Principles for Listed Companies and the Reasons

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for Listed Companies and the reasons
	Y	N	Summary Description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	√		<p>The Company set up an ESG team to be responsible for ESG related issues and report to the BoD regularly, which is led by the President's office in promoting sustainable development initiatives. The BoD supervises the communication with stakeholders, the schedule planning of greenhouse gas inventory, and other ESG issues by the regulations of the competent authority.</p> <p>2024/04/29 (1) The ESG crew reported the Sustainability policies implementation. (2) The BoD approved the issuing of a sustainability report.</p> <p>2024/07/29 (1) The ESG crew reported the material topics for the year.</p>	None
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note)	√		<p>The Company has established multiple communication channels with stakeholders and constitutes a matrix of major issues based on two dimensions: "degree of stakeholders' concern" and "degree of ESG impact" relevant management and action countermeasures. For further content, please refer to the ESG report of the Company.</p>	None

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for Listed Companies and the reasons
	Y	N	Summary Description	
3. Environmental Issues				
(1) Has the Company set an environmental management system designed to industry characteristics?	√		The Company establishes environmental pollution prevention and control measures such as reduction of air pollution and runoff wastewater pollution under the relevant regulations of the competent authority, requires contractors to work in compliance, and conducts daily environmental management publicity in construction site meetings.	None
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	√		The Company aims to reduce the annual electricity consumption in the office area by 600kwh/floor, assuming that all electrical equipment operates continuously during business hours. This energy-saving goal would be achieved through measures such as turning off lights during lunch breaks, turning on appliances when necessary, and purchasing energy-saving equipment. Regarding the use of renewable materials, we pay attention to the proportion of recycled materials used in reinforcement and concrete raw materials. Without compromising safety or performance, we strive to select materials with green building material labels and water-saving and energy-saving equipment to provide customers with low-environment-impact residential products. 2024- Replacement of energy-saving lighting in all office areas	None
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	√		In the form of a climate change workshop, the Company analyzes the possible operational and financial impacts of future climate change scenarios in Kaohsiung, the main place of operation, including physical risks such as rising average temperature and extreme weather, as well as transformation risks from the market, government policy, and regulatory trends. For the sand table deduction and countermeasures of related issues; please refer to the website section of "Corporate Social Responsibility Implementation Situation."	None
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the	√		The Company belongs to the construction industry. The production outsources construction partners and project contractors. We aim to reduce ghg	None

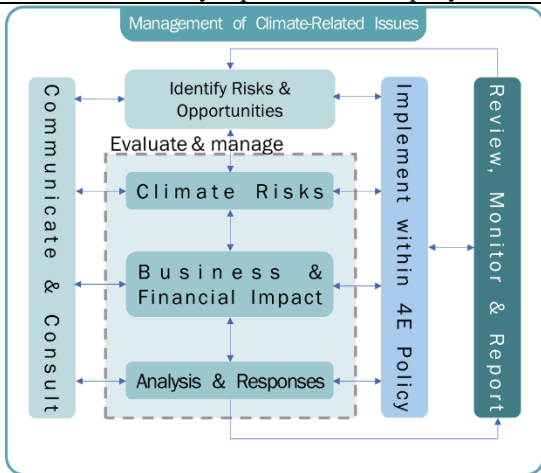
Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for Listed Companies and the reasons
	Y	N	Summary Description	
total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?			<p>emission by 1% per year. The border of the carbon , water consumption or wastes is “the Company”.</p> <p>GHG emissions (Scope 1+2) 2024: 86.3729 tonCO₂e 2023: 84.2143 tonCO₂e</p> <p>Water consumption 2024: 676 tons 2023: 516 tons</p> <p>Solid waste 2024: 2.85 tons 2023: 2.78 tons</p> <p>We set a goal of 600 kwh energy savings and 6,000 L water savings a year for each floor. We offer incentives to motivate employees to join the program when they achieve more savings than the goals. For further content, please refer to the ESG report of the Company.</p>	
<p>4. Social Issues</p> <p>(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p> <p>(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?</p>	√		<p>YUNGSHIN abides by Taiwan's labor-related laws and regulations, protects the legitimate rights and interests of employees, and follows the human rights proclaimed in international conventions such as the "The UN Global Compact," "Universal Declaration of Human Rights" and " ILO Declaration of Fundamental Principles and Rights at Work" protect the spirit and principles, formulate the Company's human rights policy, treat and respect every employee with dignity.</p> <p>The Company follows the human rights policy to establish a diverse and non-discriminatory fair workplace, female executives account for 62.5%. It has a reasonable salary and welfare system. The Company properly reflects business performance in employee compensation. The year-end bonus is paid in consideration of performance. 0.15% of the revenue is allocated as the welfare fund of the Welfare Committee to organize various activities and benefits.</p>	<p>None</p> <p>None</p>

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for Listed Companies and the reasons
	Y	N	Summary Description	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	√		The Company constructs a safe and healthy working environment in compliance with labor laws and conducts safety and health education. Under the premise that there are no systemic factors such as infectious diseases, it provides annual employee health checks, irregular flu vaccines, or other health welfare activities, and publicizes health-related information through the internal network to strengthen employees' safety and health awareness. Reported no occupational accidents or fire accidents in the year.	None
(4) Has the Company established effective career development training programs for employees?	√		YUNGSHIN implements pre-employment training and on-job training. As part of the on-job training, the general courses planned by the Administration Dep. are suitable for all employees, including corporate integrity and insider transaction prevention promotion, information communication security promotion, etc.; training courses also are planned by each department according to business needs. Due to the seniority of most employees, the Company encourages employees to participate in external professional training and arranges visits to manufacturers or peers to refine industrial knowledge, skills, regulations, and policies that will effectively improve the work functions, enable employees to keep pace with.	None
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	√		The Company has formulated the "Personal Information Protection Measures" to regulate customer privacy and data use, and protect consumer rights under the applicable laws of the competent authority on real estate transactions and international standards. In the consumption and after-sales service process, customers can give comments and feedback at any time through the sales center counter or the website.	None
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or	√		The Company establishes the management of various project suppliers according to the categories of construction materials and engineering contracts. In the procurement of building materials, under the premise of	None

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for Listed Companies and the reasons
	Y	N	Summary Description	
labor rights, and what is the status of their implementation?			conforming to the planning, design, and use effect, YUNGSHIN actively adopts manufacturers that can provide products with green building material labels or environmentally friendly concepts; in the procurement of kitchenware and lighting equipment, we use manufacturers that can provide equipment that meets the needs of water saving and energy saving. In the part of project contracting, suppliers are required in the contract to maintain labor safety and hygiene and abide by the regulations of each construction site, including fall prevention measures, using automated labor-saving and safe equipment to improve the safety of operators.	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	√		The Company has prepared the ESG report with referring to the GRI guidelines issued by the Global Reporting Initiative (GRI), and registered reports on GRI system were verified. Please note that these reports have not been verified by a third party.	None
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for Listed Companies, please describe any deviation from the principles in the Company's operations: None.				
7. Other important information to facilitate better understanding of the company's promotion of sustainable development: Please refer to the ESG report of the Company.				

Note: The materiality principle refers to focusing on environmental, social and corporate governance issues likely to have a material impact on the Company's investors and other stakeholders.

2.3.5-1 Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Company established an ESG team led by the General Manager's Office to maintain climate change-related risk and issue management. The BoD oversees the implementation of climate change-related action plans, greenhouse gas inventory planning schedule, and regularly listens to management team reports on the implementation and tracking of climate change workshops. For the management team's reports to the BoD on climate change issues and risk management, please refer to the Company's website.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Climate change-related physical risks may lead to issues such as labor shortages and project delays, while efforts to improve on-site operations could result in increased artificial costs. Transformational risks and opportunities associated with climate change include changes in consumer lifestyles and government policies. To mitigate the adverse effects of physical risks on living environments, designs incorporating ventilation and natural lighting are employed. The buildings are also adopting green energy through the installation of solar power systems. Meeting market trends by providing electric vehicle charging facilities, and introducing products that comply with local government green building specifications. For the short- and long-term impacts of climate change on operations, please refer to the sustainability report of the Company.
3. Describe the financial impact of extreme weather events and transformative actions.	Extreme climate events, in the long run, increase daily exposure and perceived temperature, making the implementation environment more challenging, pushing up construction risks and labor shortages; imbalances in labor supply and demand drive up manpower costs related to projects. Extreme weather may also affect the progress of project construction, with extended timelines increasing costs such as equipment rental fees and construction expenses. The transformation actions undertaken by upstream steel, cement, and other manufacturers may indirectly affect the material cost of construction. The impact of climate change on finances or business is detailed in the sustainability report of the Company.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	 <p>The management structure of climate risk as shown on the left, more detail please refer to the sustainability report of the Company.</p> <pre> graph TD Title[Management of Climate-Related Issues] Title --> A[Identify Risks & Opportunities] A --> B[Evaluate & manage] B --> C[Climate Risks] C --> D[Business & Financial Impact] D --> E[Analysis & Responses] E --> F[Implement within 4E Policy] F --> G[Review, Monitor & Report] G --> A subgraph LeftBox [Communicate & Consult] A B C D E end subgraph RightBox [Implement within 4E Policy] F end subgraph BottomBox [Review, Monitor & Report] G end </pre>
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described: N/A	
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks: N/A	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated: N/A	
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified: N/A	
9. Greenhouse gas inventory and assurance status; reduction goals, strategies and specific action plans: N/A	

2.3.6 Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for Listed Companies and the Reasons

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for Listed Companies and the reasons
	Y	N	Summary Description	
1. Establishment of ethical corporate management policies and programs (1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	√		The BoD has adopted "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct," which have been disclosed on the internal network and the website of the Company. The BoD and the management team actively implement the integrity policy and sign a statement promising to follow it.	None
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for Listed Companies?	√		"Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct," of the Company have clearly regulated the behaviors in Article 7, paragraph 2 of "the Ethical Corporate Management Best Practice Principles for Listed Companies." The Company establishes an adequate accounting and internal control system, and the mechanism of mutual supervision and checks and balances works well to prevent dishonest behavior.	None
(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	√		The "Procedures for Ethical Management and Guidelines for Conduct" of the Company have clearly defined operating procedures, behavior guidelines, punishment, complaint systems for violations, reporting channels, and handling procedures to ensure the legitimate rights and interests of the whistleblower and the counterparty. It is disclosed on the website and internal network. A staff is arranged to manage reporting mailbox and related issues.	None
2. Ethical Management Practice (1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	√		Based on the principle of integrity policy, the Company conducts fair business activities and has a good faith clause in the project contract to ensure that no kickbacks or other improper benefits are sent to employees or related parties. The contractor has to ensure that the quotation is fair, the delivered items are qualified, non-collusion affidavit and no inflated prices, and no cut corners or waste utilities.	None

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for Listed Companies and the reasons
	Y	N	Summary Description	
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	√		Integrity management is one of the major issues concerned by stakeholders. The ESG team implemented the promotion of corporate integrity under the supervision of the audit office. The implementation of ethical corporate management is reported to the BoD once a year. All of BoD members signed a statement of integrity and unanimously agreed to waive profit-sharing compensation during the term.	None
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	√		There is an interest avoidance clause in the "Rules of Procedure for Board of Directors Meetings". When a meeting item has an interested party with a director or the legal party he represents, he will state the important aspects of the interest, then voluntarily leave the meeting to avoid participating in the discussion and voting on the matter.	None
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	√		The Company establishes an adequate accounting and internal control system and sets up check-and-balance mechanisms for mutual supervision of the business activities to actively prevents dishonest behavior. The audit office arranges the annual audit plan and conducts the audit according to the risk assessment results. The audit situation is monthly reported to the independent directors.	None
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	√		The ESG team implemented awareness programs of corporate integrity under the supervision of the audit office. The ESG team organized educational training activities with a focus on corporate integrity during company digital learning events. The common patterns of non-compliance in stock trading and publicity materials from the competent authorities were shared to managerial officers and directors. In addition, the Company regularly promotes its policy of ethical management at internal meetings and implements ethical business practices in daily operations.	None

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for Listed Companies and the reasons
	Y	N	Summary Description	
3. Implementation of Complaint Procedures				
(1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?	√		The Company's website and internal network have whistle-blowing mailboxes and contact numbers that are dealt with by a dedicated unit under regulations. Whistle-blowing incentive measures are awarded according to the seriousness of the cases.	None
(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	√		The Company ensures the confidentiality of the whistleblower's identity and content and allows anonymous whistleblowing. There are different procedures for reporting and handling depending on the importance of the personnel involved in the reported matter, and it will handle through legal channels and report to the competent authority if necessary.	None
(3) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	√		The Company has protection and incentive measures for whistleblowers and promises to protect whistleblowers from being improperly dealt with due to whistleblowers.	None
4. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	√		"Procedures for Ethical Management and Guidelines for Conduct," "Ethical Corporate Management Best Practice Principles" and the implementation of integrity management are disclosed on the website of the Company.	None
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: None.				
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): None.				

2.3.7 Other significant information that will provide a better understanding of the state of

the company's implementation of corporate governance may also be disclosed:

Regarding the implementation of corporate governance, evaluations of the BoD, and actions of ethical corporate management; please refer to the corporate governance section of the Company's website.

2.3.8 The section on the state of implementation of the Company's internal control system shall furnish the following:

- A. A Statement on Internal Control: Please scan the QR code below to view the Statement released on the Market Observation Post System(MOPS).



- B. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

2.3.9 Material resolutions of a shareholders meeting or a board of directors meeting

■ Material resolutions of shareholders meeting

Date: 2024/06/12

Material resolution: The distribution of NTD 11.2912 per share in cash dividends.

State: The distribution of NTD 11.2912 per share in cash dividends which has been reported to the 2024 shareholders' meeting was paid on Jul 31, 2024.

■ Material resolutions of board of directors meeting

Date	Material Motion	Resolution
2024/01/29	1. Evaluations & remuneration of the BoD 2. Year-end bonus and promotion for managerial officers 3. 2023 profit-sharing compensation of employees and directors 4. Land acquisitions for construction from non-related parties in Gushan, Zuoying, and Renwu. 5. Issuance of ordinary corporate bonds	Present directors agree to pass. Independent directors have been notified and no opinion.
2024/02/26	1. FY2023 financial statements 2. 2023 earnings distribution 3. 2023 annual business report 4. 2023 implementation status and statement of the internal control 5. The amendment on partial articles of "Rules of Procedure for Board of Directors Meetings" 6. Election of the 13th YCDC Board of Directors 7. Review the qualifications of each director and independent director nominee 8. The Release of Directors from the Non-Competition Restrictions 9. Convening 2024 shareholders meeting 10. The amendment on partial articles of "Audit Committee Charter" 11. The company applies for financing guarantee limit from financial institutions.	Present directors agree to pass. Independent directors have been notified and no opinion.

Date	Material Motion	Resolution
2024/04/29	1. Appointment and the remuneration of CPA 2. The financial report for the first quarter of 2024 3. Land Acquisition (with unrelated parties) 4. The company applies for financing guarantee limit from financial institutions. 5. 2023 Sustainability Report	Present directors agree to pass. Independent directors have been notified and no opinion.
2024/06/12	1. Election of the Chairperson 2. Appointment of the remuneration committee	1. Jung-Ming Chen was elected as chairperson by all attending directors. 2. Present directors agree to pass.
2024/07/29	1. The financial report for the second quarter of 2024 2. Land Acquisition (with unrelated parties) 3. The company applies for financing guarantee limit from financial institutions. 4. Amend the documents of Internal Control Systems 5. The corporate chop registered with the Ministry of Economic Affairs is kept in the custody of designated people. 6. Annual salary adjustment (including managerial officers.) 7. Motion of directors' remuneration	Present directors agree to pass. Independent directors have been notified and no opinion.
2024/10/28	1. The financial report for the third quarter of 2024 2. Land Acquisition (with unrelated parties) 3. The company applies for financing guarantee limit from financial institutions. 4. Amendment of "Sustainable Development Best Practice Principles" 5. The internal audit plan for the year 2025	Present directors agree to pass. Independent directors have been notified and no opinion.

The material resolutions of BoD will be updated on the company's website within 20 days of each meeting.



2.3.10 Where a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

2.4 Information on the professional fees of the attesting CPAs

2.4.1 Information on CPA (External Auditor) Professional Fees

(Expressed in thousands of New Taiwan dollars)

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
Deloitte Taiwan	Xiu-wen Chen	2024/01/01	1,530	232	1,762	Non-audit fees are from services such as tax compliance check.
	Chang-Jun Wu	~ 2024/12/31				

- A. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: N/A.
- B. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: N/A.

2.5 Information on replacement of CPAs

A. Information regarding the former CPAs

Date of replacement	(1) May 1, 2023. (Board Approval) (2) Aug. 1, 2023. (Board Approval) (3) Apr. 28, 2024. (Board Approval)		
Reason for replacement and explanation	(1) It was the internal adjustment of Deloitte Taiwan according to Deloitte Taiwan's letter No. 11200021 dated Jan. 16, 2023. (2) It was the internal adjustment of Deloitte Taiwan according to Deloitte Taiwan's letter No. 11200773 dated Jun. 6, 2023. (3) It was the internal adjustment of Deloitte Taiwan according to Deloitte Taiwan's letter No. 11300358 dated Mar. 18, 2024.		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	Circumstances	CPAs	The Company
	Terminated the engagement	(1) N/A	
	No longer accepted (discontinued) the engagement	(2) N/A (3) N/A	
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons	(1) None. (2) None. (3) None.		
Disagreement with the Company?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Audit scope or steps
			Other
	No	(1) V (2) V (3) V	
Other disclosures	(1) None. (2) None. (3) None.		

B. Information Regarding the Successor CPAs

Name of accounting firm	Deloitte Taiwan
Names of CPAs	(1) Ruei-Shang Hsu; Jia-ling Jiang (2) Xiu-wen Chen; Jia-ling Jiang (3) Xiu-wen Chen; Chang-Jun Wu
Date of engagement	(1) May 1, 2023. (Board Approval) (2) Aug. 1, 2023. (Board Approval) (3) Apr. 28, 2024. (Board Approval)
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	(1) N/A (2) N/A (3) N/A
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	(1) N/A (2) N/A (3) N/A

C. The reply letter from the former CPA regarding the Company's disclosures regarding the matters under Article 10.6.A and 10.6.B(c) of the Regulations: N/A.

2.6 Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: N/A

NOTE: The term "affiliated enterprise of a certified public accountant's accounting firm" means one in which the certified public accountants at the accounting firm of the attesting certified public accountant hold more than 50 percent of the shares, or of which such accountants hold more than half of the directorships, or a company or institution listed as an affiliated enterprise in the external publications or printed materials of the accounting firm of the certified public accountant.

2.7 Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders:

Please scan the QR code below to view the shareholding info revealed on the Market Observation Post System. (MOPS)



shares transfer



shares pledge

A. Where the counterparty in any such transfer or pledge of equity interests is a related party, disclose the counterparty's name, its relationship between that party and the company as well as the company's directors, supervisors, managerial officers, and ten-percent shareholders, and the number of shares transferred or pledged: N/A.

2.8 Relationships Among the Top 10 Shareholders

April 14th, 2025; Unit: thousand shares

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Yung-Shuo Investment Rep.: Lien-Chung Huang	88,693 0	40.79% 0%	— 0	— 0%	0 0	0% 0%	— —	— —	—
Capital TIP Taiwan Select High Dividend ETF Fund	21,742	10.00%	—	—	0	0%	—	—	—
Gao-Shin Construction Rep.: Shu-Ya Tsai	16,525 0	7.60% 0%	— 0	— 0%	0 0	0% 0%	— —	— —	—
Jia-Zhan Investment Rep.: Mei-Hua Lin	15,179 0	6.98% 0%	— 0	— 0%	0 0	0% 0%	— —	— —	—
Yung-Shin Investment Rep.: Li-Wen Sun	10,245 1	4.71% 0%	— 0	— 0%	0 0	0% 0%	— —	— —	—
Yuan-Kang Corp. Rep.: Li-Juan Wu	8,960 0	4.12% 0%	— 0	— 0%	0 0	0% 0%	— —	— —	—
Vanguard Total International Stock Index Fund a series of Vanguard Star Funds	1,814	0.83%	—	—	0	0%	—	—	—
Jia-Cheng-Xin Investment Rep.: Hsiu-Ming Lee	1,666 13	0.77% 0.01%	— 0	— 0%	0 0	0% 0%	— —	— —	—
Vanguard Emerging Markets Stock Index Fund a series of Vanguard International Equity Index Funds	1,659	0.76%	—	—	0	0%	—	—	—
Yung-Te Investment Rep.: Li-Wen Sun	1,517 0	0.70% 0%	— 0	— 0%	0 0	0% 0%	— —	— —	—

NOTE: All of the top 10 shareholders should be listed, and the names of corporate/juristic person shareholders and their representatives should be listed separately. The shareholding ratio (%) is calculated as the total numbers of shares respectively held by the shareholder, their spouse and minor children, or through nominees. Disclose the relationships among the above-listed shareholders, including corporate/juristic person shareholders and natural person shareholders.

2.9 The total number of shares and total equity stake held in any single enterprise by the company, its directors, managerial officers, and any companies controlled by the company: N/A.

III. Capital Overview

3.1 Capital and Shares

3.1.1 Source of Capital Stock

(Expressed in thousands of New Taiwan dollars)

Unit: thousand shares

Month/ year	Issued price (NT\$)	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Capital paid in by assets other than cash	Other
04/1987	10	2,000	20,000	2,000	20,000	Initial Capital	None	None
03/1990	10	19,000	190,000	19,000	190,000	Capital Increase: [Cash] 170,000	None	None
03/1991	10	22,000	220,000	22,000	220,000	Capital Increase: [Cash] 30,000 (Note1)	None	None
01/1995	10	52,000	520,000	52,000	520,000	Capital Increase: [Cash] 300,000 (Note2)	None	None
06/1996	13	68,756	687,560	68,756	687,560	Capital Increase: [Cash] 115,560; [Earnings] 52,000 (Note3)	None	None
07/1997	15	91,000	910,000	91,000	910,000	Capital Increase: [Cash] 153,684; [Earnings] 68,756 (Note4)	None	None
05/1998	10	157,000	1,570,000	113,750	1,137,500	Capital Increase: [Earnings] 136,500; [Capital Reserves] 91,000	None	None
10/1998	39	157,000	1,570,000	157,000	1,570,000	Capital Increase: [Cash] 432,500(Note5)	None	None
07/1999	10	196,250	1,962,500	196,250	1,962,500	Capital Increase: [Earnings] 235,500; [Capital Reserves] 157,000	None	None
10/2000	10	215,875	2,158,750	215,875	2,158,750	Capital Increase: [Capital Reserves] 196,250	None	None
12/2002	10	215,875	2,158,750	201,875	2,018,750	Capital Reduction: [Treasury Shares] 140,000	None	None
04/2003	10	215,875	2,158,750	197,875	1,978,750	Capital Reduction: [Treasury Shares] 40,000	None	None
01/2005	10	215,875	2,158,750	131,043	1,310,429	Capital Reduction: [Treasury Shares] 668,321	None	None
09/2009	10	215,875	2,158,750	183,460	1,834,601	Capital Increase: [Earnings]393,129; [Capital Reserves] 131,043 (Note6)	None	None
09/2011	10	215,875	2,158,750	181,190	1,811,901	Capital Reduction: [Treasury Shares] 22,700	None	None
08/2015	10	220,000	2,200,000	217,428	2,174,281	Capital Increase: [Earnings] 362,380 (Note7)	None	None

Note1: The capital increase is approved according to Letter No. (80)TFS-I-00358 of the Securities and Futures Commission, Ministry of Finance on 1991/02/20.

Note2: The capital increase is approved according to Letter No. (83)TFS-I-02347 of the Securities and Futures Commission, Ministry of Finance on 1994/11/28.

Note3: The capital increase is approved according to Letter No. (85)TFS-I-32250 of the Securities and Futures Commission, Ministry of Finance on 1996/05/21.

Note4: The capital increase is approved according to Letter No. (86)TFS-I-29157 of the Securities and Futures Commission, Ministry of Finance on 1997/04/11.

Note5: The capital increase is approved according to Letter No. (87)TFS-I-58066 of the Securities and Futures Commission, Ministry of Finance on 1998/08/05.

Note6: The capital increase is approved according to Letter No. (98)FSSC-0980035869 of the Financial Supervisory Commission, Executive Yuan on 2009/07/17.

Note7: The capital increase is approved according to Letter No. FSSC-1040027661 of the Financial Supervisory Commission, Executive Yuan on 2015/07/22.

Note8: The current authorized capital amount of NT\$ 2,500,000 thousand is approved according to Letter No. 10901095130 of the AOC on 2020/06.

April 14th, 2025; Unit: thousand shares

Type of stock	Authorized Capital			Remarks
	Outstanding shares (TPEX listing)	Unissued shares	Total	
Common Stock	217,428	32,572	250,000	stock of TPEX listed

Information Relating to the Shelf Registration System: N/A

3.1.2 List of Major Shareholders

April 14th, 2025

Names of major shareholders	Shares	Shareholding (thousand shares)	Shareholding (%)
Yung-Shuo Investment		88,693	40.79%
Capital TIP Taiwan Select High Dividend ETF Fund		21,742	10.00%
Gao-Shin Construction		16,525	7.60%
Jia-Zhan Investment		15,179	6.98%
Yung-Shin Investment		10,245	4.71%
Yuan-Kang Corp.		8,960	4.12%
Vanguard Total International Stock Index Fund a series of Vanguard Star Funds		1,814	0.83%
Jia-Cheng-Xin Investment		1,666	0.77%
Vanguard Emerging Markets Stock Index Fund a series of Vanguard International Equity Index Funds		1,659	0.76%
Yung-Te Investment		1,517	0.70%

Note: List all shareholders with a stake of 5% or greater, and also list top 10 shareholding shareholders.

3.1.3 Dividend Policy and Implementation Status

A. Dividend Policy

According to Article 18-1 of “Articles of Association”, if earnings are available for distribution at the end of a fiscal year, 10% of net earnings – that is, after offsetting any loss from the prior year(s) and paying all taxes and dues – shall be set aside as a legal reserve and appropriated under the Securities Exchange Law. The remaining net earnings can be distributed along with prior accumulated unappropriated retained earnings. The Board of Directors will consider the above-mentioned factors when making the dividend distribution proposal. Stock dividends will be distributed by the resolution approved by the Board of Directors and at the annual shareholders’ meeting. If dividends will be distributed in the form of cash, the board of directors is authorized to make a resolution adopted by a majority vote at a meeting of board of directors, and the distribution shall be reported to the shareholders.

The core business of the Company is a real estate investment, which is capital-intensive and closely related to prosperity. Considering the business environment, long-term financial planning, budgeting, and rights and interests of shareholders' protection, to keep long-term development, the distribution of dividends depends on the demand for operation and the degree of dilution of earnings per share. Appropriate stock dividends or cash dividends are distributed, of which cash dividends shall not be less than 10% of the total amount of dividends.

Based on the rights of shareholders and to share the Company's operating results with them, the Company has set a target dividend distribution ratio of 80% in its sustainable management policy.

B. Proposed Distribution of Dividend

The proposal for the distribution of 2024 profits was passed at the Board meeting on Feb. 24, 2025. The proposal for a cash dividend of NT\$ 14.42826 per share, a stock dividend of NT\$ 0 per share, and a cash distribution from the capital surplus of NT\$0.07174 per share, a total amount of cash distribution of NT\$14.5 was adopted. It will be reported at the annual shareholders' meeting.

C. If a material change in dividend policy is expected, provide an explanation: N/A.

3.1.4 Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: N/A

3.1.5 Profit-sharing Compensation of employees and directors

A. The percentages or ranges with respect to employee and director compensation, as set forth in the company's articles of incorporation.

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 and set aside 3% or less of its annual profits as a bonus to directors, provided however that the Company shall first offset its losses in previous years that have not been previously offset. The employees may be paid remuneration in stock or cash. The directors may be paid remuneration only in cash. Above remuneration shall be determined by the BoD, and reported at the annual shareholders' meeting.

B. The basis for estimating the amount of employee and director profit-sharing compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

The estimated amount of employee profit-sharing compensation was 0.1% of annual profits according to "Articles of Association." To create better business performance, all members of BoD unanimously agreed to a waiver of profit-sharing compensation during the term; the estimated profit-sharing compensation was 0. There was no remuneration paid in stock. Any discrepancy between the actual distributed amount and the estimated figure will be adjusted as an expense subject.

C. Information on any approval by the board of directors of distribution of compensation.

1. Recommended Distribution of Profit-sharing Compensation of Employees and Directors.

The employee profit-sharing compensation of 0.1% of annual profits (NT\$4,362,096) in cash and the director profit-sharing compensation of NT\$0 was adopted by the BoD on Jan. 7, 2025 and Feb. 24, 2025.

2. The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: N/A.

D. The actual distribution of employee and director compensation for the previous fiscal year, and if there is any discrepancy between the actual distribution and the recognized employee or director compensation, additionally the discrepancy, cause, and how it is treated.

The approved employee profit-sharing compensation of NT\$3,410,791 in cash and the director profit-sharing compensation of NT\$0 by the BoD were paid; there was no discrepancy between the estimated amount and the actual distribution.

3.1.6 Buy-back of Treasury Stock: N/A.

3.2 Corporate Bonds

Type of corporate bonds	110-1 Secured Corporate Bond	110-2 Secured Corporate Bond
Issue (transaction) date	2021.07.20	2021.09.27
Face value	NT\$ 1 million	NT\$1million
Place of issue and trading	N/A	N/A
Issue price	Issue by denomination	Issue by denomination
Issue amount	NT\$ 400 million	NT\$ 600 million
Coupon rate	Fixed rate at 0.59% p.a.	Fixed rate at 0.55% p.a.
Term	5 years, maturity: 2026.07.20	5 years, maturity: 2026.09.27
Guarantor	Shanghai Commercial & Savings Bank	Mega International Commercial Bank
Trustee	Taipei Fubon Bank	Taipei Fubon Bank
Underwriter	Taiwan Cooperative Securities	SinoPac Securities
Attesting lawyer	Chiu, Ya-Wen	Chiu, Ya-Wen
Attesting CPA	Liu, Yu-Hsiang	Yu-Hsiang Liu
Redemption method	Repayment in a lump sum upon maturity.	Repayment in a lump sum upon maturity.
Unredeemed balance	NT\$ 400 million	NT\$ 600 million
Conditions for redemption or early redemption	None	None
Restrictive covenants	None	None
Name of rating agency, date and result of rating	N/A	N/A
Other rights	The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date	N/A
	The issuance and conversion, exchange, or subscription rules	N/A
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.	None	None
Name of the custodian institution of the exchangeable underlyings	N/A	N/A

Note: The Changes in the Trustee of Bond 110-1 and 110-2 from Jih Sun Bank to Taipei Fubon Bank because of the merge effected on Apr. 1, 2023.

Type of corporate bonds		111-1 Secured Corporate Bond	112-1 Unsecured Corporate Bond
Issue (transaction) date		2022.06.08	2023.07.21
Face value		NT\$1million	NT\$1million
Place of issue and trading		N/A	N/A
Issue price		Issue by denomination	Issue by denomination
Issue amount		A : NT\$ 400 million B : NT\$ 190 million	NT\$ 600 million
Coupon rate		A : 1.80% B : 1.85%	Fixed rate at 2.975% p.a.
Term		5 years, maturity: 2027.06.08	5 years, maturity: 2028.07.21
Guarantor		A: Mega International Commercial Bank B: Yuanta Bank	N/A
Trustee		Bank SinoPac	Bank Sinopac
Underwriter		Mega Securities	SinoPac Securities
Attesting lawyer		Jung-Jie Yu	Hui-ji Guo
Attesting CPA		Yu-Hsiang Liu	Ruei-Shang Hsu
Redemption method		Repayment in a lump sum upon maturity.	If the early redemption right is not exercised, repayment in a lump sum upon maturity.
Unredeemed balance		NT\$ 590 million	
Conditions for redemption or early redemption		None	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.
Restrictive covenants		None	None
Name of rating agency, date and result of rating		N/A	N/A
Other rights	The monetary amount of common shares, global depositary receipts, or other securities already converted, exchanged, or subscribed up to the annual report publication date	N/A	N/A
	The issuance and conversion, exchange, or subscription rules	N/A	N/A
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.		None	None
Name of the custodian institution of the exchangeable underlyings		N/A	N/A

3.3 Preferred Shares: N/A

3.4 Global Depositary Receipts: N/A

3.5 Employee Share Subscription Warrants: N/A

3.6 New Restricted Employee Shares: N/A

3.7 Basic Information on Companies That Are Merged or Acquired or Whose Shares Are Acquired by the Company: N/A

3.8 The Implementation of the Company's Capital Allocation Plans

3.8.1. Capital Allocation Plans

For each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits: None.

3.8.2. Status of Implementation

For funds usage under the plans referred to in the preceding subparagraph, analyze the status of implementation and compare actual benefits with expected benefits: N/A

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

A. Major Lines of Business

1. Entrusted construction companies to build residential and commercial buildings for lease and sale.
2. Related to the trading of construction materials (except futures).
3. Design and construction business related to interior decoration.

B. Revenue distribution

One hundred percent of the company's operating income comes from the sale and leasing of domestic residential villas, commercial buildings, residential buildings, and shops, of which the sales amount accounts for close to 100% of the total revenue.

C. Current Products & Services

The company's current products are mainly building residences, commercial buildings, villa residences, and shops. After the development is completed, the construction factory is entrusted to build, the advertising company is entrusted to sell, and the after-sales maintenance service is provided after the sale is completed.

Current portfolio (license approved in 2024): Hui-Shang-Pin, Project Shui-Lu, Project Cheng-Guang, and Project Qile.

D. New products & Services

The company has always determined the direction of product development based on the economic situation. The plans for the development of the case type are mainly based on the middle-priced and medium-to-high-priced residential buildings in the elite areas, and the high-quality villas are supplemented.

4.1.2 Industry Overview

A. The Current Status and Development of the Industry

In recent years, the industry has suffered considerable pressure from imported inflation owing to global supply chain bottlenecks and the geopolitical risks pushing up international raw material prices. Construction costs for newly-built homes continued climbing, on the other hand reflecting the rise in the national Urban Land Price Index, prices of new housing units were trending up.

With housing prices and transactions both on the rise, the current severe imbalance of bank credit skewed towards the real estate sector. The Bank asked banks to conduct internal management over a one-year horizon to rein in the total amount of real estate lending. The Bank decided to release tighter selective credit controls to contain housing speculation and property hoarding and prioritize the channeling of credit resources towards nonhomeowners seeking owner-occupied housing. The housing

market trading had started to slacken. Furthermore, the construction industry continues to face a skilled labor shortage, with worker scarcity worsening since the beginning of the pandemic. The levy of carbon fees is also expected to be passed on to the costs of various building materials. The labor shortage has resulted in project delays and a significant rise in labor costs. the elevated borrowing costs and the elevated price of construction materials could also have serious effects on construction activity.

B. The Links Between the Upstream, Midstream, and Downstream Segments of the Industry Supply Chain

The construction investment industry has a large considerable effect on the development of upstream, midstream and downstream industries. The upper reaches of the real estate market include cement, construction, iron and steel, E&M industries...etc. Besides, the sources of land supply include the sale of private land by landlords, public land auctions or joint construction, and the redevelopment of land in old areas through urban renewal procedures. In the downstream of the real estate market, there are agency sales, intermediary, decoration, printing, and building management industries...etc.

C. Product Trends and Competition

According to the statistics of the Kaohsiung Land Administration Bureau, the demand for small-area units has increased in recent years. On the other hand, the Kaohsiung City Government's statistics show the average area of miscellaneous permits is about 37.92 pings per unit. The average area of occupation permit is about 38.98 pings per unit. It can be found that the proportion of 2-3 room collective houses in the newly-built homes continued climbing in line with the market trend.

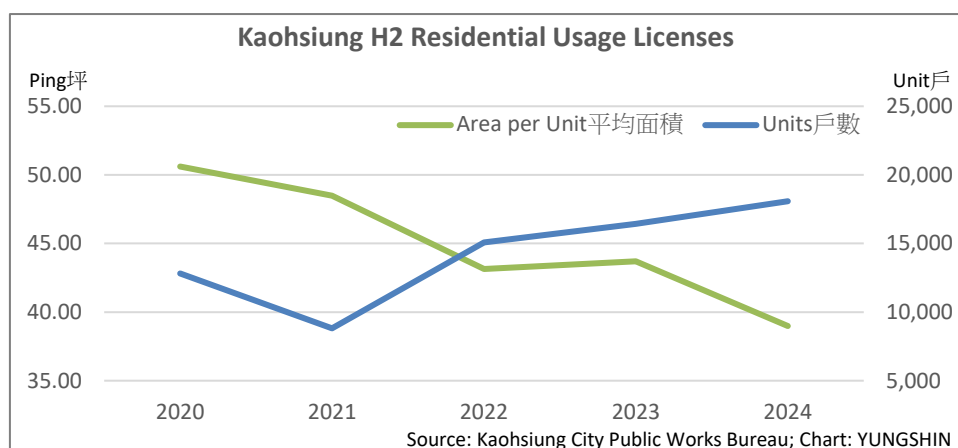
From the perspective of supply and demand in the real estate market in the Kaohsiung area, based on the 2024 H2 residential (excluding farmhouse) usage licenses announced by the Kaohsiung City Public Works Bureau, the cumulative total floor area is 2.33 million square meters, and the number of households is 18,079, of which the trend in supply units matched our prediction of the real estate in Kaohsiung. In terms of transactions, in 2024, according to the statistics of the Land Administration Bureau in Kaohsiung City, there were 50,871 transactions involving the sale and purchase of villa, apartments, and buildings. The top five districts by transaction volume are Nanzi, Fengshan, Sanmin, Zuoying, and Lingya districts. Despite the continuous rise in market interest rates has affected consumers' willingness to purchase, the market competition has not eased driven by the presence of leading enterprises in Kaohsiung.

Land and Building Ownership Registration in Kaohsiung

Type	2022		2023		2024	
	General Registration	Transaction	General Registration	Transaction	General Registration	Transaction
Plots	15,958	37,117	19,092	36,266	19,946	45,242
Area(m ²)	3,414,308	3,901,106	3,836,044	3,563,541	3,579,291	4,390,412
Avg. Area (Ping)	64.72	31.79	60.78	29.72	54.28	29.35

Source : Statistical Information Network Kaohsiung City

Kaohsiung Residential Usage Licenses



4.1.3 Research and Development

A. R&D Expenses in the Past Two Years

The company has invested a considerable amount of labor 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. R&D Expenses in the past two years was 0 and no further plans or investment in the future.

B. Research and Development Achievements: N/A

4.1.4 Long-term and Short-term Development

A. Short-term Development

The Company's short-term business development plan aims to focus on the construction industry, expand the scale of the project, and expand operating income. In the short term, we will actively look for suitable land for negotiation, and hire professional architects and designers to inject new atmosphere into the Company's case, plan new cases with lighting, air vent, good water quality, no noise, and no light pollution to meet consumer needs. And actively sell completed cases to expand revenue.

B. Long-term Development

The Company's long-term business development plan aims to focus on the operation of the construction industry. The main development location is in Kaohsiung. Products include residential villas and residential buildings, affordable and mid-to-high price swaps. Strengthen customer service, enhance the Company's image, innovate the scale of the proposal, achieve the Company's sustainable operation, and create a win-win situation for shareholders, employees and customers.

4.2 Market and Sales Overview

4.2.1 Market Analysis

A. Sales (Service) Region

The Company dedicated itself to bringing nice residential buildings and villas to the public in Kaohsiung since it was founded. In 2024, all portfolios of the Company were located in Kaohsiung City.

B. Market Share, Demand and Supply Conditions for the Market in the Future

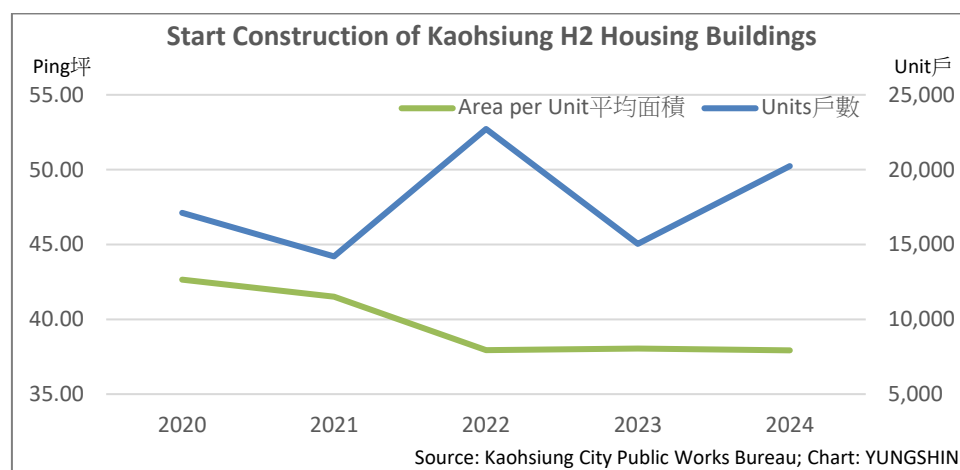
■ Market Share

The Company rolls out new portfolios every year, it has a certain scale of market share in Kaohsiung. According to the statistics of Land and Building Ownership Registration in Kaohsiung by the Kaohsiung Land Administration Bureau, the total transaction registration area was 1,328,099.63 ping in 2024; there was 32,046.90 ping from the Company's conveyancing units, and it was 2.41% of the total.

■ Demand and Supply Conditions for the Market in the Future

(1) Demand and Supply Conditions in the Future

A report from the Economic Development Bureau of Kaohsiung City shows that there were 17,539 registered constructors in Kaohsiung by the end of 2024, including 199 companies with a capital of more than 100 million, and 3,898 registered companies in the real estate industry, there were 155 companies with a capital of more than 100 million. Besides a statistics report published by Kaohsiung Public Works Bureau shows that the total floor area of start construction of type-H2 housing building was 2.54 million square meters in 20,247 households. Local investment encourages real estate demand. Both the total floor area and household units increased by 35%. 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 2024.



Start Construction of Type-H2 Housing Buildings in Kaohsiung

Unit : m²; unit

Item	Household Unit	Total floor area
Kaohsiung	20,247	2,538,359
YUNGSHIN	437 (2.16%)	63,559 (2.5%)

Source : Statistical Information Network Kaohsiung City

(2) The Market's Growth Potential

In recent years, new business districts have taken shape in Kaohsiung through large-scale public construction, industrial parks, and surrounding living functions. The population growth trend of Zuoying, Nanzi, and Gushan Districts in the North Kaohsiung area is more obvious; benefiting from the population overflow of the merger of the Big Kaohsiung, the population of Fengshan and Renwu have also shown growth. Major constructions in Kaohsiung's urban area are in place one after another. In addition, major construction projects in downtown Kaohsiung are nearing completion. This includes the underground railway project and the gradually improving public transportation network that enhances the quality of residential and leisure environments. With the marching of benchmark enterprises into "Kaohsiung Semiconductor Science Park" and "Asia Bay 5G AIoT Innovation Park," employment opportunities will increase and drive the development of surrounding communities. It is expected to attract home buyers to purchase houses. Demand will grow stronger.

C. The Company's Competitive Niche

■ Competitive Niche

1. Maintain financial stability and expand the scale of the proposed case to strive for higher profits.
2. Improve residential functions and product texture, and increase product value.
3. Create a reputation for sustainable management and excellent service, and establish market trust.

■ Positive Factors for Future Development

1. City renew program are rewarding and the implementation of the Dangerous Old Regulations will help activate the scale of the real estate market.
2. Local governments are gradually improving the public transportation network and actively promoting the development of digital technology industries.
3. It was partly sustained by the stationing of leading enterprises, accompanied by the inflow of capital and talents that will drive the development and prosperity of the city and the circulation of real estate in Kaohsiung.

■ Negative Factors for Future Development and the Response Action

1. Higher raw material prices, inflation expectations, hiking policy rates, and selective credit control measures increased capital cost and construction costs. Increasing cost boost housing price and makes home buyers turn cautious.
2. The amendments to the House Tax Act were approved which will raise the house tax on households owning vacant residential properties. The house hoarding tax on a vacant fourth or more units will be increased from 1.5~3.6% to 2.0~4.8%.
3. The funding needs of homeowners seeking a new one were impacted by no grace periods being granted to homeowners applying for a first outstanding home loan and lowering the cap on the loan-to-value (LTV) ratio to 50% of homeowners' second outstanding home loans.

Response Action

Carefully selects a better location to develop, target first-time home buyers and those who want to change houses, and prevent the impact from short-term investors.

4.2.2 Usage and Manufacturing Processes for the Main Products

A. Major Products and Their Uses

1. Residential buildings: residences, shops and basement parking lots.
2. Residential villas: storefronts or residential villas and parking spaces.

B. Major Products and Their Production Processes

The company belongs to the construction investment industry, and the product manufacturing process is as follows:

1. Land evaluation, price negotiation or tender purchase, confirming the acquisition of construction land.
2. After requesting the architect to plan and design the product, apply for a construction license.
3. Entrust a construction factory to build, and the company controls the construction quality, schedule and budget.
4. Entrust advertising company to sell or sell on its own.
5. After completion of the project, the house will be delivered and after-sales service will be provided.

Production Processes



4.2.3 Supply Status of Major Materials

- A. In terms of land, there is no shortage of land sales cases in the real estate market, and the quantity and timing of purchases should be considered based on the following factors:
1. According to the land development market survey and profit analysis, select the cases that meet the development interests and meet the market demand for negotiation.
 2. The elite area of the old tribe does not rule out the development of individual cases according to the urban renewal plan.
 3. Downtown hotels, motels, and old houses acquisition, and rebuild aged housing into buildings according to “Urban Renewal Act” and related regulations.
- B. In terms of construction projects, the company’s individual construction projects are contracted by the construction factory, and the E&M projects are contracted to the E&M manufacturers. The materials required for construction such as reinforcement, concrete and other materials have been established by the supplier after years of cooperation. The list of excellent manufacturers will be selected under the standards for qualifications year by year. The supply of raw materials and the selection of manufacturers shall be purchased and contracted by the purchasing unit in accordance with the prescribed procedures. In recent years, labor issues have replaced the rising material price as construction's biggest headache, however, there is no danger of inadequacy.

4.2.4 Information on Major Suppliers and Major Customers for the Most Recent 2 Years

A. Information on Major Suppliers for the Most Recent 2 Years

(Expressed in thousands of New Taiwan dollars)

Item	2023				2024			
	Name	Amount	% of annual net purchases (%)	Relationship	Name	Amount	% of annual net purchases (%)	Relationship
1	Y Construction Corp.	1,261,875	33.82%	None	Y Construction Corp.	826,770	13.72%	None
2	-	-	-	-	Mrs. Peng	687,500	11.41%	None
3	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-
	Others	2,469,146	66.18%		Others	4,512,093	74.87%	
	Net purchases	3,731,021	100.00%		Net purchases	6,026,363	100.00%	

Note: List all suppliers accounting for 10 percent or more of the Company's total procurement amount in the 2 most recent fiscal years. A code in place of the actual name in revealing the name of a supplier, or a trading counterparty is an individual person who is not a related party.

B. Information on Major Customers for the Most Recent 2 Years: N/A

There is no customer accounting for 10 percent or more of the Company's total sales amount in the 2 most recent fiscal years.

4.3 Employee Statistics for the Most Recent 2 Fiscal Years up to the Annual Report Publication Date

Apr. 14, 2024

Fiscal year		2022	2023	As of Apr. 14, 2024 of the current year
Number	Office worker	30	37	38
	Engineer	5	7	7
	Total	35	44	45
	Average age	48.5	46.3	46.8
	Average years of service	18.6	16.9	16.9
Education distribution (%)	Ph.D.	0	0	0
	Master	3	11.4%	13.3%
	College	29	81.8%	80.0%
	Senior high school	3	6.8%	6.7%
	Below senior high school	0	0	0

4.4 Disbursements for Environmental Protection

4.4.1 Current States

The Company suffered no losses in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents, in which no possible expenses could be incurred currently or in the future.

4.4.2 Environmental Policy, Disbursements, and Countermeasures

- A. The Company's portfolios are contracted by the construction plant. It is expressly stipulated in the contract that the building should be carried out according to the work specification and construction drawings, and the contractor should comply with the regulations of the competent authority including pollution prevention and control measures. Any fines or damages shall be borne by the contractor; therefore, no possible expenses caused by environmental pollution could be incurred currently or in the future.
- B. The company sets up fences, nets, and dustproof cloths on the construction site, requires contractors to clean tires before leaving the construction site, etc., actively implements the prevention and control of air pollution, and pays air pollution control fees under the government's policy.
- C. In order to reduce the wastewater with pollutants caused by rain washing outdoor facilities, building surfaces, or outdoor operating environments, the company submits the runoff wastewater pollution reduction plan in accordance with the regulations and sets up and maintains rain tight shelters, drainage facilities, and grit chambers on the construction site regularly.
- D. Actively adopt building materials and equipment manufacturers that their product can meet green building materials labels, the needs of water saving and energy saving, or have environmental protection concepts under the premise of conforming to planning design and use results.
- E. In order to reduce the noise and vibration generated by working machinery and tools during the construction process, as well as the possible impact on the surrounding area caused by the entry and exit of construction vehicles and personnel, implement the identification and traffic assessment of adjacent houses before construction, and hold a coordination meeting for neighbor houses when necessary. And through the adjustment of construction work time to reduce the possible impact on the life of the surrounding communities.

- F. Setting up solar photovoltaic systems is one of the sustainability response actions of the Company. The total green response investment in the 2024 completed projects was NT\$3.07 million. The green energy that can be generated is 48.84 Kwatts. According to Taipower's solar photovoltaic capacity factor, it is expected to provide 56,510.3 degrees of power yearly.

4.5 Labor Relations

4.5.1 Employee Benefit Plans, Labor-Management Agreements, and Measures for Preserving Employees' Rights and Interests.

A. Employee Benefit Plans, Continuing Education, Training, Retirement Systems, and the Status of Their Implementation

1. Employee Benefit Plans

The employee of the Company enjoys benefits such as labor and health insurance, group insurance, health check subsidies, and house purchase discounts. Group insurance includes NT\$1 million life insurance coverage, NT\$1 million office worker accident insurance, NT\$2 million engineer accident insurance, NT\$500,000 critical illness insurance, and cancer insurance. Therefore, the Company provides a quarter of a month's full salary as the Mid-Autumn Festival and Dragon Boat Festival bonus, and the year-end prize is linked to the profit situation. The year-end bonus based on personal performance. In addition, the Company allocates welfare funds every year at 0.15% of the turnover to let the Welfare Committee plans various welfare program with subsidies and tourism activities. The welfare program properly reflects the operating performance and results.

2. Continuing Education & Training

To encourage employees to enrich their knowledge and capabilities, the Company implements pre-employment training and on-job training. Regarding pre-employment training, the HR department will lead recruits to understand the workplace environment and corporate culture on the day they arrive at work to help them adapt to the company life; in addition, each department also has individual counseling and training about its business.

The on-job training includes general courses for all employees, to propaganda corporate integrity and insider trading prevention, information security, etc.; there are also training courses planned by each department according to business needs. In order to practice strategic goals in a changing working environment, the Company actively encourages employees to participate in external professional training to keep pace with the times, so as to understand the latest industrial knowledge skills and regulations, engineering, accounting, and corporate governance staffs continue to study every year by rules of the competent authority. The Company is very willing to invest in the cultivation of employees. The Company subsidizes the expense of education and training for those who participate in professional training due to business needs. The average training time in 2024 is 8.6 hours.

3. Implementation of Retirement Systems

The Company stipulates retirement-related regulations by the "Labor Standards Act" and the "Labor Pension Act." Employees' retirement conditions are compared with the Labor Standards Law. Labor retirement reserves and labor pensions, employees whose seniority did not apply to the Labor Standards Act before April 1, 1987, will be paid in half according to the provisions of the Labor Standards Act after an agreement is reached between the employer and the employee. For employees who choose the new retirement system, the Company deposits pensions at 6% of their salary every month to each employee's pension account. Employees can also voluntarily withdraw their pensions within 6% of their monthly salary; when employees who choose the old system meet the retirement requirements, they can apply for a pension according to the Company's retirement system. None employee had retired in 2024.

B. Labor-Management Agreements, and Measures for Preserving Employees' Rights And Interests.

The chairman of the Welfare Committee negotiates the Company's employee welfare rights and interests with the management authority. The department head and HR officer take up the employee's work-related conditions with the management authority. There are various welfare measures, and the management system works well. Therefore, the rights and interests of employees are well maintained. The labor-management relationship is harmonious.

4.5.2 List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

There are no violations of the Labor Standards Act in labor inspection and no possible expenses that could be incurred currently and in the future.

The labor-management relationship is harmonious. Labor relation coordination and labor-management harmony improve work efficiency, and it would less occur labor disputes in the future. Therefore, the possible losses due to labor disputes in the future maybe 0. The company sends representatives from employees every year to be elected as the chairman of the employee Welfare Committee and participates in meetings with department heads and management representatives of the company from time to time to discuss various benefits to ensure smooth communication between employees and the company.

4.6 Cyber Security Management

4.6.1 Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

In the cyber security management structure of the Company, the IT Section is the responsible unit for cyber security. It has a dedicated supervisor and a staff. The IT section implements the control of daily cyber security risk management and reports to the management authority regularly. After considering the industry characteristics, scale, and possible risks, the management team will report significant cybersecurity issues to the board of directors for relevant situations and responses. The Company has formulated the "Cyber Security Operation Procedures" in consideration of the "Cyber Security Guidelines for Listed Companies." Cyber security policies and related norms are announced to colleagues through the internal network, and IT staff promote the relevant info to colleagues during equipment inspections. The Company has an independent IT office and computer room, the IT system is backed up daily, and personal access control is implemented; the Company network sets up a firewall and restricts employees from connecting to unknown websites and emails from unknown sources. The cyber security section always pays attention to new information and security threats, and strengthens the Company's software and hardware protection measures according to the situation; the cyber security operation is in good condition, and there is no significant security risk.

4.6.2 List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None. (No significant cyber security incidents)

4.7 Important contracts

Dec. 31, 2024

Nature of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Lands Contracts	Please refer to MOPS website material information about land acquisition.			
Constructions Contracts	Yizhan Construction	2020/12/01 ~ Under construction	Project: Da Cun No.2 Amount: NT\$ 435 million	None
	Yizhan Construction	2021/07/01 ~ Under construction	Project: Kaohsiung Univ. No.2 Amount: NT\$ 248.5 million	None
	Yizhan Construction	2022/02/10 ~ Under construction	Project: Long Hua No.9 Amount: NT\$ 300 million	None
	Yizhan Construction	2022/08/25 ~ Under construction	Project: Fung Dong. No.2 Amount: NT\$ 297 million	None
	Yizhan Construction	2022/10/21 ~ Under construction	Project: Kaohsiung Univ. No.3 Amount: NT\$ 432 million	None
	Yizhan Construction	2023/01/03 ~ Under construction	Project: Shi Da Amount: NT\$ 457 million	None
	Yizhan Construction	2024/07/05 ~ Under construction	Project: Da Cun No.3 Amount: NT\$ 385 million	None
Long-term Loan	First Bank	2022/08/30~2027/02/28	Project: Fung Dong No.2 Amount: NT\$ 650 million	None
	First Bank	2024/10/07~2029/04/07	Project Sijia Amount: NT\$ 710 million	None
	First Bank	4.5 years from the date of the first disbursement	Project: Kaohsiung Univ. No.6 Amount: NT\$ 990 million	None
	Bank of Taiwan	2022/05/30~2027/01/10	Project: Long Hua No.9 Amount: NT\$ 800 million	None
	Mega Bank	2021/12/30~2026/12/30	Project: Kaohsiung Univ. No.2 Amount: NT\$ 500 million	None
	Mega Bank	2023/02/10~2030/02/10	Project: Shi Da Amount: NT\$ 1.18 billion	None
	Yuantan Bank	2021/03/25~2025/06/25	Project: Da Cun No.2 Amount: NT\$ 1.1 billion	None
	Agricultural Bank	2024/06/04~2029/06/04	Project: Long Hua No.10 Amount: NT\$ 410 million	None
	CHB	2022/11/10~2027/11/10	Project: Kaohsiung Univ. No.3 Amount: NT\$ 930 million	None
	CHB	2023/07/25~2027/07/25	Project: Qile Amount: NT\$ 490 million	None
Corporate Bond	SCSB	2021/07/20 (5Y)	issuance guarantee Amount: NT\$ 400 million	None
	Mega Bank	2021/09/27 (5Y)	issuance guarantee Amount: NT\$ 600 million	None
	Mega Bank	2022/06/08 (5Y)	issuance guarantee Amount: NT\$ 400 million	None
	Yuantan Bank	2022/06/08 (5Y)	issuance guarantee Amount: NT\$ 190 million	None

Note: The contracts that may affect shareholders' equity were either still effective as of the date of publication of the annual report, or expired in the most recent fiscal year. The material contracts are the contracts amounting to over NT\$ 300 million.

V. Review of Financial Conditions, Operating Results, and Risk Management

5.1 Analysis of Financial Status

(Expressed in thousands of New Taiwan dollars)

Item \ Fiscal year	2023	2024	Difference	
			Amount	%
Current Assets	16,759,770	17,360,080	600,310	3.58%
Non-Current Assets	101,758	100,668	-1,090	-1.07%
Total Assets	16,861,528	17,460,748	599,220	3.55%
Current Liabilities	5,296,679	7,508,516	2,211,837	41.76%
Non-Current Liabilities	4,428,634	1,785,366	-2,643,268	-59.69%
Total Liabilities	9,725,313	9,293,882	-431,431	-4.44%
Capital stock	2,174,281	2,174,281	0	0.00%
Capital surplus	231,750	231,750	0	0.00%
Retained Earnings	4,730,184	5,760,835	1,030,651	21.79%
Total Stockholders' Equity	7,136,215	8,166,866	1,030,651	14.44%
The causes of changes in the most recent 2 fiscal years: (increase or decrease more than 20% and amount of change more than NT\$10 million) 1. Current Liabilities, and Non-Current Liabilities The heightened working capital loan, issuance of commercial promissory notes, and an adjustment of corporate bonds due to maturity increase the current liabilities. The repayment of bank loans and an adjustment of corporate bonds due to maturity drop the non-current liabilities. 2. Retained Earnings & Total Stockholders' Equity The changes in remaining earnings and total equity are due to revenue-driven profit growth.				

5.2 Analysis of Financial Performance

(Expressed in thousands of New Taiwan dollars)

Item \ Fiscal year	2022	2023	Difference	
			Amount	%
Operating Revenue	8,227,076	10,035,475	1,808,399	21.98%
G r o s s P r o f i t	3,831,091	4,821,674	990,583	25.86%
Operating expenses	421,197	463,097	41,900	9.95%
Operating Income	3,409,894	4,358,577	948,683	27.82%
Profit Before Income Tax	3,407,380	4,357,720	950,340	27.89%
The causes of changes in the most recent 2 fiscal years: (increase or decrease more than 20% and amount of change more than NT\$10 million) 1. Operating Revenue, Gross Profit, Operating Income, and Profit Before Income Tax The stationing of leading enterprises driving sales of housing products in north Kaohsiung stimulates the Company's revenue and profit growth. A sales volume forecast and the basis please refer to “Letter to Shareholders”.				

5.3 Analysis of Cash Flow

5.3.1 Cash Flow Analysis for the Current Year

(Expressed in thousands of New Taiwan dollars)

Cash and Cash Equivalents, Beginning of Year	Net Cash Flow from Operating Activities	Net Cash Flow from Investing and Financing Activities	Cash Surplus (Deficit)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
403,233	2,248,820	(2,372,234)	279,819	—	—

Analysis of change in cash flow in the current year:

1. The net cash inflow from operating activities shows increases due to growing revenue and profit.
2. The net cash outflow from investing and financing activities comes from the distribution of cash dividends and repayment of bank financing.

5.3.2 Cash Flow Analysis for the Coming Year

(Expressed in thousands of New Taiwan dollars)

Estimated Cash and Cash Equivalents, Beginning of Year	Estimated Net Cash Flow from Operating Activities	Estimated Net Cash Flow from Investing and Financing Activities	Cash Surplus (Deficit)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
279,819	1,510,030	(1,534,225)	255,624	—	—

Analysis of change in cash flow for the coming year:

1. Beginning cash for the year is the cash surplus of FY2024.
2. Estimated net cash flow from operating activities sees operation performance.
3. Estimated net cash inflow from investing and financing activities comes from issuing corporate bonds, paying back bank loans, purchasing lands, and paying dividends.

5.3.3 Leverage Plans of Cash Deficit: N/A

5.4 The Effect Upon Financial Operations of any Major Capital Expenditures During the Most Recent Fiscal Year: N/A

5.5 Reinvestment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year:

On January 7, 2025, the board of directors approved the Company to invest in Zhongda Ltd., acquiring 100% shareholding for NT\$820 million. This transaction is to take the land in the Lantian W. section, Nanzi District, owned by Zhongda Ltd. The land would be built for residential buildings and be sold. This investment is expected to make profits after the building is completed and ready for sale. There are no non-real estate-related investment plans in the coming year.

5.6 Risk Management

5.6.1 The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future.

Changes in interest rates have a direct impact on consumers' willingness to buy houses and the Company's loan interest costs, but the impact is limited. Financial liability with cash flow interest rate risk for FY2024 was NT\$ 5,515 million. If the market interest rate changes by 1%, the Company's annual interest expenses will increase or decrease by NT\$ 55.150 million, accounting for about 1.58% of the Company's after-tax profit.

The company's products are 100% sold domestically, and there are few imported raw materials. Payments are all denominated in Taiwan dollars, so exchange rate changes have little impact on the Company's profit and loss. During inflation, due to the hiking cost of raw materials, the construction cost increases; however, the company adopts the model of building first and selling after the completion of the portfolio, so that the price can reflect the change in cost and reduce the erosion of profit and loss caused by changing. Therefore, the impact of inflation on the profit of the company is limited.

Response Measures

In order to balance the financial structure, enrich medium and long-term working capital, and reduce the risk of interest rate changes, the Company issued ordinary corporate bonds in the current year. Ordinary corporate bonds are issued at a fixed rate to lock in medium and long-term capital costs and reduce the impact of raising the interest rate in the future. The Company comprehensively develops housing portfolios with prices in medium or medium to high, areas with large to small square meters. Varies housing type strengthens product to meet the needs of different market groups, which increase sales revenue and individual case profit margins, it also reduces the impact of inflation on the Company's profit.

5.6.2 The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

The Company has no highly risky and highly leveraged investments, loaning to others, endorsements, or derivatives transactions and no further plans or investment in the future. There is an endorsement and guarantee due to the jointly constructed needs between the Company and Zhongda Ltd. (the affiliated company held 100% by the company.) The Company's financial policy is prudent and conservative, and the Company will not engage in high-risk investments or transactions.

5.6.3 Research and development work to be carried out in the future, and further expenditures expected for research and development work.

The company has invested a considerable amount of labor 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. R&D Expenses in the past two years was 0 and no further plans or investment in the future.

5.6.4 Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response.

The Company follows the relevant laws and regulations stipulated by the competent authority and keeps an eye on their adjustments and changes. The Company's information disclosure and operation reporting comply with laws and regulations. Please refer to the “Letter to Shareholders” for the impact of changes in domestic industrial policies and laws in the current year.

5.6.5 Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response.

The effect on the company's financial operations of developments in science and technology is limited. In the cyber security management structure of the Company, the IT Section is the responsible unit for cyber security. It has a dedicated supervisor and a staff. The IT section implements the control of daily cyber security risk management and reports to the management authority regularly. The Company has an independent IT office and computer room, the IT system is backed up daily, and personal access control is implemented; the Company network sets up a firewall and restricts employees from connecting to unknown websites and emails from unknown sources. The cyber security section always pays attention to new information and security threats, and strengthens the Company's software and hardware protection measures according to the situation; the cyber security operation is in good condition, and there is no significant security risk.

5.6.6 Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response.

The Company has its contingency plan and crisis management team to respond effectively to a significant future incident, event, or situation. The crisis management team is composed of the Company's management team. When an emergency occurs, the Company will team with the relevant department to dispatch the required resources and ensure the contingency measures and solutions. Besides, there is a systematic response system for corporate crisis management and communication of the correct information through the spokesperson. In the current year, there was no corporate image crisis or such risk that had a material impact on the Company's operation.

5.6.7 Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken.

None.

5.6.8 Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken.

None.

5.6.9 Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken.

None.

5.6.10 Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken.

No significant change in shares holding.

5.6.11 Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken.

None.

5.6.12 Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report.

None.

5.6.13 Other important risks, and mitigation measures being or to be taken: The company has conducted risk assessments on sustainability issues related to the Company's operations under the principle of materiality, and the board of directors has approved risk management policies and action plans based on "4E". The ESG team led by the general manager's office promotes actions related to sustainable implementation and reports action status and performance to the board of directors yearly. For details, please refer to the Company's sustainability report.

5.7 Other Important Matters: None

VI. Special Disclosure

6.1 Summary of Affiliated Companies: N/A

6.2 Private Placement of Securities During the Most Recent Fiscal Year: N/A

6.3 Other Matters That Require Additional Description: None.

6.4 If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:
None.

YUNGSIN CONSTRUCTION & DEVELOPMENT CO., LTD.

Chairman: Chen Jing Ming