



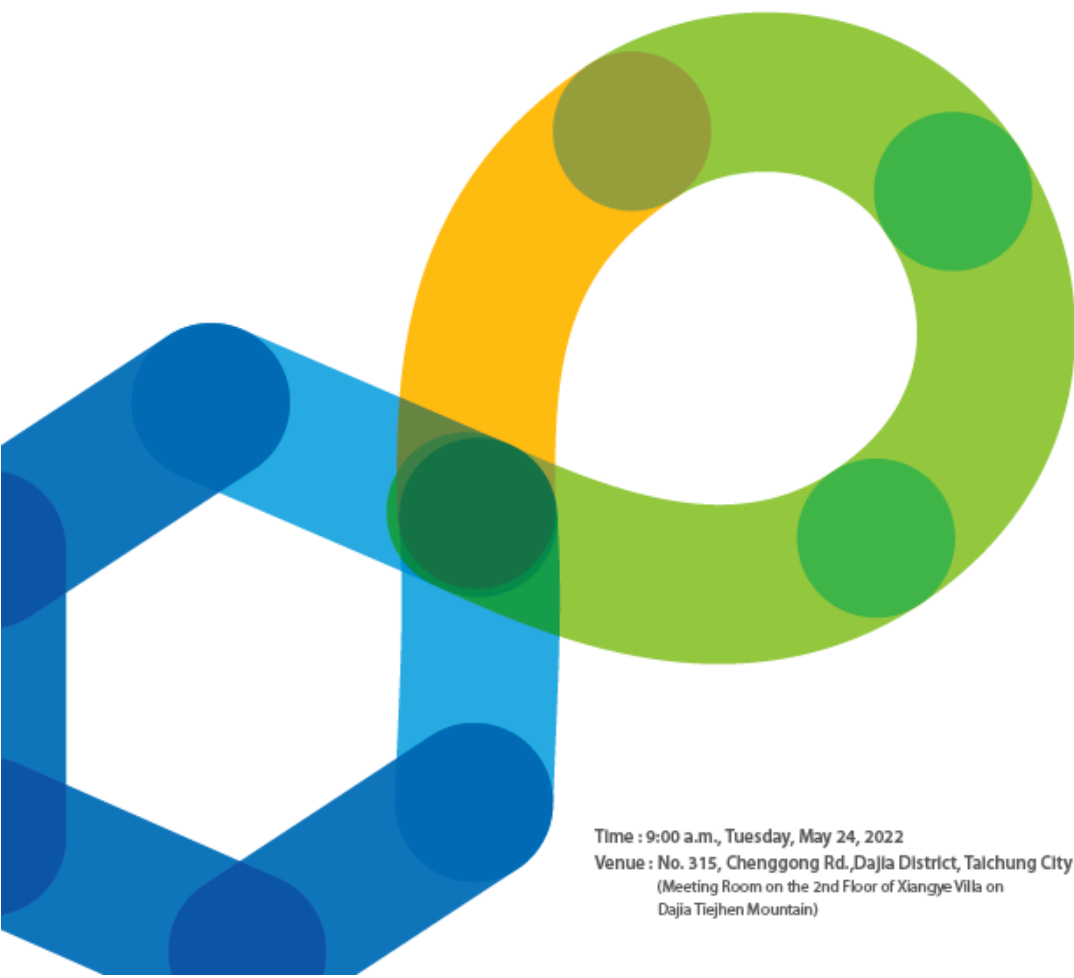
**YUNGSHIN GLOBAL HOLDING CORPORATION**

**Stock Code : 3705**

# 2022

## MEETING HANDBOOK

General Shareholders' Meeting



Time : 9:00 a.m., Tuesday, May 24, 2022

Venue : No. 315, Chenggong Rd., Dajia District, Taichung City  
(Meeting Room on the 2nd Floor of Xiangye Villa on  
Dajia Tiejhen Mountain)

# **Table of Contents**

Chapter1	Meeting Agenda	1
Chapter2	Announcements	2
Chapter3	Ratifications	5
Chapter4	Discussions	7
Chapter5	Election	13
Chapter6	Other Proposals	14
Chapter7	Extempore Motions	15
Attachment		
Attachment 1	Business report.	16
Attachment 2	Audit Report and Financial Statements (Including Consolidated Financial Statements)	19
Attachment 3	Comparison Table for Amendment to “Articles of Incorporation”	43
Attachment 4	Comparison Table for Amendment to “Regulations Governing the Acquisition and Disposal of Assets”	48
Attachment 5	Comparison Table for Amendment to “Rules of Procedure for Shareholders' Meetings”	72
Attachment 6	List of Candidates for Directors and Independent Directors	104
Attachment 7	Proposed List of Directors Released from the Prohibition of Participating in Competitive	106

## Appendix

Appendix 1:	Articles of Incorporation (Before Amendment)	107
Appendix 2:	Rules of Procedure for Shareholders' Meetings (Before Amendment)	115
Appendix 3:	Regulations Governing the Acquisition and Disposal of Assets (Before Amendment)	125
Appendix 4:	Rules for Director Elections	150
Appendix 5:	Description of How Proposals Raised by Shareholders in This General Shareholders' Meeting Are Handled	154
Appendix 6:	Current Shareholding of Directors	155

# **Chapter 1. Meeting Agenda**

Meeting Convening Method: Physical Shareholders' Meeting

Time: 9:00 a.m., May 24, 2022 (Tuesday)

Venue: No. 315, Chenggong Rd., Dajia Dist., Taichung City  
(Meeting Room on the 2nd Floor of Xiangye Villa on Dajia Tiejhen Mountain)

## **I. Announcements**

- (I) 2021 Business Report
- (II) 2021 Report on the Review of the Final Statement from the Audit Committee
- (III) 2021 Employees' and Directors' Compensation Distribution
- (IV) 2021 Report on Substantial Related Party Transactions

## **II. Ratifications**

- (I) Adoption of the 2021 Business Report and Financial Statements
- (II) Adoption of the 2021 Earnings Allocation

## **III. Discussions**

- (I) Amendment to “Articles of Incorporation”
- (II) Amendment to some articles in "Procedures Governing the Acquisition and Disposal of Assets”
- (III) The Corporation may release the shares of Vetnostrum and renounce its participation in Vetnostrum's cash capital increase plan in accordance with the future stock listing application of Vetnostrum Animal Health Co., Ltd.
- (IV) Amendment to some articles in "Rules of Procedure for Shareholders' Meetings”

## **IV. Elections**

- (I) Election of the 5th Board of Directors

## **V. Other Proposals**

- (I) Lift the non-compete restriction on the newly elected directors

## **VI. Extempore Motions**

## **VII. Adjournment**

## **Chapter 2. Announcements**

### **I. 2021 Business Report**

Description: For 2021 Business Report, please refer to Attachment 1 of this Handbook, P16-18.

### **II. 2021 Report on the Review of the Final Statement from the Audit Committee**

Description:

#### **YungShin Global Holding Corporation Audit Committee's Audit Report**

The Board of Directors prepared the Corporation's 2021 Business Report, financial statements (including parent company only and consolidated) and proposal for earnings distribution, among which the financial statements have been audited by Accountants Chih-Yuan Chen and Han-Ni Fang from Deloitte & Touche Taiwan, by whom an audit report has been issued accordingly. The said business report, financial statements, and the proposal for earnings distribution have been audited by the Audit Committee and determined to be in compliance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

To:

2022 Shareholders' Meeting

Convener of the Audit Committee: Shih-Kuang Tsai

March 30, 2022

### III. 2021 Employees' and Directors' Compensation Distribution

#### Description:

- (I) In accordance with Article 31 of the Articles of Incorporation, if the Corporation makes any profits within a fiscal year, shall set aside no less than 0.3% of the profits as the employees' compensation; and no more than 3% of the profits as compensation to its Directors and Supervisors. However, that the Corporation shall have reserved a sufficient amount to offset its accumulated losses.
- (II) For the year 2021, the Corporation provided employees' remuneration of NT\$2,357,242 and directors' remuneration of NT\$15,707,730, all of which were paid in cash.

### IV. 2021 Report on Substantial Related Party Transactions

#### Description:

- (I) On December 29, 2021, YSP INTERNATIONAL CO. LTD., a 100% owned subsidiary of the Corporation, sold 89.81% of its shares in YUNG SHIN CHINA HOLDING CO. LIMITED. by tender and reserved the right to make a final decision by the Board of Directors.
- (II) After the tender process, the highest bidder, Mr. Fang-Chen Lee (Director of the Corporation), won the tender for US\$23,518,000. As Director Fang-Chen Lee is a related party in this case, when the Board of Directors resolved on the same day, Director Fang-Yu Lee, Director Ling-Chin Lee, and Director Fang-Hsin Lee, who are second degree relatives of the related party, were recused from the tender. The Corporation has also completed the announcement of the acquisition or disposal of assets, the release of news and the holding of press conferences in accordance with the regulations.

(III) In response to the aforementioned tender result of YUNG SHIN CHINA HOLDING CO. LIMITED., instead of Mr. Fang-Chen Lee, FUENTES HOLDING CO. LIMITED, an overseas company that Mr. Fang-Chen Lee has control over, was registered as the shareholder upon resolution by the Board of Directors on March 30, 2022, and a separate share registration contract was signed among the Corporation's major subsidiary YSP INTERNATIONAL CO. LIMITED, Mr. Fang-Chen Lee, and FUENTES HOLDING CO. LIMITED.

## **Chapter 3. Ratifications**

### **Proposal 1: (Proposed by the Board of Directors)**

**Subject:** Adoption of the 2021 Business Report and Financial Statements.

**Description:**

- (I) The Corporation's Consolidated Financial Statements and the Parent Corporation Only Financial Statements have been audited by Accountants Chih-Yuan Chen and Han-Ni Fang from Deloitte & Touche Taiwan, by whom an audit report has been issued accordingly.
- (II) The Corporation's 2021 Business Report, Consolidated Financial Statements, and Parent Corporation Only Financial Statements have been reviewed and approved by the Audit Committee. Please refer to Attachment 1 and Attachment 2 of this Handbook, P16-18 and P19-42.
- (III) Proposed for ratification.

**Resolution:**

### **Proposal 2: (Proposed by the Board of Directors)**

**Subject:** Adoption of the 2021 Earnings Allocation.

**Description:**

- (I) Proposed dividends and cash dividends to shareholders of NT\$1.7 per share amounting to NT\$452,919,071.
- (II) Based on the number of shares held by the shareholders as recorded in the shareholder register on the record date, the dividend distribution is calculated according to the amount distributed per share and rounded off to the nearest NT dollar (with no decimal place). The total rounded off amount is counted as other income in the Corporation's financial statements.
- (III) The proposed ex-dividend date for cash dividends is June 23,



2022, and the book closure dates is from June 26, 2022 to June 30, 2022, with the record date of dividend distribution on June 30, 2022 and the issuance date of dividend distribution on July 13, 2022.

(IV) The Chairman of the Board of Directors is authorized to adjust the dividend distribution ratio at his discretion due to a change in the number of outstanding shares of the Corporation that affects the shareholders.

(V) A schedule of earnings distribution for 2021 is attached as follows.

YungShin Global Holding Corporation  
2021 Schedule of Earnings Distribution

Unit: New Taiwan Dollar (NT\$)

Item	Amount
Beginning balance of retained earnings	335,193,262
Add: Other comprehensive income of affiliated companies using the equity method	11,420,018
Add: 2021 net income after tax	736,621,811
Less: Legal reserve	(74,804,183)
Less: Special legal reserve	(87,156,922)
Earnings available for distribution	921,273,986
Distribution item:	
Dividend distribution: Distribution of 10% of the share capital	(266,422,983)
Dividends to shareholders: Cash dividend @ NT\$0.7	(186,496,088)
Distribution amount subtotal	(452,919,071)
Unappropriated retained earnings at the end of period	468,354,915

Chairman: Fang-Hsin Lee

President: Fang-Hsin Lee

Accounting Manager: Yu-Yi Lee

(VI) Proposed for ratification.

Resolution:

## **Chapter 4. Discussions**

### **Proposal 1: (Proposed by the Board of Directors)**

Subject: Amendment to "Articles of Incorporation" .

Description:

- (I) Some articles of the Corporation's "Articles of Incorporation" were amended to conform to the amendment of the Company Act and the actual situation of the Corporation.
- (II) For the comparison table of the amended articles, please refer to Attachment 3 of this Handbook, P43-47.
- (III) Proposed for discussion.

Resolution:

### **Proposal 2: (Proposed by the Board of Directors)**

Subject: Amendment to some articles in "Procedures Governing the Acquisition and Disposal of Assets".

Description:

- (I) Amended in accordance with Order No. 1110380465 issued by the Financial Supervisory Commission (FSC) on January 28, 2022.
- (II) As specified in the preceding paragraph, the Corporation's "Procedures Governing the Acquisition or Disposal of Assets" is hereby amended. For the comparison table of the amended articles, please refer to Attachment 4 of this Handbook, P48-71.
- (III) Proposed for discussion.

Resolution:

### **Proposal 3: (Proposed by the Board of Directors)**

**Subject:** The Corporation may release the shares of Vetnostrum Animal Health Co., Ltd. (hereinafter referred to as "Vetnostrum") and renounce its participation in Vetnostrum's cash capital increase plan in accordance with the future stock listing application of Vetnostrum.

**Description:**

- (I) In order to cope with the operational development of our subsidiary Vetnostrum, to attract and retain the necessary professional talents, and to comply with the requirements of the stock listing application law, the Corporation's shareholding in Vetnostrum must be reduced to less than 70% prior to the stock listing application, and the total shareholding of the Corporation and its subsidiaries, as well as the directors, supervisors, representatives of the former company, and shareholders holding more than 10% of the total shares of the Corporation, and their related parties in Vetnostrum at the time of listing shall not exceed 70% of the issued shares at the time of listing. The Corporation intends to maintain its control over Vetnostrum in the event that it plans to apply for future listing of its shares in a diversified manner. Upon the issuance of new shares (if any) by Vetnostrum in one or more cash capital increases prior to the listing of Vetnostrum, the Corporation may release and/or renounce all or part of its shares and may dispose of part of the shares held by Vetnostrum in one or more tranches in the following manner.

1. Waiver of subscription for the cash portion of the capital increase:

The issue price of the cash capital increase by Vetnostrum shall be no less than the net value per share of the most recent financial statements audited or reviewed by an accountant prior to the board of directors of Vetnostrum

resolving the cash capital increase. However, if the shares have been traded on a securities exchange, the price shall be determined based on the prevailing market price in addition to the aforementioned net value. In consideration of its operational development, attracting and retaining professional talents for the purpose of improving operational performance, the Corporation may waive the subscription of the cash capital increase shares of Vetnostrum, except that 10% to 15% of the cash capital increase shares shall be reserved for subscription by the employees of Vetnostrum in accordance with the law, and that the shares shall be fully allocated for public offering and underwriting in accordance with Article 28-1 of the Securities and Exchange Act and relevant laws and regulations. The Corporation may also urge Vetnostrum to make an offer to subscribe for the shares within the renounced number of shares by means of a specific person to the eligible shareholders of the Corporation, employees of the Corporation and its affiliates, and strategic or financial investors who are beneficial to the operational development of Vetnostrum. Wherein the eligible shareholders of the Corporation are those shareholders whose names appear on the register of shareholders of the Corporation on the latest book closure date at the time when they are entitled to subscribe for cash capital increase of Vetnostrum if the number of shares held by them is calculated proportionally to the number of shares subscribed for the new shares of Vetnostrum up to one share (inclusive) (the shareholders of the Corporation may then consolidate the shares in accordance with the relevant regulations). However, the actual issuance price of the cash capital increase, the

specific persons to be negotiated and the operation schedule shall be subject to the resolution of the Board of Directors of Vetnostrum.

2. Disposal of Vetnostrum's shares:

The Corporation shall dispose of Vetnostrum at a price no less than the net value per share of Vetnostrum's most recent financial statements audited or reviewed by an accountant before the board of directors resolves to dispose of Vetnostrum (provided that if the shares are traded on a securities dealer's premises, the price shall be determined based on the prevailing market price in addition to the aforementioned net value). The Corporation shall give priority in the disposal of the shares of Vetnostrum to the shareholders whose names appear on the register of shareholders on the latest book closure date of the Corporation in proportion to their shareholdings at the time of subscription. However, in order to avoid an increase in the cost of shareholding affairs, the ratio of shareholders' shareholding as recorded in the latest register of shareholders who have subscribed for more than one (inclusive) share of Vetnostrum shall be the limit. In addition, in consideration of the development of Vetnostrum's operation and the purpose of attracting and retaining professional talents to enhance the operation performance, if the shareholders of the Corporation give up the subscription or under-subscribe, the Chairman of the Corporation will be authorized to negotiate with specific persons to subscribe, and the counterparties of the transaction will be the employees of Vetnostrum, the employees of the Corporation and its affiliates, and the strategic investors or financial investors who are beneficial to the development of the operation of

Vetnostrum. The actual transaction price, the negotiation of the counterparties to the transaction and the operation schedule are proposed to the shareholders' meeting to authorize the board of directors of the Corporation to determine the transaction in accordance with the prevailing market conditions and the operating conditions of Vetnostrum, and to handle the transaction in accordance with the Corporation's prevailing procedures for the acquisition or disposal of assets.

- (II) For the release of shares required for the registration of Vetnostrum on the Emerging Stock Exchange or for the operation related to the listing of Vetnostrum, the Corporation shall allocate the shares for subscription and over-allotment by the brokerage firms in accordance with the relevant laws and regulations and the relevant regulations of the listing of Vetnostrum. The number of shares to be transferred and the price shall be determined in accordance with the relevant laws and regulations, the relevant regulations for listing (over-the-counter), the prevailing market conditions and the operating conditions of Vetnostrum and the underwriters.
- (III) Upon the completion of the above-mentioned release of shares and/or renunciation of cash capital increase, the Corporation's direct or indirect consolidated shareholding in Vetnostrum shall not be less than 50% when it is listed on the stock exchange, in order to maintain control and maximize the Group's consolidated effect.
- (IV) The above matters relating to the release of shares and/or the waiver of the subscription of cash capital increase of Vetnostrum are submitted to the shareholders' meeting of the Corporation for authorization of the Board of Directors to deal with them at its sole discretion.
- (V) Proposed for discussion.

Resolution:

**Proposal 4: (Proposed by the Board of Directors)**

Subject: Amendment to some articles in “Rules of Procedure for Shareholders' Meetings”.

Description:

- (I) The Corporation's "Rules of Procedure for Shareholders' Meetings" is amended to include information on video conferencing shareholders' meetings in accordance with the amendment to the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" specified in the letter with reference no. 1110004250 issued by the Taiwan Stock Exchange on March 8, 2022.
- (II) This resolution has been approved at the 24th Meeting of the 4th Board of Directors of the Corporation. Please refer to Attachment 5 of this Handbook for the comparison table of the amended articles, P72-103.
- (III) Proposed for discussion.

Resolution:

## **Chapter 5. Elections**

### **Proposal 1: (Proposed by the Board of Directors)**

Subject: Election of the 5th Board of Directors.

Description:

- (I) The term of office of the 4th Board of Directors of the Corporation expires and the election is proposed at the ordinary general meeting of shareholders in accordance with the law.
- (II) In accordance with the Corporation's Articles of Incorporation, 9 directors (including 3 independent directors) are proposed for election to the 5th term of office. The term of office of the new directors is three years, from May 24, 2022 to May 23, 2025, and the term of office of the original directors will expire upon completion of this General Shareholders' Meeting.
- (III) The Corporation adopts a candidate nomination system for the election of directors, and the shareholders shall elect the directors (including independent directors) from the list of candidates. Please refer to Attachment 6 of this Handbook for the list of director candidates, P104-105.
- (IV) Proposed for election.



## **Chapter 6. Other Proposals**

### **Proposal 1: (Proposed by the Board of Directors)**

**Subject:** Lift the non-compete restriction on the newly elected directors.

**Description:**

- (I) This proposal is made in accordance with Paragraph 1 of Article 209 of the Company Act, “A director who does anything for himself or on behalf of another person that is within the scope of the company's business shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”
- (II) In the event that a newly elected director of the Corporation invests in or operates another company with the same or similar business as the Corporation and serves as a director or manager, we hereby request the approval of the General Shareholders' Meeting to lift the non-compete restriction on the newly elected director under the aforementioned circumstances.
- (III) For the proposed list of Directors to be released from the non-compete restriction, please refer to Attachment 7 of this Handbook, P106.
- (IV) Proposed for discussion.

**Resolution:**

## **Chapter 7. Extempore Motions**

## **Chapter 8. Adjournment**

# Attachments

## Attachment 1 Business Report

### **YungShin Global Holding Corporation 2021 Business Report**

#### I. Operating Directions

YungShin Group has focused on the upstream and downstream development of the pharmaceutical and health industry since its establishment. In pursuit of sustainable development and in the face of increasingly fierce global competition, the Group has been gradually expanding its global business since the 1980s and has established a sound operational base in Taiwan, China, the United States, Japan, and Southeast Asia, with the Group's business areas covering four major fields: human drugs, animal drugs, health care products, and APIs. From the research and development of APIs and intermediates in the upstream of the industry, to the production of human drugs, animal drugs and health food products in the midstream, and the sales of related products in the downstream of the industry, the Group aims to become one of the world's leading manufacturers of generic drugs through the vertical integration of production and regional expansion strategies in the value chain of each company.

#### II. 2021 Operational Performance Overview and Results

The year continued to be a time of great impact due to various emergencies such as shortage of raw materials supply, protectionist barriers and transportation obstacles in various countries caused by the COVID-19 outbreak. The YungShin Group has continued to optimize and enhance its competitiveness through immediate response and prompt adjustment strategies in the face of severe changes in the business environment and months of major market closure in Taiwan and Malaysia. The overall business performance in 2021 remained steady and solid, with consolidated revenue amounting to NT\$7,805,055,000, a slight decrease by 3.46% compared to NT\$8,084,664,000 in 2020; the consolidated net profit after tax attributable to the owner of the parent company amounted to NT\$736,622,000, with a net profit rate of 9.44%; the earnings per share was NT\$2.77.

### III. Operating Outlook of 2022

As population ageing in developed and developing countries continues to rise, the global pharmaceutical market value has been growing steadily. Also, as the governments in advanced and emerging countries are actively promoting generic drug substitution policies to control medical expenditures due to the pressure on government spending caused by aging populations, there has been a significant increase in the demand for generic drugs in areas such as chronic diseases, cancer treatment, and physical and mental dysfunction. YungShin Group has a long history of investing in the upstream, midstream, and downstream development, production, and sales of famous pharmaceuticals in a one-stop shop. In addition to Taiwan, YungShin Group has manufacturing plants and direct sales teams in the U.S., China, Japan, Malaysia, Vietnam and Indonesia, with sales in more than 35 countries. Moreover, the Group continues to develop its business in the field of health care, and is actively developing health care products and preventive medicine in the regional area to realize the concept of whole-person care. In addition, with the global emphasis on food safety, the safety and efficacy of economic animal care and feed additives are high-potential markets, and YungShin Group has established a complete industrial layout in the animal medicine industry. YungShin Group will continue to focus on the development of pharmaceutical and health-related industries and optimize the value chain to maximize the value of the industry by focusing on resource integration strategies and regional division of labor.

The impact of the COVID-19 outbreak has been a major operational emergency in recent years. From the beginning of the outbreak, YungShin Group has set up a cross-company platform response team to share information on raw materials, transportation, unexpected variables in each country and response strategies. At present, the Group has reviewed the sources and supply of raw materials, and in the short term, the inventory of raw materials for strategic products has been lengthened from quarterly to annual stocking to maintain normal production and supply, while in the long term, new secondary and tertiary sources and independent supply of raw materials have been added as a strategic direction to maintain the Group's long-term market competitiveness. The Group will continue to observe market changes and make flexible production and supply control in

order to maintain stable long-term operation and pursue sustainable development of our group companies.

The key strategies that YungShin Group will continue to pursue in 2022 are as follows:

1. Continue to refine the efficiency of investment and development of industries related to the pharmaceutical and health industry
2. Control over the source and supply of APIs required by the Group
3. Adjust inventory, production and business strategies flexibly in response to changes in the COVID-19 outbreak
4. Continuously promote the cooperation and strengthen the competitiveness of each business group
5. Continue to promote ESG sustainable investment development

In addition to its business operations, the YungShin Group also serves as a platform to fulfill its corporate social responsibility through the YungShin Social Welfare Foundation, the Tiente Lee Biomedical Foundation, the Yung Shin Elderly Nursing Home, and the YungShin National Volleyball Tournament, which convey the values of its internal and external shareholders and society.

The Corporation will share the results of its operations with all shareholders by balancing the sustainable development of the Group's businesses with a stable dividend policy.

Chairman: Fang-Hsin Lee

President: Fang-Hsin Lee

Accounting Manager: Yu-Yi Lee

**Attachment 2 Audit Report and Financial Statements**  
**(Including Consolidated Financial Statements)**

**REPRESENTATION LETTER**

In connection with the consolidated financial statements of affiliated enterprises of YungShin Global Holding Corporation, entities required to be included in the consolidated financial statements of affiliated enterprises as of and for the year ended December 31, 2021 in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those required to be included in the consolidated financial statements of YungShin Global Holding Corporation and subsidiaries in accordance with the International Financial Reporting Standard No. 10. Also, information required to be disclosed in the consolidated financial statements of affiliated enterprises has been disclosed in the consolidated financial statements of YungShin Global Holding Corporation and subsidiaries. Consequently, YungShin Global Holding Corporation does not prepare the consolidated financial statements of affiliated enterprises separately.

Sincerely,

YungShin Global Holding Corporation

Chairman: Fang-Hsin Lee

March 30, 2022

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders YungShin Global Holding Corporation

### **Opinion**

We have audited the accompanying financial statements of YungShin Global Holding Corporation (the "Corporation") and its subsidiaries (collectively, the Group) as of December 31, 2021 and 2020, which comprise the consolidated Balance Sheets, the consolidated statements of comprehensive income, changes in equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinions, based on our audit results and the audit reports of other auditors (please refer to the Other Matters section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations (collectively, the "IFRSs") as endorsed and issued into effect by the Financial Supervisory Commission (the "FSC").

### **Basis for Opinion**

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

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2021 are stated as follows:

### **Operating revenue from major customers**

For the year ended December 31, 2021, the Group's operating revenue from major growing amounted to NT\$3,570,411 thousand, accounting for 45.74% of consolidated operating revenue. As the amount of revenue from growing was significant, revenue from growing was identified as a key audit matter for the year ended December 31, 2021. Please refer to Note 4 to the consolidated financial statements for an explanation of the accounting policy on revenue recognition.

The main audit procedures for the aforementioned key audit matters are as follows:

1. Understood and tested the design and effectiveness of internal controls for operating revenue.
2. Sampling basis, whether freight bills were signed to acknowledge the receipt and were consistent with the invoices in terms of products and quantities and the amounts of revenue recognized.
3. Reviewed the reasonableness of the collection of accounts receivable and confirmed whether the accounts and amounts of receivable were consistent with the recognition of revenue.

## **Other Matters**

Included in the consolidated financial statements, the financial statements of some subsidiaries for the year ended December 31, 2021 were audited by other auditors. Therefore, our opinion on the parts in relation to the amounts specified in the financial statements of the subsidiaries above was solely based on the audit reports of other auditors. As of December 31, 2021 and 2020, the total assets of the aforementioned subsidiaries amounted to NT\$1,360,904 thousand and NT\$645,465 thousand, accounting for 11.33% and 5.12% of the consolidated total assets, respectively, and net operating revenue for the year then ended amounted to NT\$1,212,277 thousand and NT\$585,207 thousand, accounting for 15.53% and 7.24% of the consolidated net operating revenue, respectively. Included in the consolidated financial statements, the financial statements of some associates for the year ended December 31, 2021 were audited by other auditors. Therefore, our opinion on the parts in relation to investments in the aforementioned associates accounted for using equity method, share of profit or loss of associates accounted for



using equity method, and share of comprehensive income of associates accounted for using equity method, and information on investees was solely based on the audit opinion of other auditors. As of December 31, 2021 and 2020, the balance of investments in the aforementioned associates using equity method was NT\$941,378 thousand and NT\$1,172,290 thousand, accounting for 7.84% and 9.30% of the total assets, respectively, and comprehensive income of the associates for the year then ended amounted to NT\$39,555 thousand and NT\$86,836 thousand, accounting for 5.83% and 11.95% of the total comprehensive income.

YungShin Global Holding Corporation has also prepared the financial statements for the year ended December 31, 2021 and 2020, for which we have issued an audit report containing the unqualified opinion and the Other Matters section.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs as endorsed and issued into effect by the FSC, and for such internal control as management determines is necessary to ensure the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

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

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with the GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and relevant disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our review report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA Chih-Yuan Chen

CPA Han-Ni Fang

Financial Supervisory Commission

Approval Document No.

Jin-Guan-Zheng-Shen-Zi No. 1060023872

Financial Supervisory Commission Approval

Document No.

Jin-Guan-Zheng-Shen-Zi No. 1090347472

March 30, 2022

## YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

In Thousands of New Taiwan Dollars

Code	ASSETS	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	<b>CURRENT ASSETS</b>				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 1,186,209	10	\$ 1,478,002	12
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	63,482	1	23,868	-
1136	Financial assets at amortized cost - current (Notes 4 and 8)	2,000	-	166,488	1
1150	Notes receivable, net (Notes 4, 10 and 24)	281,747	2	281,295	2
1170	Accounts receivable, net (Notes 4, 10 and 24)	1,455,366	12	1,368,639	11
1180	Accounts receivable from related parties (Notes 4, 24 and 32)	21,981	-	26,832	-
1200	Other receivables (Notes 4 and 32)	33,932	-	50,196	-
1220	Current tax assets (Notes 4 and 26)	3,408	-	570	-
130X	Inventories (Notes 4 and 11)	3,101,357	26	2,829,553	23
1410	Prepayments	175,459	2	203,888	2
1460	Non-current assets held for sale (Notes 4, 14 and 17)	47,509	-	-	-
1479	Other current assets	14,833	-	25,509	-
11XX	Total current assets	6,387,283	53	6,454,840	51
	<b>NON-CURRENT ASSETS</b>				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 9)	47,780	1	50,043	1
1550	Investments accounted for using the equity method (Notes 4 and 13)	952,044	8	1,184,511	9
1600	Property, plant and equipment (Notes 4, 14, 32, and 33)	4,204,912	35	4,459,976	35
1755	Right-of-use assets (Notes 4 and 15)	73,695	1	102,937	1
1760	Investment properties (Notes 4 and 16)	34,776	-	37,568	-
1780	Intangible assets (Note 4)	45,240	-	64,886	1
1840	Deferred tax assets (Notes 4 and 26)	140,878	1	125,821	1
1990	Other non-current assets (Notes 4, 18 and 33)	122,658	1	131,310	1
15XX	Total non-current assets	5,621,983	47	6,157,052	49
1XXX	<b>TOTAL ASSETS</b>	<u>\$ 12,009,266</u>	<u>100</u>	<u>\$ 12,611,892</u>	<u>100</u>
	<b>LIABILITIES AND EQUITY</b>				
	<b>CURRENT LIABILITIES</b>				
2100	Short-term borrowings (Notes 19 and 33)	\$ 2,001,136	17	\$ 2,531,337	20
2130	Contract liabilities - current (Note 24)	27,782	-	17,663	-
2150	Notes payable (Note 20)	2,063	-	3,528	-
2170	Accounts payable (Note 20)	468,235	4	491,103	4
2180	Accounts payable to related parties (Note 32)	23,882	-	20,041	-
2219	Other payables (Notes 21 and 32)	893,258	7	990,009	8
2230	Current tax liabilities (Notes 4 and 26)	120,170	1	150,784	1
2280	Lease liabilities - current (Notes 4 and 15)	12,984	-	29,248	-
2320	Current portion of long-term borrowings (Note 19)	3,660	-	16,167	-
2365	Refund liabilities - current (Note 24)	23,829	-	23,785	-
2399	Other current liabilities	77,976	1	31,465	1
21XX	Total current liabilities	3,654,975	30	4,305,130	34
	<b>NON-CURRENT LIABILITIES</b>				
2527	Contract liabilities - non-current (Note 24)	350,933	3	253,867	2
2540	Long-term borrowings (Notes 19 and 33)	692,600	6	921,639	7
2550	Provision of employee benefits - non-current (Notes 4 and 22)	52,343	-	47,047	-
2570	Deferred tax liabilities (Notes 4 and 26)	332,355	3	305,718	3
2580	Lease liabilities - non-current (Notes 4 and 15)	15,716	-	36,246	-
2640	Net defined benefit liabilities (Notes 4 and 22)	64,363	1	111,165	1
2670	Other non-current liabilities	57,882	-	54,818	1
25XX	Total non-current liabilities	1,566,192	13	1,730,500	14
2XXX	<b>TOTAL LIABILITIES</b>	5,221,167	43	6,035,630	48
	<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 23)</b>				
3110	Share Capital	2,664,230	22	2,664,230	21
3200	Capital surplus	2,152,909	18	2,146,301	17
	Retained earnings				
3310	Legal reserve	726,190	6	648,691	5
3320	Special reserve	304,005	3	265,965	2
3350	Unappropriated Earnings	1,083,235	9	983,579	8
3300	Total retained earnings	2,113,430	18	1,898,235	15
3400	Other equity	( 391,162 )	( 3 )	( 304,005 )	( 2 )
3500	Treasury shares	( 1,439 )	-	( 1,439 )	-
31XX	Total equity attributable to owners of the Corporation	6,537,968	55	6,403,322	51
36XX	<b>NON-CONTROLLING INTERESTS</b>	250,131	2	172,940	1
3XXX	<b>TOTAL EQUITY</b>	6,788,099	57	6,576,262	52
	<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 12,009,266</u>	<u>100</u>	<u>\$ 12,611,892</u>	<u>100</u>

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

(With Deloitte &amp; Touche auditors' report dated March 30, 2022)

Chairman: Fang-Hsin Lee

President: Fang-Hsin Lee

Accounting Manager: Yu-Yi Lee

YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

In Thousands of New Taiwan Dollars

Except Earnings Per Share

Code		2021		2020	
		Amount	%	Amount	%
4000	NET OPERATING REVENUE (Notes 4, 24 and 32)	\$ 7,805,055	100	\$ 8,084,664	100
5000	OPERATING COSTS (Notes 11, 25 and 32)	4,081,809	52	4,402,545	54
5900	GROSS PROFIT	3,723,246	48	3,682,119	46
	OPERATING EXPENSES (Notes 10, 25 and 32)				
6100	Selling and marketing expenses	1,871,196	24	1,832,912	23
6200	General and administrative expenses	495,935	7	475,298	6
6300	Research and development expenses	395,483	5	410,600	5
6450	Expected credit losses	3,003	-	2,203	-
6000	Total operating expenses	2,765,617	36	2,721,013	34
6900	INCOME FROM OPERATIONS	957,629	12	961,106	12
	NON-OPERATING INCOME AND EXPENSES (Notes 25 and 32)				
7100	Interest income	2,762	-	3,917	-
7010	Other income	44,532	1	80,848	1
7020	Other gains and losses	( 13,774 )	-	( 62,673 )	( 1 )
7050	Finance costs	( 30,009 )	-	( 45,544 )	-
7060	Share of profit of associates and joint ventures accounted for under equity method	37,406	-	86,836	1
7000	Total non-operating income and expenses	40,917	1	63,384	1

(Continued on next page)

(Continued from previous page)

Code		2021		2020	
		Amount	%	Amount	%
7900	PROFIT BEFORE INCOME TAX	\$ 998,546	13	\$ 1,024,490	13
7950	INCOME TAX EXPENSE (Notes 4 and 26)	242,253	3	243,356	3
8200	NET PROFIT FOR THE YEAR	756,293	10	781,134	10
	OTHER COMPREHENSIVE INCOME (Notes 22 and 26)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	13,745	-	( 26,247 )	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	( 1,570 )	-	( 9,014 )	-
8320	Share of other comprehensive income of associates accounted for using the equity method	67	-	6,445	-
8349	Income tax relating to items that will not be reclassified to profit or loss	( 2,751 )	-	4,968	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange Differences on Translation of the Financial Statements of Foreign Operations	( 62,713 )	( 1 )	( 16,115 )	-
8370	Share of other comprehensive income of associates accounted for using the equity method	( 46,452 )	-	( 22,100 )	( 1 )
8399	Income tax relating to items that will be reclassified to profit or loss	21,307	-	7,728	-
8300	Other comprehensive income (loss) for the year	( 78,367 )	( 1 )	( 54,335 )	( 1 )
8500	TOTAL COMPREHENSIVE INCOME OF THE YEAR	\$ 677,926	9	\$ 726,799	9

(Continued on next page)

(Continued from previous page)

		2021		2020	
Code		Amount	%	Amount	%
NET PROFIT					
ATTRIBUTABLE TO:					
8610	Owners of the Corporation	\$ 736,622	10	\$ 791,720	10
8620	Non-controlling interests	19,671	-	( 10,586)	-
8600		\$ 756,293	10	\$ 781,134	10
TOTAL COMPREHENSIVE					
INCOME ATTRIBUTABLE					
TO:					
8710	Owners of the Corporation	\$ 660,884	9	\$ 736,954	9
8720	Non-controlling interests	17,042	-	( 10,155)	-
8700		\$ 677,926	9	\$ 726,799	9
EARNINGS PER SHARE					
(Note 27)					
From continuing operations					
9750	Basic	\$ 2.77		\$ 2.97	
9850	Diluted	\$ 2.76		\$ 2.97	

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

(With Deloitte & Touche auditors' report dated March 30, 2022)

Chairman: Fang-Hsin Lee

President: Fang-Hsin Lee

Accounting Manager: Yu-Yi Lee

YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

In Thousands of New Taiwan Dollars

		Equity Attributable to Owners of the Corporation (Note 23)												
		Retained Earnings					Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other equity		Treasury shares	Total	Non-controlling interests	Total Equity	
		Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings		Total	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					Total
Code		\$	\$	\$	\$	\$	\$	( \$ )	\$	( \$ )	( \$ )	\$	\$	\$
A1	BALANCE ON JANUARY 1, 2020	2,664,230	2,143,919	573,689	243,197	892,485	1,709,371	( 287,440 )	21,475	( 265,965 )	( 1,439 )	6,250,116	168,709	6,418,825
	Appropriation of 2019 earnings													
B1	Legal reserve	-	-	75,002	-	( 75,002 )	-	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	22,768	( 22,768 )	-	-	-	-	-	-	-	-
B5	Cash dividends distributed by the Corporation	-	-	-	-	( 586,130 )	( 586,130 )	-	-	-	-	( 586,130 )	-	( 586,130 )
	Subtotal	-	-	75,002	22,768	( 683,900 )	( 586,130 )	-	-	-	-	( 586,130 )	-	( 586,130 )
M7	Changes in ownership interests in subsidiaries	-	2,157	-	-	-	-	-	-	-	-	2,157	18,782	20,939
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	131	-	-	-	-	-	-	-	-	131	-	131
M1	Adjustment to capital surplus from dividends paid to subsidiary	-	94	-	-	-	-	-	-	-	-	94	-	94
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	( 4,396 )	( 4,396 )
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	5,442	5,442	-	( 5,442 )	( 5,442 )	-	-	-	-
D1	Net profit for year ended 2020	-	-	-	-	791,720	791,720	-	-	-	-	791,720	( 10,586 )	781,134
D3	Other comprehensive income (loss) for year ended 2020	-	-	-	-	( 22,168 )	( 22,168 )	( 30,918 )	( 1,680 )	( 32,598 )	-	( 54,766 )	431	( 54,335 )
D5	Total comprehensive income (loss) for year ended 2020	-	-	-	-	769,552	769,552	( 30,918 )	( 1,680 )	( 32,598 )	-	736,954	( 10,155 )	726,799
Z1	BALANCE ON DECEMBER 31, 2020	2,664,230	2,146,301	648,691	265,965	983,579	1,898,235	( 318,358 )	14,353	( 304,005 )	( 1,439 )	6,403,322	172,940	6,576,262
	Appropriation of 2020 earnings													
B1	Legal reserve	-	-	77,499	-	( 77,499 )	-	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	38,040	( 38,040 )	-	-	-	-	-	-	-	-
B5	Cash dividends distributed by the Corporation	-	-	-	-	( 532,846 )	( 532,846 )	-	-	-	-	( 532,846 )	-	( 532,846 )
	Subtotal	-	-	77,499	38,040	( 648,385 )	( 532,846 )	-	-	-	-	( 532,846 )	-	( 532,846 )
M7	Changes in ownership interests in subsidiaries	-	6,196	-	-	-	-	-	-	-	-	6,196	( 1,419 )	4,777
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	327	-	-	-	-	-	-	-	-	327	-	327
M1	Adjustment to capital surplus from dividends paid to subsidiary	-	85	-	-	-	-	-	-	-	-	85	-	85
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	( 6,934 )	( 6,934 )
D1	Net profit for year ended 2021	-	-	-	-	736,622	736,622	-	-	-	-	736,622	19,671	756,293
D3	Other comprehensive income (loss) for year ended 2021	-	-	-	-	11,419	11,419	( 85,229 )	( 1,928 )	( 87,157 )	-	( 75,738 )	( 2,629 )	( 78,367 )
D5	Total comprehensive income (loss) for year ended 2021	-	-	-	-	748,041	748,041	( 85,229 )	( 1,928 )	( 87,157 )	-	660,884	17,042	677,926
O1	Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	68,502	68,502
Z1	BALANCE ON DECEMBER 31, 2021	2,664,230	2,152,909	726,190	304,005	1,083,235	2,113,430	( 403,587 )	12,425	( 391,162 )	( 1,439 )	6,537,968	250,131	6,788,099

The accompanying notes are an integral part of the consolidated financial statements.  
(With Deloitte & Touche auditors' report dated March 30, 2022)

Chairman: Fang-Hsin Lee

President: Fang-Hsin Lee

Accounting Manager: Yu-Yi Lee



YUNGSHIN GLOBAL HOLDING CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Code		In Thousands of New Taiwan Dollars	
		2021	2020
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Profit before income tax	\$ 998,546	\$ 1,024,490
A20010	Adjustments for:		
A20100	Depreciation	380,944	382,203
A20200	Amortization	25,887	20,380
A20300	Expected credit losses	3,003	2,203
A20900	Finance costs	30,009	45,544
A21200	Interest income	( 2,762 )	( 3,917 )
A21300	Dividend income	( 677 )	( 979 )
A21900	Share-based remuneration payment cost	4,777	-
A22300	Share of profit or loss of associates using the equity method	( 37,406 )	( 86,836 )
A22500	Loss on disposal of property, plant and equipment	859	13,948
A22900	Gains from lease change	( 6,152 )	-
A23100	Gain on disposal of financial assets at fair value through profit or loss	-	( 40 )
A23200	Loss on disposal of investments accounted for using the equity method	2	-
A23700	Write-downs and disposal of inventories	46,338	113,564
A24100	Unrealized loss (gain) on foreign exchange	1,366	( 1,561 )
A29900	Loss (gain) on disposal of subsidiaries	( 1,427 )	2,596
A30000	Changes in operating assets and liabilities		
A31130	Notes receivables	( 233 )	21,510
A31150	Accounts receivables	( 87,225 )	213,405
A31160	Accounts receivable from related parties	4,851	32,821
A31180	Other receivables	16,264	4,139
A31200	Inventories	( 316,110 )	( 431,124 )
A31230	Prepayments	28,429	( 16,992 )
A31240	Other current assets	10,676	( 20,166 )
A32125	Contract liabilities	107,185	253,381
A32130	Notes payable	( 1,465 )	1,542
A32150	Accounts payable	( 25,611 )	60,256
A32160	Accounts payable to related parties	3,820	( 10,068 )
A32180	Other payables	( 97,951 )	12,300

(Continued on next page)

(Continued from previous page)

Code		2021	2020
A32200	Provisions	\$ 5,296	\$ 3,094
A32230	Other current liabilities	46,555	( 157,995 )
A32240	Net defined benefit liabilities	( 33,057 )	( 23,873 )
A32990	Other non-current liabilities	( 878 )	( 1,456 )
A33000	Cash generated from operations	1,103,853	1,452,369
A33100	Interest received	2,762	3,916
A33200	Cash dividends received from investments accounted for using the equity method	136,100	55,034
A33300	Interest paid	( 28,788 )	( 43,730 )
A33500	Income tax paid	( 245,569 )	( 242,339 )
AAAA	Net cash generated from operating activities	968,358	1,225,250
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
B00010	Acquisition of financial assets at fair value through other comprehensive income	( 237 )	-
B00020	Disposal of financial assets at fair value through other comprehensive income	-	10,020
B00040	Acquisition of financial assets at amortized cost	-	( 165,928 )
B00050	Disposal of financial assets at amortized cost	161,850	17,592
B00100	Acquisition of financial assets at fair value through profit or loss	( 39,614 )	( 23,868 )
B00200	Disposal of financial assets at fair value through profit or loss	-	40
B01800	Acquisition of investments accounted for using the equity method	-	( 12,221 )
B01900	Net cash generated from disposal of associates	3,713	-
B02400	Refund of stock capital from capital reduction of investee companies using the equity method	84,000	-
B02700	Acquisition of property, plant and equipment	( 174,700 )	( 316,362 )
B02800	Proceeds from disposal of property, plant and equipment	2,342	4,325
B03800	Decrease (increase) in refundable deposits	( 24,589 )	65,664
B04500	Acquisition of intangible assets	( 6,106 )	( 8,627 )
B06700	Decrease in other non-current assets	2,854	10,643
B07200	Decrease in equipment prepayment	30,387	21,235
B07600	Dividends received from associates	677	979
BBBB	Net cash generated from (used in) investing activities	40,577	( 396,508 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
C00100	Proceeds from short-term borrowings	2,334,050	1,489,501
C00200	Repayments of short-term borrowings	( 2,827,654 )	( 1,878,698 )

(Continued on next page)

(Continued from previous page)

Code		2021	2020
C01600	Proceeds from long-term borrowings	\$ 606,000	\$ 826,000
C01700	Repayments of long-term borrowings	( 845,701 )	( 506,167 )
C03100	Increase (decrease) in guarantee deposits	3,942	( 3,108 )
C04020	Repayment of the principal portion of lease liabilities	( 27,835 )	( 29,540 )
C04500	Cash dividends paid	( 539,695 )	( 590,432 )
C05800	Changes in non-controlling interests	68,502	18,782
CCCC	Net cash used in financing activities	( 1,228,391 )	( 673,662 )
DDDD	Effects of exchange rate changes on cash and cash equivalents	( 72,337 )	11,162
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	( 291,793 )	166,242
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,478,002	1,311,760
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 1,186,209	\$ 1,478,002

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

(With Deloitte & Touche auditors' report dated March 30, 2022)

Chairman: Fang-Hsin Lee

President: Fang-Hsin Lee

Accounting Manager: Yu-Yi Lee

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders YungShin Global Holding Corporation

### **Opinion**

We have audited the accompanying financial statements of YungShin Global Holding Corporation (the “Corporation”), which comprise the balance sheets as of December 31, 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the related notes to the financial statements, including a summary of significant accounting policies.

In our opinions, based on our audit results and the audit reports of other auditors (please refer to the Other Matters section of our report), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2021 and 2020, and its financial performance and its cash flows for the year then ended in accordance with the Regulations Governing Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Corporation's financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Corporation's financial statements for the year ended December 31, 2021 are stated as follows:

Investment under equity method - subsidiaries' operating revenue from major customers

The net operating revenue for the year ended December 31, 2021 was mainly attributable to the share of profit or loss of subsidiaries accounted for using equity method amounting to NT\$805,979 thousand, representing 98.33% of the net operating revenue. The effect of share of profit or loss of Corporation was mainly attributable to the operating revenue of subsidiaries. For the year ended December 31, 2021, subsidiaries' operating revenue from major growing amounted to NT\$3,570,411 thousand, accounting for 45.74% of consolidated operating revenue. As the amount of revenue from growing was significant, revenue from growing was identified as a key audit matter for the year ended December 31, 2021. Please refer to Note 4 to the consolidated financial statements for an explanation of the accounting policy on revenue recognition.

The main audit procedures for the aforementioned key audit matters are as follows:

1. Understood and tested the design and effectiveness of internal controls for operating revenue.
2. Sampling basis, whether freight bills were signed to acknowledge the receipt and were consistent with the invoices in terms of products and quantities and the amounts of revenue recognized.
3. Reviewed the reasonableness of the collection of accounts receivable and confirmed whether the accounts and amounts of receivable were consistent with the recognition of revenue.

**Other Matters**

Included in the financial statements, the financial statements of some investees companies accounted for using the equity method for the year ended December 31, 2021 were audited by other auditors. Therefore, our opinion on the parts in relation to investments in the aforementioned companies accounted for using equity method, share of profit or loss of subsidiaries and associates accounted for using equity method, and share of other comprehensive income of subsidiaries and associates accounted for using equity method, and information on investees was solely based on the audit opinion of other auditors. As of December 31, 2021 and 2020, the balance of investments in the aforementioned associates using equity method was NT\$1,613,189 thousand and NT\$1,667,015 thousand, accounting for 22.27% and 23.51% of the total assets, respectively, and comprehensive income of the associates for the year then ended amounted to NT\$75,037 thousand and NT\$97,449 thousand, accounting for 11.35% and 13.22% of the total comprehensive income, respectively.

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

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

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

Those charged with governance, including the Audit Committee, are responsible for overseeing the Corporation's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with the GAAS, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and relevant disclosures made by management.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA Chih-Yuan Chen

CPA Han-Ni Fang

Financial Supervisory Commission Approval  
Document No.

Jin-Guan-Zheng-Shen-Zi No. 1060023872

Financial Supervisory Commission Approval  
Document No.

Jin-Guan-Zheng-Shen-Zi No. 1090347472

March 30, 2022

YUNGSHIN GLOBAL HOLDING CORPORATION  
BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020

In Thousands of New Taiwan Dollars

Code	ASSETS	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	<b>CURRENT ASSETS</b>				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 47,145	1	\$ 54,608	1
1200	Other receivables - related parties (Notes 4 and 21)	15,377	-	17,326	-
1220	Current tax assets (Notes 4 and 16)	-	-	556	-
1410	Prepayments	506	-	2,176	-
11XX	Total current assets	63,028	1	74,666	1
	<b>NON-CURRENT ASSETS</b>				
1550	Investments accounted for using the equity method (Notes 4 and 7)	7,119,787	98	6,975,177	98
1600	Property, plant, and equipment (Notes 4 and 8)	850	-	1,517	-
1755	Right-of-use assets (Notes 4 and 9)	708	-	2,139	-
1780	Intangible assets (Note 4)	1,530	-	1,948	-
1840	Deferred tax assets (Notes 4 and 16)	57,471	1	36,027	1
1920	Other non-current assets (Note 4)	3	-	3	-
15XX	Total non-current assets	7,180,349	99	7,016,811	99
1XXX	<b>TOTAL ASSETS</b>	<u>\$ 7,243,377</u>	<u>100</u>	<u>\$ 7,091,477</u>	<u>100</u>
	<b>LIABILITIES AND EQUITY</b>				
	<b>CURRENT LIABILITIES</b>				
2219	Other payables (Note 11)	\$ 21,647	1	\$ 22,929	1
2230	Current tax liabilities (Notes 4 and 16)	6,085	-	7,199	-
2280	Lease liabilities - current (Notes 4 and 9)	717	-	1,458	-
2399	Other current liabilities (Note 21)	12,942	-	12,942	-
21XX	Total current liabilities	41,391	1	44,528	1
	<b>NON-CURRENT LIABILITIES</b>				
2540	Long-term borrowings (Note 10)	460,000	6	460,000	6
2570	Deferred tax liabilities (Notes 4 and 16)	204,018	3	182,910	3
2580	Lease liabilities - non-current (Notes 4 and 9)	-	-	717	-
25XX	Total non-current liabilities	664,018	9	643,627	9
2XXX	<b>TOTAL LIABILITIES</b>	705,409	10	688,155	10
	<b>EQUITY (Note 13)</b>				
3110	Share capital	2,664,230	37	2,664,230	37
3200	Capital surplus	2,152,909	30	2,146,301	30
	Retained earnings				
3310	Legal reserve	726,190	10	648,691	9
3320	Special reserve	304,005	4	265,965	4
3350	Unappropriated Earnings	1,083,235	15	983,579	14
3300	Total retained earnings	2,113,430	29	1,898,235	27
3400	Other equity	( 391,162 )	( 6 )	( 304,005 )	( 4 )
3500	Treasury shares	( 1,439 )	-	( 1,439 )	-
3XXX	<b>TOTAL EQUITY</b>	<u>6,537,968</u>	<u>90</u>	<u>6,403,322</u>	<u>90</u>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 7,243,377</u>	<u>100</u>	<u>\$ 7,091,477</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 30, 2022)

Chairman: Fang-Hsin Lee

President: Fang-Hsin Lee

Accounting Manager: Yu-Yi Lee



YUNGSHIN GLOBAL HOLDING CORPORATION  
STATEMENTS OF COMPREHENSIVE INCOME  
JANUARY 1 TO DECEMBER 31, 2021 AND 2020

In Thousands of New Taiwan Dollars,

Code		2021		Except Earnings Per Share 2020	
		Amount	%	Amount	%
4000	NET OPERATING REVENUE (Notes 4, 14, and 21)	\$ 814,729	100	\$ 855,830	100
6000	OPERATING EXPENSES (Notes 15 and 21)	43,611	5	48,152	6
6900	INCOME FROM OPERATIONS	771,118	95	807,678	94
	NON-OPERATING INCOME AND EXPENSES (Notes 15 and 21)				
7100	Interest income	36	-	249	-
7010	Other income	1,891	-	9,160	1
7020	Other gains and losses	( 1,674)	-	( 6,140)	( 1)
7050	Finance costs	( 3,696)	( 1)	( 4,797)	-
7000	Total non-operating income and expenses	( 3,443)	( 1)	( 1,528)	-
7900	PROFIT BEFORE INCOME TAX	767,675	94	806,150	94
7950	INCOME TAX EXPENSE (Notes 4 and 16)	31,053	4	14,430	2
8200	NET PROFIT FOR THE YEAR	736,622	90	791,720	92
	OTHER COMPREHENSIVE INCOME				
8310	Items that will not be reclassified subsequently to profit or loss:				
8330	Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	9,491	1	( 23,848)	( 3)

(Continued on next page)

(Continued from previous page)

Code		2021		2020	
		Amount	%	Amount	%
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations	(\$ 47,530)	( 6)	(\$ 918)	-
8380	Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	( 59,006)	( 7)	( 37,728)	( 4)
8399	Income tax relating to items that will be reclassified to profit or loss	21,307	3	7,728	1
8300	Other comprehensive income (loss) for the year	( 75,738)	( 9)	( 54,766)	( 6)
8500	TOTAL COMPREHENSIVE INCOME OF THE YEAR	<u>\$ 660,884</u>	<u>81</u>	<u>\$ 736,954</u>	<u>86</u>
EARNINGS PER SHARE					
(Note 17)					
From continuing operations					
9750	Basic	<u>\$ 2.77</u>		<u>\$ 2.97</u>	
9850	Diluted	<u>\$ 2.76</u>		<u>\$ 2.97</u>	

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

(With Deloitte & Touche auditors' report dated March 30, 2022)

Chairman: Fang-Hsin Lee

President: Fang-Hsin Lee

Accounting Manager: Yu-Yi Lee

YUNGSHIN GLOBAL HOLDING CORPORATION  
STATEMENTS OF CHANGES IN EQUITY  
JANUARY 1 TO DECEMBER 31, 2021 AND 2020

In Thousands of New Taiwan Dollars

							Other Equity					
		Share Capital	Capital Surplus	Retained Earnings (Note 13)			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
Code		(Note 13)	(Note 13)	Legal Reserve	Special Reserve	Unappropriated Earnings	Total			Total	Treasury shares	Total
A1	BALANCE ON JANUARY 1, 2020	\$ 2,664,230	\$ 2,143,919	\$ 573,689	\$ 243,197	\$ 892,485	\$ 1,709,371	( \$ 287,440 )	\$ 21,475	( \$ 265,965 )	( \$ 1,439 )	\$ 6,250,116
	Appropriation of 2019 earnings											
B1	Legal reserve	-	-	75,002	-	( 75,002 )	-	-	-	-	-	-
B3	Special reserve	-	-	-	22,768	( 22,768 )	-	-	-	-	-	-
B5	Cash dividends distributed by the Corporation	-	-	-	-	( 586,130 )	( 586,130 )	-	-	-	-	( 586,130 )
	Subtotal	-	-	75,002	22,768	( 683,900 )	( 586,130 )	-	-	-	-	( 586,130 )
M7	Changes in ownership interests in subsidiaries	-	2,157	-	-	-	-	-	-	-	-	2,157
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	131	-	-	-	-	-	-	-	-	131
M1	Adjustment to capital surplus from dividends paid to subsidiary	-	94	-	-	-	-	-	-	-	-	94
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	5,442	5,442	-	( 5,442 )	( 5,442 )	-	-
D1	Net profit for year ended 2020	-	-	-	-	791,720	791,720	-	-	-	-	791,720
D3	Other comprehensive income (loss) for year ended 2020	-	-	-	-	( 22,168 )	( 22,168 )	( 30,918 )	( 1,680 )	( 32,598 )	-	( 54,766 )
D5	Total comprehensive income (loss) for year ended 2020	-	-	-	-	769,552	769,552	( 30,918 )	( 1,680 )	( 32,598 )	-	736,954
Z1	BALANCE ON DECEMBER 31, 2020	2,664,230	2,146,301	648,691	265,965	983,579	1,898,235	( 318,358 )	14,353	( 304,005 )	( 1,439 )	6,403,322
	Appropriation of 2020 earnings											
B1	Legal reserve	-	-	77,499	-	( 77,499 )	-	-	-	-	-	-
B3	Special reserve	-	-	-	38,040	( 38,040 )	-	-	-	-	-	-
B5	Cash dividends distributed by the Corporation	-	-	-	-	( 532,846 )	( 532,846 )	-	-	-	-	( 532,846 )
	Subtotal	-	-	77,499	38,040	( 648,385 )	( 532,846 )	-	-	-	-	( 532,846 )
M7	Changes in ownership interests in subsidiaries	-	6,196	-	-	-	-	-	-	-	-	6,196
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	327	-	-	-	-	-	-	-	-	327
M1	Adjustment to capital surplus from dividends paid to subsidiary	-	85	-	-	-	-	-	-	-	-	85
D1	Net profit for year ended 2021	-	-	-	-	736,622	736,622	-	-	-	-	736,622
D3	Other comprehensive income (loss) for year ended 2021	-	-	-	-	11,419	11,419	( 85,229 )	( 1,928 )	( 87,157 )	-	( 75,738 )
D5	Total comprehensive income (loss) for year ended 2021	-	-	-	-	748,041	748,041	( 85,229 )	( 1,928 )	( 87,157 )	-	660,884
Z1	BALANCE ON DECEMBER 31, 2021	\$ 2,664,230	\$ 2,152,909	\$ 726,190	\$ 304,005	\$ 1,083,235	\$ 2,113,430	( \$ 403,587 )	\$ 12,425	( \$ 391,162 )	( \$ 1,439 )	\$ 6,537,968

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

(With Deloitte & Touche auditors' report dated March 30, 2022)

Chairman: Fang-Hsin Lee

President: Fang-Hsin Lee

Accounting Manager: Yu-Yi Lee

YUNGSHIN GLOBAL HOLDING CORPORATION  
STATEMENTS OF CASH FLOWS  
JANUARY 1 TO DECEMBER 31, 2021 AND 2020

In Thousands of New Taiwan Dollars

Code		2021	2020
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Profit before income tax:	\$ 767,675	\$ 806,150
A20010	Adjustments for:		
A20100	Depreciation	1,842	2,325
A20200	Amortization	769	2,171
A20900	Finance costs	3,696	4,797
A21200	Interest income	( 36)	( 249)
A22300	Share of profit or loss of subsidiaries and associates accounted for using the equity method	( 807,469)	( 846,704)
A22500	Loss on disposal of property, plant and equipment	65	-
A24100	Unrealized loss (gain) on foreign exchange	382	( 561)
A29900	Loss on disposal of subsidiaries	-	4,080
A30000	Changes in operating assets and liabilities		
A31180	Other receivables - related parties	1,949	( 5,124)
A31230	Prepayments	1,670	( 836)
A32180	Other Payables	( 1,088)	2,702
A32230	Other current liabilities	-	579
A32240	Net defined benefit liabilities	-	( 119)
A33000	Cash generated from operations	( 30,545)	( 30,789)
A33100	Interest received	36	249
A33200	Cash dividends received from investments accounted for using the equity method	572,422	604,936
A33300	Interest paid	( 3,890)	( 4,930)
A33500	Income tax paid	( 10,640)	( 5,326)
AAAA	Net cash generated from operating activities	527,383	564,140
	CASH FLOWS FROM INVESTING ACTIVITIES		
B02300	Net cash generated from disposal of subsidiaries	-	8,234
B02800	Proceeds from disposal of property, plant and equipment	191	-
B04500	Acquisition of intangible assets	( 351)	-
BBBB	Net cash generated from (used in) investing activities	( 160)	8,234
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00200	Repayments of short-term borrowings	-	( 160,000)
C01600	Proceeds from long-term borrowings	-	460,000

(Continued on next page)

(Continued from previous page)

Code		2021	2020
C01700	Repayments of long-term borrowings	\$ -	(\$ 300,000)
C04020	Repayment of the principal portion of lease liabilities	( 1,458)	( 2,194)
C04500	Cash dividends paid	( 532,846)	( 586,130)
CCCC	Net cash used in financing activities	( 534,304)	( 588,324)
DDDD	Effects of exchange rate changes on cash and cash equivalents	( 382)	561
EEEE	NET DECREASE IN CASH AND CASH EQUIVALENTS	( 7,463)	( 15,389)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	54,608	69,997
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 47,145	\$ 54,608

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

(With Deloitte & Touche auditors' report dated March 30, 2022)

Chairman: Fang-Hsin Lee

President: Fang-Hsin Lee

Accounting Manager: Yu-Yi Lee

## Attachment 3 Comparison Table for Amendment to “Articles of Incorporation”

### YungShin Global Holding Corporation

#### Comparison Table for Amendment to Articles of Incorporation

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>Article 7</p> <p>All shares issued by the Corporation shall be name-bearing and signed or sealed by <u>the directors acting on behalf of the Corporation</u>. Shares can be issued by <u>the bank acting as issuer of shares</u> after the shares are recorded.</p> <p>The Corporation may issue shares without printing share certificate(s). However, the Corporation shall appoint a centralized securities custody enterprise/institution to make registration of such shares.</p>	<p>Article 7</p> <p>All shares issued by the Corporation shall be name-bearing and signed or sealed by <u>at least three Directors</u>. Shares can be issued by <u>the competent authority or the competent authority's approved share-issuing institution</u> after the shares are recorded.</p> <p>The Corporation may issue shares without printing share certificate(s). However, the Corporation shall appoint a centralized securities custody enterprise/institution to make registration of such shares.</p>	<p>Amended in accordance with the provisions in Article 162 of the Company Act.</p>
<p>Article 11</p> <p>Shareholders' meetings shall be of two kinds: general shareholders' meetings and interim shareholders' meeting. The general shareholders' meetings shall be convened by the Board of Directors within 6 months after the closing of each fiscal year, and a notice to convene a general shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled</p>	<p>Article 11</p> <p>Shareholders' meetings shall be of two kinds: general shareholders' meetings and interim shareholders' meeting. The general shareholders' meetings shall be convened by the Board of Directors within 6 months after the closing of each fiscal year, and a notice to convene a general shareholders' meeting shall be given to each shareholder no later than 30</p>	<p>Add Paragraph 2 in accordance with the amendment to Article 172-2 of the Company Act.</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>meeting date. The interim shareholders' meeting shall be convened as regulated when necessary, and a notice to convene an interim shareholders' meeting shall be given to each shareholder no later than 15 days prior to the scheduled meeting date.</p> <p><u>The shareholders' meeting may be held by video conferencing or the method announced by the competent authorities.</u></p> <p>The aforesaid notice in the preceding paragraph shall indicate the date and venue and purpose for convening the meeting, and may be given to shareholders via written notice or electronically in accordance with the law. However, for shareholders who own less than 1,000 shares of nominal stocks, may be given in the form of a public announcement.</p> <p>Except as provided in the Company Act, the aforementioned shareholders' meeting shall be convened by the Board of Directors.</p>	<p>days prior to the scheduled meeting date. The interim shareholders' meeting shall be convened as regulated when necessary, and a notice to convene an interim shareholders' meeting shall be given to each shareholder no later than 15 days prior to the scheduled meeting date.</p> <p>The aforesaid notice in the preceding paragraph shall indicate the date and venue and purpose for convening the meeting, and may be given to shareholders via written notice or electronically in accordance with the law. However, for shareholders who own less than 1,000 shares of nominal stocks, may be given in the form of a public announcement.</p> <p>Except as provided in the Company Act, the aforementioned shareholders' meeting shall be convened by the Board of Directors.</p>	
<p>Article 12</p> <p>If a shareholder cannot attend a shareholders' meeting in person, he or she may appoint a proxy to attend and vote on behalf of the shareholder at the shareholders' meeting by</p>	<p>Article 12</p> <p>If a shareholder cannot attend a shareholders' meeting in person, he or she may appoint a proxy to attend and vote on behalf of the shareholder at the shareholders' meeting by</p>	<p>Amended in accordance with the provisions in Article 177 of the Company Act.</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>completing and submitting to the Corporation, a form prescribed by <u>the convener</u> stating the scope of authorization. All proxy appointments have to comply with Article 177 of the Company Act as well as the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies set forth by the regulatory authority.</p>	<p>completing and submitting to the Corporation, a form prescribed by <u>the Corporation</u> stating the scope of authorization. All proxy appointments have to comply with Article 177 of the Company Act as well as the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies set forth by the regulatory authority.</p>	
<p>Article 32 The Corporation operates in a rapidly changing industry environment, and its business life cycle is in a stable growth phase. If the Corporation has fiscal year-end earnings, they shall be utilized for the following uses in order:</p> <ol style="list-style-type: none"> <li>I. Payment of taxes required by law.</li> <li>II. Making up for loss in previous years.</li> <li>III. Setting aside 10% for legal reserve.</li> <li>IV. Appropriating or reversing special reserve in accordance with laws and regulations.</li> <li>V. Payment of dividends.</li> <li>VI. The remaining balance, together with the undistributed profits of previous years, shall be submitted as a motion to the shareholders' meeting.</li> </ol>	<p>Article 32 The Corporation operates in a rapidly changing industry environment, and its business life cycle is in a stable growth phase. If the Corporation has fiscal year-end earnings, they shall be utilized for the following uses in order:</p> <ol style="list-style-type: none"> <li>I. Payment of taxes required by law.</li> <li>II. Making up for loss in previous years.</li> <li>III. Setting aside 10% for legal reserve.</li> <li>IV. Appropriating or reversing special reserve in accordance with laws and regulations.</li> <li>V. Payment of dividends.</li> <li>VI. The remaining balance, together with the undistributed profits of previous years, shall be <u>distributed as</u></li> </ol>	<p>The text is adjusted in accordance with the amendment to Article 240 of the Company Act.</p>



Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>The sum of shareholders' dividends shall be anywhere from 10% to 90% of the aforesaid accumulated undistributed profits. For payment of shareholders' dividend, no less than 20% of the total payment shall be in cash.</p> <p>VII. The distribution of dividends will be done in three ways: capital increase from earnings, capital increase from capital surplus, and cash dividends. In case of appropriate investment plan capable of increasing the Corporation 's profitability, a low cash dividend ratio policy will be adopted, and either capital increase from earnings or capital increase from capital surplus will be adopted. In case capital expansion will impact the profitable standards, the ratio of cash dividend payment will be increased accordingly.</p>	<p><u>shareholders' dividends</u> and submitted as a motion to the shareholders' meeting. The sum of shareholders' dividends shall be anywhere from 10% to 90% of the aforesaid accumulated undistributed profits. For payment of shareholders' dividend, no less than 20% of the total payment shall be in cash.</p> <p>VII. The distribution of dividends will be done in three ways: capital increase from earnings, capital increase from capital surplus, and cash dividends. In case of appropriate investment plan capable of increasing the Corporation's profitability, a low cash dividend ratio policy will be adopted, and either capital increase from earnings or capital increase from capital surplus will be adopted. In case capital expansion will impact the profitable standards, the ratio of cash dividend payment will be increased accordingly.</p>	
Article 32-1		

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>The distribution of dividends and bonuses, capital surplus or legal reserve, in whole or in part, in the form of cash is authorized to be approved by the board of directors with at least two-thirds of the directors present and a majority of the directors present, and reported to the shareholders' meeting; if the distribution is made by issuing new shares, the distribution shall be approved by the shareholders' meeting.</p>		<p>Article 32-1 is added in accordance with the amendment to Article 240 of the Company Act.</p>
<p>Article 35 The Articles of Incorporation was concluded on June 9, 2010. The first amendment was on June 10, 2011. The second amendment was on June 13, 2012. The third amendment was on June 11, 2013. The fourth amendment was on June 23, 2015. The fifth amendment was on June 22, 2016. The sixth amendment was on June 20, 2017. The seventh amendment was made on May 24, 2022.</p>	<p>Article 35 The Articles of Incorporation was concluded on June 9, 2010. The first amendment was on June 10, 2011. The second amendment was on June 13, 2012. The third amendment was on June 11, 2013. The fourth amendment was on June 23, 2015. The fifth amendment was on June 22, 2016. The sixth amendment was on June 20, 2017.</p>	<p>Include the latest amendment date</p>

# Attachment 4 Comparison Table for Amendment to "Regulations Governing the Acquisition and Disposal of Assets"

## YungShin Global Holding Corporation

### Comparison Table for Amendment to Regulations Governing the Acquisition and Disposal of Assets

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>Article 5: Procedures for acquisition or disposal of real property, equipment, or right-of-use assets thereof</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Corporation's paid-in capital or NT\$300 million or more, the Corporation, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report with matters required to be recorded (as shown in Attachment 1) prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>I and II omitted.</p> <p>III. Where any one of the following circumstances</p>	<p>Article 5: Procedures for acquisition or disposal of real property, equipment, or right-of-use assets thereof</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Corporation's paid-in capital or NT\$300 million or more, the Corporation, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report with matters required to be recorded (as shown in Attachment 1) prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>I and II omitted.</p> <p>II. Where any one of the</p>	<p>As Article 19 has been amended to add the requirement that external experts, including accountants, should follow the self-regulatory standards and rules of their respective trade associations in issuing opinions, the text related to the Statement of Auditing Standards that accountants should follow is hereby removed.</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(I) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(II) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>IV and V omitted.</p>	<p>following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall <u>be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and</u> render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(I) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(II) The discrepancy between the appraisal results of</p>	

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
	<p>two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>IV and V omitted.</p>	
<p>Article 6: Procedures for the acquisition and disposal of securities</p> <p>When acquiring or disposing of securities, the Corporation shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price; if the dollar amount of the transaction is 20 percent of the Corporation's paid-in capital or NT\$300 million or more, the Corporation shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	<p>Article 6: Procedures for the acquisition and disposal of securities</p> <p>When acquiring or disposing of securities, the Corporation shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price; if the dollar amount of the transaction is 20 percent of the Corporation's paid-in capital or NT\$300 million or more, the Corporation shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of</p>	<p>The reason for amendment is the same as the explanation given for Article 5.</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
	securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	
<p>Article 7: Where the Corporation acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Corporation shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>Article 7: Where the Corporation acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Corporation shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p>	<p>The reason for amendment is the same as the explanation given for Article 5.</p>
<p>Article 11: Procedures for related party transactions</p> <p>I. (I) and (II) omitted.</p>	<p>Article 11: Procedures for related party transactions</p> <p>I. (I) and (II) omitted.</p>	<p>1. Paragraph III is added to strengthen the management of</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>II. (I) When the Corporation intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party, and the transaction amount reaches 20 percent or more of the Corporation's paid-in capital, 10 percent or more of the Corporation's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Corporation may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by over half of the members of the Audit Committee and adopted by the Board of Directors meeting with resolution:</p> <p>1. The purpose, necessity and anticipated benefit</p>	<p>II. (I) When the Corporation intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party, and the transaction amount reaches 20 percent or more of the Corporation's paid-in capital, 10 percent or more of the Corporation's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Corporation may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by over half of the members of the Audit Committee and adopted by the Board of Directors meeting with</p>	<p>related party transactions. If a public company or its subsidiary that is not a domestic public company intends to acquire or dispose of assets from a related party, and the transaction amount reaches 10% or more of the public company's total assets, the public company shall submit the relevant information to the shareholders' meeting for approval before the transaction in order to protect the shareholders' rights and interests; however, transactions between the public company and its parent company or its subsidiary or transactions between its subsidiaries are exempt from resolution at the shareholders' meeting.</p> <p>2. The last section of Subparagraph (I) of Paragraph II is moved to Paragraph IV in the</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>of the acquisition or disposal of assets.</p> <p>2. The reason for choosing the related party as a transaction counterparty.</p> <p>3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms shall be handled in accordance with the provisions in Paragraph <u>V</u> and <u>VI</u> of this Article.</p> <p>4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Corporation and the related party.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of</p>	<p>resolution:</p> <p>1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>2. The reason for choosing the related party as a transaction counterparty.</p> <p>3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms shall be handled in accordance with the provisions in Paragraph <u>III</u> and <u>IV</u> of this Article.</p> <p>4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the</p>	<p>amended articles, and the calculation of the transaction amount that shall be included in the information submitted to the shareholders' meeting for approval is also amended to be in line with the addition of Paragraph III.</p> <p>3. Paragraph numbering is changed.</p> <p>4. The reference numbering within the text is changed.</p>



Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding paragraph.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>II. (II) and (III) omitted.</p> <p>III. <u>Where the Corporation or a subsidiary that is not a domestic public company engages in any transaction mentioned in Subparagraph (I) of Paragraph II, and the transaction amount is more than 10% of the Corporation's total assets, the Corporation shall submit the information listed in Paragraph I to the shareholders' meeting for approval before signing the transaction contract and making the payment. However, this does not apply to transactions between the Corporation</u></p>	<p>Corporation and the related party.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding paragraph.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>The calculation of the transaction amounts shall be done in accordance with Paragraph II of Article 18 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items already submitted to the Board</u></p>	

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p><u>and its parent or subsidiaries or transactions between its subsidiaries.</u></p> <p>IV. The calculation of the transaction amounts <u>specified in Subparagraph (I) of Paragraph II and the preceding paragraph</u> shall be done in accordance with Paragraph II of Article 18 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items already submitted to <u>the shareholders' meeting and the Board of Directors' meeting for approval in accordance with the provisions herein are exempt from the calculation. As the Corporation has established the Audit Committee, such matter shall be approved by over one-half of all Audit Committee members. If approval by one-half or more of all Audit Committee members cannot be obtained, approval by two-thirds or more of all Directors shall suffice, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of</u></p>	<p><u>of Directors' meeting for approval in accordance with the provisions herein are exempt from the calculation.</u></p> <p>(II) and (III) omitted.</p> <p>III. Summary</p> <p>(I) When acquiring real property or right-of-use assets thereof from a related party, the Corporation shall evaluate the reasonableness of the transaction costs by the following means:</p> <p>1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Corporation purchases the property; provided, it may not be higher than the maximum non-financial industry</p>	

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p><u>Directors meeting.</u></p> <p>V. Summary</p> <p>(I) When acquiring real property or right-of-use assets thereof from a related party, the Corporation shall evaluate the reasonableness of the transaction costs by the following means:</p> <p>1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Corporation purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage</p>	<p>lending rate announced by the Ministry of Finance.</p> <p>2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.</p> <p>(II) Where land and structures thereupon are</p>	

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.</p> <p>(II) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>(III) When acquiring real property or right-of-use assets thereof</p>	<p>combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>(III) When acquiring real property or right-of-use assets thereof from a related party and appraising the cost of the real property or right-of-use assets thereof in accordance with the preceding two subparagraphs, the Corporation shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>(IV) Where the Corporation acquires real property or right-of-use assets thereof from a</p>	

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>from a related party and appraising the cost of the real property or right-of-use assets thereof in accordance with the preceding two subparagraphs, the Corporation shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>(IV) Where the Corporation acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Paragraph II of this Article, and the preceding three subparagraphs do not apply:</p> <ol style="list-style-type: none"> <li>1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.</li> <li>2. More than 5 years will have elapsed from the time the</li> </ol>	<p>related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Paragraph II of this Article, and the preceding three subparagraphs do not apply:</p> <ol style="list-style-type: none"> <li>1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.</li> <li>2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.</li> <li>3. The real property is acquired through signing of a joint development contract with the related party, or</li> </ol>	

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.</p> <p>3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Corporation's own land or on rented land.</p> <p>4. The real property right-of-use assets for business use are acquired by the Corporation with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</p> <p>VI. When the results of the Corporation's appraisal conducted in accordance with Subparagraphs (I) and (II) of Paragraph <u>V</u> of this Article are lower than the transaction price, the</p>	<p>through engaging a related party to build real property, either on the Corporation's own land or on rented land.</p> <p>4. The real property right-of-use assets for business use are acquired by the Corporation with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</p> <p>IV. When the results of the Corporation's appraisal conducted in accordance with Subparagraphs (I) and (II) of Paragraph <u>III</u> of this Article are lower than the transaction price, the matter shall be handled in compliance with Paragraph <u>VI</u> of this Article. However, where the following circumstances exist, with objective evidence submitted and specific opinions on reasonableness obtained from a professional real property appraiser and a CPA, this restriction</p>	

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>matter shall be handled in compliance with Paragraph <u>VIII</u> of this Article. However, where the following circumstances exist, with objective evidence submitted and specific opinions on reasonableness obtained from a professional real property appraiser and a CPA, this restriction shall not apply:</p> <p>(I) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross</p>	<p>shall not apply:</p> <p>(I) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for</p>	

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>(II) Where the Corporation, when acquiring real property or obtaining real property right-of-use</p>	<p>the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>(II) Where the Corporation, when acquiring real property or obtaining real property right-of-use assets through leasing from a</p>	



Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>assets through leasing from a related party, provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>VII. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the</p>	<p>related party, provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>V. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of</p>	

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>acquisition of the real property or obtainment of the right-of-use assets thereof.</p> <p>VIII. Summary</p> <p>(I) Where the Corporation acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Paragraph <u>V</u> and <u>VI</u> of this Article are lower than the transaction price, the following steps shall be taken:</p> <p>1. A special reserve shall be set aside in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Corporation uses the equity method to account for its</p>	<p>occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.</p> <p>VI. Summary</p> <p>(I) Where the Corporation acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Paragraph <u>III</u> and <u>IV</u> of this Article are lower than the transaction price, the following steps shall be taken:</p> <p>1. A special reserve shall be set aside in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or</p>	

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>investment in another company, then the special reserve called for under Paragraph 1 of Article 41 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Corporation's equity stake in the other company.</p> <p>2. Independent directors in the Audit Committee shall comply with Article 218 of the Company Act to perform supervisors' duties.</p> <p>3. Actions taken pursuant to Items 1 and 2 shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>(II) When setting aside a special reserve under the preceding subparagraph, the Corporation may not</p>	<p>issuance of bonus shares. Where the Corporation uses the equity method to account for its investment in another company, then the special reserve called for under Paragraph 1 of Article 41 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Corporation's equity stake in the other company.</p> <p>2. Independent directors in the Audit Committee shall comply with Article 218 of the Company Act to perform supervisors' duties.</p> <p>3. Actions taken pursuant to Items 1 and 2 shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and</p>	

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>(III) When the Corporation obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two subparagraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	<p>any investment prospectus.</p> <p>(II) When setting aside a special reserve under the preceding subparagraph, the Corporation may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>(III) When the Corporation obtains real</p>	

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
	<p>property or right-of-use assets thereof from a related party, it shall also comply with the preceding two subparagraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	
<p>Article 18: Public disclosure of information</p> <p>I. (I) to (V) omitted.</p> <p>(VI) Where the amount of an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of the Corporation's paid-in capital or NT\$300 million. However, this shall not apply to the following circumstances:</p> <p>1. Trading of domestic government bonds <u>or foreign</u></p>	<p>Article 18: Public disclosure of information</p> <p>I. (I) to (V) omitted.</p> <p>(VI) Where the amount of an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of the Corporation's paid-in capital or NT\$300 million. However, this shall not apply to the following circumstances:</p> <p>1. Trading of domestic</p>	<p>Trading of foreign government bonds with credit ratings not lower than the sovereign rating of our country is exempt from public announcement.</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p><u>government bonds with credit ratings not lower than the sovereign rating of our country.</u></p> <p>2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>II to VII omitted.</p>	<p>government bonds.</p> <p>2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>II to VII omitted.</p>	
<p>Article 19: Other matters to be noted</p> <p>I to III omitted.</p> <p>IV. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Corporation with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>(I) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of this</p>	<p>Article 19: Other matters to be noted</p> <p>I to III omitted.</p> <p>IV. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Corporation with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>(I) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer</p>	<p>1. To clarify the procedures and responsibilities to be followed by external experts, it is specified that professional appraisers and their appraisers, accountants, lawyers, or securities underwriters shall undertake and execute cases and issue appraisal reports or opinions in accordance with the provisions set forth in the second half of Paragraph IV of this Article as well as the self-regulatory standards and rules of their respective trade</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>Regulations Governing the Acquisition and Disposal of Assets, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have passed since the completion of the sentence, since the expiration of the suspended sentence, or since a pardon was granted.</p> <p>(II) May not be a related party or de facto related party of any party to the transaction.</p> <p>(III) If the Corporation is required to obtain appraisal reports from two or more professional appraisers, the different</p>	<p>for a violation of this Regulations Governing the Acquisition and Disposal of Assets, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have passed since the completion of the sentence, since the expiration of the suspended sentence, or since a pardon was granted.</p> <p>(II) May not be a related party or de facto related party of any party to the transaction.</p> <p>(III) If the Corporation</p>	<p>associations.</p> <p>2. As the work of issuing an appraisal report or a reasonableness opinion conducted by the aforementioned experts is not part of the audit of financial reports, the wording of "auditing" cases is amended to "executing" cases.</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>V. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory standards and rules of each trade association the Corporation belongs to and the</u> following:</p> <p>(I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(II) When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and</p>	<p>is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>(I) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>(II) When <u>auditing</u> a case, they shall appropriately plan and execute adequate working procedures, in</p>	



Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>conclusion shall be fully and accurately specified in the case working papers.</p> <p>(III) They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(IV) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>adequate</u> and reasonable, and that they have complied with applicable laws and regulations.</p>	<p>order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>(III) They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(IV) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and</p>	

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
	found that the information used is reasonable <u>and accurate</u> , and that they have complied with applicable laws and regulations.	
<p>Article 21: Penalties</p> <p>If the Corporation's managers or managerial officers violate these Regulations, they shall be punished in accordance with the <u>relevant</u> provisions of the Corporation's personnel management, depending on the severity of the case.</p>	<p>Article 21: Penalties</p> <p>If the Corporation's managers or managerial officers violate these Regulations, they shall be punished in accordance with the provisions of the Corporation's personnel management <u>system and employee handbook</u>, depending on the severity of the case.</p>	Adjusted the text.

# Attachment 5 Comparison Table for Amendment to “Rules of Procedure for Shareholders' Meetings”

## YungShin Global Holding Corporation

### Comparison Table for Amendment to Rules and Procedures for Shareholders' Meetings

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>Article 3 (Convening shareholders' meetings and meeting notices)</p> <p>Unless otherwise provided by law or regulation, the Corporation's shareholders' meetings shall be convened by the Board of Directors.</p> <p><u>Any change in the method of holding a shareholders' meeting shall be resolved by the Board of Directors and shall be made at the latest before mailing the notice of the shareholders' meeting.</u></p> <p>The Corporation shall prepare electronic versions of the shareholders' meeting notice, proxy forms, and descriptions of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or elections or dismissals of directors, and upload them to the Market Observation Post System (MOPS)</p>	<p>Article 3 (Convening shareholders' meetings and meeting notices)</p> <p>Unless otherwise provided by law or regulation, the Corporation's shareholders' meetings shall be convened by the Board of Directors.</p> <p>(Addition)</p> <p>The Corporation shall prepare electronic versions of the shareholders' meeting notice, proxy forms, and descriptions of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or elections or dismissals of directors, and upload them to the Market</p>	<p>I. Paragraph II is added in order to make shareholders aware of any change in the method in which shareholders' meetings are held. Any change in the method of holding a shareholders' meeting shall be resolved by the Board of Directors and shall be made at the latest before mailing the notice of the shareholders' meeting.</p> <p>II. In response to the permission for public companies to hold shareholders' meetings through video conferencing, the Corporation may hold physical</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>either 30 days before the date of a general shareholders' meeting or 15 days before the date of an interim shareholders' meeting. The shareholders' meeting handbook and supplementary information shall be submitted to the Market Observation Post System (MOPS) electronically no later than 21 days prior to a general shareholders' meeting or 15 days prior to an interim shareholders' meeting, and the handbook and supplementary information shall be made available for review by shareholders at any time and shall be displayed at the Corporation and at the agency that provides professional shareholder services for the Corporation.</p> <p><u>The shareholders' meeting handbook and supplemental meeting materials referred to in the preceding paragraph shall be provided for the shareholders to review on the day of the shareholders' meeting through the following methods:</u></p> <p>I. <u>The materials shall be distributed on-site at the meeting place when holding physical</u></p>	<p>Observation Post System (MOPS) either 30 days before the date of a general shareholders' meeting or 15 days before the date of an interim shareholders' meeting. The shareholders' meeting manuals and supplementary information shall be submitted to the Market Observation Post System (MOPS) electronically no later than 21 days prior to a general shareholders' meeting or 15 days prior to an interim shareholders' meeting. <u>In addition, 15 days before the date of the shareholders' meeting,</u> the handbook and supplementary information shall be made available for review by shareholders at any time and shall be displayed at the Corporation and at the agency that provides professional shareholder services for the Corporation <u>as well as distributed on-site at the meeting place.</u></p> <p>(Addition)</p>	<p>shareholders' meetings as well as shareholders' meetings through video conferencing. Paragraph II is amended and Paragraph IV is added in order to allow both shareholders who attend a physical meeting and shareholders who attend a video conferencing meeting to review the meeting handbook and supplemental meeting materials on the day of the shareholders' meeting.</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p><u>shareholders' meetings.</u></p> <p><u>II. The materials shall be distributed on-site at the meeting place as well as uploaded as electronic files to the video conference platform when holding hybrid shareholders' meetings.</u></p> <p><u>III. The materials shall be uploaded as electronic files to the video conference platform when holding shareholders' meetings through video conferencing.</u></p> <p>V to XII omitted.</p>	<p>III to X omitted.</p>	
<p>Article 4 (Attending in person or by proxy)</p> <p>I to III omitted.</p> <p><u>After the proxy form has been submitted to the Corporation, if the shareholder intends to attend the meeting through video conferencing, a written notice of proxy cancellation shall be submitted to the Corporation 2 days prior to the meeting date. If the cancellation notice is submitted after that time, the votes cast at the meeting by the proxy shall prevail.</u></p>	<p>Article 4 (Attending in person or by proxy)</p> <p>I to III omitted.</p> <p>(Addition)</p>	<p>Paragraph IV is added to specify that in the event where a shareholder has appointed a proxy to attend a shareholders' meeting but intends to attend the meeting through video conferencing after the proxy form has been submitted to the Corporation, a written notice of proxy cancellation shall be submitted to the Corporation 2 days prior to the meeting date.</p>
<p>Article 5 (Venue and time of</p>	<p>Article 5 (Venue and time of</p>	<p>Paragraph II is added to</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>shareholders' meetings)</p> <p>I. Omitted.</p> <p><u>When holding a shareholders' meeting through video conferencing, the Corporation shall not not be subject to the aforementioned restrictions on the venue for shareholders' meetings.</u></p>	<p>shareholders' meetings)</p> <p>I. Omitted.</p> <p>(Addition)</p>	<p>specify that when holding a shareholders' meeting through video conferencing, the Corporation shall not not be subject to the restrictions on the meeting venue.</p>
<p>Article 6 (Preparation of documents such as the attendance book)</p> <p>The Corporation shall specify in its shareholders' meeting notices the time and place of attendance registration and other matters to be noted for shareholders, <u>solicitors, and proxies (hereinafter collectively referred to as "shareholders")</u>.</p> <p>The time of attendance registration stated in the preceding paragraph shall be at least 30 minutes prior to the start time of the meeting. The place of attendance registration shall be clearly marked, and a sufficient number of suitable personnel shall be assigned to handle the registration. <u>When the Corporation holds a shareholders' meeting through video conferencing, attendance</u></p>	<p>Article 6 (Preparation of documents such as the attendance book)</p> <p>The Corporation shall specify in its shareholders' meeting notices the time and place of attendance registration and other matters to be noted for shareholders.</p> <p>The time of attendance registration stated in the preceding paragraph shall be at least 30 minutes prior to the start time of the meeting. The place of attendance registration shall be clearly marked, and a sufficient number of suitable personnel shall be assigned to handle the registration.</p>	<p>I. Paragraph II is amended to specify the time and procedure for the shareholders to register for attendance to the meeting.</p> <p>II. The collective term "shareholders" is established in Paragraph I, and hence, Paragraph III is amended accordingly.</p> <p>III. Paragraph VII is added to specify that when the Corporation holds a shareholders' meeting through video conferencing, shareholders who intend to attend the meeting through video conferencing</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p><u>registration shall be accepted on the video conferencing platform of the shareholders' meeting at least 30 minutes prior to the start time of the meeting. A shareholder who has completed the attendance registration shall be deemed to have attended the meeting in person.</u></p> <p>Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Corporation may not arbitrarily require other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>Attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The Corporation shall provide attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed</p>	<p><u>Shareholders and their proxies (hereinafter collectively referred to as "shareholders")</u> shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Corporation may not arbitrarily require other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. <u>The Corporation shall provide the attending shareholders with an attendance book to sign, or</u> attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The Corporation shall provide attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be provided.</p> <p>When the government or a</p>	<p>shall register with the Corporation at least 2 days before the date of the shareholders' meeting.</p> <p>IV. Paragraph VIII is added for the Corporation to upload the shareholders' meeting handbook, annual report, and other relevant meeting materials to the video conferencing platform of the shareholders' meeting so that the shareholders who attend the meeting through video conferencing can review them.</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>ballots shall also be provided.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it at the meeting.</p> <p><u>When the Corporation holds a shareholders' meeting through video conferencing, shareholders who intend to attend the shareholders' meeting through video conferencing shall register with the Corporation at least 2 days before the date of the shareholders' meeting.</u></p> <p><u>When holding a shareholders' meeting through video conferencing, the Corporation shall upload the shareholders' meeting handbook, annual report, and other relevant meeting materials to the video conferencing platform for the shareholders' meeting at least 30 minutes prior to the start time of the meeting and continue to disclose such materials until the meeting ends.</u></p>	<p>juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it at the meeting.</p> <p>(Addition)</p>	
<p><u>Article 6-1 (Shareholders' meetings through video conferencing and the particulars</u></p>	<p>(Addition)</p>	<p>In order to inform shareholders of their rights and restrictions of</p>



Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p><u>required in the meeting notice)</u></p> <p><u>When holding a shareholders' meeting through video conferencing, the Corporation shall specify the following particulars in the shareholders' meeting notice:</u></p> <p>I. <u>The procedures for shareholders to participate in the shareholders' meeting through video conferencing and to exercise their rights.</u></p> <p>II. <u>Actions to be taken if the video conference platform or participation in the video conference meeting is obstructed due to natural disasters, emergencies, or other force majeure events, including, but not limited to:</u></p> <p>(I) <u>To what time the meeting is postponed or from what time the meeting will reconvene if the above obstruction continues and cannot be removed, and, if applicable, the date to which the</u></p>		<p>attendance before the meeting, it is hereby stipulated that the shareholders' meeting notice shall include the procedures for shareholders to participate in the video conference and exercise their relevant rights, actions to be taken if the video conference platform or participation in the video conference meeting is obstructed due to natural disasters, emergencies, or other force majeure events, which shall include at least the date when the meeting shall be adjourned or reconvened and how long shall the obstruction last before the meeting shall be considered to be postponed or reconvened, procedures for when the resolutions of all proposals have been announced and no extempore motion has been made, in accordance with the provisions in Paragraphs 1, 2, 4, and 5 of Article 44-20 of the Regulations Governing the Administration of</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>meeting is postponed or on which the meeting will reconvene.</p> <p>(II) Shareholders who did not register to attend the original shareholders' meeting by video conferencing may not attend the postponed or reconvened meeting.</p> <p>(III) When the Corporation holds a hybrid shareholders' meeting, in the event that the meeting cannot be reconvened through video conferencing, after deducting the number of shares represented by the shareholders attending through video conferencing, if the total number of the remaining shares meets the minimum legal amount of meeting participants, the shareholders'</p>		<p>Shareholder Services of Public Companies, as well as provisions of adequate alternative measures for shareholders who have difficulties attending a shareholders' meeting through video conferencing.</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p> <u>meeting shall</u>  <u>continue. For the</u>  <u>shareholders</u>  <u>attending through</u>  <u>video conferencing,</u>  <u>their shares shall be</u>  <u>counted toward the</u>  <u>total number of</u>  <u>shares represented</u>  <u>by the shareholders</u>  <u>present at the</u>  <u>meeting; however,</u>  <u>they shall be</u>  <u>considered</u>  <u>abstained in all</u>  <u>proposals of that</u>  <u>meeting.</u> </p> <p>           (IV) <u>The procedures for</u>  <u>when the resolutions</u>  <u>of all proposals have</u>  <u>been announced and</u>  <u>no extempore</u>  <u>motion has been</u>  <u>made.</u> </p> <p>           III. <u>When holding a</u>  <u>shareholders' meeting</u>  <u>through video</u>  <u>conferencing, the</u>  <u>Corporation shall specify</u>  <u>the provisions of adequate</u>  <u>alternative measures for</u>  <u>shareholders who have</u>  <u>difficulties attending the</u>  <u>shareholders' meeting</u> </p>		

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p><u>through video conferencing.</u></p>		
<p>Article 8 (Documentation of a shareholders' meeting by audio or video)</p> <p>The Corporation <u>shall make a video of the shareholder attendance registration process and an uninterrupted audio and video recording of the proceedings of the shareholders' meeting as well as the voting and vote counting procedures.</u></p> <p>II. omitted.</p> <p><u>When holding the shareholders' meeting through video conferencing, the Corporation shall keep records of shareholders' enrollment, registration, attendance, questions asked, votes cast, and voting results and also make an uninterrupted audio and video recording of the proceedings of any shareholders' meeting held through video conferencing.</u></p> <p><u>The information as well as the audio and video recording mentioned in the preceding paragraph shall be properly preserved by the Corporation, and</u></p>	<p>Article 8 (Documentation of a shareholders' meeting by audio or video)</p> <p>The Corporation, <u>beginning from the time it accepts shareholder attendance registration, shall make an uninterrupted audio and video recording of the registration process,</u> the proceedings of the shareholders' meeting as well as the voting and vote counting procedures.</p> <p>II. omitted.</p> <p>(Addition)</p> <p>(Addition)</p>	<p>Pursuant to Article 183 of the Company Act and Article 18 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, Paragraph III and IV are added to specify that the Corporation shall keep records of shareholders' enrollment, registration, attendance, questions asked, votes cast, and voting results and make an uninterrupted audio and video recording of the proceedings of any shareholders' meeting held through video conferencing.</p> <p>Also, the aforementioned information and materials shall be properly preserved by the Corporation, and the audio and video recording shall be submitted to the personnel in charge of video conferencing on behalf of the Corporation for safekeeping.</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<u>the audio and video recording shall be submitted to the personnel in charge of video conferencing on behalf of the Corporation for safekeeping.</u>		
<p>Article 9 (Calling the meeting to order)</p> <p>The attendance at the shareholders' meeting shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or the sign-in cards handed in <u>and the number of shares registered at the video conferencing platform</u> plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement,</p>	<p>Article 9 (Calling the meeting to order)</p> <p>The attendance at the shareholders' meeting shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</p> <p>However, when the attending shareholders do not represent a majority of the total number</p>	<p>I. Paragraph I is amended to specify that when the Corporation holds a shareholders' meeting through video conferencing, the calculation of the total number of shares in attendance shall be added with the number of shares represented by the shareholders who have completed the attendance registration through video conferencing.</p> <p>II. Paragraph III is amended to specify that when the Corporation holds a shareholders' meeting through video conferencing, in the event that the chairperson announces the adjournment of the</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned. <u>When holding the shareholders' meeting through video conferencing, the Corporation shall also declare the meeting adjourned on the video conferencing platform for the shareholders' meeting.</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month. <u>When the Corporation holds a shareholders' meeting through video conferencing, shareholders intending to attend</u></p>	<p>of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month.</p>	<p>meeting, the Corporation shall separately announce the adjournment on the video conferencing platform for the shareholders' meeting so as to inform the shareholders immediately.</p> <p>III. Paragraph IV is amended to specify that if the Corporation made a tentative resolution to convene a separate shareholders' meeting, shareholders intend to attend by video conferencing shall register with this Corporation.</p>



Proposed Amendment	Current Provisions	Amendment Basis and Reasons
		video conferencing platform.
<p>Article 13 (Exercise of voting rights)</p> <p>I to III omitted.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person <u>or through video conferencing</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Corporation, by the same means by which the voting rights were exercised, 2 days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>V to VIII omitted.</p>	<p>Article 13 (Exercise of voting rights)</p> <p>I to III omitted.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Corporation, by the same means by which the voting rights were exercised, 2 days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the</p>	<p>I. Paragraph IV is amended to specify that after a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting through video conferencing, a declaration of intent to retract the voting rights shall be exercised by the same method.</p> <p>II. Paragraph VIII and X are added to specify that when holding the shareholders' meeting through video conferencing, in order to provide the shareholders attending through video conferencing with sufficient time to vote, voting on</p>



Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p><u>When the Corporation holds a shareholders' meeting through video conferencing, shareholders attended by video conferencing should vote on each motion and election motion through the video conferencing platform from the time the meeting is commenced by the chair and should complete the voting before the end of the voting is announced by the chair; if the vote was made overdue, then it shall be deemed as they waived their rights.</u></p> <p><u>When the Corporation holds a shareholders' meeting through video conferencing, the counting operation must be a one-time count after the end of voting is announced by the chair, and then the chair shall announce the results of voting and election.</u></p> <p><u>If a shareholder who registered to attend the video-assisted shareholders' meeting through video conferencing in accordance with the provisions in Article 6 intends to attend a physical shareholders' meeting, he or she shall exercise a declaration of intent to retract the registration with the same method as the registration was made 2 days prior to the day of the</u></p>	<p>proxy in the meeting shall prevail.</p> <p>V to VIII omitted.</p> <p>(Addition)</p> <p>(Addition)</p> <p>(Addition)</p> <p>(Addition)</p>	<p>each original motion may be conducted from the time the meeting is commenced by the chair until the time that the end of voting is announced, and the counting operation must be a one-time count to match the voting time of shareholders attended through video conferencing.</p> <p>III. Paragraph XI is added to specify that if a shareholder who registered to attend the video-assisted shareholders' meeting through video conferencing intends to attend a physical shareholders' meeting, he or she shall exercise a declaration of intent to retract the registration with the same method as the registration was made 2 days prior to the day of the</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p><u>shareholders' meeting; if the declaration of intent to retract was made overdue, then he or she may only attend the shareholders' meeting by video conferencing. If a shareholder exercises his or her voting rights by correspondence or electronically and does not retract his or her intent and attends the shareholders' meeting by video conferencing, he or she may not exercise his or her voting rights on the original motion or propose amendments to the original motion or exercise his or her voting rights on amendments to the original motion, except for a temporary motion.</u></p>		<p>shareholders' meeting; if the declaration of intent to retract was made overdue, then he or she may only attend the shareholders' meeting by video conferencing.</p> <p>IV. The shareholders who exercise their voting rights electronically and who have not made declaration of intent to retract may not propose amendments to the original motion and may not exercise their voting rights again. However, on the day of the meeting, the shareholder may still attend the meeting and may make a provisional motion on site and may exercise his or her voting rights. In addition, considering that both written and electronic voting are the ways to exercise</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
		<p>shareholders’ rights, and based on the principle of fair treatment, written voting should also follow the spirit of the regulation of electronic voting in order to protect shareholders' rights and interests, it is hereby stipulated in Article 12 that shareholders who exercise their voting rights by correspondence or electronically may still register to attend the shareholders’ meetings by video conferencing without retracting their intent, but they may not vote on the original motion or the amendment to the original motion, and may not propose an amendment to the original motion, except for provisional motions for which they may</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
		propose and exercise their voting rights.
<p>Article 15 (Meeting minutes)</p> <p>I to III omitted.</p> <p><u>Where a video conference shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the name of the chairperson and secretary, as well as the actions to be taken in the event of interruptions to the video conference platform or participation due to natural disasters, emergencies, or other force majeure circumstances shall also be included in the minutes.</u></p> <p><u>When holding a shareholders' meeting through video conferencing, this Corporation shall handle relevant matters in accordance with the preceding provision, and specify in the meeting minutes the provisions of the alternative measures to shareholders having difficulties attending the shareholders' meeting through video conferencing.</u></p>	<p>Article 15 (Meeting minutes)</p> <p>I to III omitted.</p> <p>(Addition)</p> <p>(Addition)</p>	<p>I. In order for shareholders to understand the results of the video conference, alternative measures for shareholders with digital divide, and actions to be taken in case of network disconnection, Paragraph IV is added to specify that, in addition to the matters that should be recorded as stated in Paragraph III, when preparing the minutes of the shareholders' meeting, the Corporation shall record the starting and ending time of the meeting, the meeting method, the names of the chairperson and the person recording the meeting minutes, as well as the actions to be taken in the event</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
		<p>of interruptions to the video conference platform or participation due to natural disasters, emergencies, or other force majeure circumstances.</p> <p>II. When holding a shareholders' meeting through video conferencing, the Corporation shall specify in the meeting notice the provisions of adequate alternative measures for shareholders who have difficulties attending the shareholders' meeting through video conferencing.</p> <p>Paragraph V is added to establish that the Corporation shall specify in the meeting minutes the provisions of the alternative measures for such shareholders who have digital divide.</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>Article 16 (Public disclosure)</p> <p>On the day of a shareholders meeting, the Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by the proxies, <u>and the number of shares attended by</u> <u>correspondence or electronically</u>, and shall make an express disclosure of the same at the place of the shareholders meeting; <u>when holding a shareholders' meeting through video conferencing, the Corporation shall upload the aforementioned information to the video conferencing platform for the shareholders' meeting at least 30 minutes prior to the time the meeting commences and continue to disclose it until the meeting ends.</u> <u>When holding a shareholders' meeting through video conferencing, the Corporation shall disclose the total number of shares in attendance on the video conferencing platform from the time the meeting is commenced by the chair. The same applies to</u></p>	<p>Article 16 (Public disclosure)</p> <p>On the day of a shareholders meeting, the Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.</p> <p>(Addition)</p> <p>III omitted.</p>	<p>I. The Corporation shall make an express disclosure of the number of shares obtained by solicitors through solicitation, the number of shares represented by the proxies, and number of shares attended by correspondence or electronically at the place of the shareholders meeting for the shareholders to know. Paragraph I is amended to specify that when holding the shareholders' meeting through video conferencing, such statistical statement shall be uploaded to the video conferencing platform for the shareholders' meeting.</p> <p>II. Paragraph II is added to specify that in order to enable shareholders attending the shareholders' meeting</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<u>the statistics on the total number of shares in attendance and number of votes during the meeting.</u>		<p>through video conferencing to know simultaneously whether the number of shareholders' attendance has reached the threshold of the shareholders' meeting, it is specified that the Corporation shall disclose the number of shares in attendance on the video conferencing platform from the time the meeting is commenced by the chair, and subsequently disclose the number of shares in attendance on the video conference platform if there are any further statistical statement.</p>
<u>Article 19 (Disclosure of information during the video conference)</u>  <u>When holding the shareholders' meeting through video conferencing, the Corporation</u>	(Addition)	<p>I. This article is new.  II. This article is added to specify the sufficient information disclosure time for the shareholders</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<u>shall disclose the results of voting for each proposal and the election immediately after voting ends in accordance with the provisions and continue to disclose such information for at least 15 minutes after the meeting is adjourned by the chair.</u>		attending the shareholders' meeting through video conferencing to know the voting status of each proposal and the election results immediately.
<u>Article 20 (The location of the shareholders' meeting chair and the person recording the meeting minutes)</u>  <u>When the Corporation holds a shareholders' meeting through video conferencing, the chair and the person recording the meeting minutes shall be in the same domestic location. The chair shall announce the address of such location at the meeting.</u>	(Addition)	I. This article is new. II. The article is added to specify that when holding the shareholders' meeting through video conferencing without a physical meeting place, the chair shall convene the meeting at a domestic location; the chair shall also announce the address of the location at the meeting for the shareholders to know.
<u>Article 21 (Handling network disconnection)</u>  <u>Where the shareholders' meeting is held through video conferencing, when declaring the meeting open, the chairperson shall also declare, unless under</u>	(Addition)	I. This article is added. II. Paragraph I is added to specify that when the Corporation holds a shareholders' meeting through video conferencing, the chairperson shall



Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p><u>circumstances where a meeting is not required to be postponed to or resumed at another time according to Paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the video conference platform or participation is obstructed due to natural disasters, emergencies, or other force majeure circumstances before the chairperson declares the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or reconvened on another date within five days, in which case Article 182 of the Company Act shall not apply. In the event that the meeting shall be postponed or reconvened due to circumstances described in the preceding paragraph, shareholders who did not register to attend the original shareholders' meeting by video conferencing may not attend the postponed or reconvened meeting.</u></p> <p><u>In the event that the Corporation shall postpone or reconvene the meeting in accordance with</u></p>		<p>announce at the meeting that if the video conference platform or participation is obstructed due to natural disasters, emergencies, or other force majeure circumstances, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or reconvened on another date within five days, in which case Article 182 of the Company Act where a resolution by the shareholders' meeting is required shall not apply. This article does not apply to the case where convening or attending the meeting is made impossible due to intentional or unintentional errors by the Corporation, video conference platform,</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p><u>Paragraph II, for shareholders who registered to attend the original shareholders' meeting by video conferencing and whose attendance registration was accepted but did not attend the postponed or reconvened meeting, the number of their shares, votes they exercised, and votes they received shall be counted toward the total number of shares in attendance, exercised votes, and number of votes at the postponed or reconvened meeting.</u></p> <p><u>In the event that the Corporation postponed or reconvened the meeting in accordance with the provisions in Paragraph II, the Corporation does not need to re-discuss or re-resolve the proposals with completed votes casting and counting and announced results of the voting, or elected list of directors and supervisors.</u></p> <p><u>When the Corporation holds a hybrid shareholders' meeting, and the video conference meeting cannot continue due to circumstances described in Paragraph II, if the total number of shares represented at the meeting after deducting those</u></p>		<p>shareholders, solicitors, or proxies.</p> <p>III. Paragraph II is added to specify that in the event that the Corporation shall postpone or reconvene the meeting due to the circumstances described in Paragraph II, shareholders (including solicitors and proxies) who did not register to attend the original shareholders' meeting by video conferencing may not attend the postponed or reconvened meeting in accordance with the provisions in Paragraph 2 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. It is also described in the paragraph that in</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p><u>represented by the shareholders attending through video conferencing still meets the minimum legal requirement for a shareholders' meeting, then the meeting shall continue without the need to postpone or reconvene in accordance with Paragraph II. In the event that the meeting shall continue under the circumstances described in the preceding paragraph, for shareholders attending the shareholders' meeting by video conferencing, the number of their shares shall be counted toward the total number of shares in attendance; however, they shall be considered abstained in all proposals of that meeting.</u></p> <p><u>When postponing or resuming a meeting according to Paragraph II, the Corporation shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. The Corporation shall hold the postponed or reconvened shareholders' meeting in</u></p>		<p>the event of a hybrid shareholders' meeting, the shareholders originally attended the physical shareholders' meeting may continue to attend the postponed or reconvened physical meeting.</p> <p>IV. Paragraph III is added to specify that in the event that the Corporation shall postpone or reconvene the meeting in accordance with Paragraph II, for shareholders (including solicitors and proxies) who registered to attend the original shareholders' meeting by video conferencing and whose attendance registration was accepted but did not attend the postponed or reconvened meeting, the number</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p><u>accordance with the provisions in Paragraph 2 on the dates within the period specified in the second half of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies as well as Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p>		<p>of their shares, votes their exercised, and number of votes they received shall be counted toward the total number of shares in attendance, exercised votes, and number of votes at the postponed or reconvened meeting in accordance with the provisions in Paragraph 3 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</p> <p>V. Paragraph IV is established to specify that in the event that the meeting cannot continue due to bad network connection and therefore needs to be postponed or reconvened, no further discussion or resolution is required for the proposals where votes have been cast and</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
		<p>counted with their results already announced or for the directors and supervisors who have been elected at the original meeting in order to reduce the time and cost of the postponed or reconvened meeting.</p> <p>VI. Paragraph V is established to specify that, as a hybrid shareholders' meeting is convened both physically and virtually, in the event where the video conference platform or participation via video conferencing is obstructed due to force majeure events and cannot continue, if the total number of shares represented at the meeting, after deducting those represented by the shareholders attending virtually, still meets the minimum legal</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
		<p>requirement for a shareholders' meeting, then the meeting shall continue without the need to postpone or reconvene in accordance with Paragraph II.</p> <p>VII. Paragraph VI is added to specify that in the event that the Corporation shall continue the meeting without postponing or reconvening as described in Paragraph II, in accordance with Paragraph 5 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, for shareholders (including solicitors and proxies) attending the shareholders' meeting by video conferencing, the number of their</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
		<p>shares shall be counted toward the total number of shares in attendance; however, they shall be considered abstained in all proposals of that meeting.</p> <p>VIII. Paragraph VII is established to specify that, as the postponed or reconvened meeting due to network disconnection and the original shareholders' meeting are essentially the same, it is not required to do the preparatory work all over again based on the date of the postponed or reconvened meeting as described in Paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</p> <p>IX. Paragraph VIII is</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
		<p>established to specify that in the event that the shareholders' meeting held through video conferencing has been postponed, the matters to be disclosed in the announcement on the day of the shareholders' meeting as described in the second half of Article 12 and Paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies as well as Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies shall still be disclosed again on the day of the</p>



Proposed Amendment	Current Provisions	Amendment Basis and Reasons
		<p>postponed or reconvened meeting for the shareholders to know.</p> <p>X.</p>
<p><u>Article 22 (Handling digital divide)</u></p> <p><u>When holding a shareholders' meeting through video conferencing, the Corporation shall provide adequate alternative measures available to shareholders with difficulties in attending a video conferencing shareholders' meeting.</u></p>	<p>(Addition)</p>	<p>I. This article is added.</p> <p>II. When holding a shareholders' meeting through video conferencing, considering shareholders may find it difficult to participate in video conference due to the digital divide, the Corporation shall provide shareholders with adequate alternative measures, such as exercising their voting rights by correspondence or lending the necessary equipment to shareholders for meeting attendance.</p>
<p><u>Article 23 (Amendment history)</u></p> <p>These Rules were established on June 9, 2010.</p> <p>The first amendment was made on June 11, 2013.</p> <p>19 articles were published with</p>	<p><u>Article 19 (Amendment history)</u></p> <p>These Rules were established on June 9, 2010.</p> <p>The first amendment was made on June 11, 2013.</p>	<p>Article numbering is adjusted in accordance with the addition of new articles.</p>

Proposed Amendment	Current Provisions	Amendment Basis and Reasons
<p>the second amendment on July 20, 2021.</p> <p><u>The third amendment was made on May 24, 2022.</u></p>	<p>19 articles were published with the second amendment on July 20, 2021.</p>	

## Attachment 6 List of Candidates for Directors and Independent Directors

Name (Type)	Academic Background / Work Experience	Current Position	Number of Shares
Fang-Yu Lee (Director)	PhD, College of Pharmacy, China Medical University Chairman, Yung Shin Pharmaceutical Industrial Co. (YSP)	Director, YungShin Global Holding Corporation Chairman, YungShin Pharmaceutical Industrial Co. (YSP)	7,826,918
Fang-Chen Lee (Director)	PhD, Intellectual Property Law Institute, China University of Political Science and Law PhD, Institute of Medicinal Chemistry, University of Minnesota Chairman, YungShin Global Holding Corporation Chairman, YungShin Pharm. Ind. (KS) Co., Ltd.	Director, YungShin Global Holding Corporation Chairman, YungShin Pharm. Ind. (KS) Co., Ltd.	5,513,344
Ling-Chin Lee (Director)	Shih Chien University YungShin Global Holding Corporation Vice Chairman Managing Director, Yung Shin Pharmaceutical Industrial Co. (YSP)	Vice Chairman, YungShin Global Holding Corporation Managing Director, YungShin Pharmaceutical Industrial Co. (YSP)	10,401,368 (Note)
Fang-Hsin Lee (Director)	PhD, Pacific Western University, USA Chairman, YungShin Global Holding Corporation	Chairman, YungShin Global Holding Corporation	11,260,832
Meng-Be Lin (Director)	Bachelor's Degree, Tunghai University Director, YungShin Global Holding Corporation	Director, YungShin Global Holding Corporation	7,129,326
Chi-Li Lee (Director)	Master of Business Administration, Oxford Brookes University, UK Director, YungShin Global Holding Corporation Chairman, Yung Zip Chemical Ind. Co., Ltd.	Director, YungShin Global Holding Corporation Chairman, Yung Zip Chemical Ind. Co., Ltd.	828,650

Shih-Kuang Tsai (Independent Director)	M.S. in Accounting, Taiwan University Deloitte Touche Tohmatsu Limited Adjunct Lecturer, Department of Accounting, Ming Chuan University	Independent Director, YungShin Global Holding Corporation Independent Director, AIC Inc. Independent Director, Opto Tech Corporation (OPTOTECH) Independent Director, Syncmold Enterprise Corp.	0
Kun-Xian Lin (Independent Director)	Master's Degree, Graduate Institute of Financial and Economic Law, Feng Chia University Independent Director, Cota Commercial Bank, Ltd. Vice Managing Director, Taiwan Bar Association	Independent Director, YungShin Global Holding Corporation Independent Director, Cota Commercial Bank, Ltd. Independent Director, United Integrated Services Co., Ltd.	0
Hong-Yi Chen (Independent Director)	PhD in Pharmacology, University of Oxford, UK Master of Medical Administration, Tulane University, USA; Master's Degree, College of Management, National Taiwan University Superintendent, Tri-Service General Hospital (TSGH) Surgeon General, Medical Affairs Bureau Ministry of National Defense Honorary Dean, Graduate Institute of Medical Sciences, Chang Jung Christian University	Independent Director, YungShin Global Holding Corporation Board Director, Country Medical Foundation Director, Liming Foundation Director, Chang Jung Christian University Board of Directors Director, Da Guang Healthcare Consulting Co., Limited	0

Note: Adding 4,000,000 shares of the trust that retains the right to exercise the decision, the total number of shares held is 14,401,368 (5.41% of the shares held).

## Attachment 7 Proposed List of Directors Released from the Prohibition of Participating in Competitive Business

Candidate (Type)	Concurrent positions in the Corporation's business operations
Fang-Yu Lee (Director)	<ol style="list-style-type: none"> <li>1. Legal Representative: YUNG SHIN CHINA HOLDING CO., LTD., Angel Associates (Taiwan), Inc., YungShin Pharm. Ind. (KS) Co., Ltd., Shanghai Yung Zip Pharm. Trading Co., Ltd., Yung Shin Corporation Limited, CARLSBAD TECHNOLOGY, INC.</li> <li>2. Director, Shuz Tung Machinery Industrial Co., Ltd.</li> </ol>
Fang-Chen Lee (Director)	<ol style="list-style-type: none"> <li>1. Chairman: YUNG SHIN CHINA HOLDING CO., LTD., YungShin Pharm. Ind. (KS) Co., Ltd., Shanghai Yung Zip Pharm. Trading Co., Ltd., Yung Shin Corporation Limited, Fuentes Investment Corporation</li> <li>2. Legal Representative: CARLSBAD TECHNOLOGY, INC., Y.S.P. SOUTHEAST ASIA HOLDING BHD., KUMPULAN YSP (M) SDN BHD, Y.S.P. INDUSTRIES (M) SDN BHD, YUNG SHIN PHARMACEUTICAL (SINGAPORE) PTE. LTD., PT YUNG SHIN PHARMACEUTICAL INDONESIA, PT YSP INDUSTRIES INDONESIA</li> <li>3. Director: Yung Zip Chemical Ind. Co., Ltd., Taiwan Way Chein Industrial Co., Ltd.</li> </ol>
Ling-Chin Lee (Director)	<ol style="list-style-type: none"> <li>1. Chairman, Angel Associates (Taiwan), Inc.</li> <li>2. Legal Representative: YUNG SHIN CHINA HOLDING CO., LTD., Y.S.P. SOUTHEAST ASIA HOLDING BHD., KUMPULAN YSP (M) SDN BHD, Y.S.P. INDUSTRIES (M) SDN BHD</li> <li>3. Director, Medical and Pharmaceutical Industry Technology and Development Center</li> </ol>
Fang-Hsin Lee (Director)	<ol style="list-style-type: none"> <li>1. President and Group Managing Director, Y.S.P. SOUTHEAST ASIA HOLDING BHD</li> <li>2. Chairman, CARLSBAD TECHNOLOGY, INC.</li> <li>3. President: Y.S.P. INDUSTRIES(M) SDN BHD, KUMPULAN YSP (M) SDN BHD, YUNG SHIN (PHILIPPINES) INC, Y.S.P. (CAMBODIA) PTE LTD., PT. YUNG SHIN PHARMACEUTICAL INDONESIA, PT. YSP INDUSTRIES INDONESIA, Y.S.P. INDUSTRIES VIETNAM CO., LTD., SUN TEN PHARM. MFG (M) SDN BHD</li> <li>4. Director and Managing Director: YUNG SHIN PHARMACEUTICAL (SINGAPORE) PTE LTD., SUN TEN (S) PTE LTD., SUN TEN SOUTHEAST ASIA HOLDING PTE LTD, Y.S.P. SAH INVESTMENT PTE LTD.</li> <li>5. Director, ALPHA ACTIVE INDUSTRIES SDN BHD</li> <li>6. Legal Representative: YUNG SHIN CHINA HOLDING CO., LTD., YungShin Pharm. Ind. (KS) Co., Ltd., Shanghai Yung Zip Pharm. Trading Co., Ltd., Yung Shin Corporation Limited</li> </ol>
Chi-Li Lee (Director)	<ol style="list-style-type: none"> <li>1. Chairman: Yung Zip Chemical Ind. Co., Ltd., Taiwan Way Chein Industrial Co., Ltd.</li> <li>2. Director: YungShin Pharm. Ind. (KS) Co., Ltd., Shanghai Yung Zip Pharm. Trading Co., Ltd., Yung Shin Corporation Limited, CARLSBAD TECHNOLOGY, INC.</li> </ol>

# Appendices

## Appendix 1 Articles of Incorporation (Before Amendment)

### **YungShin Global Holding Corporation** **Articles of Incorporation**

#### Chapter 1. General Principles

- Article 1: The Corporation shall be incorporated, as a company limited by shares, under the Business Mergers And Acquisitions Act, Company Act, and other relevant laws, regulations, and bylaws, and its official Chinese name is 永信國際投資控股股份有限公司, and its official English name is YungShin Global Holding Corporation.
- Article 2: The scope of the Corporation's business: H201010 Investment.
- Article 3: The Corporation shall have its head office in Taichung City, Taiwan, R.O.C., and may establish or close branches or representative offices at proper locations domestically and abroad according to business needs and resolved by the Board of Directors and approved by the competent authority.
- Article 4: Article 4: The Corporation may provide endorsement and guarantee and act as a guarantor. Procedures shall be in compliance with the Corporation's rules for endorsement and guarantee.
- Article 5: The Corporation may invest in other businesses when necessary, and may become limited liability shareholders in other companies as resolved by the Board of Directors. The Corporation's total investment in other businesses is not subject to the limitation of 40% of the Corporation's paid-up capital under Article 13 of the Company Act.

#### Chapter 2. Shares

- Article 6: The Corporation's total authorized capital is NT\$6.1 billion consisting of 610 million shares. NT\$100 million of the capital is divided into 10 million shares with par value of NT\$10 each, and these shares are reserved for the stock warrants, preferred shares with warrants, and corporate bonds with warrants for exercising options. The unissued shares can be issued in installments, and the Board of Directors is authorized to issue the shares pursuant to the Company Act and relevant laws and regulations.
- Article 7: All shares issued by the Corporation shall be name-bearing and signed or sealed by at least three Directors. Shares can be issued by the competent authority or the

competent authority's approved share-issuing institution after the shares are recorded.

The Corporation may issue shares without printing share certificate(s). However, the Corporation shall appoint a centralized securities custody enterprise/institution to make registration of such shares.

Article 8: The Corporation's stock-related services are performed according to the Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 9: Registration of share transfers shall be suspended for a 60-day period immediately prior to a general shareholders' meeting; for a 30-day period immediately prior to an interim meeting of the shareholders; and for a 5-day period immediately prior to the record date for distribution of dividend, bonuses or other benefits.

Article 10: The Corporation's dividends shall be no more than 1% per year, and if there are no earnings, the Corporation shall not pay dividends from the capital.

### Chapter 3. Shareholders' Meeting

Article 11: Shareholders' meetings shall be of two kinds: general shareholders' meetings and interim shareholders' meeting. The general shareholders' meetings shall be convened by the Board of Directors within 6 months after the closing of each fiscal year, and a notice to convene a general shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. The interim shareholders' meeting shall be convened as regulated when necessary, and a notice to convene an interim shareholders' meeting shall be given to each shareholder no later than 15 days prior to the scheduled meeting date.

The aforesaid notice in the preceding paragraph shall indicate the date and venue and purpose for convening the meeting, and may be given to shareholders via written notice or electronically in accordance with the law. However, for shareholders who own less than 1,000 shares of nominal stocks, may be given in the form of a public announcement.

Except as provided in the Company Act, the aforementioned shareholders' meeting shall be convened by the Board of Directors.

Article 12: If a shareholder cannot attend a shareholders' meeting in person, he or she may appoint a proxy to attend and vote on behalf of the shareholder at the shareholders' meeting by completing and submitting to the Corporation, a form prescribed by the Corporation stating the scope of authorization. All proxy appointments have to comply with Article 177 of the Company Act, and the Regulations Governing the

Use of Proxies for Attendance at Shareholders' Meetings of Public Companies from the regulatory authority.

Article 13: The resolutions of shareholders' meeting, shall be required a majority (more than 50%) of vote of attending shares at a meeting attended by shareholders of a majority (more than 50%) of total issued shares or its proxies, subject to the provisions of the relevant laws and regulations.

Resolutions at the shareholders' meetings shall adopt voting rights that are exercised electronically in accordance with relevant laws. When voting rights are exercised electronically, the method to exercise such rights shall be specified in the notice for meeting.

Article 14: A shareholder of the Corporation shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under the Company Act.

Article 15: Shareholders' meetings shall be convened by the Board of Directors and chaired by the Chairman of the Board. When the Chairman of the Board is on leave, the Chairman shall appoint a proxy to act as chair, or, where the Chairman does not make such a designation, the Directors shall select from among themselves one person to serve as Chair. When the shareholders' meeting is not convened by the Board of Directors, the convener will be the chair, and where there is more than one convener, the conveners shall select from among themselves one person to serve as chair.

The shareholders' meeting shall be implemented according to the Rules and Procedure for Shareholders' Meeting of the Corporation.

Article 16: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The production and distributions of meeting minutes shall be in accordance with Article 183 of the Company Act.

#### Chapter 4. Board Meetings

Article 17: The Corporation shall have seven to eleven Directors to be elected through a candidate nomination system from a list of nominees at a shareholders' meeting. Each Director shall hold office for a term of 3 years and is eligible for re-election. The aforesaid Board of Directors shall be no less than three Independent Directors, and shall represent no less than one fifth of the total number of Directors. Elections of Independent and non-Independent Directors shall be held together, however, the



number of Independent and non-Independent Directors elected shall be calculated separately.

The total number of registered shares and shareholding ratios held by all Directors of the Corporation is determined in accordance with the standards set out in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies issued by the Financial Supervisory Commission, Executive Yuan.

Pursuant to Article 14-4 of the Securities and Exchange Act, the Corporation has set up an Audit Committee, which shall consist of the entire Independent Directors. The members of the Audit Committee exercise duties and other matters of compliance in line with relevant laws and regulations, which shall be stipulated by the Board of Directors.

Article 18: The Board shall be formed by the Directors. The Directors shall elect from among themselves a Chairman of the Board of Directors, and may elect a Vice Chairman of the Board of Directors, by a majority in a meeting attended by over two-thirds of the Directors. The Chairman shall have the right to execute the resolutions of the Board of Directors and the Shareholders' meeting in accordance with applicable laws and regulations and the Articles of Incorporation internally and represent the Corporation externally. When the Chairman of the Board is on leave or for any reason is unable to exercise the powers of the Chairman, the Vice Chairman shall do so in place of the Chairman. If the Vice Chairman also is on leave or for any reason is unable to act, the Chairman shall designate one director as the chair. If the Chairman does not make such designation, the Directors shall select from among themselves.

Article 19: Duties of the Board of Directors

- I. Reviewing the Corporation's operational guidelines, medium and long-term developmental plans; reviewing and supervising the implementation of annual business plans.
- II. Reviewing and discussing the budget and final accounts.
- III. Proposing capital increase/decrease plans.
- IV. Proposing earnings allocation or making of loss plans.
- V. Proposing and reviewing reinvestments in other businesses.
- VI. Reviewing material capital expenditure plans.
- VII. Examination of important contracts.
- VIII. Obtaining, transferring, granting and leasing of professional technologies

and patent rights and approving, revising, and terminating technical cooperation contracts.

- IX. Examination of Articles of Incorporation and its amendments, and important business rules of the Corporation.
- X. Decision in establishment, terminating, reorganization, or dismissing of branch organizations.
- XI. Appointing or discharging the President, deputy general managers and other important personnel.
- XII. Convening shareholders' meetings and execution of resolutions adopted at shareholders' meetings.
- XIII. Proposing capital increase from dividends or capital surplus.
- XIV. Reviewing matters submitted by the President for approval.
- XV. Other functional rights authorized by relevant laws and regulations and the shareholders' meeting.

Article 20: The Board meetings shall be held quarterly, and the reason for calling a Board meeting shall be notified to each Director at least 7 days in advance. In emergency circumstances, a meeting may be called on shorter notice. The notice set forth in the preceding paragraph may be effected by means of written, electronic or facsimile transmission.

Article 21: Unless otherwise provided by the Company Act, resolutions of a Board meeting shall require the approval of a majority vote of the Directors present at a meeting that shall be attended by a majority of all Directors. The production and distribution of meeting minutes may be performed in electronic form.

Article 22: Attendance of Board meetings and the use of proxy  
In case a Director is unable to attend a Board meeting in person, he or she may appoint another Director to attend as his/her proxy. A Director may accept a proxy from one person only. Any other matter shall be proceeded in line with Article 205 of the Company Act.

Article 23: The Board of Directors is authorized to decide the compensation to all Directors based on the degree of their participation in and contribution to the operations of the Corporation and in reference to both domestic and overseas general practices in the industry.

The Corporation may purchase liability insurance for Directors with respect to liabilities arising from performance of duties during their term of office so as to reduce and spread the risk of material damage to the Corporation and shareholders

arising from the wrongdoings or negligence of Directors.

Article 24: When the number of vacancies in the Board of Director equals to one third of the total number, or when all Independent Directors are dismissed, the Corporation shall call an interim shareholders' meeting within 60 days to hold a by-election to fill the vacancies.

Article 25: A Director who does anything for himself or on behalf of another person that is within the scope of the Corporation's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

Article 26: When a Director concurrently serves in another position at the Corporation, the shareholders' meeting shall authorize the President to handle compensations for the concurrently served position according to the Corporation's internal management procedures.

Article 27: The honorarium for all Directors shall be discussed and approved by the Board meeting.

#### Chapter 5. Employees

Article 28: Appointment, discharge and the remuneration of the managerial personnel shall be in line with Article 29 of the Company Act.

Article 29: The President shall adhere to the Chairman and functional authority from the Board of Directors in comprehensively managing all matters of the Corporation.

#### Chapter 6. Closing of Accounts and Earnings Allocation

Article 30: The fiscal year for the Corporation shall be from January 1 of each year to December 31 of the same year. After the close of each fiscal year, the Board of Directors shall prepare the following documents and submit to the general shareholders' meeting for acceptance:

- I. Business report.
- II. Financial statements.
- III. Proposals of the allocation of earnings or covering of losses.

Article 31: To encourage employees and the management team, if the Corporation makes any profits within a fiscal year, shall set aside no less than 0.3% of the profits as the employees' compensation; and no more than 3% of the profits as compensation to its Directors and Supervisors. However, that the Corporation shall have reserved a sufficient amount to offset its accumulated losses.

Directors' compensation shall be distributed in cash and employees' compensation are resolved by a majority voting present at a Board meeting attended by at least two-thirds of total number of the Directors, and shall be reported to the

Shareholders' meeting.

The aforementioned employees' compensation may be distributed to employees of an affiliated company meeting certain requirements established by the Board of Directors.

Article 32: The Corporation operates in a rapidly changing industry environment, and its business life cycle is in a stable growth phase. If the Corporation has fiscal year-end earnings, they shall be utilized for the following uses in order:

- I. Payment of taxes required by law.
- II. Making up for loss in previous years.
- III. Setting aside 10% for legal reserve.
- IV. Appropriating or reversing special reserve in accordance with laws and regulations.
- V. Payment of dividends.
- VI. The remaining balance, together with the undistributed profits of previous years, shall be distributed as shareholders' dividends and submitted as a motion to the shareholders' meeting. The sum of shareholders' dividends shall be anywhere from 10% to 90% of the aforesaid accumulated undistributed profits. For payment of shareholders' dividend, no less than 20% of the total payment shall be in cash.
- VII. The distribution of dividends will be done in three ways: capital increase from earnings, capital increase from capital surplus, and cash dividends. In case of appropriate investment plan capable of increasing the Corporation's profitability, a low cash dividend ratio policy will be adopted, and either capital increase from earnings or capital increase from capital surplus will be adopted. In case capital expansion will impact the profitable standards, the ratio of cash dividend payment will be increased accordingly.

#### Chapter 7. Supplementary Provisions

Article 33: In regard to all matters not provided for in this Articles of Incorporation, the Company Act shall govern.

Article 34: The Board of Directors is authorized to establish separately the Corporation's organization guidelines and detailed operational procedures.

Article 35: The Articles of Incorporation are concluded in June 9, 2010.

The first amendment was on June 10, 2011.

The second amendment was on June 13, 2012.

The third amendment was on June 11, 2013.

The fourth amendment was on June 23, 2015.

The fifth amendment was on June 22, 2016.

The sixth amendment was on June 20, 2017.

YungShin Global Holding Corporation  
Chairman of the Board      Fang-Hsin Lee

## **Appendix 2 Rules and Procedures for Shareholders' Meeting (Before Amendment)**

### **YungShin Global Holding Corporation Rules and Procedures for Shareholders' Meeting**

**Article 1 (Purpose)**

To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

**Article 2: (Scope of application)**

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

**Article 3: (Convening shareholders meetings and shareholders meeting notices)**

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

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting

notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

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

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

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

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

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

and take part in discussion of the proposal.

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

Article 4: (Attending in person or appoint the proxy)

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

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

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

Article 5: (Principles determining the time and place of a shareholders meeting)

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

Article 6: (Preparation of documents such as the attendance book)

The Corporation shall specify in its shareholders' meeting notices the time and place of attendance registration and other matters to be noted for shareholders.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.



Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7: (The chair and non-voting participants of a shareholders meeting)

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

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

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors in person, and at least one member of each functional committee on behalf

of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

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

Article 8: (Documentation of a shareholders meeting by audio or video)

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

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

Article 9: (The standard of calling the meeting)

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

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

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

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one

month.

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

Article 10: (Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

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

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

Article 11: (Shareholder speech)

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

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the consent of the chair, a shareholder may not speak more than twice on

the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

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

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

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

Article 12: (Calculation of voting shares and recusal system)

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

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

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

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

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

Article 13: (The method of exercising of voting rights)

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

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting

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

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

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

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

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

other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

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

Article 14: (Election of directors)

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15: (Meeting minutes)

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

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

Article 16: (Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an

express disclosure of the same at the place of the shareholders meeting.

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

Article 17: (Maintaining order at the meeting place)

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

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

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

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

Article 18: (Recess and resumption of a shareholders meeting)

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

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19: (History of effectiveness and amendment)

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

These Rules were established on June 9, 2010.

The first revision was made on June 11, 2013.

The amendment to these rules announced the full text of Article 19 on July 20, 2021.

## **Appendix 3 Regulations Governing the Acquisition and Disposal of Assets (Before Amendment)**

### **YungShin Global Holding Corporation Procedures for the Acquisition or Disposal of Assets**

- Article 1      Legal basis
- These Procedures are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act.
- Article 2      When acquiring or disposing assets, this Corporation shall comply with Rules for the Approval Authority Hierarchy as well as these Procedures.
- Article 3      The term "assets" as used in these Procedures includes the following:
- I.      Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
  - II.     Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
  - III.    Memberships.
  - IV.    Patents, copyrights, trademarks, franchise rights, and other intangible assets.
  - V.     Right-of-use assets.
  - VI.    Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
  - VII.   Derivatives.
  - VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
  - IX.    Other major assets.
- Article 4      Definition of terms
- I.      Derivatives:  
Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not



include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law:

Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.

- III. Related party or subsidiary:

As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- IV. Professional appraiser:

Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

- V. Date of occurrence:

Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

- VI. Mainland China area investment:

Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

- VII. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent

financial authorities of the jurisdiction where they are located.

Article 5 Procedures for acquisition or disposal of real property, equipment, or right-of-use assets thereof

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Corporation's paid-in capital or NT\$300 million or more, the Corporation, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report with matters required to be recorded (as shown in Attachment 1) prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- I. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
  - (I) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
  - (II) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- IV. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not

more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

- V. The request for a professional appraiser to issue an appraisal report or express an opinion shall be in accordance with the provisions of Article 19, Paragraph 4 of these Procedures.

Article 6 Procedures for the acquisition and disposal of securities

When acquiring or disposing of securities, the Corporation shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price; if the dollar amount of the transaction is 20 percent of the Corporation's paid-in capital or NT\$300 million or more, the Corporation shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

- Article 7 In acquiring or disposing of securities, if the transaction amount is up to 20% of the Corporation's paid-in capital or NT\$ 300 million or more, the Corporation shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

- Article 8 The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 18, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items in the appraisal report of a professional appraiser or the opinion of an accountant are exempt from counted toward the transaction amounts.

- Article 9 Where this Corporation acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 10

- I. This Corporation and each subsidiary may acquire real property and right-of-

use assets thereof for non-operating purpose individually, and the total amount is limited to 20 percent of the paid-in capital.

- II. This Corporation may acquire securities with total amount limited to 200 percent of the net value of this Corporation, and each subsidiary may acquire securities with total amount limited to the net value of the subsidiary thereof.
- III. This Corporation and its subsidiaries shall not invest more than 50% of the total amount of individual marketable securities, except in the case of general investment.
- IV. Assets acquired or disposed of pursuant to Article 3, Paragraph 8 of this Procedure shall not be subject to the limits set forth in the first three paragraphs of this Article.

#### Article 11 Procedures for related party transactions

- I.
  - (I) When this Corporation engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with the provisions of Articles 5 to 11, if the transaction amount reaches 10 percent or more of this Corporation's total assets, this Corporation shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of Articles 5 to 11. The calculation of the transaction amount shall be made in accordance with Article 8 herein.
  - (II) When judging whether a transaction counterparty is a related party, in addition to legal formalities, this Corporation shall also consider the substance of the relationship.
- II.
  - (I) When this Corporation intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of this Corporation's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued

by domestic securities investment trust enterprises, this Corporation may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by over half of the members of the audit committee and adopted by the board of directors meeting with resolution:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a transaction counterparty.
3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms
4. in accordance with the provisions in Paragraph 3 and 4 of this Article.
5. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Corporation and the related party.
6. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
7. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding paragraph.
8. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts shall be done in accordance with Paragraph II of Article 18 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items already submitted to the Board of Directors' meeting for approval in accordance with the provisions herein are exempt from the calculation.

- (II) When acquiring or disposing of assets from a related party, this

Corporation shall give due consideration to the opinions of the independent directors when submitting to the board of directors for discussion. Any matter about which an independent director expresses an objection or reservation shall be included in records.

- (III) With respect to the types of transactions listed below, when to be conducted between this Corporation and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, this Corporation's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.
  - 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
  - 2. Acquisition or disposal of real property right-of-use assets held for business use.

### III. Summary

- (I) When acquiring real property or right-of-use assets thereof from a related party, this Corporation shall evaluate the reasonableness of the transaction costs by the following means:
  - 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year this Corporation purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
  - 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a

related party of one of the transaction counterparties.

- (II) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- (III) When acquiring real property or right-of-use assets thereof from a related party and appraising the cost of the real property or right-of-use assets thereof in accordance with the preceding two subparagraphs, the Corporation shall also engage a CPA to check the appraisal and render a specific opinion.
- (IV) Where this Corporation acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Paragraph 2 of this Article, and the preceding three subparagraphs do not apply:
  - 1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
  - 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
  - 3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on this Corporation's own land or on rented land.
  - 4. The real property right-of-use assets for business use are acquired by this Corporation with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
- IV. When the results of this Corporation's appraisal conducted in accordance with Paragraph 3, Subparagraphs 1 and 2 of this Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Paragraph 6 of this Article. However, where the following circumstances exist, with objective evidence submitted and specific opinions on reasonableness obtained from a professional real property appraiser and a CPA, this restriction shall not apply:
  - (I) Where the related party acquired undeveloped land or leased land for

development, it may submit proof of compliance with one of the following conditions:

1. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
  2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
- (II) Where this Corporation acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.
- V. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.



## VI. Summary

- (I) Where this Corporation acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Paragraph 3 and 4 of this Article are uniformly lower than the transaction price, the following steps shall be taken:
  - 1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where this Corporation uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
  - 2. Independent directors in the Audit Committee shall comply with Article 218 of the Company Act to perform supervisors' duties.
  - 3. Actions taken pursuant to items 1 and 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
- (II) When setting aside a special reserve under the preceding subparagraph, this Corporation may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.
- (III) When this Corporation obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two subparagraphs if there is other evidence indicating that the acquisition was not an arms length transaction.

Article 12    Directions and principles engaging in derivatives trading

I.        Types of trading

Currently, this Corporation's derivative operations are limited to forward contracts, and any transactions in other derivative instruments should be approved by the chairman of the board of directors in advance.

II.       Operating and hedging strategies

Derivative transactions should be conducted on a hedge basis. The counterparties should also select banks with which this Corporation normally does business as far as possible to avoid credit risk.

III.      Division of rights and responsibilities

(I)      Finance Unit

1.        The finance unit is responsible for the operation of the above-mentioned derivative transactions, collecting information on the derivative market, judging trends and risks, and being familiar with each derivative financial instrument and operating techniques.
2.        Periodical evaluation.
3.        Public announcement and regulatory filing procedures.

(II)     Accounting Unit

1.        Provide information on risk exposure areas.
2.        Maintain the accounts and prepare the financial statements in accordance with generally accepted accounting principles.
3.        Measurement, monitoring and control of transaction risk.

(III)    Audit Unit

Responsible for understanding the appropriateness of internal controls over derivative transactions and checking the compliance of the trading department with operating procedures, analyzing the transaction cycle, preparing audit reports, and reporting to the board of directors in case of significant deficiencies.

II.       Trading limits

- (I)       The total amount of derivative contracts shall not exceed 10% of this Corporation's total assets, and the balance of each operation shall not exceed 10% of this Corporation's total paid-in capital.
- (II)      Hedging transactions related to interest rate swaps shall not exceed

NT\$50 million.

- (III) The total amount of other derivative transactions shall not exceed NT\$50 million.

### III. Loss limits

Foreign exchange operations and interest rate swap transactions are for hedging purposes, and there is no concern about loss ceilings. However, when there is a significant adverse impact on the exchange rate, the president should call the relevant personnel to respond to the situation at any time. For other derivative transactions, the maximum loss for a single contract shall not exceed US\$10,000 and the maximum loss for all contracts shall be US\$60,000. If necessary, the general manager may dispose of the items before submitting them to the board of directors for approval.

### IV. Performance Evaluation

- (I) The profit and loss targets are set and reviewed periodically according to the size of the parts held.
- (II) The finance unit shall evaluate and review the operating performance on a weekly basis using market prices, and periodically assess the net profit or loss for the month on a monthly basis, and review and improve the operating strategy for hedging.

## Article 13 Operating procedures for engaging in derivatives trading

### I. Authorized limits, rights and responsibilities

If this Corporation engages in forward foreign exchange contracts, the value of each transaction amounting to less than 4% of this Corporation's capital shall be submitted to the President for approval; if the value is more than 4%, it shall be submitted to the Chairman of the Board for approval, which shall be made only after the approval.

### II. Operating procedures

- (I) Confirm the trading position.
- (II) Analyze and judge the underlying trend.
- (III) Determine the trade target, position, strategy, target price and range.
- (IV) Obtain the approval from the general manager and chairman of the board of directors for each transaction.
- (V) Engaging in trading
  - 1. Trading counterparties: Limited to domestic and foreign financial

institutions.

2. Trading personnel: The person who is authorized by the president to execute the transaction shall notify the financial institution in correspondence.

(VI) Transaction confirmation

After the transaction, the transaction officer shall fill out a transaction receipt and confirm whether the transaction conditions are consistent with the transaction receipt by the verification officer and submit it to the responsible officer for approval.

(VII) Settlement

On the settlement date, the designated settlement officer shall prepare the price and related documents and settle the transaction at the agreed price.

- III. When engaging in derivatives trading, this Corporation shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under the provisions in these Procedures shall be recorded in detail in the log book.

Article 14 Accounting methods for engaging in derivatives trading

This Corporation engages in derivative transactions and its accounting treatment should be in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" established by the Securities and Futures Bureau of the Financial Supervisory Commission and related laws and regulations.

Article 15 Internal control system for engaging in derivatives trading

I. Risk management measures

(I) Risk management range includes

1. Credit risk management: In principle, the trading counterparties are limited to domestic and foreign financial institutions.
2. Market risk management: The main focus is to engage in risk-averse trading and not to create additional positions as much as possible.
3. Liquidity risk management: To ensure liquidity, the transaction amount should be confirmed with the treasury staff before the transaction and will not result in insufficient liquidity.

4. Operation risk management: The authorized amount and operation process must be followed to avoid risks in operation.
  5. Legal risk management: Documents signed with the Bank must be reviewed by legal counsel before they are formally signed to avoid legal risks.
- (II) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
  - (III) Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.
  - (IV) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. The evaluation report shall be sent to the senior management authorized by the Board of Directors.
  - (V) The Board of Directors shall designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
  - (VI) The Board of Directors shall periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within this Corporation's permitted scope of tolerance.

## II. Internal control

- (I) Personnel engaged in trading may not serve concurrently in other operations such as confirmation and settlement.
- (II) The trading officer shall deliver the transaction certificate or contract to the registrar for record.
- (III) The registrar shall be responsible for registering and sending the transaction statement to the chairman, president, head of financial unit, and internal auditor for review in a timely manner.
- (IV) The accounting staff is responsible for reconciling the accounts with the counterparties on a regular basis.
- (V) The measurement, monitoring and control of transaction risk shall be the

responsibility of the accounting unit personnel and shall be reported to the chairman of the board of directors on a regular basis.

- (VI) Senior management personnel delegate by the Board of Directors shall periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by this Corporation.
- (VII) The senior management authorized by the Board of Directors shall monitor the transactions and profit and loss situation, and shall take necessary countermeasures and report to the Board of Directors immediately if any irregularities are found, and if independent directors are established, the Board of Directors shall have independent directors present and express their opinions.
- (VIII) If this Corporation engages in derivative transactions and authorizes the relevant personnel to do so in accordance with the provisions of these Procedures, this Corporation shall report to the most recent Board of Directors afterwards.

### III. Periodical evaluation

- (I) The chairman of the board of directors shall designate internal auditors to cooperate with the chief financial officer to monitor and control the risk of derivative transactions in accordance with the internal control system at all times, and shall periodically evaluate whether the performance of the transactions is in accordance with the established business strategies and whether the risks assumed are within the limits allowed by this Corporation.
- (II) The Chief Financial Officer shall periodically evaluate whether the risk management procedures currently in use are appropriate and are in fact being followed.
- (III) The positions arising from financial transactions are evaluated on a weekly basis, and hedging transactions for business needs are evaluated on a bi-weekly basis.

- IV. If there are any abnormalities in the market value evaluation report, the chief financial officer shall immediately report to the chairman of the board of directors and take necessary countermeasures.

Article 16 Internal audit system for engaging in derivatives trading

This Corporation's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. The Audit Committee shall be notified in writing of any material non-compliance.

Article 17 Procedures for mergers and consolidations, splits, acquisitions, and assignment of shares

- I. Where this Corporation conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by this Corporation of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which this Corporation directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
- II. When participating in a merger, demerger, acquisition, or transfer of shares, this Corporation shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.
- III. When this Corporation is participating in a merger, demerger, or acquisition and the shareholders meeting of any one of the companies fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, this Corporation shall immediately publicly explain the reason, the follow-up

measures, and the preliminary date of the next shareholders meeting.

- IV. When participating in a merger, demerger, or acquisition, this Corporation shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
- V. When participating in a transfer of shares, this Corporation shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
- VI. When participating in a merger, demerger, acquisition, or transfer of another company's shares, this Corporation that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:
  - (I) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
  - (II) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
  - (III) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.
- VII. When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in items 1 and 2 of the preceding subparagraph to the FSC for recordation.



- VIII. Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of Paragraph 6 and 7.
- IX. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- X. When participating in a merger, demerger, acquisition, or transfer of shares, this Corporation may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
- (I) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
  - (II) An action, such as a disposal of major assets, that affects this Corporation's financial operations.
  - (III) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
  - (IV) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
  - (V) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
  - (VI) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- XI. The contract for participation by this Corporation in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and

shall also record the following:

- (I) Handling of breach of contract.
  - (II) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
  - (III) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
  - (IV) The manner of handling changes in the number of participating entities or companies.
  - (V) Preliminary progress schedule for plan execution, and anticipated completion date.
  - (VI) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
- XII. After public disclosure of the information, if this Corporation participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- XIII. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, this Corporation shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Paragraphs 4 to 9 and Paragraph 12 of this Article.

#### Article 18 Public Disclosure of Information

- I. Under any of the following circumstances, this Corporation acquiring or disposing of assets shall publicly announce and report the relevant information on the MOPS in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

- (I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of this Corporation's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (II) Merger, demerger, acquisition, or transfer of shares.
- (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by this Corporation.
- (IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reached over NT\$500 million.
- (V) Where land is acquired under an arrangement on engaging others to build on this Corporation's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount this Corporation expects to invest in the transaction reaches NT\$100 million.
- (VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
  - 1. Trading of domestic government bonds.
  - 2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

II. The amount of transactions above shall be calculated as follows:

- (I) The amount of any individual transaction.
  - (II) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
  - (III) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
  - (IV) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
- III. "Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the provisions need not be counted toward the transaction amount.
- IV. This Corporation shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by this Corporation and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into MOPS by the 10th day of each month.
- V. When this Corporation at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
- VI. Where any of the following circumstances occurs with respect to a transaction that this Corporation has already publicly announced and reported in accordance with Paragraph 1 of the preceding article, a public report of relevant information shall be made on MOPS within 2 days counting inclusively from the date of occurrence of the event:
- (I) Change, termination, or rescission of a contract signed in regard to the original transaction.
  - (II) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
  - (III) Change to the originally publicly announced and reported information.

## VII. Summary

- (I) Information required to be publicly announced and reported in accordance with the provisions of Article 18 on acquisitions and disposals of assets by this Corporation's subsidiary that is not itself a public company in Taiwan shall be reported by this Corporation.
- (II) The paid-in capital or total assets of this Corporation shall be the standard applicable to a subsidiary referred to in the preceding subparagraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Paragraph 1 of this Article.
- (III) The “total assets” refers to the total assets stated in the most recent parent company only financial report or individual financial report prepared under these Procedures Governing the Preparation of Financial Reports by Securities Issuers shall be used.
- (IV) The net worth referred to in these procedures is the equity attributable to the owners of the parent company as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

## Article 19 Other matters required to be noted

- I. If this Corporation acquires or disposes of assets that meet the criteria for announcement and reporting under Article 18 of these Procedures and the counterparty is a substantial related party, this Corporation shall disclose the announcement in the notes to the financial statements and submit a report to the shareholders' meeting.
- II. In the event of concealment of the opinions issued by the professional appraisers or certified public accountants appointed in accordance with Articles 5 through 7 of these Procedures, this Corporation, the professional appraisers and the certified public accountants who are responsible for the announcement in accordance with the provisions shall be legally liable.
- III. When acquiring or disposing of assets, this Corporation shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at this Corporation, where they shall be retained for 5 years except where another act provides otherwise.
- IV. Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide this Corporation with appraisal reports,

certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- (I) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- (II) May not be a related party or de facto related party of any party to the transaction.
- (III) If this Corporation is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:
- (IV) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- (V) When auditing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- (VI) They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- (VII) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 20 Control procedures for the acquisition and disposal of assets by subsidiaries

- I. This Corporation shall see to it that its subsidiaries adopt and implement these Procedures in compliance with these Regulations.

- II. The internal auditors of the subsidiaries shall also audit, at least quarterly, the procedures for obtaining or disposing of assets and their execution, and make written records. If significant irregularities are found, they shall immediately notify this Corporation's auditing unit in writing, and this Corporation's auditing unit shall send the written information to the Audit Committee.
- III. When this Corporation's auditors conduct audits of subsidiaries in accordance with the annual audit plan, they should also understand the implementation of the procedures for the acquisition or disposal of assets by the subsidiaries, and if any deficiencies are found, they should continue to track their improvement and make a tracking report to the Audit Committee and submit it to the Chairman of the Board.

#### Article 21 Penalties

If this Corporation's managers or managerial officers violate these Procedures, they shall be punished in accordance with the provisions in this Corporation's Personnel Management System and Employee Handbook, depending on the severity of the case.

#### Article 22 Implementations and Amendments

- I. This Corporation's Procedures for the Acquisition and Disposal of Assets shall be adopted or amended with the approval by one-half or more of all audit committee members and submission to the board of directors for a resolution.
- II. If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.
- III. The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.
- IV. This Corporation shall give due consideration to the opinions of the independent directors when submitting "Procedures Governing the Acquisition or Disposal of Assets" to the board of directors for discussion. Any matter about which an independent director expresses an objection or reservation shall be included in records.

## Attachment 1

The following items should be recorded in the appraisal report:

- I. Regulations on Real Estate Appraisal stipulate the items to be recorded.
- II. Matters related to professional appraisers and appraisers.
  - (I) Name of professional appraiser, capitalization, organizational structure and composition of personnel.
  - (II) Name of appraisal personnel, age, academic experience (with proof), number of years and period of appraisal work, and number of appraisal cases undertaken.
  - (III) The relationship between the professional appraiser, the appraiser and the commissioned appraiser.
  - (IV) The appraisal report shall state that the appraiser is professional and independent, that the information used in the appraisal is reasonable and correct and in accordance with the relevant laws and regulations, and that there is no falsification or concealment of matters contained therein.
  - (V) The date of issuance of the appraisal report.
- III. The basic information of the subject matter of the survey shall include at least the name of the subject matter and its nature, location, area and other information.
- IV. Comparative examples of real property transactions in the subject area.
- V. In the case of a limited price, specific price or special price for an appraised category, the conditions of the limited, specific or special price and whether the conditions are currently met, and the reason and reasonableness of the difference from the normal price, and whether the limited, specific or special price is sufficient as a reference for the purchase and sale price.
- VI. In the case of a joint construction contract, the reasonable allocation ratio between the two parties shall be stated.
- VII. Estimation of land appreciation tax.
- VIII. Whether a difference of 20 percent or more between professional appraisers' estimates of prices on the same date has been handled in accordance with Article 41 of the Real Estate Appraiser Act.
- IX. Attachments include details of the appraisal of the subject property, ownership registration information, transcript of the cadastral map, sketch of the urban plan, location map of the subject property, proof of land zoning, and photographs of the subject property in its current condition.



## Appendix 4 Rules for Director Elections

### YungShin Global Holding Corporation Rules for Election of Directors

Article 1 For the purpose of fair, just, and open election of directors, these Rules are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies. Unless otherwise provided by laws and regulations or the Corporation's Articles of Incorporation, the Directors of the Corporation shall be duly elected in accordance with the Rules specified herein.

Article 2 The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Corporation's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- I. Basic requirements and values: Gender, age, nationality, and culture.
- II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

- III. The ability to make judgements about operations.
- IV. Accounting and financial analysis ability.
- V. Business management ability.
- VI. Crisis management ability.
- VII. Knowledge of the industry.
- VIII. International market perspective.
- IX. Leadership ability.
- X. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The Board of Directors of this Corporation shall consider adjusting its

composition based on the results of performance evaluation.

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

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

Article 4 Elections of the Corporation's Directors shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

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

When the number of the Independent Directors falls below that required under the proviso of Article 14-2, Paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When the Independent Directors are dismissed en masse, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 5 The cumulative voting method shall be used for election of the Directors at this Corporation. Each share will have voting right in number equal to the Directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Directors shall be elected by adopting nomination system. The shareholders shall elect the Directors from among the candidate list. The election of Independent Directors and Non-independent Directors shall be held together; provided, however, the number of Independent Directors and Non-independent Directors elected shall be calculated separately.

Article 6 The number of Directors will be as specified in this Corporation's Articles of Incorporation, with voting rights separately calculated for Independent and non-

Independent Director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.

Article 7 Before the election begins, the chair shall appoint a number of shareholders as supervising personnel and counting personnel to perform the respective duties of vote monitoring.

Article 8 Election ballots shall be printed by the Board of Directors numbers corresponding to the directors to be elected. The number of voting rights of the shareholder shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 9 The ballot boxes are prepared by this Corporation and publicly checked by the supervisors before voting commences.

Article 10 A ballot is invalid under any of the following circumstances:

- I. The writing is unclear and indecipherable or has been altered;
- II. The candidate whose name is entered in the ballot does not conform to the director candidate list;
- III. A blank ballot is placed in the ballot box;
- IV. Other words or marks are entered in addition to the number of voting rights allotted;
- V. The ballot was not prepared by a person with the right to convene.

Article 11 The ballot boxes shall be set up for the election of Directors, and it shall be opened by the vote monitoring personnel after the end of the poll.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 12 The counting of votes for the election of shareholders shall be done in public at the shareholders' meeting. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the election, including the list of persons elected as directors as well as the numbers of voting rights with which they were elected, shall be announced on site by the chair or the person whom the chair designated.

- Article 13    The elected directors shall be notified by the Board of Directors of this Corporation of their election.
- Article 14    Any matters inadequately provided for herein shall be subject to provisions concerned set forth in the Company Act and relevant laws and regulations.
- Article 15    The Rules shall be implemented after approval by a shareholders' meeting. Same applies when amended.
- Article 16    These Procedures were established with the approval by the shareholders' meeting on June 9, 2010.
- The first amendment was made on Jun 23, 2015.
- The second amendment was made on Jun 22, 2016.
- The third amendment was made on July 20, 2021.

## **Appendix 5 Description of How Proposals Raised by Shareholders in This General Shareholders' Meeting Are Handled**

There are no shareholder proposals for the period from March 8, 2022 to March 18, 2022 during which the proposals for this Corporation's General Shareholders Meeting will be accepted.

## Appendix 6 Shareholding status of this Corporation's directors

(I) As of book closure date: March 26, 2022

Total number of outstanding shares of the Corporation: 266,422,983 shares

Stationary number of shares held by all directors: 12,000,000 shares.

(II) The number of shares held by all directors of this Corporation is as follows:

Title	Name	Number of shares held on book closure date (Note 1)	Percentage
Chairman	Fang-Hsin Lee	11,260,832	4.23%
Director	Ling-Chin Lee	10,401,368 (Note 2)	3.90%
Director	Fang-Yu Lee	7,826,918	2.94%
Director	Fang-Chen Lee	5,513,344	2.07%
Director	Meng-Be Lin	7,129,326	2.68%
Director	Chi-Li Lee	828,650	0.31%
Independent Director	Shih-Kuang Tsai	0	0.00%
Independent Director	Kun-Xian Lin	0	0.00%
Independent Director	Hong-Yi Chen	0	0.00%
Actual number of shares held by all directors		42,960,438	16.13

Note 1: Book closure period of the shareholders' meeting is from 2022.03.26 to 2022.05.24.

Note 2: Adding 4,000,000 shares of the trust that retains the right to exercise the decision, the total number of shares held is 14,401,368 (5.41% of the shares held).

Note 3: This Corporation has established an Audit Committee. Therefore, the statutory shareholding for supervisors is not applicable.

Note 4: The shareholdings of all directors of this Corporation meet the statutory criteria.



永信國際投資控股

YUNGSHIN GLOBAL HOLDING CORPORATION