

Stock Code: 2025



**CHIEN SHING STAINLESS STEEL  
CO., LTD.**

Annual General Meeting 2023

**The Meeting Handbook**

Date: June 15, 2023

Venue: No. 222, Industry Road, Madou District, Tainan

## Table of Contents

One. Meeting Procedure -----	1
Two. Meeting Agenda-----	2
I. Management Presentation (Company Reports) -----	3
II. Acknowledgments -----	3
III. Election Matters-----	4
IV. Extraordinary Motions -----	4
V. Adjournment -----	4
Three. Appendices	
I. Business Report 2022 -----	5
II. Audit Committee’s Review Report -----	8
III. CPAs’ Review Report and the Financial Report-----	9
IV. Deficit Compensation Statement 2022 -----	17
Four. Appendix	
I. Articles of Incorporation -----	18
II. Procedures for Election of Directors -----	22
III. Rules of Procedure for Shareholders Meetings -----	24
IV. Number of shares held by all directors and minimum number of shares required to be held -----	26
V. The impact of stock dividend distributions contemplated for the current fiscal year on company operating performance, earnings per share and return on shareholders' investment-----	26
VI. Other matters -----	26

**Chien Shing Stainless Steel Co., Ltd.**  
**Procedure for Annual General Meeting 2023**

I. Call the meeting to order

II. Remarks of the chair

III. Report Items

IV. Acknowledgments

V. Election matters

VI. Extraordinary motions

VII. Meeting adjourned

# **Annual General Meeting 2023 of Chien Shing Stainless Steel Co., Ltd.**

Time and Date: 9 a.m. on June 15, 2023 (Thursday)

Venue: No. 222, Industry Road, Madou District, Tainan

Method: Offline shareholders' meeting

## **I. Call the meeting to order**

## **II. Remarks of the chair**

## **III. Report Items**

(I) Business Report 2022.

(II) Report of the 2022 financial statements reviewed by the Audit Committee.

## **IV. Acknowledgments**

(I) Motion to recognize the Company's 2022 business report and financial report.

(II) Motion to recognize the Company's 2022 Statement of Deficit Compensation.

## **V. Election matters**

By-electing one seat of independence director.

## **VI. Extraordinary motions**

## **VII. Meeting adjourned**

## Report Items

Motion 1 (proposed by the Board of Directors)

Motion: The 2022 business report, please review.

Explanation: For the Company's 2022 business report, please refer to Attachment 1 on P. 5-7 in the Handbook.

Motion 2 (proposed by the Board of Directors)

Motion: Report of the 2022 financial statements reviewed by the Audit Committee, please review.

Explanation: The Company's 2022 financial statements reviewed by the Audit Committee and a review report issued. For the financial statements reviewed by the Audit Committee, please refer to Attachment 2 on P. 8 in the Handbook.

## Acknowledgments

Acknowledgement 1 (proposed by the Board of Directors)

Motion: Acknowledgment for the motion to recognize the Company's 2022 business report and financial report.

Explanation: 1. The Company's 2022 financial report audited by CPAs, Rei-Wen Lu and Arnico Tseng of Diwan & Company, along with the business report were reviewed by the Audit Committee, and is subject to recognition by the shareholders' meeting.  
2. For the 2022 business report, Audit Committee's review report, CPAs' audit report and financial statements, please refer to Attachment 1 on P. 5-7, Attachment 2 on P.8 and Attachment 3 on P. 9-16 in the Handbook.

Resolution:

Acknowledgement 2 (proposed by the Board of Directors)

Motion: Acknowledgment for the motion to recognize the Company's 2022 loss allocation, please review.

Explanation: 1. The Company's loss to be offset at the beginning of 2022 totaled NT\$2,094,550,978, the actuarial gains on defined benefits totaled NT\$1,123,625, the net loss after tax for 2022 totaled NT\$780,657,684, and the deficit to be offset at the end of 2022 totaled NT\$1,312,769,669.  
2. As the Company had accumulated losses as of December 31, 2022, bonuses to shareholders, remuneration to directors and employees are not distributed.  
3. For the Company's 2022 Deficit Compensation Statement, please refer to Attachment 4 on P. 17 in the Handbook.

Resolution:

**Election matters**

(proposed by the Board of Directors)

Cause: A by-election of one independent directorship.

Description: 1. The independent director, Ms. Hsiao, Jin-Chuan resigned on November 7, 2022, and, thus, one independent director shall be elected in a by-election.

2. For the Company's Procedures for Election of Directors, please refer to Appendix 2 on p.24-25 in the Handbook.

3. In accordance with Article 192-1 of the Company Act and the Company's Articles of Incorporation, elections of independent directors adopts the nomination system. The term of office of the new independent director takes effect immediate upon the by-election, up to August 11, 2024, as the previous independent director. Shareholders shall elect from a list of independent director candidates. Their academic (experience) and other relevant information are listed in the following table:

<b>List of Independent Director Candidates</b>		
<b>Name</b>	<b>Main academic (experience) backgrounds</b>	<b>Number of shares held</b>
Ho-Yi Liu	Education: Bachelor's Degree, Department of Accounting, National Chengchi University Current position: Retired as a Senior Executive Officer, Business Management Department, EnTrust Securities Co., Limited Experience: Securities Specialist, Yuanta Securities Co., Ltd. Senior Executive Officer, Business Management Department, EnTrust Securities Co., Limited	0

4. Please proceed with the election.

Election result:

**Extraordinary motions****Meeting Adjourned**

## Chien Shing Stainless Steel Co., Ltd. Business Report

### I. Business Report 2022

(I) Implementation result of the business plan:

In the first half of 2022, the stainless steel market rose first and then fell. Driven by the nickel prices, the prices of stainless steel surged, but not many transactions were made due to downstream cost pressures, and the gap between the market prices and the fundamentals was large, so the prices plummeted, and the stainless steel prices fluctuated and dropped. The demand slowed down in the second half of the year. Although raw material prices recovered and the stainless steel prices gradually stabilized, the market and downstream demand fell short of expectations. Due to low quoted prices of raw materials, not many clients made purchases. Thus, the market remained sluggish.

The Company's 2022 operating revenue totaled NT\$1,231,007 thousand, a decrease of 50.18% from NT\$2,470,941 thousand for 2021; the operating loss totaled NT\$109,471 thousand, a decrease of NT\$413,870 thousand from the gross profit of NT\$304,399 thousand for 2021; thus, the net income after tax for 2022 totaled NT\$780,657 thousand, representing a 182.52% increase compared to 2021.

(II) Budget implementation status: Not applicable as the Company did not disclose financial forecast information to the public in 2022.

(III) Financial income and expenses, financial structure and profitability analysis

Analysis Item		2022	2021
Financial income and expenditure	Net operating income (NT\$ thousand)	1,231,007	2,470,941
	Operating profit (loss) (NT\$ thousand)	(109,471)	304,399
	Net profit (loss) after tax (NT\$ thousand)	780,657	276,324
Financial structure	Debt to assets ratio (%)	3.26	64.22
	Long-term capital to property, plant and equipment ratio (%)	375.58	203.79
Profitability	Return on assets (%)	45.34	15.49
	Return on equity (%)	72.09	48.77
	Ratio of net income before tax to paid-in capital (%)	28.81	9.83
	Net profit margin (%)	63.42	11.18
	Earnings per share (NTD)	2.78	0.98

(IV) Research and Development:

Through research in the cold rolling mill process, the Company is constantly searching for feasible solutions and proprietary technologies to improve the quality and consistency of stainless steel, reduce defect rates, promote real-time production quality feedback and online monitoring, streamline production and maintenance processes, and increase levels of automation. The team has made many breakthroughs over the years and proven itself competent at improving existing production procedures.

## II. Summary of the 2023 Business Plan

(I) Business Policy:

The factors of the pandemic, war, inflation, and economic concerns have caused the uncertainties over the global commodity market to rise. According to the International Stainless Steel Federation (ISSF), the stainless steel sector will experience negative growth in 2022 but is estimated to recover in 2023, while the consumption of nickel in the electric vehicle battery sector is estimated to continue to grow. In the long term, supported by the growth of the electric vehicle and its battery market, the demand and prices of nickel will sustain.

As the pandemic gradually slows down, domestic demand for steel from public works and factories and buildings will continue to grow steadily in 2023, and major steel-producing countries will proceed to reduce production, so it is expected to support the supply and demand of steel and prevent the situation from deteriorating. With the continuous launch of infrastructure construction projects, future nickel prices are likely to stabilize, so that stainless steel prices will remain steadfast. With the expectation of product spreads continuing to improve, steel mills and distributors will at the same time receive consistent orders, helping reduce inventory in the domestic market while facilitating the market to support the high price market after the price increase in order to gain profitability. Furthermore, the Company's operating direction will also be adjusted according to the changes in the market. To seek growth, favorable preparation and plans will be drawn up based on the market evaluation in a bid to respond to the actual situation in the future steel industry.

(II) Important production and marketing policies:

1. Apply the price difference of each regional market with flexibility to make the most favorable entry and conversion. The Company is currently expanding its business in Southeast Asia and other markets. By having multiple export sales regions, we hope that old markets can be replaced when there is a change in a single market, increasing flexibility of substitutability.
2. Carry out operational plans thoroughly and strengthen communication with customers while improving after-sales service. New customers will be developed by working closely with traders from all over the world so as to facilitate the deployment of new channels when production increases.
3. With quality being the priority of the Company, we will uphold the spirit of continuous improvement to enhance management. Feedback from our customers will be gathered to improve the defects in the manufacturing process to further increase the quality of our stainless steel. At Chien Shing, we ensure our reputation by insisting on quality before price.

## III. Future development strategy of the company

Our customers in the "domestic market" are large-scale processing plants with processing facilities which provide services to downstream and end users or to process for export on their own. Considering the demand for stainless steel coils is relatively stable, the prices and delivery times are crucial as manufacturers can easily obtain materials from outside sources due to trade liberalization.

The export markets have been impacted by the pandemic and maritime transport in recent years, and the order volume has gradually declined. Therefore, we aim to proactively develop new clients to maximize the order volume. However, the acquisition of raw materials and the stability of delivery time have a significant impact on export orders, so we are striving for customization to meet clients' needs and increase sales in various regions.

## IV. Impact from external competitive environment, regulatory environment and general business environment

1. Tsingshan, the global stainless steel giant, has established a plant in Indonesia's nickel mining region. With its proximity to the raw material source Indonesia Tsingshan has gained an obvious price advantage and has captured the global stainless steel market with its low cost advantage to become the main supplier of stainless steel materials in Taiwan, China, and Japan. Each year, Taiwan imports up to 500,000 metric tons of stainless steel from Indonesia Tsingshan, with main importers being Yieh United, Walsin Lihwa, Tang Eng Iron Works and Dong Meng. This has caused a sudden reduction in the steelmaking volume of Taiwan's upstream steel mills, coupled with the acquisition point of stainless steel scrap established by Tsingshan that aims to purchase stainless steel scrap at a high price. Given the costs of upstream steelmakers continuing to increase, the overall efficiency of steelmaking is not correlative. As a result, purchasing hot rolling semi-finished products from Tsingshan is heavily relied on, which has led Taiwan's steel industry to become more dependent on imported materials. In the long run, this poses a significant concern.
2. Our Company's sales are mainly focused on the domestic market, supported by export. In a fiercely competitive environment, we make every effort to stabilize downstream sectors, while being dedicated to promoting cost advantages, production automation, reducing manpower costs, shortening delivery times, reducing inventory costs, enhancing quality, reducing raw material consumption costs, saving energy and reducing fuel costs. We aim to expand business growth with the advantage of multi implemented cost reduction.
3. Due to the rising awareness of environmental protection, high-polluting industries are bound to adopt higher standards. The iron and steel industry is in a dilemma. The iron and steel are indispensable materials for the global low-carbon transition, and because of the large output, the total energy consumption and greenhouse gas emission are large. The pressure for energy conservation and emission reduction is even greater. We understand that there is only one Earth, and proactively commit ourselves to waste and resource reduction, energy efficiency improvement and water source recycling and reuse, so as to fully manage the environment while reducing the impact that production poses on the environment. By positively linking environmental improvement and economic benefits, we are a step closer to sustainable development.

Chairman : Shuo-Tang Yeh

Managerial Officer: Shuo-Tang Yeh  
Accounting: Ching-Wen Huang

Head of

## **Chien Shing Stainless Steel Co., Ltd. Audit Committee's Review Report**

The Board of Directors has submitted the Company's 2022 financial report, which has been jointly audited by CPA Jui-Wen Lu and CPA Arnico Tseng of Diwan & Company, and the business report and loss allocation table, which have been reviewed by the Audit Committee, with no discrepancy found. We have presented you the reports based on the provisions stipulated in Article 14-4 and Article 36 in the Securities and Exchange Act and Article 219 in the Company Act.

Regards,

Annual General Meeting 2023 of Chien Shing Stainless Steel Co., Ltd.

Convener of the Audit Committee: Ying-Ying Yang

March 14, 2023

Attachment 3

## CPAs' Audit Report

To Chien Shing Stainless Steel Co., Ltd.:

### **Audit Opinion:**

We have audited the accompanying individual balance sheet of Chien Shing Stainless Steel Co., Ltd. (the "Company") as of December 31, 2022 and 2021, and the individual statements of comprehensive income, individual changes in equity and individual cash flows from January 1 to December 31, 2022 and 2021, and the notes to the individual financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2022 and 2021, and its individual financial performance and its individual cash flows from January 1 to December 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission ("FSC").

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual financial statements of the Company for the year 2022. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We decided the key audit matters are the followings:

#### **I. Impairment of Property, Plant and Equipment**

Please refer to Note 4.8(2) of the individual financial statements for the accounting policy for property, plant and equipment; for the material estimations and the major sources of assumed uncertainties, please refer to Note 5.2(2) to the individual financial statements

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Property, plant and equipment are the major assets of the Company, as of December 31, 2022, their carrying amount was NTD 392,032 thousand, accounted for 26% of the total assets. When evaluating any impairment sign by the management, they have to estimate the recoverable amount of such asset. When evaluating the impairment of assets, the value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The application of value in use must estimate the future cash inflow and outflow derived from continuous use and final disposal of such asset, and the proper discount rate shall be applied to such future cash flow. Since the judgement and assumption involved in evaluating impairment of assets, including identification of cash-generating unit, future sales forecast, estimated profit of products, remaining economic life of the asset, and the current time value of money; the management shall make the best estimation. Therefore we consider the impairment of property, plant and equipment is one of the most material matters when auditing the Company's individual forecast statements.

The related audit procedure undertaken by us including assessing if the management has clearly identified the information from internal and external sources for signs of impaired asset; reviewing the reasonableness of the estimation basis of future cash flow applied by the management; reviewing the discount rate applied by the management reflecting the ratio of the current market assessment to the time value of money and certain risks of the asset; assessing the reasonableness of the cash generating unit to which the asset attributed to identified by the management; and calculating the estimation of the recoverable amount of the asset.

## II. Valuation of Inventories

Please refer to Note 4.9 of the individual financial statements for the accounting policy for valuation of inventories; for the material estimations and the major sources of assumed uncertainties, please refer to Note 5.2(4) of the individual financial statements

As of December 31, 2022, the Company's carrying amount of inventories was NTD 259,871 thousand, accounted for 17% of the total assets. The Company mainly produces and sells cold-rolled stainless coil products; its production and marketing policy is affected by the changes of market demands. When an inventory is damaged, all or part obsolete or selling price depreciated, the cost of such inventory may not be recovered. When the estimated costs to be input until completion and the estimated costs required for sales increased, the cost of such inventory may not be recovered, either. The use and value of inventories mainly depend on the inventory management policy of the management, and the future sales forecast of the products. However, forecast is uncertain, and thus we consider valuation of inventories is one of the most material matters when auditing the Company's individual forecast statements.

Key determining factors for valuation of inventories, mainly is the estimates of net realizable value, which is based on the most reliable evidence of the expected realizable value of inventories at the time of estimation. In this regard, the related audit procedure undertaken by us including reviewing if the policy of the Company to determine the net realizable value of inventories reasonably reflects the future sales forecast of the inventories; the historical experience and other certain conditions; analyzing and testing the ages of inventories to identify if certain obsolete inventories have been appropriated for inventory depreciation loss reasonably based on the historical experience; and assessing the matters after the period within the proved extent of the conditions at the end of period, and how the fluctuation of prices or costs directly related to the matters after the period impact the net realizable value of inventories.

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### **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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

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

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

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

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

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- IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure and content of the individual financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Diwan & Company  
The Financial Supervisory Commission R.O.C. Approval No. for  
the Certification:  
Jing Guang Zheng Shen Zhi No. 1000047855  
Jing Guang Zheng Shen Zhi No. 0990071790

Jui-Wen Lu

CPA:

Rui-Yan Tseng

March 14, 2023

## Chien Shing Stainless Steel Co., Ltd.

## Individual Balance Sheet

December 31, 2022 and 2021

(All amounts in NTD thousand)

Assets		Note	December 31, 2022		December 31, 2021		Liabilities and equity		Note	December 31, 2022		December 31, 2021	
Code	Accounting items		Amount	%	Amount	%	Code	Accounting items		Amount	%	Amount	%
11xx	Current assets					21xx	Current liabilities						
1100	Cash and cash equivalents	IV and VI.1	\$ 479,294	32	\$ 373,575	19	2150	Note payable	IV	\$ 6,031	-	\$ 13,362	1
1110	Financial assets measured at FVTPL - current	IV and VI.2	105,090	7	70,517	4	2170	Accounts payable	IV	204	-	4,712	-
1200	Other receivables	IV	587	-	773	-	2200	Other payables	IV	37,467	3	37,175	2
130x	Inventories	IV, V and VI.3	259,871	17	313,541	16	2230	Income tax liabilities for the period	IV and VI.19	-	-	135	-
1410	Prepayments		111,250	7	386,969	20	2250	Provision for liabilities - current	IV, V and VI.8	-	-	370,420	19
1470	Other current assets		171	-	99	-	2300	Advance receipts and other current liabilities		217	-	266	-
	Total current assets		956,263	63	1,145,474	59	2322	Long-term borrowings due within a year	IV, VI.9 and VIII	-	-	512,174	26
							2365	Refund liabilities - current	IV	104	-	22,256	1
								Total current liabilities		44,023	3	960,500	49
15xx	non-current assets					25xx	Non-current liabilities						
1517	Measured at fair value through other comprehensive income					2540	Long-term borrowings	IV, VI.9 and VIII		-	-	286,949	15
	Financial assets - non-current	IV and VI.4	41,715	3	55,574	3	2570	Deferred tax liabilities	IV and VI.19	16	-	-	-
1600	Property, Plant and Equipment	IV, V, VI.5, VIII, IX and XI	392,032	26	487,264	25	2640	Net defined benefit liabilities - non-current	IV, V and VI.10	5,470	-	7,058	-
1760	Net investment property	IV, V, VI.5, VI.6 and VI.20	118,501	8	256,328	13		Total non-current liabilities		5,486	-	294,007	15
1780	Intangible assets	IV and VI.7	93	-	145	-	20xx	Total liabilities		49,509	3	1,254,507	64
1840	Deferred tax assets	IV, V and VI.19	2,270	-	2,551	-	31xx	Equity					
1915	Prepayments for equipment	IV	5,555	-	6,169	-	3100	Share capital	IV and VI.11				
1920	Refundable deposits		2	-	2	-	3110	Ordinary share capital		2,811,673	185	2,811,673	144
	Total non-current assets		560,168	37	808,033	41	3300	Retained earnings					
							3350	Deficit to be compensated	VI.12	(1,312,771)	(86)	(2,094,552)	(107)
							3400	Other equities					
							3420	Measured at fair value through other comprehensive income					
								Unrealized valuation loss on financial assets	IV, VI.4, VI.13 and VI.18	(31,980)	(2)	(18,121)	(1)
							30xx	Total equity		1,466,922	97	699,000	36
10xx	Total assets		\$ 1,516,431	100	\$ 1,953,507	100		Total liabilities and equities		\$ 1,516,431	100	\$ 1,953,507	100

(Please refer to the notes to individual financial statements)

Chairman: Shuo-Tang Yeh

Managerial Officer: Shuo-Tang Yeh

Head of Accounting: Ching-Wen Huang

## Chien Shing Stainless Steel Co., Ltd.

## Individual Statement of Comprehensive Income

For the Years Ended December 31, 2022

and 2021

(Unit: NTD thousand; but EPS in NTD)

Code	Accounting items	Note	2022		2021	
			Amount	%	Amount	%
4000	Net operating revenue	IV and VI.14	\$ 1,231,007	100	\$ 2,470,941	100
5000	Operating cost	IV, VI.3, VI.10 and VI.15	(1,340,478)	(109)	(2,166,542)	(88)
5900	Gross profit (loss)		(109,471)	(9)	304,399	12
6000	Operating expenses	IV, VI.10 and VI.15				
6100	Selling and marketing expenses		(6,285)	(1)	(8,946)	-
6200	Administrative expenses		(28,364)	(2)	(28,245)	(1)
	Total operating expenses		(34,649)	(3)	(37,191)	(1)
6500	Net other income and expenses	IV, VI.6, VI.16 and VII	(1,715)	-	(1,687)	-
6900	Operating profit (loss)		(145,835)	(12)	265,521	11
7000	Non-operating income and expense					
7100	Interest income	VI.17	1,012	-	81	-
7010	Other income	VI.2, VI.5 and VI.17	8,565	1	8,001	-
7020	Other gains or losses	IV, V, VI.2, VI.6, VI.8 and VI.17	953,621	78	16,512	1
7050	Financial costs	IV, VI.17 and VII	(7,366)	(1)	(13,653)	(1)
	Total non-operating income and expenses		955,832	78	10,941	-
7900	Net income before tax of continuing operations		809,997	66	276,462	11
7950	Income tax expense	IV, VI.6 and VI.19	(29,340)	(3)	(138)	-
8200	Net income for this period		780,657	63	276,324	11
8300	Other comprehensive income	IV, VI.6, VI.10, VI.13, VI.18 and VI.19				
8310	Items that will not be reclassified subsequently to profit or loss:					
8311	Re-measurement of the defined benefit plan		1,405	-	1,481	-
8316	Measured at fair value through other comprehensive income					
	Unrealized loss on investments in equity instruments		(13,859)	(1)	(12,617)	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss		(281)	-	(296)	-
	Total items that will not be reclassified subsequently to profit or loss		(12,735)	(1)	(11,432)	-
	Other comprehensive income (net after tax)		(12,735)	(1)	(11,432)	-
8500	Total comprehensive income for the period		\$ 767,922	62	\$ 264,892	11
	Earnings per share (NTD)					
9750	Basic earnings per share (after tax)	IV and VI.21	\$ 2.78		\$ 0.98	

(Please refer to the notes to individual financial statements)

Chairman : Shuo-Tang Yeh

Managerial Officer: Shuo-Tang Yeh

Head of Accounting: Ching-Wen Huang

Chien Shing Stainless Steel Co., Ltd.  
Individual Statement of Changes in Equity  
For the Years Ended December 31, 2022  
and 2021  
(All amounts in NTD thousand)

Item	Ordinary share capital	Retained earnings	Other items of equity	Total Equity
		Deficit to be compensated	Unrealized valuation loss on financial assets measured at FVTOCI	
Balance on January 1, 2021	\$ 2,811,673	\$ (2,372,061)	\$ (5,504)	\$ 434,108
Net loss of 2021	-	276,324	-	276,324
Other comprehensive income of 2021	-	1,185	(12,617)	(11,432)
Total comprehensive income of 2021	-	277,509	(12,617)	264,892
Balance on December 31, 2021	2,811,673	-2,094,552	(18,121)	699,000
Net income of 2022	-	780,657	-	780,657
Other comprehensive income of 2022	-	1,124	(13,859)	(12,735)
Total comprehensive income of 2022	-	781,781	(13,859)	767,922
Balance on December 31, 2022	\$ 2,811,673	\$ (1,312,771)	\$ (31,980)	\$ 1,466,922

(Please refer to the notes to individual financial statements)

Chairman : Shuo-Tang Yeh

Managerial Officer: Shuo-Tang Yeh

Head of Accounting: Ching-Wen Huang

Chien Shing Stainless Steel Co., Ltd.  
Individual Cash Flow Statements  
For the Years Ended December 31, 2022  
and 2021  
(All amounts in NTD thousand)

Item	2022	2021
Cash flow from operating activities		
Net income before tax of continuing operations	\$ 809,997	\$ 276,462
Adjusted item:		
Adjustments for:		
depreciation expenses	106,623	120,732
Amortization expenses	52	162
Net loss on financial assets measured at FVTPL	11,948	(23,621)
Interest expense	7,366	13,653
Interest income	(1,012)	(81)
Dividend revenue	(1,311)	(415)
Gain on disposal of investment property	(607,524)	-
Unrealized net foreign currency exchange gain	(81)	(37)
Gain on reversal of provisions for disposal of business waste buried in the plants	(355,025)	-
Gain on reversal provisions for penalty for violating the Waste Disposal Act	(3,000)	-
Assets related to operating activities/Changes in liabilities		
Financial assets measured at FVTPL	(46,521)	5,514
Accounts receivable	-	18,139
Other receivables	186	73
Inventories	53,670	122,200
Prepayments	275,719	(92,220)
Other current assets	(72)	2,504
Note payable	(7,331)	5,954
Accounts payable	(4,508)	(207)
Other payables	1,544	9,946
Provision	(12,395)	(13,350)
Advance receipts and other current liabilities	(49)	(1,435)
Refund liabilities - current	(22,152)	22,039
Defined benefit liability	(183)	(4,994)
Cash inflow from operations	205,941	461,018
Interest paid	(8,284)	(13,653)
Income tax paid	(29,459)	(3)
Interest received	1,012	81
Net cash inflow from operating activities	169,210	447,443
Cash flow from investing activities		
Acquisition of financial assets measured at FVTOCI	-	(223)
Acquisition of property, plant and equipment	(5,262)	(7,181)
Disposal of property, plant and equipment	-	186
Acquisition of intangible assets	-	(181)
Disposal of investment property	743,607	-
Increase in prepayments for equipment	(4,105)	(4,509)
Dividends received	1,311	415
Net cash inflows (outflows) from investing activities	735,551	(11,493)
Cash flows from financing activities		
Decrease other payables - related parties -financing	-	(83,000)
Repayment of long-term borrowings	(799,123)	-
Net cash outflow from financing activities	(799,123)	(83,000)
Effect of exchange rate changes on cash and cash equivalents	81	37
Increase in cash and cash equivalents during this period	105,719	352,987
Cash and cash equivalents at the beginning of the year	373,575	20,588
Cash and cash equivalents at the end of the year	\$ 479,294	\$ 373,575

(Please refer to the notes to individual financial statements)

Chairman : Shuo-Tang Yeh

Managerial Officer: Shuo-Tang Yeh

Head of Accounting: Ching-Wen Huang

**Chien Shing Stainless Steel Co., Ltd.**  
**Deficit Compensation Statement**  
**2022**

Unit: NTD \$

Item	Amount
Deficit yet to be compensated – at the beginning of the period	\$ (2,094,550,978)
Plus: Actuarial gains from the definite benefit	1,123,625
Add: Net income after tax for 2022	780,657,684
Deficit yet to be compensated – at the end of the period	\$ (1,312,769,669)

Chairman : Shuo-Tang Yeh

Managerial Officer: Shuo-Tang Yeh

Head of Accounting:

Ching-Wen Huang

## Articles of Incorporation of Chien Shing Stainless Steel Co., Ltd.

### Chapter One General Provisions

Article 1: The Company is incorporated in accordance with The Company Act, and is named "CHIEN SHING STAINLESS STEEL CO., LTD."

Article 2: The Company's industry classifications are:

- (1) CA01010 Iron and Steel Smelt
- (2) CA01020 Iron and Steel Rolling and Extruding
- (3) CA01050 Steel Secondary processing
- (4) CA02990 Other Metal Products Manufacturing
- (5) CB01010 Mechanical Equipment Manufacturing
- (6) CC01080 Electronics Components Manufacturing
- (7) CO01010 Tableware Manufacturing
- (8) F113010 Wholesale of Machinery
- (9) F199990 Other Wholesale Trade
- (10) F401010 International Trade
- (11) H701010 Housing and Building Development and Rental
- (12) H701030 Funeral Places Lease Construction and Development
- (13) H701040 Specific Area Development
- (14) B201010 Mining of metal ores
- (15) F115020 Wholesale of Ores
- (16) CA01090 Aluminum Casting
- (17) CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
- (18) CC01090 Manufacture of Batteries and Accumulators
- (19) CD01030 Motor Vehicles and Parts Manufacturing
- (20) CD01040 Motorcycles and Parts Manufacturing
- (21) CD01050 Bicycles and Parts Manufacturing
- (22) CD01990 Other Transport Equipment and Parts Manufacturing
- (23) CQ01010 Mold and Die Manufacturing
- (24) E603050 Automatic Control Equipment Engineering
- (25) E603100 Electric Welding Engineering
- (26) E604010 Machinery Installation
- (27) E605010 Computer Equipment Installation
- (28) JA02020 Motorcycle Repair
- (29) JA02030 Bicycle Repair
- (30) C901040 Manufacture of Ready-mix Concrete
- (31) C901050 Cement and Concrete Products Manufacturing
- (32) C901990 Other Non-Metallic Mineral Products Manufacturing
- (33) J101080 Resource Recycling
- (34) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company may offer endorsement and guarantee to external parties as needed for business activities, subject to the Company's endorsement and guarantee procedures.

Article 4: External business investments are subject to board of directors' approval, and the sum of investment can be exempted from the restrictions imposed under Article 13 of The Company Act (i.e. 40% of paid-up capital).

Article 5: The Company is headquartered in Tainan City, and may establish domestic or foreign branches subject to board of directors' approval.

Article 6: Public announcements shall be duly made in accordance with the methods described in Article 28 of The Company Act.

### Chapter Two Shares

Article 7: The Company has authorized capital of Five Billion New Taiwan Dollars in five hundred million shares. Each share has a face value of Ten New Taiwan Dollars. The board of directors is authorized to issue unissued shares in multiple offerings depending on the actual circumstances.

Article 8: The Company issues owner-registered shares only. Every share certificate shall be issued with the signatures or seals of at least 3 directors.

Article 8-1: When issuing new shares, the Company may print a single certificate to collectively represent all shares in the new issue. Shares of the Company may be issued in non-tangible form, subject to registration with the centralized securities depository.

Article 9: Unless otherwise specified by law and securities regulation, issues concerning transfer of share ownership, pledge of shares, loss of share certificate, ownership inheritance, gifting, loss/change of seal, change of address, and share-related affairs shall be handled according to “Regulations Governing the Administration of Shareholder Services of Public Companies.”

Article 10: Transfer of share ownership shall be suspended during the 60 days prior to an annual general meeting, or during the 30 days prior to an extraordinary shareholder meeting, or during the 5 days prior to the baseline date of dividend, bonus or rights distribution.

### **Chapter Three Shareholder Meetings**

Article 11: The Company convenes two types of shareholder meeting: the annual general meeting and extraordinary shareholder meetings. Annual general meetings (AGMs) are convened once a year within six months after the end of each financial year, and shall be advised to shareholders 30 days in advance. Extraordinary shareholder meetings may be held whenever deemed necessary, and shall be advised to shareholders 15 days in advance. The Company’s shareholders’ meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 12: If a shareholder is unable to attend the shareholder meeting in person, a proxy can be appointed by completing the Company's proxy form and by specifying the scope of delegated authority. The proxy form has to be effected with authorized signature or seal. Appointment of proxies shall also comply with Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 14: Except otherwise regulated by The Company Act, a shareholder meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting, and that the motion is voted in favor by more than 50% of all voting rights represented at the meeting.

Article 15: AGMs are to be convened by the Chairman. If the Chairman is absent for any reason, the Chairman shall appoint one of the directors to act on behalf; if no one is appointed, the remaining directors shall appoint one among themselves to perform acting duty.

Article 16: Shareholder meeting resolutions shall be compiled into detailed minutes, signed or sealed by the chairperson, and disseminated to each shareholder by no later than 20 days after the meeting. Meeting minutes may also be disseminated by way of public announcements. The minutes shall detail the date and venue of the meeting, the chairperson's name, the method of resolution, and the proceeding and results of each motion. Minutes shall be retained for as long as the Company exists. Shareholders' attendance logs and proxy forms shall be retained for at least one year. However, should a shareholder raise a litigious claim against the Company in accordance with Article 189 of The Company Act, the abovementioned documents must be retained until the end of the litigation.

### **Chapter Four Directors and Audit Committee**

Article 17: The Company shall have seven to eleven directors on the board, who are elected in shareholder meetings from persons of adequate capacity. The term of directorship is three years, and is renewable if re-elected. By-election of directors shall proceed according to Article 201 of The Company Act.

Article 17-1: Independent directors shall be included amongst the directors chosen above. There shall be no fewer than three independent directors and they must not represent less than one-fifth of the board. Directors of the Company shall be elected using the nomination system, in which shareholders will elect from the list of nominated director candidates. Methods for accepting nomination of director candidates shall be determined and announced according to The Company Act, the Securities and Exchange Act and relevant regulations. Independent directors shall be elected during the same voting session as non-independent directors, and have positions allocated separately. Restrictions concerning independent directors' eligibility, shareholding, concurrent employment, and all other compliance issues are governed by

relevant rules of the securities authority.

Article 17-2: The Company shall assemble an Audit Committee that consists entirely of independent directors according to Article 14-4 of the Securities and Exchange Act. Matters concerning the Audit Committee, including its composition, duties, and authority, are governed by Securities and Exchange Act and related laws.

Article 18: The elected directors shall form a board and appoint one Chairman during a board meeting with more than two-thirds of directors present and with the support of more than half of all attending directors. The Chairman serves as the Company's representative to the outside world.

Article 18-1: Convention of board meeting must be advised to all directors at least 7 days in advance. However, meetings can be held in shorter notices in the case of emergency. Convention of board of directors meetings may be advised through written correspondence, E-mail, or faX.

Article 19: If the Chairman is unable to perform duties due to leave of absence or any reason, a delegate shall be appointed in accordance with Article 208 of The Company Act. Directors who are unable to attend board meeting for any reason may appoint other directors to attend on their behalf. Proxy arrangements must comply with Article 205 of The Company Act. If a board meeting is convened by way of video conference, those who participate in the meeting using video conferencing are considered to have attended the meeting in person.

Article 20: The elected directors shall form a board to perform the duties and exercise the authorities mentioned below:

- (1) Devise corporate policies.
- (2) Outline business strategies.
- (3) Review budgets and year-end accounts.
- (4) Approve key personnel arrangements.
- (5) Propose earnings appropriation or loss reimbursement.
- (6) Devise and approve deals for acquisition and disposal of key properties and real estate.
- (7) Devise fundraising and capital reduction plans.
- (8) Devise and approve other business investments.
- (9) Other duties and authority vested by laws and shareholders.

Article 22: The board of directors is authorized to determine the level of compensation for directors based on individual participation and contribution to the Company's operations, and in reference to industry peers.

### **Chapter Five Managers**

Article 23: The Company may create managerial positions. Appointment, dismissal, and compensation of whom shall comply with Article 29 of The Company Act.

### **Chapter Six Accounting**

Article 24: The board of directors is responsible for preparing the following statements and reports at the end of each financial year, which are to be presented for acknowledgment according to legal procedures at the annual general meeting.

- (I) Business reports.
- (II) Financial statements.
- (III) Earnings appropriation or loss reimbursement proposals.

Article 25: Annual profits concluded by the Company are subject to employee remuneration of 2%-3%, which the board of directors may decide to distribute in cash or in shares. Employees of subsidiaries who meet certain criteria are also entitled to receive this remuneration. Up to 1% of the aforementioned profit may be distributed as directors' remuneration at the discretion of the board of directors. Employee and director remuneration proposals are to be raised for resolution during shareholder meetings.

Profits must first be reserved to offset against cumulative losses, if any, before the remainder can be distributed as employee/director remuneration in the above percentages. The annual profit mentioned in Paragraph 1 shall refer to pre-tax profit before employees' and directors' remuneration in the current year.

Article 25-1: Annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for legal reserve and provision or reversal of special reserve as the laws may require. Any surpluses remaining will be added to

unappropriated earnings accumulated from previous years, for which the board of directors will propose an earnings appropriation plan and seek resolution in a shareholder meeting before distribution.

The Company shall devise earnings appropriation plans for the amount of distributable earnings calculated above after taking into consideration prospects of the economic environment, future capital requirements, long-term financial plans, and shareholders' needs for cash inflow, and present the proposal for resolution at shareholder meeting. At least 10% of total shareholders' dividends shall be paid in cash, but the Company may choose to pay dividends in shares instead if cash dividends amount to less than NT\$0.5 per share.

### **Chapter Seven Supplemental Provisions**

Article 26: Any matters that are not addressed in the Articles of Incorporation shall be governed by The Company Act.

Article 27: The Articles of Incorporation was established on April 3, 1972

The 1st amendment was made on April 26, 1972

The 2nd amendment was made on January 30, 1974

The 3rd amendment was made on November 13, 1978

The 4th amendment was made on May 27, 1980

The 5th amendment was made on November 27, 1981

The 6th amendment was made on October 1, 1982

The 7th amendment was made on March 23, 1983

The 8th amendment was made on March 23, 1984

The 9th amendment was made on June 28, 1984

The 10th amendment was made on November 15, 1984

The 11th amendment was made on June 20, 1985

The 12th amendment was made on November 15, 1986

The 13th amendment was made on August 15, 1987

The 14th amendment was made on August 15, 1988

The 15th amendment was made on September 23, 1988

The 16th amendment was made on December 12, 1988

The 17th amendment was made on June 26, 1989

The 18th amendment was made on September 8, 1989

The 19th amendment was made on June 28, 1991

The 20th amendment was made on June 20, 1992

The 21st amendment was made on June 7, 1994

The 22nd amendment was made on April 19, 1995

The 23rd amendment was made on June 28, 1996

The 24th amendment was made on May 8, 1997

The 25th amendment was made on October 14, 1998

The 26th amendment was made on May 28, 1999

The 27th amendment was made on June 15, 2000

The 28th amendment was made on June 28, 2001

The 29th amendment was made on September 3, 2002

The 30th amendment was made on April 24, 2003

The 31st amendment was made on June 10, 2004

The 32nd amendment was made on June 14, 2005

The 33rd amendment was made on June 19, 2009

The 34th amendment was made on June 17, 2010

The 35th amendment was made on March 23, 2012

The 36th amendment was made on June 19, 2014

The 37th amendment was made on April 21, 2015

The 38th amendment was made on June 7, 2016

The 39th amendment was made on March 29, 2018

The 40th amendment was made on June 11, 2020

The 41st amendment was made on June 14, 2022

## **Chien Shing Stainless Steel Co., Ltd. Directors Election Policy**

- Article 1: Election of the Company's directors shall proceed according to this Policy unless otherwise specified in The Company Act, Securities and Exchange Act, or Articles of Incorporation.
- Article 2: Election of the Company's directors shall proceed using the registered cumulative voting method. Each share is vested with voting rights equal to the number of directors to be elected. These voting rights may be concentrated on one candidate or allocated across multiple candidates. Voters may be identified by the conference pass ID printed on ballot instead of real name.
- Article 3: Directors of the Company shall be elected from persons of adequate capacity during a shareholder meeting. The election shall collectively elect the entire number of seats mentioned in the Articles of Incorporation and have votes counted separately for independent directors and non-independent directors. Candidates who receive the highest number of votes are assigned to the positions in the prescribed order. If two or more candidates receive the same number of votes but there are insufficient positions to accommodate them all, they shall draw for the remaining seats. The chairperson will draw on behalf of those who are absent during the meeting. Election of the Company's directors shall proceed using the candidate nomination system described in Article 192-1 of The Company Act. Eligibility and method of independent director election are subject to the terms outlined in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 24 of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
- Article 4: Ballots shall be prepared by the Company with conference pass ID and the number of voting rights pre-printed on the ballot.
- Article 5: Before the election begins, the chairperson shall appoint ballot examiners and ballot counters to perform various duties relating to the election.
- Article 6: For director election, the board of directors shall prepare a ballot box and have it examined openly by the ballot examiner prior to voting.
- Article 7: If the candidate is a shareholder, voters will have to specify both shareholder account name and number in the "candidate" field of the ballot. If the candidate is not a shareholder, the candidate's name and ID card number will have to be specified instead. However, if the candidate is a government institution or a corporate shareholder, the name of the government institution or corporation and name of the representative shall be specified in the "candidate" field of the ballot. If there are multiple representatives, the names of all representatives shall be specified in the ballot. Meanwhile, voters are required to specify the number of voting rights to be allocated to the candidate.
- Article 8: Ballots are considered void in any of the following circumstances:
1. Use of ballot that does not conform with the formats specified in this Policy.
  2. Casting of blank ballot into the ballot box.
  3. Illegible writing.
  4. Where the candidate is a shareholder, the written identity and shareholder account number do not match the shareholder registry; or where the candidate is a non-shareholder, the written name and identity document number do not match the candidate's identity proof.
  5. Ballots that contain writings other than the candidate's account name, shareholder account number (or ID card number), and allocated votes.
  6. Where the candidate is a shareholder, another shareholder of the same name exists in the shareholder registry but the ballot only specifies the candidate's name without shareholder account number.
  7. The number of candidates written on ballot exceeds the number of directors to be elected under the Articles of Incorporation.

8. The number of voting rights exercised exceeds the voting rights printed on the ballot.
9. Ballot with modification to any details including the candidate's name, shareholder account number (or ID card number), or allocated votes.
10. Ballots that do not specify the candidate's account name or shareholder account number (or ID card number).

Article 9: Once voting has ended, the ballot examiner will open the ballot box and votes will have to be counted by ballot counters under the supervision of the ballot examiner.

Article 10: Once the ballot examiner has verified the number of valid and void ballots, the number of voting rights specified on valid and void ballots shall be updated to the record sheet. The chairperson then announces the election result including the names and shareholder account numbers (or ID card numbers) of elected parties.

Article 11: Chairperson of the shareholder meeting or the board of directors will issue confirmations to elected directors to certify their elected roles.

Article 12: This Policy shall take effect once approved during shareholder meeting; the same applies to all subsequent amendments.

## **Chien Shing Stainless Steel Co., Ltd. Shareholder Meeting Conference Rules**

1. Unless otherwise specified in law, shareholder meetings of the Company shall proceed according to the following rules.
2. Attending shareholders are required to wear conference passes and present attendance cards as proof of attendance. Attendance cards are used to calculate the number of shares represented in the meeting.
3. Attendance and votes in a shareholder meeting are calculated based on the number of shares represented.
4. Shareholder meetings shall be held at locations that are suitable and convenient for shareholders to attend. Meetings must not commence anytime earlier than 9AM or later than 3PM.
5. Shareholder meetings that are convened by the board of directors shall be chaired by the Chairman. If the Chairman is on leave or is unable to exercise duties for any reason, the Vice Chairman will act on behalf; if there is no Vice Chairman or if the Vice Chairman is also on leave or is unable to exercise duties for any reason, the Chairman may appoint one managing director to assume acting duty; if there is no managing director, one of the directors shall be appointed to perform acting duty; if no delegate is appointed by the Chairman, one shall be appointed among managing directors or directors.  
  
If the shareholder meeting is convened by any entitled party other than the board of directors, the convener will act as the meeting chairperson.
6. The Company may summon its lawyers, certified public accountants, and any relevant personnel to be present at shareholder meetings. Organizers of the shareholder meeting must wear proper identification or arm badges.
7. The entire proceeding of the Company's shareholder meetings shall be recorded in video or audio, and kept for at least 1 year.
8. The chairperson should announce commencement of meeting as soon as it is due. However, if current attendees represent less than half of the Company's outstanding shares, the chairperson may announce to postpone the meeting up to two times, for a period totaling no more than one hour. If attending shareholders still represent more than one-third but less than half of outstanding shares after two postponements, the attending shareholders may reach a tentative resolution according to Paragraph 1, Article 175 of The Company Act.  
  
If the number of shares represented accumulate to more than half of all outstanding shares as the meeting progresses, the chairperson may propose the tentative resolutions for final voting according to Article 174 of The Company Act.
9. For shareholder meetings that are convened by the board of directors, the board of directors will determine the meeting agenda. The agenda can not be changed unless resolved during the shareholder meeting.  
  
The above rule also applies to shareholder meetings that are convened by any entitled party other than the board of directors.  
  
In either of the two arrangements described above, the chairperson can not dismiss the meeting while a motion (including special motions) is still in progress. Once a meeting is adjourned, shareholders may not elect to continue the meeting with another chairperson or at a different venue unless the chairperson is found to have dismissed the meeting in violation of the conference rules. In which case, attending shareholders may elect another chairperson with the support of more than half of voting rights represented to continue the meeting.
10. Shareholders may propose amendments or alternative solutions to the items listed on the agenda, and may raise new discussions by way of special motion, provided that such proposals are seconded by two or more shareholders. This requirement also applies to changes of agenda and adjournment. The proposer and seconders shall collectively hold more than 1% of outstanding shares.
11. Shareholders who wish to speak during the meeting must first produce an opinion slip detailing the topic and shareholder account number (or conference pass serial number). The order of shareholders'

comments shall be determined by the chairperson. Shareholders who submit an opinion slip without actually speaking are considered to have remained silent. If the shareholder's actual comments differ from those stated in the opinion slip, only the confirmed comments shall be taken into record. While a shareholder is speaking, other shareholders can not speak simultaneously or interfere in any way unless agreed by the chairperson and the person speaking. The chairperson shall restrain any person who violates this process.

12. Shareholder cannot speak for more than two times, for 5 minutes each, on the same topic without consent of the chairperson. The chairperson may restrain shareholders who are in violation of the above rule or interrupt any comments that are irrelevant to the topics discussed.
13. Corporate entities may only appoint one representative to attend shareholder meetings. Where a corporate shareholder has appointed two or more representatives to attend the shareholder meeting, only one representative may speak per motion.
14. After a shareholder has finished speaking, the chairperson may answer the shareholder's queries personally or appoint any relevant personnel to do so.
15. The meeting chairperson may announce to discontinue further discussions if the topic is considered to have been sufficiently discussed to proceed with the vote.
16. Ballot examiners and ballot counters shall be appointed by the meeting chairperson. The ballot examiner must be a shareholder. Outcome of a vote shall be documented and announced on site.
17. The chairperson may call the meeting into recess at a suitable time.
18. Unless otherwise regulated by The Company Act or stated in the Articles of Incorporation, a motion is passed when supported by shareholders representing more than half of total voting rights in the meeting. A motion is considered passed if the chairperson receives no objection from any attending shareholders upon inquiry. This voting method is deemed as effective as does the conventional ballot method. Shareholders that wish to appoint proxy attendees for shareholder meetings shall do so in accordance with The Company Act and Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.
19. In cases where several amendment or alternative solutions have been proposed at the same time, the chairperson shall determine the order in which proposals are to be voted. If any proposal is passed, all other proposals shall be deemed rejected and no further voting is necessary.
20. The chairperson may instruct picketers or security staff to help maintain order in the meeting. While maintaining order in the meeting, all picketers (security staff) must wear arm badges that identify their role as "Picketeer."
21. The Rules shall take effect once approved during shareholder meeting; the same applies to all subsequent amendments.

Appendix 4

**Chien Shing Stainless Steel Co., Ltd.**

**Number of shares held by all directors and minimum number of shares required to be held**

I. Number of statutory shareholding for the Company's current directors:

The Company issued a total of 281,167,262 common shares

Statutory shareholding for all directors 12,000,000 shares

II. As of the book closure date on April 17, 2023 for the 2023 annual general meeting, the shares held by all directors are as follows:

Title	Name	Number of shares held
Chairman	Shuo-Tang Yeh	20,046,540
Director	Representative of Chien Shing Investment Co., Ltd.: Su-Chu Wang	9,529,000
Director	Representative of Chien Shing Investment Co., Ltd.: Tsai-Yun Yeh	9,241,347
Director	Wei-Zheng Yang	-
Independent Director	Ying-Ying Yang	-
Independent Director	Yi-Hung Chen	-
Total shares held by all directors (excluding independent directors)		38,816,887

Appendix 5

**The impact of stock dividend distributions contemplated for the current fiscal year on company operating performance, earnings per share and return on shareholders' investment:**

The table is not required as the Company did not propose any issuance of bonus shares for the year.

Appendix 6

**Other Matters**

Description of the acceptance of motions for the annual general meeting:

- Explanation:
1. According to the provisions stipulated in Article 172-1 of the Company Act, Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting in writing, provided that only one matter shall be allowed in each single proposal with a maximum of 300 words per proposal.
  2. The Company's proposal acceptance period for the annual general meeting is April 7, 2023 through April 18, 2023, and is announced on the MOPS as required by the law.
  3. As of the end of the proposal acceptance deadline, the Company did not receive any shareholders' proposals.