



CHIEN SHING STAINLESS STEEL CO., LTD.

Annual General Meeting 2024

The Meeting Handbook

Date: June 14, 2024

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

Method: Offline shareholders' meeting

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Chien Shing Stainless Steel Co., Ltd.

Procedure for Annual General Meeting 2024

- I. Call the meeting to order
- II. Remarks of the chair
- III. Report Items
- IV. Acknowledgments
- V. Election matters
- VI. Discussion
- VII. Extraordinary Motions
- VIII. Meeting Adjourned

Annual General Meeting 2024 of Chien Shing Stainless Steel Co., Ltd.

Time and Date: 9 a.m. on June 14, 2024 (Friday)

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 2023.
- (II) Report of the 2023 financial statements reviewed by the Audit Committee.

IV. Acknowledgments

- (I) Motion to recognize the Company's 2023 business report and financial report.
- (II) Motion to recognize the Company's 2023 Statement of Deficit Compensation.

V. Election matters

Election for all the 7 directors (including 3 independent directors).

VI. Discussion

- (I) Release of the Company's Directors from non-compete clauses.

VII. Extraordinary Motions

VIII. Meeting Adjourned

Report Items

Motion 1

(proposed by the Board of Directors)

Motion: The 2023 business report, please review.

Explanation: For the Company's 2023 business report, please refer to Attachment 1 on P. 9-11 in the Handbook.

Motion 2

(proposed by the Board of Directors)

Motion: Report of the 2023 financial statements reviewed by the Audit Committee, please review.

Explanation: The Company's 2023 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. 12 in the Handbook.

Acknowledgments

Acknowledgement 1

(proposed by the Board of Directors)

Motion: Acknowledgment for the motion to recognize the Company's 2023 business report and financial report.

Details: 1. The Company's 2023 financial report audited by CPAs Wei-Chin Hou, Jui-Wen Lu 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 2023 business report, Audit Committee's review report, CPAs' audit report and financial statements, please refer to Attachment 1 on P. 9-11, Attachment 2 on P. 12 and Attachment 3 on P. 13-21 in the Handbook.

Resolution:

Acknowledgement 2

(proposed by the Board of Directors)

Motion: Acknowledgment for the motion to recognize the Company's 2023 loss allocation, please review.

Explanation: 1. The Company's loss to be offset at the beginning of 2023 totaled NT\$1,312,769,669, the actuarial loss on defined benefits totaled NT\$514,973, the net loss after tax for 2023 totaled NT\$228,217,376, and the deficit to be offset at the end of 2023 totaled NT\$1,085,067,266.

2. As the Company had accumulated losses as of December 31, 2023, bonuses to shareholders, remuneration to directors and employees are not distributed.

3. For the Company's 2023 Deficit Compensation Statement, please refer to Attachment 4 on P. 22 in the Handbook.

Resolution:

Election matters

Motion: Election for all the 7 directors (including 3 independent directors)

(proposed by the Board of Directors)

Explanation: 1. The Company's Board of Directors for this term expired on August 11, 2024.

As required by Article 195, Paragraph 2 of the Company Act and to accommodate the schedule of the shareholders' meeting, former directors must retire from office on the date of appointment of the new directors.

2. In accordance with the Company's Articles of Incorporation, 7 directors (including 3 independent directors) were elected and the term of the Board runs from June 14, 2024 to June 13, 2027.

3. For the Company's Procedures for Election of Directors, please refer to Appendix 2 on p.30-32 in the Handbook.

4. In accordance with Article 192-1 of the Company Act and the Company's Articles of Incorporation, elections of directors (including independent directors) shall adopt the nomination system, where shareholders shall be elected from a list of director candidates (including independent directors). The academic (experience) of the directors (independent directors) and other relevant information are listed in the following table:

List of Director Candidates - Nominated by the Board of Directors		
Name	Main academic (experience) backgrounds	Number of shares held
Shuo-Tang Yeh	Education: Tainan Commercial Vocational Senior High School Current position: Chairman of Chien Shing Stainless Steel Co., Ltd. Chairman of, Chien Shing Construction Co., Ltd. Chairman of Chien Shing Investment Co., Ltd. Chairman of Shin Shin Development Co., Ltd. Experience: Chairman of Chien Shing Stainless Steel Co., Ltd.	20,046,540
Chien Shing Investment Co., Ltd. Representative: Su-Chu Wang	Education: Bachelor of International Trade, Providence University Current position: Accounting Manager, Jin Wang Chemical Engineering Current position: Representative	9,529,000

	<p>of Corporate Director of Chien Shing Stainless Steel Co., Ltd. Director of Shin Shin Development Co., Ltd. Director of Chien Shing Investment Co., Ltd.</p> <p>Experience : Secretary of Chien Shuo Metal Co., Ltd.</p>	
<p>Chien Shing Construction Co., Ltd. Representative: Tsai-Yun Yeh</p>	<p>Education: Shihjia Junior High School Current position: Representative of Corporate Director of Chien Shing Stainless Steel Co., Ltd. Director of Shin Shin Development Co., Ltd. Supervisor of, Chien Shing Construction Co., Ltd.</p> <p>Experience: Representative of Corporate Director of Chien Shing Stainless Steel Co., Ltd.</p>	9,241,347
<p>Wei-Zheng Yang</p>	<p>Education: Bachelor's degree in Accounting and E-commerce, Auckland University Current position: Person in charge of Cheng Ying Stainless Steel Trading Ltd. Director of Chien Shing Stainless Steel Co., Ltd.</p> <p>Experience: Product Sales Representative of PRODAC N.V. in Asia Product Manager of Nik Kang Metals Enterprise Co., Ltd.</p>	0

List of Independent Director Candidates - Nominated by the Board of Directors		
Name	Main academic (experience) backgrounds	Number of shares held
Ying-Ying Yang	<p>Education: Bachelor in mathematics, Soochow University</p> <p>Current position: Chairman, Chun Li Technical Co., Ltd. Independent Director of Chien Shing Stainless Steel Co., Ltd.</p> <p>Experience: Sales Department of MiTAC Information Technology Corp. Sales Department of Tainan Securities Co. Ltd. Sales Department of Jian Hong Securities Co. Ltd. Finance Manager, Chun Li Technical Co., Ltd.</p>	0
Ho-Yi Liu	<p>Education: Bachelor's Degree, Department of Accounting, National Chengchi University</p> <p>Current position: Independent Director of Chien Shing Stainless Steel Co., Ltd.</p> <p>Experience: Senior Executive Officer, Business Management Department, EnTrust Securities Co., Limited Securities Specialist, Yuanta Securities Co., Ltd. Accounting Section Chief, Jebsee Electronics Co., Ltd. Securities Specialist, Asia Securities Investment Advisory Inc.</p>	0
Yi-Hung Chen	<p>Education: Bachelor of Civil Engineering of Chung Hua University</p> <p>Current position: Hong Yun Fa Real Estate Development Co., Ltd. - Deputy Manager of Sales Department Independent Director of Chien Shing Stainless Steel Co., Ltd.</p> <p>Experience: Vice President of Gang Jou Stainless</p>	0

	Steel ENT Co., Ltd. Member of the Special Police First Headquarters, National Police Agency, Ministry of the Interior	
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**List of Director Candidates - Nominated by Shareholders Holding
1% or More of Shares**

Name	Main academic (experience) backgrounds	Number of shares held
CHIA CHI SDRY ENTERPRISE CO., LTD. Representative: Fu-Chuan Wei	Education: Master of Business Administration, National Chung Hsing University Experience: Branch Manager, Farmers Bank of China Branch Manager, Taiwan Cooperative Bank	6,666,000
Chun-Hao Hu	Education: Bachelor's Degree, Chung-Hua Medical College Experience: General manager, Chia Shi SDRY Enterprise Co., Ltd.	3,032,000
Her-Lun Liang	Education: Bachelor, Southern Taiwan University of Science and Technology Experience: Manager, Chia Shi SDRY Enterprise Co., Ltd.	2,115,000
Pei-Ya Hsueh	Education: National Shan-Hua Senior High School Experience: Salesperson, Pay Ya Jewelry Shop	2,816,000

**List of Independent Director Candidates - Nominated by
Shareholders Holding 1% or More of Shares**

Name	Main academic (experience) backgrounds	Number of shares held
Chien-Cheng Wei	Education: Master of Applied Economics, National Chung Hsing University Experience: Assistant Manager, South Taichung Branch, Taiwan Cooperative Bank Branch Manager, Yunlin Branch, Taiwan Cooperative Bank	0

Meng-Han Yang	<p>Education: Bachelor of Law, Fudan University</p> <p>Experience: Responsible person, Yuan Shan International Development Co., Ltd.</p> <p>Legal Affairs Specialist, Tainan City Benyuan City Land Rezoning Preparatory Committee</p> <p>Legal Affairs Specialist, Guan Huei Engineering Co., Ltd.</p> <p>Current post: Responsible person, Yuan Shan International Development Co., Ltd.</p>	40,000
Wen-Hsiung Dai	<p>Education: PhD, Department of Materials Science and Engineering, National Cheng Kung University</p> <p>Experience: President, Taiwan Capital University</p> <p>Supervisor, Academia-Industry Consortium for Southern Taiwan Science Park</p> <p>University Professor/Visiting Professor, Taiwan Capital University</p>	0

5. Please proceed with the election.

Election result:

Discussions

Discussion 1

(proposed by the Board of Directors)

Cause: Release the Company's new Directors from non-compete clauses, please discuss.

Cause: 1. Pursuant to 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."

2. Additional descriptions will be provided before the resolution of the motion for new directors based on the results of the election at the shareholders' meeting. An announcement will be made during the shareholders' meeting.

Resolution:

Extraordinary motions

Meeting Adjourned

Chien Shing Stainless Steel Co., Ltd.

Report to Shareholders

I. Business Report 2023

(I) Implementation result of the business plan:

The year 2023 is still a very difficult year for the stainless steel industry. Given the pressure of global inflation and interest rate hikes, the Russo-Ukrainian War and the outbreak of conflict between Israel and Palestine, the nickel price fell below US\$20,000 per ton, which is unfavorable for market development. Due to increasing geopolitical uncertainties and volatile international raw material prices, the downstream end users are more conservative in their view of the economy, and the market and downstream demand are less than expected. The raw material quotations are weak and the customer end shows low purchase momentum. Hence, demand has also slowed down relatively.

The Company's operating revenue in 2023 was NT\$738,691 thousand, a decrease of 39.99% from the 2022 operating revenue of NT\$1,231,007 thousand; the operating loss was NT\$155,834 thousand, an increase of NT\$46,363 thousand from the 2022 operating loss of NT\$109,471 thousand; the net profit after tax amounted to NT\$228,218 thousand in 2023.

(II) Budget implementation status: Not applicable as the Company did not disclose financial forecast information to the public in 2023.

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

Analysis Item		2023	2022
Financial income and expenditure	Net operating income (NT\$ thousand)	738,691	1,231,007
	Operating profit (loss) (NT\$ thousand)	(155,834)	(109,471)
	Net profit (loss) after tax (NT\$ thousand)	228,218	780,657
Financial structure	Debt to assets ratio (%)	5.56	3.26
	Long-term capital to property, plant and equipment ratio (%)	464.23	375.58
Profitability	Return on assets (%)	13.74	45.34
	Return on equity (%)	14.39	72.09
	Ratio of net income before tax to paid-in capital (%)	8.66	28.81
	Net profit margin (%)	30.89	63.42
	Earnings per share (NT\$)	0.81	2.78

(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 2024 Business Plan

(I) Business Policy:

Although the world is full of uncertainty, it seems that the prices of stainless steel and carbon steel have gradually stabilized. The overall economic situation of the steel industry this year is expected to be more stable compared to last year.

With the changes in the economy around the world, the Company not only increases the flexibility of order transfer but also continues to cultivate existing mature channels, consolidate existing customers, and actively develop markets. It is aiming to strengthen the upstream links and the stability of material sources and prices in the hope of expanding the sales market share. Due to the prevailing trade protectionism in the world, many countries have proposed anti-dumping and defensive measures on imports in recent years. Meanwhile, the confrontation between the US and China has intensified and the supply chain has been restructured. Sandwiched between the two powers highlights the relatively difficult situation for Taiwanese companies in global trade. Therefore, in addition to relying on the revitalization plan of the government, we will continue to reduce the cost of production and sales through the resource integration of upstream and downstream in the steel industry in order to improve the competitiveness of the Company and our customers in the steel market.

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. The Company will also uphold the spirit of stable quality, stable existing suppliers, flexible sales, and comprehensive services, and actively respond to changes in the situation to grasp the pulse of the market in order to achieve operational goals.

(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. We actively expand the export market. 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 adhere to the business philosophy of "Customer First" and "Quality First", and take "Reasonable Price" and "On-time Delivery" as the quality policy to strive to stabilize the source of customers. 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 manufactures 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.

As the world pays attention to ESG-related issues, energy conservation and emission reduction have become important issues of social management. In response to the global low-carbon competition, apart from focusing on operating profits, the management team will continue to improve equipment, develop energy-saving processes, and expand the use of renewable energy to strive for sustainable development. In addition, we will obtain competitive raw materials from diversified sources to reduce costs, promote energy conservation and emission reduction, lay a good foundation for the Company's sustainable development in the future, and achieve sustainable and steady growth and profits.

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

- (I) The disorder in the nickel price in March 2022 has caused investors to lose confidence in nickel. The overall nickel market appears to be relatively fragile with unstable prices, which is not conducive to the long-term development of nickel and various industrial markets. Russia and Ukraine are the world's second- and ninth-largest exporters of iron and steel, and they usually focus on selling low-priced steel products. Before the war, the two countries accounted for about 20% of the EU's imports of finished steel. With the war between the two countries, Russia was subject to international economic sanctions, while Ukraine's exports were hindered due to the war. The supply of steel from both countries was greatly reduced. Currently, the major steel suppliers in the EU include Turkey, India, China, Taiwan, and South Korea. The total export value of these five countries to the EU is 51%. Among them, Taiwan and South Korea have replaced Russia and Ukraine as the main exporting countries to the EU in 2022.
- Under the Russo-Ukrainian War, the price of energy and materials in Europe soared, production costs continued to rise, and inflation was serious, causing losses to European steelmakers. However, as the price of raw steelmaking materials for the main stainless steel product rises, the surcharge of stainless steel alloys in Europe and the United States continues to rise, which is helpful in supporting the future price of stainless steel. However, as the demand for stainless steel in various regions is still weak, whether the price can be raised smoothly in the market outlook remains to be seen.
- (II) 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.
- (III) Steel is the basic structure of buildings and one of the key materials in modern society. In the near future, steel will remain an irreplaceable and important raw material, especially in the construction and manufacturing industries. Therefore, forging more "green" steel will inevitably become the trend of the future. In particular, the production of iron and steel produces large amounts of greenhouse gases, which is a major cause of climate change. In response to the trend of carbon reduction in iron and steel, one of the future trends is to try to introduce carbon reduction technologies or new steel manufacturing processes to reduce the use of electricity and greenhouse gas emissions. 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:
Tsai-Yun Yeh

Head of Accounting:
Ching-Wen Huang

Chien Shing Stainless Steel Co., Ltd.

Audit Committee's Review Report

The Board of Directors has submitted the Company's 2023 financial report, which has been jointly audited by CPA Wei-Chin Hou and CPA Jui-Wen Lu of Diwan & Company and an auditor report has been issued. These and the business report and loss allocation table 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 Articles 219 and 228 in the Company Act.

Regards,

Annual General Meeting 2024 of Chien Shing Stainless Steel Co., Ltd.

Convener of the Audit Committee:



March 14, 2024

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, 2023 and December 31, 2022, and the individual comprehensive income statements, individual statements of changes in equity, and individual cash flow statements for the period from January 1 to December 31, 2023 and the period from January 1 to December 31, 2022, and the notes to the individual financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying individual financial statements are prepared, in all material aspects, 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") and can fairly present the individual financial position of the Company as of December 31, 2023 and December 31, 2022, and its individual financial performance and individual cash flows for the period from January 1 to December 31, 2023 and the period from January 1 to December 31, 2022.

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 2023. 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:

Valuation of Inventories

Please refer to Note IV.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 V.2(2) of the individual financial statements

As of December 31, 2023, the Company's carrying amount of inventories was NTD 566,233 thousand, accounted for 31% 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.

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.
- 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.

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(Cont'd)

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, 2023 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 Liu Zhi No. 0970053637

Jing Guang Zheng Shen Zhi No. 1000047855

Wei-Chin Hou

CPA:

Jui-Wen Lu

March 14, 2024

Chien Shing Stainless Steel Co., Ltd.

Individual Balance Sheet

December 31, 2023 and 2022

(All amounts in NTD thousand)

Assets		Note	December 31, 2023		December 31, 2022		Liabilities and equity		Note	December 31, 2023		December 31, 2022	
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	\$ 205,087	11	\$ 479,294	32	2150	Note payable	IV	\$ 8,961	-	\$ 6,031	-
1110	Financial assets measured at FVTPL - current	IV and VI.2	278,225	16	105,090	7	2170	Accounts payable	IV	1,774	-	204	-
1200	Other receivables	IV	-	-	587	-	2200	Other payables	IV	23,451	1	37,467	3
130x	Inventories	IV, V and VI.3	566,233	31	259,871	17	2250	Provision for liabilities - current	IV, V and VI.8	59,959	4	-	-
1410	Prepayments		227,123	13	111,250	7	2300	Other current liabilities		195	-	217	-
1470	Other current assets		514	-	171	-	2365	Refund liabilities - current	IV	24	-	104	-
	Total current assets		1,277,182	71	956,263	63		Total current liabilities		94,364	5	44,023	3
15xx	non-current assets						25xx	Non-current liabilities					
1517	Measured at fair value through other comprehensive income						2570	Deferred tax liabilities	IV and VI.19	116	-	16	-
	Financial assets - non-current	IV and VI.4	51,574	3	41,715	3	2640	Net defined benefit liabilities - non-current	IV, V and VI.10	5,963	-	5,470	-
1600	Property, plant and equipment	IV, V, VI.5, VIII and IX	368,473	21	392,032	26		Total non-current liabilities		6,079	-	5,486	-
1760	Net investment property	IV, V, VI.5, VI.6 and VI.20 VII and VIII	96,793	5	118,501	8	2xxx	Total liabilities		100,443	5	49,509	3
1780	Intangible assets	IV and VI.7	42	-	93	-							
1840	Deferred tax assets	IV, V and VI.19	2,399	-	2,270	-	31xx	Equity					
1915	Prepayments for equipment	IV	8,462	-	5,555	-	3100	Share capital	IV and VI.11				
1920	Refundable deposits		2	-	2	-	3110	Ordinary share capital		2,811,673	156	2,811,673	185
	Total non-current assets		527,745	29	560,168	37	3300	Retained earnings					
							3350	Deficit to be compensated	VI.12	(1,085,068)	(60)	(1,312,771)	(86)
							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	(22,121)	(1)	(31,980)	(2)
							3xxx	Total equity		1,704,484	95	1,466,922	97
1xxx	Total assets		\$ 1,804,927	100	\$ 1,516,431	100		Total liabilities and equities		\$ 1,804,927	100	\$ 1,516,431	100

(Please refer to the notes to individual financial statements)

Chairman: Shuo-Tang Yeh

Managerial Officer: Tsai-Yun Yeh

Head of Accounting: Ching-Wen Huang

Chien Shing Stainless Steel Co., Ltd.
Individual Statement of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

(Unit: NTD thousand; but EPS in NTD)

Code	Accounting items	Note	2023		2022	
			Amount		Amount	
	Net operating revenue	IV and VI.14	\$ 738,691	100	\$ 1,231,007	100
	Operating cost	IV, VI.3, VI.10 and VI.15	(894,525)	(121)	(1,340,478)	(109)
	Operating loss		(155,834)	(21)	(109,471)	(9)
	Operating expenses	IV, VI.10 and VI.15				
	Selling and marketing expenses		(4,959)	(1)	(6,285)	(1)
	Administrative expenses		(26,454)	(4)	(28,364)	(2)
	Total operating expenses		(31,413)	(5)	(34,649)	(3)
	Net other income and expenses	IV, VI.6, VI.16 and VII	(1,744)	-	(1,715)	-
	Operating loss		(188,991)	(26)	(145,835)	(12)
	Non-operating income and expense					
	Interest income	VI.17	3,342	1	1,012	-
	Other income	VI.2, VI.5 and VI.17	13,628	2	8,565	1
	Other gains or losses	IV, V, VI.2, VI.6, VI.8 and VI.17	415,438	56	953,621	78
	Financial costs	IV, VI.17 and VII	-	-	(7,366)	(1)
	Total non-operating income and expenses		432,408	59	955,832	78
	Net income before tax of continuing operations		243,417	33	809,997	66
	Income tax expense	IV, VI.6 and VI.19	(15,199)	(2)	(29,340)	(3)
	Net income for this period		228,218	31	780,657	63
	Other comprehensive income	IV, VI.6, VI.10, VI.13, VI.18 and VI.19				
	Items that will not be reclassified subsequently to profit or loss:					
	Re-measurement of the defined benefit plan		(644)	-	1,405	-
	Unrealized valuation gains (losses) on investments in equity instruments as at fair value through other comprehensive income		9,859	1	(13,859)	(1)
	Income tax relating to items that will not be reclassified subsequently to profit or loss		129	-	(281)	-
	Total items that will not be reclassified subsequently to profit or loss		9,344	1	(12,735)	(1)
	Other comprehensive income (net after tax)		9,344	1	(12,735)	(1)
	Total comprehensive income for the period		\$ 237,562	32	\$ 767,922	62
	Earnings per share (NTD)					
	Basic and diluted earnings per share(after tax)	IV and VI.21	\$ 0.81		\$ 2.78	

(Please refer to the notes to individual financial statements)

Chairman : Shuo-Tang Yeh

Managerial Officer: Tsai-Yun 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, 2023 and 2022

(All amounts in NTD thousand)

Item	Ordinary share capital	Retained earnings	Other items of equity	Total Equity
		Deficit to be compensated	Unrealized valuation gain (loss) on financial assets measured at FVTOCI	
Balance on January 1, 2022	\$ 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
Net loss of 2023	-	228,218	-	228,218
Other comprehensive income of 2023	-	(515)	9,859	9,344
Total comprehensive income of 2023	-	227,703	9,859	237,562
Balance on December 31, 2023	<u>\$ 2,811,673</u>	<u>\$ (1,085,068)</u>	<u>\$ (22,121)</u>	<u>\$ 1,704,484</u>

(Please refer to the notes to individual financial statements)

Chairman : Shuo-Tang Yeh

Managerial Officer: Tsai-Yun Yeh

Head of Accounting: Ching-Wen Huang

Chien Shing Stainless Steel Co., Ltd.
Individual Cash Flow Statements
For the Years Ended December 31, 2023 and 2022

(All amounts in NTD thousand)

Item	2023	2022
Cash flow from operating activities		
Net income before tax of continuing operations	\$ 243,417	\$ 809,997
Adjusted item:		
Adjustments for:		
depreciation expenses	37,406	106,623
Amortization expenses	51	52
Net loss on financial assets measured at FVTPL	(69,864)	11,948
Interest expense	-	7,366
Interest income	(3,342)	(1,012)
Dividend revenue	(10,348)	(1,311)
Losses on disposals of property, plant and equipment	5	-
Gain on disposal of investment property	(394,777)	(607,524)
Unrealized net foreign currency exchange loss(gain)	32	(81)
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)
Loss on onerous purchase contract	59,959	-
Assets related to operating activities/Changes in liabilities		
Financial assets measured at FVTPL	(103,271)	(46,521)
Other receivables	587	186
Inventories	(306,362)	53,670
Prepayments	(115,873)	275,719
Other current assets	(343)	(72)
Note payable	2,930	(7,331)
Accounts payable	1,570	(4,508)
Other payables	(14,605)	1,544
Provision	-	(12,395)
Other current liabilities	(22)	(49)
Refund liabilities - current	(80)	(22,152)
Defined benefit liability	(151)	(183)
Cash (outflows) inflows from operating activities	(673,081)	205,941
Interest received	3,342	1,012
Interest paid	-	(8,284)
Income tax paid	(15,099)	(29,459)
Net cash inflows (outflows) from operating activities	(684,838)	169,210
Cash flow from investing activities		
Acquisition of property, plant and equipment	(6,756)	(5,262)
Disposal of property, plant and equipment	173	-
Disposal of investment property	418,845	743,607
Increase in prepayments for equipment	(11,947)	(4,105)
Dividends received	10,348	1,311
Net cash inflow from investing activities	410,663	735,551
Cash flows from financing activities		
Repayment of long-term borrowings	-	(799,123)
Net cash outflow from financing activities	-	(799,123)
Effect of exchange rate changes on cash and cash equivalents	(32)	81
Increase (decrease) in cash and equivalents in the period	(274,207)	105,719
Cash and cash equivalents at the beginning of the year	479,294	373,575
Cash and cash equivalents at the end of the year	\$ 205,087	\$ 479,294

(Please refer to the notes to individual financial statements)

Chairman : Shuo-Tang Yeh

Managerial Officer: Tsai-Yun Yeh

Head of Accounting: Ching-Wen Huang

Chien Shing Stainless Steel Co., Ltd.
Deficit Compensation Statement
2023

Unit: NTD \$

Item	Amount
Deficit yet to be compensated – at the beginning of the period	\$ (1,312,769,669) (514,973)
Plus: Actuarial loss from the definite benefit	228,217,376 \$ (1,085,067,266)
Add: Net income after tax for 2023	
Deficit yet to be compensated – at the end of the period	

Chairman:
Shuo-Tang Yeh

Managerial Officer:
Tsai-Yun Yeh

Head of Accounting:
Ching-Wen Huang

Appendix 1

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 “Picketer.”
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 16, 2024 for the 2024 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	-
Independent Director	Ho-Yi Liu	-
Total shares held by all directors (excluding independent directors)		38,816,887

Appendix 5

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 3, 2024 through April 16, 2024, 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.