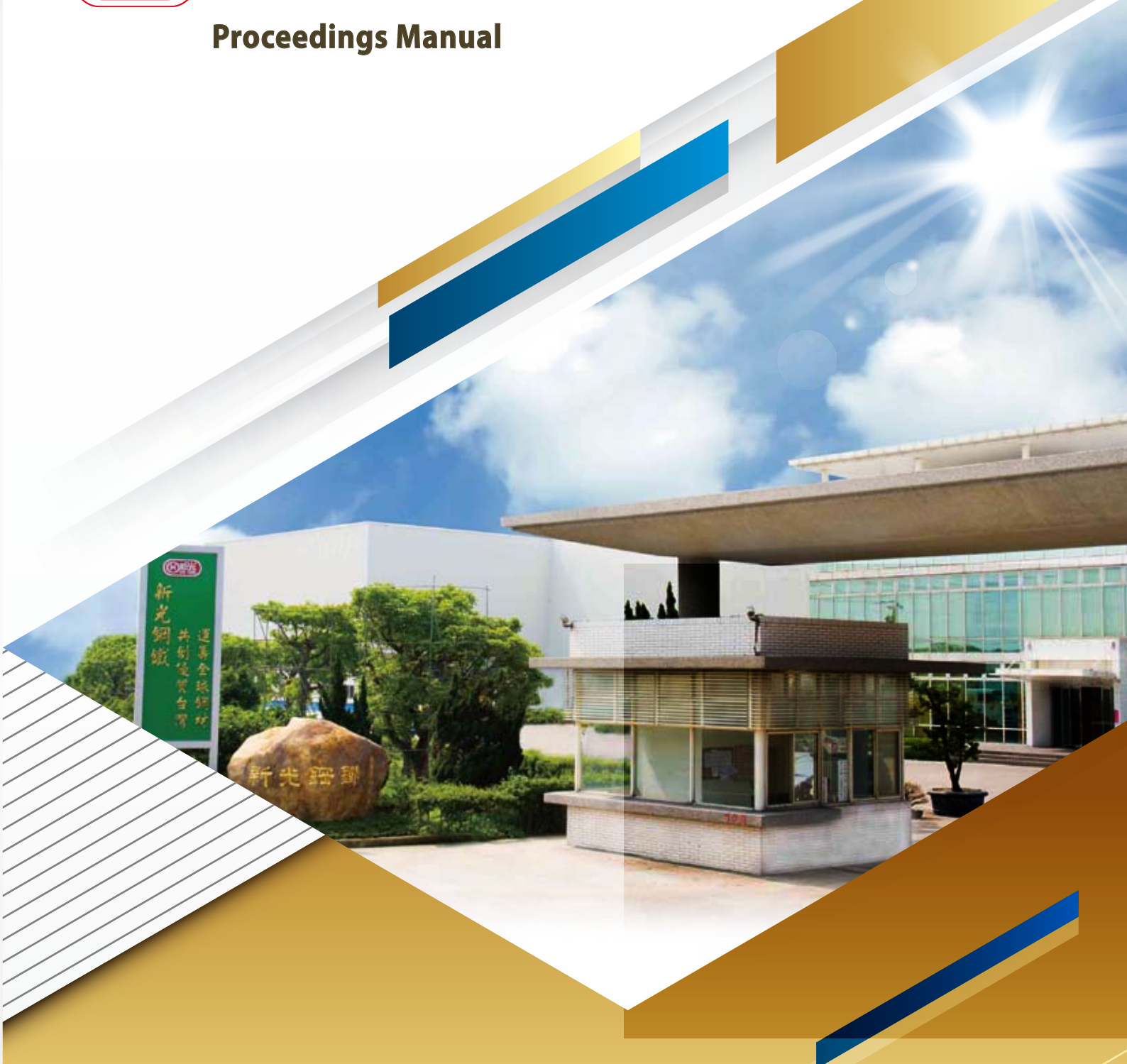


2022 General Shareholders' Meeting



HSIN KUANG STEEL CO., LTD

Proceedings Manual



Date: 9:00 AM, June 15, 2022

Location: No. 120, Gongye 8th Road, Guanyin District, Taoyuan City
(The Company's Guanyin Plant Conference Office)

HsinKuang Steel Co., Ltd.

Proceedings Manual for the 2022 General Shareholders’

Meeting

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A.Call Meeting to Order

B. Agenda

HsinKuang Steel Co., Ltd.
Proceedings for 2022 General Shareholders' Meeting

- I. Meeting called to order (announce respective number of shares held by shareholders present)
- II. Chairman takes his seat
- III. Formalities
- IV. Chairman's Speech
- V. Reports
- VI. Acceptance and Discussions
- VII. Extempore Motions
- VIII. Meeting adjourned

HsinKuang Steel Co., Ltd.

2022 General Shareholders' Meeting Agenda

Time: 9:00 AM, June 15 (Wednesday), 2022

Location: No. 120, Gongye 8th Road, Guanyin District, Taoyuan City (The Company's Guanyin Plant Conference Office)

Type of meeting: Physical Shareholders' Meeting

Attendance: All shareholders and proxies

Chaired by: Chairman Alexander M.T.Su

I. Chairman's Speech

II. Reports

Proposal 1:2021 Business Report

Proposal 2:Audit Committee's Report

Proposal 3:Report on the 2021 distribution of remuneration to employees, directors, and supervisors

III. Acceptance and Discussions

Proposal 1:Ratification of the 2021 business report and financial statements.

Proposal 2:Approval of 2021 earnings distribution proposal.

Proposal 3:Approval of the amendment of the Articles of Incorporation.

Proposal 4:Approval of the amendment of the Procedures for Acquisition and Disposal of Assets.

Proposal 5:Approval of the amendment to the Endorsement and Guarantee Making Procedure.

Proposal 6:Approval of the amendment of Rules of Procedure for the Shareholders' Meeting.

IV. Extempore Motions

V. Meeting adjourned

Reports

I. 2021 Business Report

Description: The Company's 2021 Business Report was approved in the 11th meeting of the Company's 15th-term Board of Directors. Please refer to Attachment 1 from page 10 to page 12 of the Proceedings Manual.

II. Audit Committee's Report

Description: Please see Attachment 2 on page 13 for the Audit Committee's Report attached to the Proceedings Manual.

III. Report on the 2021 distribution of remuneration to employees, directors, and supervisors

Description:

- (I) Remuneration shall be distributed in accordance with Article 20 the Company's Articles of Incorporation, which states "no less than 3% of any profit made by the Company in a year shall be allocated as employee remuneration, and the Board of Directors shall decide to distribute the bonus as shares or cash, which can also be distributed to employees of affiliated companies that meet certain criteria; if the Company sustains profit for the current year, the Board of Directors shall decide to set aside no more than 3% of profit as director and supervisor remuneration."
- (II) The Company's 2021 remuneration for employees is NT\$102,391,529 and the remuneration shall be distributed in cash as approved in the 11th meeting of the 15th-term Board of Directors.
- (III) The Company's 2021 remuneration for directors is NT\$68,261,019 and the remuneration shall be distributed in cash as approved in the 11th meeting of the 15th-term Board of Directors.

Acceptance and Discussions

Proposal 1 Proposed by the Board of Directors

Case: Ratification of the 2021 business report and financial statements.

Description:

- (I) The Company's 2021 financial statements, including the balance sheet, comprehensive income statement, statement of changes in equity, and the cash flow statement, have been audited by CPA Sheng-Hsiung Yao and CPA Jui-Na Chang of Deloitte and recognized in the 11th meeting of the Company's 15th-term Board of Directors.
- (II) 2. Please refer to and ratify the Company's 2021 Business Report, Independent Auditor's Report, and the aforementioned financial statements in Attachment 1 from page 10 to page 12 and Attachment 3 and 4 from page 14 to 34 of the Proceedings Manual.

Resolution:

Proposal 2 Proposed by the Board of Directors

Case: Approval of 2021 earnings distribution proposal.

Description:

- (I) The earnings distribution proposal is for the distribution of distributable earnings of 2021 in cash dividend of NT\$4 per ordinary share. In the event that the total number of the Company's stocks in circulation is affected for any reason, please authorize the Board of Directors to adjust the distribution ratio based on the total amount of earnings resolved to be distributed in this shareholders' meeting in accordance with the quantity of the Company's shares in external circulation on the record date.
- (II) The distribution of shareholder cash dividends shall be calculated to the NT\$. The total fractional amounts less than NT\$1 shall be listed in ascending order according to the amount and account number, until it means the total distribution amount for shareholder cash dividends.
- (III) Please refer to and ratify the Company's 2021 Earnings Distribution Statement in Attachment 5 on page 35 of the Proceedings Manual.

Resolution:

Proposal 3 Proposed by the Board of Directors

Case: Approval of the amendments of the Articles of Incorporation.

Description:

- (I) In response to future development, new business items will be added. Article 2 is amended accordingly.
- (II) To specify that the Company shall have six to ten Directors. It also aims to specify that the number of Directors shall be determined by the Board of Directors. As such, Article 13 is amended accordingly.
- (III) Article 13 was amended to specify that the election of Directors shall be based on the candidate nomination system. So article 13-1 is repeated with Article 13, and delete article 13-1.
- (IV) Article 20, Article 20-1, and Article 22 are amended in accordance with actual requirements for the Company's business operations.
- (V) Please refer to and ratify the Table of Comparison of Revised Articles of the Company's "Articles of Incorporation" in Attachment 6 from page 36 to page 40 of the Proceedings Manual.

Resolution:

Proposal 4 Proposed by the Board of Directors

Case: Approval of the amendment of the Procedures for Acquisition and Disposal of Assets.

Description:

- (I) Article 10 was amended to enhance the regulations governing related-party transactions.
- (II) Article 5, Article 8, Article 11, Article 15, Article 19, and Article 20 are amended in accordance with the actual requirements for the Company's business operations.
- (III) Please refer to and ratify the Table of Comparison of Revised Articles of the Company's "Procedures for the Acquisition or Disposal of Assets" in Attachment 7 from page 41 to page 48 of the Proceedings Manual.

Resolution:

Proposal 5 Proposed by the Board of Directors

Case: Approved the revisions to the Endorsement and Guarantee Making Procedure.

Description:

- (I) Article 3, Article 4, Article 5, Article 15, and Article 16 are amended in accordance with the actual requirements for the Company's business operations.
- (II) Article 6 and Article 7 were amended to specify that the powers of the Audit Committee shall include adoption and amendment of procedures governing material financial conduct such as extension of monetary loans to others, aiming to enhance corporate governance.
- (III) Article 10 and Article 11 are amended to specify that any material violation of making endorsement and guarantees shall be notify to the Audit Committee in writing, along with any improvement plans, aiming to enhance corporate governance.
- (IV) Please refer to and ratify the Table of Comparison of Revised Articles of the Company's "Endorsement and Guarantee Making Procedure" in Attachment 8 from page 49 to page 55 of the Proceedings Manual.

Resolution:

Proposal 6 Proposed by the Board of Directors

Case: Approval of the amendments of Rules of Procedure for the Shareholders' Meeting.

Description:

- (I) Article 1, Article 3, Article 6, Article 17, Article 18, and Article 22 are amended to enhance corporate governance and meet the requirements for practical internal operation and management.
- (II) Please refer to and ratify the Table of Comparison of Revised Articles of the Company's "Rules of Procedure for the Shareholders' Meeting" in Attachment 9 from page 56 to page 59 of the Proceedings Manual.

Resolution:

Extempore Motions

Meeting adjourned

C.Attachments

HsinKuang Steel Co., Ltd.

Business Report

Dear Shareholders,

2021 is a good year for the steel industry. With the division of labor and cooperation of all colleagues, it has bravely set a record of the highest revenue and profit since it opened in 1965. The new crown pneumonia caused a crisis of human survival in the world at the beginning of the year. Later, due to the control of the epidemic, it turned to promote a turnaround in Europe and the United States, and the demand for steel increased greatly. In China, due to the government's full-strength economic policies to guide public works, private construction, and international trade export by leaps and bounds, The demand for steel is far greater than the supply, and the price and volume of the steel market rise accordingly, so the operating results of the company have reached a new record high.

Financial Performance

The Company's consolidated revenue for 2021 totaled NT\$ 14.10 billion, which was a NT\$4.25 billion and 43% increase from the NT\$9.85 billion of the previous year. Operating profit was reported at NT\$2.64 billion, up NT\$2.17 billion or 461% from the operating profit of NT\$470 million reported in the previous year. The EPS was NT\$8.62, which was a NT\$5.93 and 220% increase from the NT\$2.69 from the previous year, representing excellent performance in revenue and profits.

In products sales, the Company's operating goal in 2021 was the sale of 456,000 metric tons of steel products and the combined sales of the year reached 470,000 metric tons. The achievement rate was 103%.

In income and expenditures, cash inflow in 2021 from business activities amounted to NT\$515 million, which mainly came from the increase in accounts receivables generated in sales and the increase in inventory resulting from continuous procurement by the business units. Cash outflow for investment activities amounted to NT\$1.121 billion mainly due to the purchase of properties and investment in plants and equipment. Cash inflow for financing activities amounted to NT\$861 million, mainly due to the increase of short-term capital needs, and adjustment of long-term and short-term loans to meet operational needs. The ending cash and cash equivalents balance of the period was NT\$964 million.

Annual Corporate Development

The 2022 business strategies include the following:

1. Review the inventory structure and adjust the product mix, and flexibly allocate with the ebb and flow of various steel industries in order to achieve reasonable profits.

2. In line with the increased construction needs of Taiwanese businessmen, cooperate with upstream and downstream manufacturers to form a strategic alliance to launch a comprehensive solution.
3. Offshore wind power underwater infrastructure equipment and technology manufacturing are in the rising stage of industrial development, continue to invest in first-class equipment, expand production bases, and serve wind farm users.
4. Deeply cultivate the solar photovoltaic system with high corrosion resistance, and serve the upstream and downstream solar manufacturers that cooperate with the government's vigorous promotion of energy policies.
5. Start the new ERP system and implement various management systems.
6. Give full play to the strength of the group and cooperate with the same industry and different industries.
7. Value chain integration, creating differentiation and creating a new blue ocean.
8. Develop new customers, new markets, emerging or growing industries.

Based on the aforementioned strategies, we shall continue to implement the following four plans:

1. Develop a new Blue Ocean: Cultivate talent, optimize the inventory structure, integrate value chains, and expand overseas markets.
2. Strengthen business management: Cultivate regional talent, adopt value-oriented strategies for profit centers, develop relationships with direct customers and those with whom we have not conducted transactions in a long time, improve the capabilities of each cutting center, and integrate supply chains.
3. Strengthen manufacturing management system: Improve production efficiency, utilization rates, improve labor safety management, improve production quality, reduce the outflow of mixed materials, improve environmental management, and implement production and management resources of joint ventures.
4. Simplify corporate procedures: Introduce tags into the production system, analyze the CRM database system, improve procedures, fully update computer systems, and introduce ERP with the aim of increasing efficiency and reducing lead times.

The total annual sales goal of 2022 is set at 500,000 metric tons of steel. Ukraine is known as a major steel producer. The Russian-Ukrainian war damaged several large steel mills, and the export of steel was frustrated. The world's steel demand exceeded supply, and steel prices rose. The European and American economies are already recovering. The demand for domestic industrial manufacturing and Taiwanese businessmen returning to build factories has not subsided. The solar photovoltaic industry continues to shine and the offshore wind power generation industry is surging. These are all industries that the government is fully promoting. We will fully cooperate and participate in the pursuit of business opportunities. Especially among the raw materials of these industries, steel accounts for a very important weight. We are a steel logistics center, and we can give full

play to our professional expertise. Combined with management capabilities and processing technology, all our colleagues are confident to achieve this year's business target of 500,000 tons this year.

Corporate Social Responsibility

The Company is dedicated to establishing comprehensive corporate governance, steady operations and profits, as well as maintaining the balance between the interests of the environment, society, and all stakeholders.

The Company upholds ideals of sustainable development, such as environmental protection, clean energy, and space reuse. Over the years, we have reduced CO2 emissions by nearly 26,108 metric tons which is equivalent to 67 times the amount of CO2 that can be absorbed by Da'an Forest Parks.

The Company is focused on promoting green manufacturing, creating an inclusive workplace, cultivating talent, establishing a responsible supply chain, and caring for the disadvantaged. The Company will remain dedicated to doing its part as a corporate citizen and pursue a sustainable future.

Honors and Awards

In 2021, the Company received the Gold Award in Manufacturing, and the Sustainable Comprehensive Product-Excellent Award at the TCSA Taiwan Corporate Sustainability Awards awarded by the Taiwan Institute for Sustainable Energy for its achievements in corporate governance, sustainable development, and information disclosure. We will continue to strive for more successes.

Future Outlook

Last year's we have created a record high in revenue and profit, and achieved fruitful operating results. This is the strength of all colleagues. After diligent work, unremitting work day and night, intelligent learning and growth, teamwork and strong ambition, and collective creation. good grades. We will continue to work hard to improve our value chain integration services and improve collaboration. The original intention is specifically in the steel logistics industry, solar power generation related components, wind power generation underwater basic pipe fittings, exchanges and cooperation with upstream and downstream, and cross-industry, and creates new enterprises. A new peak, in order to welcome the prosperous year with good flowers and good fruits.


Chairman of the Board Alexander M.T. Su

Audit Committee's Report

The Board of Directors has prepared and submitted the 2021 business report, financial statements, and earnings distribution proposal. In particular, the financial statements have been audited by Deloitte & Touch and an audit report has been issued. These have been reviewed by the Audit Committee as correctly portraying the Company's business activities. In accordance with the Securities and Exchange Act and the Company Act, this report is submitted for shareholder's examination.

HsinKuang Steel Co., Ltd.

Audit Committee Convener



A handwritten signature in black ink, reading "Winston W. Sun", is written over a horizontal line.

March 16, 2022

Independent Auditor's Report and the 2021 Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Hsin Kuang Steel Company Limited

Opinion

We have audited the accompanying consolidated financial statements of Hsin Kuang Steel Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and 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 of the Republic of China.

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 generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The 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 consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the consolidated financial statements of the Group for the year ended December 31, 2021 are as follows:

Revenue Recognition

The Group mainly engages in the sale, cutting, slitting, steel structure processing and logistics of various steel products. The Group's operating revenue for the year ended December 31, 2021 was NT\$14,103,042 thousand, a 43% growth from the previous year. Because certain significant customers whose operating models differ from other customers, and those customers with significant sales amount in the current year and showing a higher growth trend than the Group's average growth, we considered whether sales transactions with such customers actually occurred, which can significantly have an impact on the consolidated financial statements; therefore, we identified the occurrence of sales transaction as a key audit matter.

Refer to Notes 4 and 23 to the consolidated financial statements for the accounting policies and related disclosures on revenue recognition.

We performed the following audit procedures in respect of the aforementioned revenue:

1. We obtained an understanding and tested the design and operating effectiveness of key controls over revenue recognition.
2. We selected samples from the sales ledger of the aforementioned revenue, verified such transactions against sales contracts, shipping reports and accounts receivable collections as evidence and confirmed the existence of such transactions.

Other Matters

We have also audited the parent company only financial statements of Hsin Kuang Steel Company Limited as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion.

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 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material 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 generally accepted in 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 consolidated financial statements.

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

1. 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Sheng-Hsiung Yao and Jui-Na Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021		2020	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 964,372	4	\$ 709,443	4
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 32)	2,121,895	8	1,956,292	10
Financial assets at amortized cost - current (Notes 4, 9 and 32)	81,197	-	80,159	-
Contract assets - current (Note 23)	15,852	-	-	-
Notes receivable from related parties (Notes 4, 5, 10 and 31)	-	-	36,699	-
Notes receivable from unrelated parties (Notes 4, 5, 10 and 31)	2,077,865	8	1,372,375	7
Trade receivables from related parties (Notes 4, 5, 10 and 31)	-	-	14,168	-
Trade receivables from unrelated parties (Notes 4, 5 and 10)	2,314,141	9	1,992,990	10
Prepayments	280,774	1	177,780	1
Inventories (Notes 4, 5 and 11)	6,566,814	26	3,849,230	19
Other current assets (Note 16)	44,705	-	29,165	-
Total current assets	14,467,615	56	10,218,301	51
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	247,857	1	28,772	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 32)	3,159,429	12	2,666,221	14
Investments accounted for using the equity method (Notes 4 and 13)	306,794	1	578,258	3
Contract assets - non-current (Note 23)	-	-	2,762	-
Property, plant and equipment (Notes 4, 14 and 32)	3,821,909	15	5,294,370	27
Right-of-use assets (Note 4)	4,728	-	-	-
Investment properties (Notes 4, 15 and 32)	3,766,202	15	963,590	5
Deferred tax assets (Notes 4 and 25)	65,475	-	64,565	-
Other non-current assets (Notes 5, 10 and 16)	81,874	-	76,434	-
Total non-current assets	11,454,268	44	9,674,972	49
TOTAL	\$ 25,921,883	100	\$ 19,893,273	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 17)	\$ 6,456,507	25	\$ 5,441,820	27
Short-term bills payable (Notes 4 and 17)	299,814	1	179,879	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	118,652	1
Contract liabilities - current (Note 23)	419,467	2	212,678	1
Notes payable to unrelated parties (Notes 4 and 19)	605,105	2	391,119	2
Notes payable to related parties (Notes 4, 19 and 31)	-	-	505	-
Trade payables to unrelated parties (Notes 4 and 19)	178,167	1	155,018	1
Trade payables to related parties (Notes 4, 19 and 31)	-	-	62	-
Other payables (Notes 20 and 31)	562,593	2	274,791	1
Current tax liabilities (Notes 4 and 25)	503,115	2	84,877	-
Current portion of long-term borrowings and bills payable (Notes 4, 17 and 18)	300,943	1	399,081	2
Other current liabilities	8,447	-	8,763	-
Total current liabilities	9,334,158	36	7,267,245	36
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4 and 17)	2,389,854	9	2,049,781	11
Long-term bills payable (Notes 4 and 17)	2,398,755	9	2,398,937	12
Provisions - non-current (Notes 4 and 13)	-	-	3,570	-
Deferred tax liabilities (Notes 4 and 25)	112,594	1	16,380	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	45,058	-	25,695	-
Other non-current liabilities	33,694	-	30,235	-
Total non-current liabilities	4,979,955	19	4,524,598	23
Total liabilities	14,314,113	55	11,791,843	59
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 22)				
Share capital	3,211,463	12	3,082,226	16
Capital surplus	943,451	4	823,197	4
Retained earnings				
Legal reserve	951,798	4	869,380	4
Special reserve	-	-	108,259	1
Unappropriated earnings	4,407,114	17	2,065,739	10
Total retained earnings	5,358,912	21	3,043,378	15
Other equity	1,377,475	5	722,653	4
Total equity attributable to owners of the Company	10,891,301	42	7,671,454	39
NON-CONTROLLING INTERESTS	716,469	3	429,976	2
Total equity	11,607,770	45	8,101,430	41
TOTAL	\$ 25,921,883	100	\$ 19,893,273	100

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

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 31)				
Sales	\$ 13,478,570	96	\$ 9,527,287	97
Other operating revenue	<u>624,472</u>	<u>4</u>	<u>325,024</u>	<u>3</u>
Total operating revenue	<u>14,103,042</u>	<u>100</u>	<u>9,852,311</u>	<u>100</u>
OPERATING COSTS				
Cost of goods sold (Notes 11, 24 and 31)	(10,667,457)	(76)	(8,810,213)	(90)
Other operating costs (Note 31)	<u>(318,556)</u>	<u>(2)</u>	<u>(229,402)</u>	<u>(2)</u>
Total operating costs	<u>(10,986,013)</u>	<u>(78)</u>	<u>(9,039,615)</u>	<u>(92)</u>
GROSS PROFIT	3,117,029	22	812,696	8
UNREALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES	(2,258)	-	(1,264)	-
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES	<u>1,265</u>	<u>-</u>	<u>682</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>3,116,036</u>	<u>22</u>	<u>812,114</u>	<u>8</u>
OPERATING EXPENSES				
Selling and marketing expenses (Note 24)	(272,256)	(2)	(207,334)	(2)
General and administrative expenses (Notes 24 and 31)	(219,896)	(1)	(135,054)	(1)
Expected credit gain (Note 10)	<u>13,190</u>	<u>-</u>	<u>12</u>	<u>-</u>
Total operating expenses	<u>(478,962)</u>	<u>(3)</u>	<u>(342,376)</u>	<u>(3)</u>
PROFIT FROM OPERATIONS	<u>2,637,074</u>	<u>19</u>	<u>469,738</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES (Notes 24, 27 and 31)				
Interest income	494	-	496	-
Gain from bargain purchase - acquisition of subsidiary	136,024	1	-	-
Other income	127,100	1	69,491	-
Other gains and losses	475,444	4	492,724	5
Finance costs	(112,180)	(1)	(126,914)	(1)
Share of profit or loss of associates and joint ventures	<u>44,372</u>	<u>-</u>	<u>7,488</u>	<u>-</u>
Total non-operating income and expenses	<u>671,254</u>	<u>5</u>	<u>443,285</u>	<u>4</u>

(Continued)

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	\$ 3,308,328	24	\$ 913,023	9
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(537,530)</u>	<u>(4)</u>	<u>(67,290)</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>2,770,798</u>	<u>20</u>	<u>845,733</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(2,308)	-	(225)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	<u>657,701</u>	<u>4</u>	<u>836,244</u>	<u>8</u>
	<u>655,393</u>	<u>4</u>	<u>836,019</u>	<u>8</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(2,871)</u>	<u>-</u>	<u>(5,344)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>652,522</u>	<u>4</u>	<u>830,675</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,423,320</u>	<u>24</u>	<u>\$ 1,676,408</u>	<u>17</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,720,273	19	\$ 829,113	9
Non-controlling interests	<u>50,565</u>	<u>1</u>	<u>16,620</u>	<u>-</u>
	<u>\$ 2,770,838</u>	<u>20</u>	<u>\$ 845,733</u>	<u>9</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,372,787	24	\$ 1,659,801	17
Non-controlling interests	<u>50,573</u>	<u>-</u>	<u>16,607</u>	<u>-</u>
	<u>\$ 3,423,360</u>	<u>24</u>	<u>\$ 1,676,408</u>	<u>17</u>
EARNINGS PER SHARE (Note 26)				
From continuing operations				
Basic	<u>\$ 8.62</u>		<u>\$ 2.69</u>	
Diluted	<u>\$ 8.57</u>		<u>\$ 2.60</u>	

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

(Concluded)

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

Equity Attributable to Owners of the Company												
	Share Capital		Retained Earnings				Other Equity					
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2020	310,688	\$ 3,106,877	\$ 817,716	\$ 858,883	\$ 43,567	\$ 1,565,297	\$ (370)	\$ (107,890)	\$ -	\$ 6,284,080	\$ 526,706	\$ 6,810,786
Appropriation of 2019 earnings	-	-	-	10,497	-	(10,497)	-	-	-	-	-	-
Legal reserve	-	-	-	-	64,692	(64,692)	-	-	-	(248,550)	-	(248,550)
Cash dividends distributed by the Company	-	-	-	-	-	(248,550)	-	-	-	-	-	(5,371)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(5,371)	-
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	(18,459)	-	-	-	(18,459)	18,459	-
Convertible bonds converted to ordinary shares	1,035	10,349	21,493	-	-	-	-	-	-	31,842	-	31,842
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	(81,767)	(81,767)	-	(81,767)
Cancellation of treasury shares	(3,500)	(35,000)	(16,012)	-	-	(30,755)	-	-	81,767	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	44,507	-	-	-	44,507	-	44,507
Net profit for the year ended December 31, 2020	-	-	-	-	-	829,113	-	-	-	829,113	16,620	845,733
Other comprehensive income/(loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(225)	(5,331)	836,244	-	830,688	(13)	830,675
Total comprehensive income/(loss) for the year ended December 31, 2020	-	-	-	-	-	828,888	(5,331)	836,244	-	1,659,801	16,607	1,676,408
Changes of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(126,425)	(126,425)
BALANCE AT DECEMBER 31, 2020	308,223	3,082,226	823,197	869,380	108,259	2,065,739	(5,701)	728,354	-	7,671,454	429,976	8,101,430
Appropriation of 2020 earnings	-	-	-	82,418	-	(82,418)	-	-	-	-	-	-
Legal reserve	-	-	-	-	(108,259)	108,259	-	-	-	-	-	(462,386)
Special reserve	-	-	-	-	-	(462,386)	-	-	-	(462,386)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends from capital surplus	-	-	(154,129)	-	-	-	-	-	-	(154,129)	-	(154,129)
Changes in capital surplus in investments in associates accounted for using the equity method	-	-	-	-	-	(3,361)	-	-	-	(3,361)	-	(3,361)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(13,724)	(13,724)
Changes in percentage of ownership interests in subsidiaries	-	-	6	-	-	(1,034)	-	-	-	(1,028)	-	(1,028)
Convertible bonds converted to ordinary shares	12,923	129,237	274,377	-	-	-	-	-	-	403,614	-	403,614
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	64,350	-	-	-	64,350	-	64,350
Net profit for the year ended December 31, 2021	-	-	-	-	-	2,720,273	-	-	-	2,720,273	50,565	2,770,838
Other comprehensive income/(loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(2,308)	(2,879)	657,701	-	652,514	8	652,522
Total comprehensive income/(loss) for the year ended December 31, 2021	-	-	-	-	-	2,717,965	(2,879)	657,701	-	3,372,287	50,573	3,423,360
Changes of non-controlling interests	-	-	-	-	-	-	-	-	-	-	249,644	249,644
BALANCE AT DECEMBER 31, 2021	321,146	\$ 3,211,463	\$ 943,451	\$ 951,798	\$ -	\$ 4,407,114	\$ (8,580)	\$ 1,386,055	\$ -	\$ 10,891,301	\$ 716,469	\$ 11,607,770

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

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,308,368	\$ 913,023
Adjustments for:		
Depreciation expense	156,877	159,179
Amortization expense	5,987	5,305
Expected credit loss reversed on trade receivables	(13,190)	(12)
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(412,753)	(406,646)
Finance costs	112,180	126,914
Interest income	(494)	(496)
Dividend income	(100,774)	(58,272)
Loss on disposal of property, plant and equipment	1,673	3,497
Loss on disposal of investment properties	-	887
Share of profit of associates and joint ventures	(44,372)	(7,488)
Write-downs/(reversal of write-downs) of inventories	840	(99,714)
Unrealized gain on transactions with associates	2,258	1,264
Realized gain on transactions with associates	(1,265)	(682)
Net loss/(gain) on foreign currency exchange	69,214	(13,616)
Gain on remeasurement of investments accounted for using the equity method	(36,000)	-
Decrease in net defined benefit liabilities	(334)	(1,633)
Gain from bargain purchase - acquisition of subsidiary	(136,024)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	131,263	(123,402)
Contract assets	(13,091)	(2,762)
Notes receivable	(555,054)	(319,622)
Trade receivables	71,379	(645,407)
Other receivables	(11,959)	2,539
Inventories	(2,082,626)	(314,388)
Prepayments	(99,209)	(30,026)
Other current assets	(746)	26,129
Notes payable	524	127,113
Trade payables	(136,420)	106,504
Other payables	135,947	167,007
Provisions	(3,570)	-
Contract liabilities	206,789	63,190
Other current liabilities	(7,726)	3,764
Cash generated from/(used in) operations	547,692	(317,851)
Interest received	494	496
Dividends received	100,774	58,177
Income tax paid	(133,168)	(15,098)
Net cash generated from/(used in) operating activities	515,792	(274,276)

(Continued)

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ -	\$ (109,089)
Proceeds from sale of financial assets at fair value through other comprehensive income	176,441	84,033
Purchase of financial assets at fair value through profit or loss	(175,928)	(27,853)
Proceeds from capital reduction and return of shares from financial assets at fair value through other comprehensive income	-	2,985
Purchase of financial assets at amortized cost	(1,038)	(19,046)
Acquisition of long-term equity investments accounted for using the equity method	(205,600)	-
Payments for property, plant and equipment	(635,701)	(1,263,315)
Proceeds from disposal of property, plant and equipment	7,084	3,127
Proceeds from disposal of investment properties	-	403
Payments for investment properties	(2,289)	(577)
Increase in other non-current assets	(1,026)	(5,857)
Increase in prepayments for equipment	(108,142)	(136,861)
Dividends received from investees	4,977	3,860
Decrease/(increase) in refundable deposits	24,338	(950)
Net cash outflow on acquisition of subsidiary	<u>(204,414)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,121,298)</u>	<u>(1,469,140)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	15,812,403	16,183,152
Repayments of short-term borrowings	(15,009,267)	(15,464,813)
Increase/(decrease) in short-term bills payable	120,000	(290,000)
Repayments of corporate bonds	(100)	-
Proceeds from long-term borrowings	586,000	992,178
Repayments of long-term borrowings	(45,487)	-
Proceeds from long-term bills payable	-	500,000
(Decrease)/increase in guarantee deposits received	(569)	16,567
Interest paid	(110,671)	(119,621)
Dividends paid to non-controlling interests	(13,724)	(5,371)
Dividends paid to owners of the Company	(616,515)	(248,550)
Payments for buy-back of ordinary shares	-	(81,767)
Increase/(decrease) in non-controlling interests	<u>138,726</u>	<u>(126,425)</u>
Net cash generated from financing activities	<u>860,796</u>	<u>1,355,350</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(361)</u>	<u>(1,652)</u>
		(Continued)

HSIN KUANG STEEL COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 254,929	\$ (389,718)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>709,443</u>	<u>1,099,161</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 964,372</u>	<u>\$ 709,443</u>

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

(Concluded)

[Attachment 4]

Independent Auditor's Report and the 2021 Individual Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Hsin Kuang Steel Company Limited

Opinion

We have audited the accompanying financial statements of Hsin Kuang Steel Company Limited (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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

Key Audit Matters

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

The key audit matters identified in the Company's financial statements for the year ended December 31, 2021 are as follows:

Revenue Recognition

The Company mainly engages in the sale, cutting, slitting, steel structure processing and logistics of various steel products. The Company's operating revenue for the year ended December 31, 2021 was NT\$13,418,865 thousand, a 36% growth from the previous year. Because certain significant customers whose operating models differ from other customers, and those customers with significant sales amount in the current year and showing a higher growth trend than the Company's average growth, we considered whether sales transactions with such customers actually occurred, which can significantly have an impact on the financial statements; therefore, we identified whether the occurrence of sales transaction as a key audit matter.

Refer to Notes 4 and 22 to the financial statements for the accounting policies and related disclosures on revenue recognition.

We performed the following audit procedures in respect of the aforementioned revenue:

1. We obtained an understanding and tested the design and operating effectiveness of key controls over revenue recognition.
2. We selected samples from the sales ledger of the aforementioned revenue, verified such transactions against sales contracts, shipping reports and accounts receivable collections as evidence and confirmed the existence of such transactions.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Sheng-Hsiung Yao and Jui-Na Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2022

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

HSIN KUANG STEEL COMPANY LIMITED

BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 619,800	3	\$ 522,481	3
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,355,311	6	1,167,584	6
Financial assets at amortized cost - current (Notes 4, 9 and 30)	77,074	-	76,736	-
Notes receivable from related parties (Notes 4, 5, 10 and 29)	73,833	-	36,699	-
Notes receivable from unrelated parties (Notes 4, 5, 10 and 30)	1,800,423	8	1,337,774	7
Trade receivables from related parties (Notes 4, 5, 10 and 29)	225,361	1	389,947	2
Trade receivables from unrelated parties (Notes 4, 5 and 10)	1,795,662	8	1,857,443	10
Inventories (Notes 4, 5 and 11)	5,633,936	23	3,492,055	18
Prepayments	83,505	-	101,584	-
Other current assets (Notes 15 and 29)	51,628	-	22,838	-
Total current assets	11,716,533	49	9,005,141	46
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	247,857	1	28,772	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 30)	3,076,389	13	2,580,780	13
Investments accounted for using the equity method (Notes 4 and 12)	3,068,896	13	2,240,995	12
Property, plant and equipment (Notes 4, 13, 29 and 30)	2,099,792	9	4,506,352	23
Investment properties (Notes 4, 14 and 30)	3,742,322	15	932,625	5
Deferred tax assets (Notes 4 and 24)	30,024	-	56,909	-
Other non-current assets (Notes 10 and 15)	66,585	-	59,775	1
Total non-current assets	12,331,865	51	10,406,208	54
TOTAL	\$ 24,048,398	100	\$ 19,411,349	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 16)	\$ 6,149,357	26	\$ 5,301,362	27
Short-term bills payable (Notes 4 and 16)	299,814	1	179,879	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	118,652	1
Contract liabilities - current (Note 22)	306,898	1	149,236	1
Notes payable to unrelated parties (Notes 4 and 18)	358,853	2	373,696	2
Notes payable to related parties (Notes 4, 18 and 29)	1,777	-	1,030	-
Trade payables to unrelated parties (Notes 4 and 18)	75,257	-	146,292	1
Trade payables to related parties (Notes 4, 18 and 29)	18,401	-	5,781	-
Other payables (Notes 19 and 29)	461,008	2	239,655	1
Current tax liabilities (Notes 4 and 24)	464,440	2	81,027	-
Current portion of long-term borrowings and bills payable (Notes 4, 16 and 17)	210,526	1	399,081	2
Other current liabilities - other (Note 29)	18,896	-	17,021	-
Total current liabilities	8,365,227	35	7,012,712	36
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4 and 16)	1,891,959	8	1,799,781	9
Long-term bills payable (Notes 4 and 16)	2,398,755	10	2,398,937	12
Provisions - non-current (Note 4)	-	-	3,570	-
Deferred tax liabilities (Notes 4 and 24)	3,941	-	15,954	-
Net defined benefit liabilities - non-current (Notes 4 and 20)	26,578	-	25,695	-
Other non-current liabilities (Note 29)	470,637	2	483,246	3
Total non-current liabilities	4,791,870	20	4,727,183	24
Total liabilities	13,157,097	55	11,739,895	60
EQUITY (Notes 4 and 21)				
Share capital	3,211,463	13	3,082,226	16
Capital surplus	943,451	4	823,197	4
Retained earnings				
Legal reserve	951,798	4	869,380	4
Special reserve	-	-	108,259	1
Unappropriated earnings	4,407,114	18	2,065,739	11
Total retained earnings	5,358,912	22	3,043,378	16
Other equity	1,377,475	6	722,653	4
Total equity	10,891,301	45	7,671,454	40
TOTAL	\$ 24,048,398	100	\$ 19,411,349	100

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

HSIN KUANG STEEL COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 29)				
Sales	\$ 13,176,735	98	\$ 9,738,186	99
Other operating revenue	<u>242,130</u>	<u>2</u>	<u>131,912</u>	<u>1</u>
Total operating revenue	<u>13,418,865</u>	<u>100</u>	<u>9,870,098</u>	<u>100</u>
OPERATING COSTS				
Cost of goods sold (Notes 11, 23 and 29)	(10,502,005)	(79)	(9,018,321)	(91)
Other operating costs (Note 29)	<u>(29,933)</u>	<u>-</u>	<u>(22,748)</u>	<u>-</u>
Total operating costs	<u>(10,531,938)</u>	<u>(79)</u>	<u>(9,041,069)</u>	<u>(91)</u>
GROSS PROFIT	<u>2,886,927</u>	<u>21</u>	<u>829,029</u>	<u>9</u>
UNREALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES	<u>(118,704)</u>	<u>(1)</u>	(99,184)	(1)
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES	<u>99,295</u>	<u>1</u>	<u>682</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>2,867,518</u>	<u>21</u>	<u>730,527</u>	<u>8</u>
OPERATING EXPENSES				
Selling and marketing expenses (Note 23)	(261,539)	(2)	(178,750)	(2)
General and administrative expenses (Notes 23 and 29)	(184,278)	(1)	(104,807)	(1)
Expected credit gain (Note 10)	<u>12,898</u>	<u>-</u>	<u>12</u>	<u>-</u>
Total operating expenses	<u>(432,919)</u>	<u>(3)</u>	<u>(283,545)</u>	<u>(3)</u>
PROFIT FROM OPERATIONS	<u>2,434,599</u>	<u>18</u>	<u>446,982</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 29)				
Interest income	401	-	405	-
Other income	101,362	1	57,545	-
Gain from bargain purchase - acquisition of subsidiary (Note 12)	136,024	1	-	-
Other gains and losses	363,536	3	293,188	3
Finance costs	(106,426)	(1)	(121,326)	(1)
Share of profit or loss of subsidiaries, associates and joint ventures	<u>312,196</u>	<u>2</u>	<u>213,237</u>	<u>2</u>
Total non-operating income and expenses	<u>807,093</u>	<u>6</u>	<u>443,049</u>	<u>4</u>

(Continued)

HSIN KUANG STEEL COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	\$ 3,241,692	24	\$ 890,031	9
INCOME TAX EXPENSE (Notes 4 and 24)	<u>(521,419)</u>	<u>(4)</u>	<u>(60,918)</u>	<u>(1)</u>
NET PROFIT FOR THE YEAR	<u>2,720,273</u>	<u>20</u>	<u>829,113</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(2,308)	-	(225)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	<u>657,701</u>	<u>5</u>	<u>836,244</u>	<u>9</u>
	<u>655,393</u>	<u>5</u>	<u>836,019</u>	<u>9</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(2,879)</u>	<u>-</u>	<u>(5,331)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>652,514</u>	<u>5</u>	<u>830,688</u>	<u>9</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,372,787</u>	<u>25</u>	<u>\$ 1,659,801</u>	<u>17</u>
EARNINGS PER SHARE (Note 25)				
From continuing operations				
Basic	<u>\$ 8.62</u>		<u>\$ 2.69</u>	
Diluted	<u>\$ 8.57</u>		<u>\$ 2.60</u>	

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

(Concluded)

HSIN KUANG STEEL COMPANY LIMITED

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	Share Capital		Other Equity			Total Equity				
	Number of Shares (In Thousands)	Amount	Capital Surplus	Retained Earnings	Unappropriated Earnings		Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	
BALANCE AT JANUARY 1, 2020	310,688	\$ 3,106,877	\$ 817,716	\$ 858,883	\$ 43,567	\$ 1,565,297	\$ (370)	\$ (107,890)	\$ -	\$ 6,284,080
Appropriation of 2019 earnings	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	10,497	-	(10,497)	-	-	-	-
Special reserve	-	-	-	-	64,692	(64,692)	-	-	-	(248,550)
Cash dividends distributed by the Company	-	-	-	-	-	(248,550)	-	-	-	(18,459)
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	(18,459)	-	-	-	31,842
Convertible bonds converted to ordinary shares	1,035	10,349	21,493	-	-	-	-	-	-	(81,767)
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	(81,767)	81,767
Cancellation of treasury shares	(3,500)	(35,000)	(16,012)	-	-	(30,755)	-	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	44,507	-	-	-	44,507
Net profit for the year ended December 31, 2020	-	-	-	-	-	829,113	-	-	-	829,113
Other comprehensive income/(loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(225)	(5,331)	836,244	-	830,688
Total comprehensive income/(loss) for the year ended December 31, 2020	-	-	-	-	-	828,888	(5,331)	836,244	-	1,659,801
BALANCE AT DECEMBER 31, 2020	308,223	3,082,226	823,197	869,380	108,259	2,065,739	(5,701)	728,354	-	7,671,454
Appropriation of 2020 earnings	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	82,418	-	(82,418)	-	-	-	-
Special reserve	-	-	-	-	(108,259)	108,259	-	-	-	(462,386)
Cash dividends distributed by the Company	-	-	-	-	-	(462,386)	-	-	-	(154,129)
Cash dividends from capital surplus	-	-	(154,129)	-	-	-	-	-	-	(3,361)
Changes in capital surplus in investments in associates accounted for using the equity method	-	-	-	-	-	(3,361)	-	-	-	(1,028)
Changes in percentage of ownership interests in subsidiaries	-	-	6	-	-	(1,034)	-	-	-	403,614
Convertible bonds converted to ordinary shares	12,923	129,237	274,377	-	-	-	-	-	-	64,350
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	64,350	-	-	-	2,720,273
Net profit for the year ended December 31, 2021	-	-	-	-	-	2,720,273	-	-	-	652,514
Other comprehensive income/(loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(2,308)	(2,879)	657,701	-	3,372,787
Total comprehensive income/(loss) for the year ended December 31, 2021	-	-	-	-	-	2,717,965	(2,879)	657,701	-	\$ 10,891,301
BALANCE AT DECEMBER 31, 2021	321,146	\$ 3,211,463	\$ 943,451	\$ 951,798	\$ -	\$ 4,407,114	\$ (8,580)	\$ 1,386,055	\$ -	

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

HSIN KUANG STEEL COMPANY LIMITED

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,241,692	\$ 890,031
Adjustments for:		
Depreciation expense	91,527	86,945
Amortization expense	3,970	2,937
Expected credit loss reversed on trade receivables	(12,898)	(12)
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(296,728)	(212,569)
Finance costs	106,426	121,326
Interest income	(401)	(405)
Dividend income	(80,092)	(45,793)
(Gain)/loss on disposal of property, plant and equipment	(3,830)	3,444
Loss on disposal of investment property	-	887
Share of profit of subsidiaries, associates and joint ventures	(312,196)	(213,237)
Reversal of write-downs of inventories	-	(99,163)
Unrealized gain on transactions with associates	118,704	99,184
Realized gain on transactions with associates	(99,295)	(682)
Net loss/(gain) on foreign currency exchange	61,099	(11,462)
Gain on remeasurement of investments accounted for using the equity method	(36,000)	-
Decrease in net defined benefit liabilities	(2,003)	(1,633)
Gain from bargain purchase - acquisition of subsidiary	(136,024)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(42,886)	(149,776)
Notes receivable	(499,784)	(289,634)
Trade receivables	235,552	(884,806)
Other receivables	(28,788)	-
Inventories	(2,141,881)	(55,149)
Prepayments	18,078	8,225
Other current assets	-	28,540
Notes payable	(14,096)	119,355
Trade payables	(58,415)	104,978
Other payables	224,482	151,388
Contract liabilities	157,662	7,326
Provisions	(3,570)	-
Advance lease payments received	(15,360)	-
Other current liabilities	1,609	(405)
Cash generated from/(used in) operations	476,554	(340,160)
Interest received	401	405
Dividends received	80,092	45,699
Income tax paid	(121,836)	-
Net cash generated from/(used in) operating activities	435,211	(294,056)

(Continued)

HSIN KUANG STEEL COMPANY LIMITED

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ -	\$ (109,089)
Proceeds from sale of financial assets at fair value through other comprehensive income	176,441	84,033
Purchase of financial assets at fair value through profit or loss	(175,928)	(27,853)
Proceeds from capital reduction and return of shares from financial assets at fair value through other comprehensive income	-	2,985
Purchase of financial assets at amortized cost	(338)	(21,052)
Proceeds from disposal of financial assets at amortized cost	-	-
Acquisition of long-term equity investments accounted for using the equity method	(410,014)	(95,883)
Payments for property, plant and equipment	(498,551)	(1,236,872)
Proceeds from disposal of property, plant and equipment	51,838	2,927
Proceeds from disposal of investment properties	-	403
Payments for investment properties	(2,289)	-
Increase in other non-current assets	(1,623)	(3,900)
Increase in prepayments for equipment	(68,110)	(75,122)
Dividends received from investees	88,936	17,993
Decrease/(increase) in refundable deposits	21,849	(950)
Net cash used in investing activities	(817,789)	(1,462,380)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	15,472,836	15,803,493
Repayments of short-term borrowings	(14,684,249)	(15,172,766)
Increase/(decrease) in short-term bills payable	120,000	(290,000)
Repayment of corporate bonds	(100)	-
Proceeds from long-term borrowings	300,000	992,178
Repayments of long-term borrowings	(10,526)	-
Proceeds from long-term bills payable	-	500,000
Increase/(decrease) in guarantee deposits received	3,017	(15,777)
Interest paid	(104,567)	(114,425)
Dividends paid	(616,515)	(248,550)
Payments for buy-back of ordinary shares	-	(81,767)
Net cash generated from financing activities	479,896	1,372,386
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	97,318	(384,050)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	522,482	906,531
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 619,800	\$ 522,481

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

(Concluded)

[Attachment 5]

HsinKuang Steel Co., Ltd.
2021 Earnings Distribution Statement

Unit: NT\$

Item	Amount	
	Subtotal	Total
Undistributed earnings retained in the previous year		1,629,193,361
Minus: Actuarial gains and losses on defined benefit plan(2021)	(2,308,395)	
Minus: Changes in equity of ownership of subsidiaries	(4,395,018)	
Plus: Disposal of equity instruments at fair value through other comprehensive income	64,349,922	
Plus: Net profit after tax of the current year	2,720,273,125	2,777,919,634
Provisions		
Statutory reserve(10%)	(277,791,963)	(277,791,963)
Distributable earnings of the current year		4,129,321,032
Distributions		
Shareholder cash dividends – NT\$4 per share	(1,284,585,364)	(1,284,585,364)
Undistributed earnings retained in this year		2,844,735,668

- (1). The Company shall distribute shareholder cash dividends totaling NT\$1,284,585,364 this year, representing cash dividends of NT\$4 per share. After the approval of the shareholders' cash dividends proposal by the general shareholders meeting, the Board of Directors shall be authorized to decide the record date for distribution.
- (2). The distribution of shareholder dividends shall be calculated to the NT\$. The total fractional amounts less than NT\$1 shall be listed in ascending order according to the amount and account number, until it means the total distribution amount for shareholder dividends.
- (3). In the future, if the number of the Company's shares that can participate in the distribution of cash dividends is affected for any reason and the dividend rate of shareholders changes, the shareholders' meeting shall be requested to authorize the Board of Directors to handle and adjust the matter.
- (4). The 2021 earnings shall be prioritized for the Company's earnings distribution.

HsinKuang Steel Co., Ltd.

Table of Comparison of Revised Articles of the Company's "Articles of Incorporation"

The 34th amendment was on June 15, 2022

Article	Revised content (underlined)	Original content	Reason for revision
Article 2	<p>The business items operated by the Company are as follows:</p> <p>(1). CA01050 Iron and Steel Rolling, Drawing, and Extruding</p> <p>(2). CA02010 Metal architectural components manufacturing</p> <p>(3). CA02060 Manufacture of Metal Containers</p> <p>(4). CA02990 Manufacture of Other Fabricated Metal Products</p> <p>(5). F111090 Wholesale of construction materials</p> <p>(6). F106010 Wholesale of ironware</p> <p>(7). F206010 Retail Sale of Ironware</p> <p>(8). F211010 Retail Sale of Construction Materials</p> <p>(9). F401010 International Trade.</p> <p>(10).G801010 Warehousing and Storage</p> <p>(11).H701010 Residence and Buildings Lease Construction and Development</p> <p>(12).<u>H701020 Industrial Factory Development and Rental.</u></p> <p>(13).<u>H701040 Specific Area Development.</u></p> <p>(14).<u>H703100 Real Estate Rental and Leasing</u></p> <p>(15).<u>IZ06010 Cargoes Packaging</u></p> <p>(16).<u>JE01010 Rental and Leasing Activities</u></p> <p>(17).<u>ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</u></p>	<p>The business items operated by the Company are as follows:</p> <p>(1). CA01050 Iron and Steel Rolling, Drawing, and Extruding</p> <p>(2). CA02010 Metal architectural components manufacturing</p> <p>(3). CA02060 Manufacture of Metal Containers</p> <p>(4). CA02990 Manufacture of Other Fabricated Metal Products</p> <p>(5). F111090 Wholesale of construction materials</p> <p>(6). F106010 Wholesale of ironware</p> <p>(7). F206010 Retail Sale of Ironware</p> <p>(8). F211010 Retail Sale of Construction Materials</p> <p>(9). F401010 International Trade.</p> <p>(10).G801010 Warehousing and Storage</p> <p>(11).H701010 Residence and Buildings Lease Construction and Development</p> <p>(12).H703100 Real Estate Rental and Leasing</p> <p>(13).IZ06010 Cargoes Packaging</p> <p>(14).JE01010 Rental and Leasing Activities</p> <p>(15).ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	In response to future development, new business items will be added.

Article	Revised content (underlined)	Original content	Reason for revision
Article 13	<p>The Company shall have <u>six to ten</u> Directors. The number of Directors shall be determined by the Board of Directors.</p> <p>In the number of Directors specified in the previous paragraph, the number of Independent Directors shall be no less than three. Directors shall serve a term of three years and may be eligible for re-election.</p> <p>Each share shall be empowered with voting rights equal to the number of elected directors in elections of Directors. These voting rights may be concentrated on one candidate or separated across a number of candidates. Candidates with the highest number of votes shall be elected as the Directors.</p> <p>The election of Directors shall be based on the candidate nomination system in accordance with Article 192-1 of the Company Act.</p> <p>All matters regarding the acceptance method and announcement of the nomination of candidates for Directors will be handled according to the Company Act, the Securities and Exchange Act, and other applicable laws and regulations. The Independent Directors and non-independent Directors shall be elected concurrently and the seats shall be calculated separately.</p> <p>When the number of vacancies in the Board of Directors reaches one third of the total number of members, the Board of Directors shall call a meeting of shareholders to elect Directors to fill the vacancies. With the exception of a comprehensive reelection of directors, the term of the newly-elected Director shall expire on the original expiry date of his/her predecessor.</p> <p>The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination, and other requirements with regard to the Independent Directors shall be set forth in accordance with the Securities and Exchange Act and other relevant regulations.</p> <p>The total proportion of shares held by all Directors of the Company shall be determined in accordance with regulations of the competent authority responsible for securities.</p>	<p>The company shall have six to nine Directors. The number of Directors shall be determined by the Board of Directors.</p> <p>In the number of Directors specified in the previous paragraph, the number of Independent Directors shall be no less than three. Directors shall serve a term of three years and may be eligible for re-election.</p> <p>Each share shall be empowered with voting rights equal to the number of elected directors in elections of Directors. These voting rights may be concentrated on one candidate or separated across a number of candidates. Candidates with the highest number of votes shall be elected as the Directors.</p> <p>The election of Directors shall be based on the candidate nomination system in accordance with Article 192-1 of the Company Act.</p> <p>All matters regarding the acceptance method and announcement of the nomination of candidates for Directors will be handled according to the Company Act, the Securities and Exchange Act, and other applicable laws and regulations. The Independent Directors and non-independent Directors shall be elected concurrently and the seats shall be calculated separately.</p> <p>When the number of vacancies in the Board of Directors reaches one third of the total number of members, the Board of Directors shall call a meeting of shareholders to elect Directors to fill the vacancies. With the exception of a comprehensive reelection of directors, the term of the newly-elected Director shall expire on the original expiry date of his/her predecessor.</p> <p>The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination, and other requirements with regard to the Independent Directors shall be set forth in accordance with the Securities and Exchange Act and other relevant regulations.</p> <p>The total proportion of shares held by all Directors of the Company shall be determined in accordance with regulations of the competent authority responsible for securities.</p>	Amended to specify that the Company shall have six to ten Directors in order to comply with Article 4 of the “Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers”.

Article	Revised content (underlined)	Original content	Reason for revision
Article 13-1	(Delete)	Election of the Company's Independent Directors shall be based on the candidate nomination system. Shareholders retaining at least 1% of all outstanding shares and the Board of Directors may nominate candidates for independent director; a list of candidates that the Board of Directors deems qualified for the criteria for being an independent director shall be submitted to the shareholders' meeting for consideration. if the shareholder's meeting is convened by another person with the authority to convene the meeting, after the person with the authority to convene the meeting examines the qualifications of the candidate(s) for serving as an independent director, the names are sent to the shareholder's meeting for election. All matters regarding the acceptance method and announcement of the nomination of candidates for independent director will be handled according to the Company Act, the Securities and Exchange Act, and other applicable laws and regulations.	As article 13Same as article 13.
Article 20	<p>If the Company has generated profits for the current year, it shall allocate at least 3% of profits as employee remuneration. The Board of Directors shall decide to distribute the bonus in shares or cash; if the Company sustains profits for the current year, the Board of Directors shall decide to set aside no more than 3% of the <u>said profits</u> as remuneration for Directors. Employee remuneration and director remuneration proposals shall be presented to the shareholders' meeting.</p> <p>However when the Company still has accumulated loss, a certain amount of the earnings shall be retained for making up the loss and the remainder may be set aside as employee remuneration and remuneration to Directors according to the percentage specified in the preceding paragraph.</p> <p><u>Employees entitled to the Company's employee treasury stocks, employee stock options, employee's subscription right to new stocks, and employee restricted stocks may include employees of a controlled or affiliated company who meet certain criteria.</u></p>	<p>If the Company has generated profits for the current year, it shall allocate at least 3% of profits as employee remuneration. The Board of Directors shall decide to distribute the bonus in shares or cash, which can also be distributed to employees of affiliated companies that meet certain criteria; if the Company sustains profits for the current year, the Board of Directors shall decide to set aside no more than 3% of profits as remuneration for Directors. Employee remuneration and director remuneration proposals shall be presented to the shareholders' meeting.</p> <p>However when the Company still has accumulated loss, a certain amount of the earnings shall be retained for making up the loss and the remainder may be set aside as employee remuneration and remuneration to Directors according to the percentage specified in the preceding paragraph.</p>	Amended to specify that employees entitled to the Company's employee treasury stocks, employee stock options, employee's subscription right to new stocks, and employee restricted stocks may include employees of a controlled or affiliated company who meet certain criteria.

Article	Revised content (underlined)	Original content	Reason for revision
Article 20-1	<p>In the event of surplus earnings after closing of annual accounts, due taxes shall be paid in accordance with the law, and losses incurred in previous years shall be compensated. Upon completion of the preceding actions, 10% of the remainder surplus shall be allocated as legal reserve. However, in the event that the accumulated legal reserve is equivalent to or exceeds the Company's total paid-in capital, such allocation may be exempted. The remainder may be set aside or reversed as special surplus reserve in accordance with laws and regulations. If there is remainder surplus, the Board of Directors shall draft a surplus distribution proposal regarding the remainder of the surplus as well as accumulated undistributed surplus for approval at the shareholders' meeting, at which the allocation of shareholders' dividends shall be decided.</p> <p><u>If the dividends, bonus, legal reserves, and capital surplus said in the preceding paragraph are to be distributed in cash, such a distribution shall be resolved by a majority vote at a Board of Directors meeting attended by more than two thirds of the Directors, and shall be reported at the shareholders' meeting.</u></p> <p><u>When providing a special reserve as required by law, the Company shall, prior to distribution of earnings, set aside a special reserve from the undistributed earnings of the previous year until such special reserve equals the shortfall of provisions for the "Net Increase in Fair Value of Investment Property Accumulated in the Previous Period" and the "Net Deduction of Other Equity Accumulated in the Previous Period". If there is still a shortfall of provisions, it should be made up by using the undistributed earnings of the current period, which are calculated as the net income for the current period plus other post-tax profit items for the current period.</u></p> <p>The Company has adopted a balanced dividend policy to protect shareholder interest and the goal of sustainable development. The optimal dividend policy shall be consistent with current and future development plans while accounting for the investment environment, capital needs, domestic and international competition, the interest of shareholders, as well as the capital budgets for the following year. The Board of Directors shall formulate a distribution plan for approval in the shareholders' meeting before implementation.</p> <p>Dividends for shareholders may be distributed in cash or shares. The cash portion shall not be lower than 30% of total dividends.</p>	<p>In the event of surplus earnings after closing of annual accounts, due taxes shall be paid in accordance with the law, and losses incurred in previous years shall be compensated. Upon completion of the preceding actions, 10% of the remainder surplus shall be allocated as legal reserve. However, in the event that the accumulated legal reserve is equivalent to or exceeds the Company's total paid-in capital, such allocation may be exempted. The remainder may be set aside or reversed as special surplus reserve in accordance with laws and regulations. If there is remainder surplus, the Board of Directors shall draft a surplus distribution proposal regarding the remainder of the surplus as well as accumulated undistributed surplus for approval at the shareholders' meeting, at which the allocation of shareholders' dividends shall be decided.</p> <p>The Company has adopted a balanced dividend policy to protect shareholder interest and the goal of sustainable development. The optimal dividend policy shall be consistent with current and future development plans while accounting for the investment environment, capital needs, domestic and international competition, the interest of shareholders, as well as the capital budgets for the following year. The Board of Directors shall formulate a distribution plan for approval in the shareholders' meeting before implementation.</p> <p>Dividends for shareholders may be distributed in cash or shares. The cash portion shall not be lower than 30% of total dividends.</p>	<p>To comply with Article 240 of the Company Act, the Company amended such article to specify that dividends, bonus, legal reserves, and capital surplus that are to be distributed in cash shall be resolved by a majority vote at a Board of Directors meeting attended by more than two thirds of the Directors, and shall be reported at the shareholder s' meeting.</p>

Article	Revised content (underlined)	Original content	Reason for revision
Article 22	The Articles of Incorporation were established on December 2, 1976. The 1st amendment was on October 12, 1978. The 2nd amendment was on December 11, 1978. The 3rd amendment was on January 8, 1979..... The 30th amendment was on June 25, 2010. The 31st amendment was on June 15, 2016. The 32nd amendment was on June 11, 2019. <u>The 33rd amendment was on June 15, 2021</u>	The Articles of Incorporation were established on December 2, 1976. The 1st amendment was on October 12, 1978. The 2nd amendment was on December 11, 1978. The 3rd amendment was on January 8, 1979. The 30th amendment was on June 25, 2010. The 31st amendment was on June 15, 2016. The 32nd amendment was on June 11, 2019.	Added the amendment date

HsinKuang Steel Co., Ltd.

Table of Comparison of Revised Articles of the Company's "Procedures for the Acquisition or Disposal of Assets"

The 19th amendment was on March 16, 2022

Article	Revised content (underlined)	Original content	Reason for revision
Article 5	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>II. May not be a related party or substantive related party of any party to the transaction.</p> <p>III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or substantive related parties of each other.</p> <p>The aforementioned personnel shall meet the following criteria, <u>as well as the self-regulatory rules of their industry</u>, when submitting an appraisal report or opinion:</p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III. They shall undertake an item-by-item evaluation of the <u>suitability</u> and reasonableness of the sources of data used, the parameters, and the information, to provide a basis for issuance of the appraisal report or the opinion.</p> <p>Stated matters should include the professional qualifications and independence of relevant personnel, a statement that the information used was <u>suitable</u> and reasonable, and a statement of compliance with relevant laws.</p>	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>II. May not be a related party or substantive related party of any party to the transaction.</p> <p>III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or substantive related parties of each other.</p> <p>The aforementioned personnel shall meet the following criteria when submitting an appraisal report or opinion:</p> <p>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>II. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>III. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, to provide a basis for issuance of the appraisal report or the opinion.</p> <p>Stated matters should include the professional qualifications and independence of relevant personnel, a statement that the information used was accurate and reasonable, and a statement of compliance with relevant laws.</p>	<p>Article 5, Article 9, Article 10, and Article 11 were amended to align with the amendment of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p>

Article	Revised content (underlined>	Original content	Reason for revision
Article 8	<p>I. <u>Price determination methodology and supporting reference materials</u></p> <p>When acquiring or disposing of marketable securities, the Company shall comply with the following stipulations, and shall, prior to the date of occurrence of the event, obtain financial statements of the target company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to securities that have a publicly quoted price in an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>.....</p>	<p>I.</p> <p>Price determination methodology and supporting reference materials</p> <p>When acquiring or disposing of marketable securities, the Company shall comply with the following stipulations, and shall, prior to the date of occurrence of the event, obtain financial statements of the target company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to securities that have a publicly quoted price in an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>.....</p>	<p>Added the text requiring that external experts abide by the self-regulatory rules of their industry when providing their opinions.</p>

Article	Revised content (underlined>	Original content	Reason for revision
Article 10	<p>Assessment and operating procedures for related-party transactions</p> <p>When the Company engages in any acquisition or disposal of assets from or to a related party, it shall do so in accordance with the regulations of the preceding article, and shall ensure that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with the following regulations; if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall additionally obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section. In addition, when judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>I. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors:</p> <p>(I) The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets.</p> <p>(II) The reason for choosing the related party as a transaction counterparty.</p> <p>(III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Paragraph 1, Subparagraph 2 and Subparagraph 3 of this article.</p>	<p>Assessment and operating procedures for related-party transactions</p> <p>When the Company engages in any acquisition or disposal of assets from or to a related party, it shall do so in accordance with the regulations of the preceding article, and shall ensure that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with the following regulations; if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall additionally obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section.</p> <p>In addition, when judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>I. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the Supervisors:</p> <p>(I) The purpose, necessity, and anticipated benefit of the acquisition or disposal of assets.</p> <p>(II) The reason for choosing the related party as a transaction counterparty.</p> <p>(III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Paragraph 1, Subparagraph 2 and Subparagraph 3 of this Article.</p>	<p>Assessment and operating procedures for related-party transactions</p> <p>When the Company engages in any acquisition or disposal of assets from or to a related party, it shall do so in accordance with the regulations of the preceding article, and shall ensure that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with the following regulations; if the transaction amount reaches 10 percent or more of the Company's total assets,</p>

Article	Revised content (underlined)	Original content	Reason for revision
Article 10	<p>(IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(VII) Restrictive covenants and other important stipulations associated with the transaction</p> <p>(VIII) <u>With respect to the types of transactions listed below, when to be conducted between the Company and its parent company or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may pursuant to Article 7, Paragraph 1, Subparagraph 3 delegate the Chairman of the Board of Directors to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified at the next Board of Directors meeting;</u></p>	<p>(IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>(VII) Restrictive covenants and other important stipulations associated with the transaction</p>	

Article	Revised content (underlined)	Original content	Reason for revision
Article 10	<p>I. <u>Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</u></p> <p>II. <u>Acquisition or disposal of real property right-of-use assets held for business use.</u></p> <p><u>The Company shall take into full consideration each Independent Director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</u></p> <p><u>The Company has established the Audit Committee; resolutions at meetings of the Audit Committee shall be adopted with the approval of one half or more of the entire membership, and shall then be submitted to and resolved by the Board of Directors.</u></p> <p><u>Where the Company or its subsidiary that is not a domestically listed company engages in any transaction listed in Paragraph 1 and the transaction amount reaches 10 percent of the Company's total assets, the information listed in Paragraph 1 shall be submitted to the shareholders' meeting for approval; only after such information has been approved by the shareholders' meeting may the contract be signed or payment be made. However, this does not apply to the transaction between the Company and its parent company or subsidiary, or among subsidiaries.</u></p> <p><u>The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be conducted in accordance with Article 15, Paragraph 2 herein. In the meantime, "within one year" as used herein refers to the year proceeding to the date of occurrence of the current transaction. Amounts that have been resolved by a shareholders' meeting and the Board of Directors may be excluded from calculation.</u></p>	<p>The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be conducted in accordance with Article 15, Paragraph 2 herein. In the meantime, "within one year" as used herein refers to the year proceeding to the date of occurrence of the current transaction. Amounts that have been resolved by the Board of Directors and recognized by the Supervisors may be excluded from calculation.</p> <p>With respect to the acquisition or disposal of business-use property, equipment, or their right-of-use assets, the Board of Directors may, pursuant to the Company's "Duties Division Table of the Board of Directors, Chairman, and General Manager", delegate the Chairman of the Board to decide such matters for transactions within the authorized amount and have the decisions subsequently submitted to the next Board of Directors meeting for ratification.</p>	

Article	Revised content (underlined>	Original content	Reason for revision
Article 11	<p>Evaluation and operating procedures for the acquisition or disposal of memberships or intangible assets</p> <p>.....</p> <p>(III)Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>Evaluation and operating procedures for the acquisition or disposal of memberships or intangible assets</p> <p>.....</p> <p>(III)Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF..</p>	Amended for the same reasons as those for Article 5 and Article 8.

Article	Revised content (underlined)	Original content	Reason for revision
Article 15	<p>Public announcement and regulatory filing procedures</p> <p>I. Under any of the following circumstances, the Company shall, within 2 days from the date of occurrence of the event, publicly announce and report the relevant information about the acquisition or disposal of assets on the designated website of the Financial Supervisory Commission using the specified format and by type of circumstance:</p> <p>.....</p> <p>(V) Asset transactions other than the ones specified in Subparagraph 1 through Subparagraph 4 of this paragraph, disposals of debt entitlement by a financial institution, or investments in Mainland China that amounts to at least 20% of the Company's paid-up capital or NT\$300 million. This shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds. 2. Securities trading by investment professionals on foreign or domestic securities exchanges or places of business of a securities firm; <u>subscription to foreign government bonds</u> on domestic primary market; issuance of regular financial bonds (excluding junior bonds) that do not involve shareholding rights as well as regular corporate bonds for fund raising purposes on domestic primary market; subscription to or redemption of securities investment trust funds or futures trust funds; <u>subscription to or selling back of exchange-traded notes</u>; or securities required for subscription by the Taipei Exchange due to the business requirements of a securities firm or an advisory recommending securities firm of the issuer registered for TPEx trading of Emerging Stock. <p>.....</p>	<p>Public announcement and regulatory filing procedures</p> <p>I. Under any of the following circumstances, the Company shall, within 2 days from the date of occurrence of the event, publicly announce and report the relevant information about the acquisition or disposal of assets on the designated website of the Financial Supervisory Commission using the specified format and by type of circumstance:</p> <p>.....</p> <p>(V) Asset transactions other than the ones specified in Subparagraph 1 through Subparagraph 4 of this paragraph, disposals of debt entitlement by a financial institution, or investments in Mainland China that amounts to at least 20% of the Company's paid-up capital or NT\$300 million. This shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading of domestic government bonds. 2. Securities trading by investment professionals on foreign or domestic securities exchanges or places of business of a securities firm; issuance of regular financial bonds (excluding junior bonds) that do not involve shareholding rights as well as regular corporate bonds for fund raising purposes on domestic primary market; subscription to or redemption of securities investment trust funds or futures trust funds; or securities required for subscription by the Taipei Exchange due to the business requirements of a securities firm or an advisory recommending securities firm of the issuer registered for TPEx trading of Emerging Stock. <p>.....</p>	<p>Amended to exempt investment professionals who subscribe to foreign government bonds on domestic primary market, or subscribe to or sell back exchange-traded notes from having to publicly announce the transactions.</p>
Article 19	<p>Implementation and <u>amendment</u></p> <p><u>The Procedures shall be approved the Audit Committee and submitted to the Board of Directors for resolution before it is submitted to the shareholders' meeting for approval. The same shall apply to amendments.</u></p>	<p>Implementation</p> <p>The Procedures shall be delivered to the Supervisors or the Audit Committee following approval in the Board of Directors meeting and submitted to the shareholders' meeting for approval before implementation. The same shall apply to amendments.</p>	<p>Amended to align with the current circumstance.</p>

Article	Revised content (underlined)	Original content	Reason for revision
Article 20	<p>Revision Date</p> <p>The 1st amendment was on May 26, 1994. The 2nd amendment was on May 25, 1995. The 3rd amendment was on November 29, 1999.....</p> <p>The 16th amendment was on March 17, 2015. The 17th amendment was on March 14, 2017. The 18th amendment was on March 13, 2018. The 19th amendment was on December 18, 2018. <u>The 20th amendment was on March 16, 2022</u></p>	<p>Revision Date</p> <p>The 1st amendment was on May 26, 1994. The 2nd amendment was on May 25, 1995. The 3rd amendment was on November 29, 1999.....</p> <p>The 16th amendment was on March 17, 2015. The 17th amendment was on March 14, 2017. The 18th amendment was on March 13, 2018. The 19th amendment was on December 18, 2018.</p>	Added the amendment date

HsinKuang Steel Co., Ltd.

Table of Comparison of Revised Articles of the Company's "Endorsement and Guarantee Making Procedure"

The 9th amendment was on March 16, 2022

Article	Revised content (underlined)	Original content	Reason for revision
Article 3	<p>The term "endorsement and guarantee" as used in the Procedures refers to the following:</p> <p>I. Financing endorsement and guarantee, including:</p> <p>(I) Bill discount financing taken out from a non-financial enterprise to meet the Company's financing needs.</p> <p>(II) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the Company's financing needs.</p> <p>II. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the Company itself with respect to customs duty matters.</p> <p>III. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.</p> <p><u>Any creation by the Company of a pledge or mortgage on its chattel or real property as collaterals for the loans of another company shall also comply with Article 6 and Article 9 of the Procedures.</u></p> <p><u>If having created a pledge or mortgage on the collaterals it provides, as stated in the preceding paragraph, the Company shall not further provide any endorsement or guarantee.</u></p>	<p>The term "endorsement and guarantee" as used in the Procedures refers to the following:</p> <p>I. Financing endorsement and guarantee, including:</p> <p>(I) Bill discount financing taken out from a non-financial enterprise to meet the Company's financing needs.</p> <p>(II) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the Company's financing needs.</p> <p>II. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the Company itself with respect to customs duty matters.</p> <p>III. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.</p>	<p>Amended to specify that the Company is allowed to provide only one type of endorsement or guarantee for a party: providing an ordinary endorsement or guarantee, or creating a pledge or mortgage on own chattel or real property to serve as collaterals against the party's borrowings.</p>

Article	Revised content (underlined)	Original content	Reason for revision
Article 4	<p>Recipient of endorsement or guarantee The Company may provide endorsements/guarantees for the following companies:</p> <p>I. A company in which <u>the Company</u> directly and indirectly holds more than 50 percent of the voting shares and retains actual business management controlling rights.</p> <p>II. A parent company that directly, <u>or indirectly through its subsidiaries</u>, holds more than 50 percent of the voting shares <u>in the Company</u>. <u>An endorsement or a guarantee may be made between companies in which the Company holds, directly or indirectly, no less than 90% of the voting shares; however, the amount shall not exceed 10 % of the Company's net worth.</u> <u>However, this restriction shall not apply to the endorsement or guarantee made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</u></p> <p>III. <u>Where the Company fulfills its contractual obligations by providing mutual endorsements and guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project or where all capital contributing shareholders make endorsements and guarantees for their jointly invested company in proportion to their shareholding ratios, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.</u></p> <p>The terms "subsidiary" and "parent company" <u>as referred to in the preceding paragraph</u> shall be as determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The "actual business management controlling rights" means that the chairman of the board, general manager, and financial officer of the controlled company are assigned by the Company. "Contracted project" <u>as referred to in the preceding paragraph</u> means a construction contract in which the proportion of the Company's contracted parts exceed 50% and the Company retains leadership and controlling rights over all related affairs of the project. <u>Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the Company, or through a company in which the Company holds 100% of the voting shares.</u></p>	<p>Recipient of endorsement or guarantee The Company may provide endorsements/guarantees for the following companies:</p> <p>I. A subsidiary in which the Company directly and indirectly holds more than 50 percent of the voting shares and retains actual business management controlling rights.</p> <p>II. A parent company that directly and indirectly holds more than 50 percent of the voting shares in the Company. An endorsement or a guarantee may be made between companies in which the Company holds, directly or indirectly, 100% of the voting shares. The terms "subsidiary" and "parent company" as referred to in the Procedures shall be as determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The "actual business management controlling rights" means that the chairman of the board, general manager, and financial officer of the controlled company are assigned by the Company. "Contracted project" refers to a construction contract in which the proportion of the Company's contracted parts exceed 50% and the Company retains leadership and controlling rights over all related affairs of the project.</p>	<p>To enhance the flexibility of fund allocation within the Group, the Company exempted a foreign enterprise in which it directly or indirectly holds 100% of voting shares from having to be subject to the 40% net worth restriction and the one year restriction.</p>

Article	Revised content (underlined)	Original content	Reason for revision
Article 5	<p>Endorsement and guarantee limit and evaluation standard</p> <p>The ceiling on the endorsements and guarantees made by the Company or by the Company and its subsidiaries as a whole for all companies or for a single enterprise is stated as follows:</p> <p>I. The total amount of external endorsements and guarantees made by the Company or by the Company and its subsidiaries as a whole shall not exceed 10% of the Company's net worth.</p> <p>II. The value of the total endorsements and guarantees for a single enterprise <u>shall not exceed 10% of the Company's net worth or 100% of that enterprise's net worth; however, if an approval from the Board of Directors is obtained, this restriction may not apply to the endorsement and guarantee between the Company and its subsidiary in which it directly or indirectly holds 100% of voting shares.</u></p> <p><u>The Company's financial statements are prepared in accordance with the International Financial Reporting Standards; the term "net worth" as referred to shall mean the equity attributable to owners of the parent company stated on the balance sheet prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p>	<p>Endorsement and guarantee limit and evaluation standard</p> <p>The ceiling on the endorsements and guarantees made by the Company or by the Company and its subsidiaries as a whole for all companies or for a single enterprise is stated as follows:</p> <p>I. The total amount of external endorsements and guarantees made by the Company or by the Company and its subsidiaries as a whole shall not exceed 10% of the Company's net worth.</p> <p>II. Regulation related to the amount for endorsements/guarantees to a single enterprise:</p> <ol style="list-style-type: none"> 1. If the Company engages in endorsements/guarantees as a parent company or subsidiary, it shall not exceed 5% of the Company's net worth. 2. Mutual endorsements/guarantees for industry peers or co-builders for purposes of undertaking a contracted project shall not exceed 5% of the Company's net worth. 3. The value of the total endorsements and guarantees made by the Company or by the Company and its subsidiaries as a whole for a single enterprise shall not exceed 5% of the Company's net worth. <p>Net worth refers to the owner's equity of the parent company based on the most recent balance sheet prepared according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers certified by the accountant.</p> <p>A subsidiary refers to a company in which the Company directly and indirectly holds more than 50 percent of the voting shares and retains actual business management controlling rights. The "actual business management controlling rights" means that the chairman of the board, general manager, and financial officer of the controlled company are assigned by the Company.</p> <p>"Contracted project" refers to a construction contract in which the proportion of the Company's contracted parts exceed 50% and the Company retains leadership and controlling rights over all related affairs of the project.</p>	Same as above.

Article	Revised content (underlined)	Original content	Reason for revision
Article 6	<p>Decision-making and authorization level</p> <p>I. The Company shall implement review procedures in accordance with Article 7 herein when processing endorsements and guarantees, which shall only be implemented with the approval of the Board of Directors. Alternatively, the Chairman of the Board may, in accordance with Paragraph 4 of this article, be authorized to decide such matters for endorsements and guarantees within the authorized amount and have the decisions subsequently submitted to the next Board of Directors meeting for ratification and reported to the shareholders' meeting for reference.</p> <p>II. Where the Company's endorsement or guarantee due to business requirements requires an amount over the limits specified herein and the endorsements/guarantees meet the conditions specified in the Endorsement and Guarantee Making Procedure, <u>an approval of the Audit Committee, a resolution of the Board of Directors, and a joint guarantee from more than half of the Directors shall be required. The Procedures shall be amended and submitted to the shareholders' meeting for ratification. If the shareholders' meeting does not approve the amendment, a plan shall be formulated to cancel the excess parts within a specific period.</u></p> <p>III. The opinions of Independent Directors shall be taken into full consideration in discussions regarding endorsements and guarantees in Article 4, Subparagraph 1 and Subparagraph 2 and their approval or objection and reasons shall be listed in the meeting minutes of the Board of Directors.</p> <p>IV. The Chairman of the Board is authorized to decide on endorsement or guarantee for an external entity with a total amount of under NT\$50 million. However, the recipient of endorsement or guarantee shall be restricted to those specified in Article 4, Paragraph 1.</p> <p><u>The Company shall take into full consideration each Independent Director's opinions when handling endorsements. If an Independent Director objects or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting; however, a material endorsement or guarantee shall be approved by the Audit Committee and submitted to and approved by the Board of Directors in accordance with stipulated regulations.</u></p> <p><u>The Company has established the Audit Committee. As such, the provisions of the preceding paragraph shall not apply; formulation or amendment of the Endorsement and Guarantee Making Procedure shall be adopted with the approval of one half or more of all Audit Committee members, and shall then be submitted to and resolved by the Board of Directors.</u></p> <p><u>If the approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the Endorsement and Guarantee Making Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</u></p> <p><u>"All Audit Committee members" and "all directors" as referred to in the preceding paragraph shall include only the persons who are currently holding such offices.</u></p>	<p>Decision-making and authorization level</p> <p>I. The Company shall implement review procedures in accordance with Article 7 herein when processing endorsements and guarantees, which shall only be implemented with the approval of the Board of Directors. Alternatively, the Chairman of the Board may, in accordance with Paragraph 4, be authorized to decide such matters for endorsements and guarantees within the authorized amount and have the decisions subsequently submitted to the next Board of Directors meeting for ratification and reported to the shareholders' meeting for reference.</p> <p>II. Where the Company's endorsement or guarantee due to business requirements requires an amount over the limits specified herein and the endorsements/guarantees meet the conditions specified in the Endorsement and Guarantee Making Procedure, the approval of the Board of Directors and a joint guarantee from more than half of the Directors in attendance shall be required. The Procedures shall be revised and submitted to the shareholders' meeting for ratification. If the shareholders' meeting does not approve the amendment, a plan shall be formulated to cancel the excess parts within a specific period.</p> <p>III. The opinions of Independent Directors shall be taken into full consideration in discussions regarding endorsements and guarantees in Article 4, Subparagraph 1 and Subparagraph 2 and their approval or objection and reasons shall be listed in the meeting minutes of the Board of Directors.</p> <p>IV. The Chairman of the Board is authorized to decide on endorsement or guarantee for an external entity with a total amount of under NT\$50 million. However, the recipient of endorsement or guarantee shall be restricted to those specified in Article 4, Paragraph 1.</p>	<p>Article 6 and Article 7 were added, as required by Article 14-5 of the Securities and Exchange Act, to specify that the powers of the Audit Committee shall include adoption and amendment of procedures governing material financial conduct such as extension of monetary loans to others.</p>

Article	Revised content (underlined)	Original content	Reason for revision
Article 7	<p>Handling and review procedures for endorsements and guarantees</p> <p>.....</p> <p>II. Review procedures</p> <p>.....</p> <p>(II) The unit intending to provide endorsement or guarantee may do so only after it has prepared a request for approval (RFA) stating therein the endorsement and guarantee provider, recipient, type, reasons, and amount, together with an assessment report as stated in Subparagraph 1 herein, had them approved by the General Manager and the Chairman of the Board, and then had <u>the assessment results reported to</u> and resolved by the Board of Directors. Alternatively, if the business needs require so, the Chairman of the Board may, in accordance with Article 6, Paragraph 4, be authorized to decide such matters for endorsements and guarantees within the authorized amount and have the decisions subsequently submitted to the next Board of Directors meeting for ratification.</p> <p>(III) <u>A material endorsement or guarantee shall be approved by the Audit Committee and submitted to and approved by the Board of Directors in accordance with stipulated regulations.</u></p> <p>(IV) <u>Where the recipient of the endorsement or guarantee provided by the Company or its subsidiary is a subsidiary whose net worth is less than one half of the Company's paid-in capital, the Accounting Department shall, jointly with relevant departments, assess the control risks and the implementation of response plans, and shall regularly report to the Audit Committee. If the said subsidiary recipient's share does not have a par value or has a par value other than NT\$10, its paid-in capital should be counted as its share capital plus paid-in capital in excess of par.</u></p> <p>.....</p>	<p>Handling and review procedures for endorsements and guarantees</p> <p>.....</p> <p>II. Review procedures</p> <p>.....</p> <p>(II) The unit intending to provide endorsement or guarantee may do so only after it has prepared a request for approval (RFA) stating therein the endorsement and guarantee provider, recipient, type, reasons, and amount, together with an assessment report as stated in Subparagraph 1 herein, had them approved by the General Manager and the Chairman of the Board, and then by the Board of Directors. Alternatively, if the business needs require so, the Chairman of the Board may, in accordance with Article 6, Paragraph 4, be authorized to decide such matters for endorsements and guarantees within the authorized amount, have the decisions subsequently submitted to the next Board of Directors meeting for ratification, and report the implementation to the shareholders' meeting for reference.</p> <p>.....</p>	Same as above.
Article 10	<p>Internal audit</p> <p>The Company's internal auditors shall audit the Endorsement and Guarantee Making Procedure and the implementation at least once every quarter and prepare written records accordingly. They shall promptly notify the Audit Committee and <u>each Independent Director</u> in writing of any material violation found.</p>	<p>Internal audit</p> <p>The Company's internal auditors shall audit the Endorsement and Guarantee Making Procedure and the implementation at least once every quarter and prepare written records accordingly. They shall promptly notify the Audit Committee in writing of any material violation found.</p>	Article 10 was amended to strengthen corporate governance.

Article	Revised content (underlined)	Original content	Reason for revision
Article 11	<p>Control procedures for subsidiaries making endorsement or guarantee for others</p> <p>I. Where a subsidiary of the Company intends to make endorsement or guarantee for others, the Company shall instruct that the subsidiary formulate and abide by its own Endorsement and Guarantee Making Procedure in accordance with the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”. The subsidiary’s Endorsement and Guarantee Making Procedure shall first be approved by the Board of Directors, and then submitted to an approved by the shareholders’ meeting. The same rule shall apply to any amendment thereafter.</p> <p>II. Where the Company’s subsidiary intends to make endorsement or guarantee for others, it may <u>do so only after</u> it has reported to and <u>resolved by the Board of Directors</u>. <u>However, this restriction shall not apply to the endorsement or guarantee made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</u> The Company’s Accounting Department and the dedicated personnel designated by the General Manager shall specifically assess the necessity, reasonableness, and risks of such endorsement or guarantee, and the operational risk it poses to the parent company and subsidiaries, and the impact it has on financial position and shareholders equity, and shall have their findings submitted to and approved by the General Manager and <u>the Board of Directors</u>.</p> <p>III. The Accounting Department shall obtain the Statement of Changes in Endorsements and Guarantees Made for Others from each subsidiary at the beginning of each month.</p> <p>IV. The Company’s internal auditors <u>shall come to a subsidiary’s place to perform the planned annual audit</u>. When doing so, the internal auditors shall compile an audit report describing each subsidiary’s <u>implementation</u> of compliance with the Endorsement and Guarantee Making Procedure. <u>If any deficiency is found, the internal auditors shall constantly follow the improvement of deficiency, shall compile a follow-up report and submit the same to the Chairman of the Board, shall at the same time</u> notify the audited subsidiary to make improvement, and shall regularly compile a follow-up report to ensure that such subsidiary has timely adopted appropriate improvement measures.</p> <p>V. <u>A subsidiary’s internal auditors shall audit the Endorsement and Guarantee Making Procedure and the implementation at least once every quarter and prepare written records accordingly. They shall promptly notify the Company’s audit unit in writing of any material violation found. The Company’s audit unit shall then submitted the written documents to the Audit Committee.</u></p>	<p>Control procedures for subsidiaries making endorsements and guarantees for others</p> <p>I. Where a subsidiary of the Company intends to make endorsement or guarantee for others, the Company shall instruct that the subsidiary formulate and abide by its own Endorsement and Guarantee Making Procedure in accordance with the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”. The subsidiary’s Endorsement and Guarantee Making Procedure shall first be approved by the Board of Directors, and then submitted to an approved by the shareholders’ meeting. The same rule shall apply to any amendment thereafter.</p> <p>II. Where the Company’s subsidiary intends to make endorsement or guarantee for others, it may do so only after an approval from the Company is obtained. The Company’s Accounting Department and the dedicated personnel designated by the General Manager shall specifically assess the necessity, reasonableness, and risks of such endorsement or guarantee, and the operational risk it poses to the parent company and subsidiaries, and the impact it has on financial position and shareholders equity, and shall have their findings submitted to and approved by the General Manager and the Chairman of the Board of Directors.</p> <p>III. The Accounting Department shall obtain the Statement of Changes in Endorsements and Guarantees Made for Others from each subsidiary at the beginning of each month.</p> <p>IV. The Company’s internal auditors shall regularly compile an audit report describing each subsidiary’s compliance with the Endorsement and Guarantee Making Procedure. After the findings and suggestions have been submitted and approved, the internal auditors shall notify the audited subsidiary to make improvement, and shall regularly compile a follow-up report to ensure that such subsidiary has timely adopted appropriate improvement measures.</p>	<p>Article 11 was amended to strengthen corporate governance. It was amended to specify that any material violation of making endorsement and guarantees shall be notify to the Audit Committee in writing, along with any improvement plans.</p>

Article	Revised content (underlined)	Original content	Reason for revision
Article 15	<p>Implementation and <u>amendment</u></p> <p><u>The Procedures shall be approved by the Audit Committee, passed by the Board of Directors, and submitted to the shareholders' meeting for approval. The same rule shall apply to any amendment thereafter.</u></p>	<p>Implementation</p> <p>I. The Procedures shall be approved by a majority of all Audit Committee members and submitted to the Board of Directors for resolution before it is submitted to the shareholders' meeting for approval. The same shall apply to amendments. If there is any objection raised by a Director and such objection has been recorded or made in writing, the Company shall submit the objection to the Audit Committee and report it in the shareholders' meeting for discussion. The same shall apply to amendments.</p> <p>II. If the Company has appointed Independent Directors, the opinions of Independent Directors shall be taken into full consideration and their approval or objection and reasons shall be listed in the meeting minutes of the Board of Directors.</p> <p>"All Audit Committee members" shall include only the persons who are currently holding such offices.</p>	
Article 16	<p>Revision Date</p> <p>The 1st amendment was on May 26, 1994. The 2nd amendment was on February 18, 2003. The 3rd amendment was on March 21, 2006.</p> <p>.....</p> <p>The 8th amendment was on December 22, 2020.</p> <p><u>The 9th amendment was on March 16, 2022</u></p>	<p>Revision Date</p> <p>The 1st amendment was on May 26, 1994. The 2nd amendment was on February 18, 2003. The 3rd amendment was on March 21, 2006.</p> <p>.....</p> <p>The 8th amendment was on December 22, 2020.</p>	Added the amendment date

HsinKuang Steel Co., Ltd.

Table of Comparison of Revised Articles of the Company's "Rules of Procedure for the Shareholders' Meeting"

The 7th amendment was on March 16, 2022.

Article	Revised content (underlined)	Original content	Reason for revision
Article 1	<u>The Company's shareholders' meeting shall be conducted in accordance with these Rules. Matters not provided herein shall be handled in accordance with relevant laws and regulations.</u>	To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies. Unless otherwise specified by law or Articles of Incorporation, the company shall proceed its shareholders' meetings according to the terms of this policy. Unless otherwise specified by law or Articles of Incorporation, shareholders' meetings are convened by the Board of Directors. Election or dismissal of Directors or Supervisors, amendments to the Articles of Incorporation, the dissolution, merger, or demerger of the Company, any matter under Article 185, Paragraph 1 of the Company Act, and Articles 26-1 and 43-6 of the Securities and Exchange Act or Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised through an extraordinary motion.	Revised wording

Article	Revised content (underlined)	Original content	Reason for revision
Article 3	<p><u>Shareholders of the Company shall be entitled to one vote for each share held, except where such share becomes a non-voting share because it fits the circumstance specified in Article 179 of the Company Act, or where such share is restricted by the Company Act from exercising its voting right. A shareholder who cannot attend a shareholders' meeting may appoint a proxy to attend on his/her behalf by executing a power of attorney printed and issued by the the Company, stating clearly the scope of the authorization. With the exception of trust enterprises or stock affairs agencies approved by the competent securities authority, the votes that may be cast by one proxy representing two or more shareholders shall not exceed three percent of the votes of total shares issued; any votes in excess of that limit shall not be counted.</u></p> <p><u>A shareholder may only execute one power of attorney and appoint one proxy only; the power of attorney shall be delivered to the the Company at least five days prior to the shareholders' meeting. In the event that multiple proxy forms are issued, the proxy form that arrives first shall prevail. However, exception shall be granted if the shareholder issues a proper declaration to withdraw the previous proxy arrangement.</u></p> <p><u>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights electronically, a written notice of proxy cancellation shall be submitted to the Company at least 2 business days before the meeting date. If the withdrawal is made after the prescribed period, then the voting decision exercised by the proxy shall prevail.</u></p>	<p>Each shareholder of the Company shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act. The votes that may be cast by one proxy representing two or more shareholders shall not exceed three percent of the votes of total shares issued; any votes in excess of that limit shall not be counted. The related regulations in Article 177, Article 177-1, and Article 177-2 of the Company Act shall apply mutatis mutandis to the Company's regulations on attendance of proxies of shareholders, the exercise of voting rights, and expression of opinions.</p> <p>Votes in a shareholders' meeting are determined by the number of shares represented during the meeting.</p> <p>Except in the exercise of voting rights for electing Directors and Supervisors, when a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.</p>	Same as above.

Article	Revised content (underlined>	Original content	Reason for revision
Article 6	The Company may designate retained lawyers, certified public accountants or relevant personnel to attend the shareholders' meeting. Staff handling administrative affairs of the shareholders' meeting shall wear identification badges or arm-bands.	The Company may designate retained lawyers, certified public accountants or relevant personnel to attend the shareholders' meeting. It is advisable that shareholders' meetings convened by the Board of Directors be attended by a majority of the Directors and at least one Supervisor who attends the meeting in person. The attendance records shall be included in the meeting minutes of the shareholders' meeting. Organizers of the meeting must wear proper identification or arm badges.	Same as above.
Article 17	Unless otherwise specified in the Company Act or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the meeting. The resolution shall be deemed adopted and shall have the same effect as a vote by casting ballots if no objection is voiced after solicitation by the chair.	Except for special resolutions otherwise provided by the Company Act or the Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the meeting. If the voting method has been decided as a non-ballot vote prior to the vote on a resolution and no objection is voiced after solicitation by the chair, the resolution shall be deemed adopted and shall have the same effect as a vote by casting ballots. At the time of a vote, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders for each proposal. The shareholder shall vote on each proposal and the results of shareholders' agreement, objection, and abstention shall be input on the Market Observation Post System.	Same as above.

Article	Revised content (underlined)	Original content	Reason for revision
Article 18	Where there is an amendment or an alternative for a proposal, the chair shall determine the order in which they are to be voted on with the original proposal. If any of these proposals is approved, the other proposals shall be treated as rejected and not be voted on separately.	<p>A shareholder holding one percent or more of the total number of outstanding shares of the Company may submit to the company a written proposal for discussion at a shareholders' meeting within the period for accepting shareholders' proposals announced by the Company. Each shareholder may only submit one proposal. A shareholder who submits more than one proposal or a proposal with over 300 words shall not be included in the agenda. In addition, when the circumstances of any subparagraph of Article 172-1, Paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.</p> <p>The announced period of acceptance of shareholder proposals, the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the acceptance regulations. At the shareholders' meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p> <p>Where there is an amendment or an alternative for a proposal, the chair shall determine the order in which they are to be voted on with the original proposal. If any of these proposals is approved, the other proposals shall be treated as rejected and not be voted on separately.</p>	Same as above.
Article 22	The 1st amendment was on May 26, 1994. The 2nd amendment was on June 13, 1997. The 3rd amendment was on May 21, 2002. The 4th amendment was on April 27, 2004. The 5th amendment was on March 21, 2006. The 6th amendment was on March 15, 2016. The <u>7th amendment was on March 16, 2022.</u>	The 1st amendment was on May 26, 1994. The 2nd amendment was on June 13, 1997. The 3rd amendment was on May 21, 2002. The 4th amendment was on April 27, 2004. The 5th amendment was on March 21, 2006. The 6th amendment was on March 15, 2016.	Added the amendment date

D.Appendix

HsinKuang Steel Co., Ltd.

Rules of Procedure for the Shareholders' Meeting (before Amendment)

Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Unless otherwise specified by law or Articles of Incorporation, the company shall proceed its shareholders' meetings according to the terms of this policy.

Unless otherwise specified by law or Articles of Incorporation, shareholders' meetings are convened by the board of directors.

Election or dismissal of Directors or Supervisors, amendments to the Articles of Incorporation, the dissolution, merger, or demerger of the Company, any matter under Article 185, Paragraph 1 of the Company Act, and Articles 26-1 and 43-6 of the Securities and Exchange Act or Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised through an extraordinary motion.

Article 2 Shareholders attending the meeting in person (or their proxies) shall wear attendance and present badges and shall submit sign-in cards in lieu of signing in. The Company's weight of share ownership in attendance shall be based on the weight of share ownership in the submitted sign-in cards, plus the weight of share ownership exercised via electronic voting.

The shareholders referred to in the Rules shall be based on the records in the Company's list of shareholders.

Article 3 Each shareholder of the Company shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act. The votes that may be cast by one proxy representing two or more shareholders shall not exceed three percent of the votes of total shares issued; any votes in excess of that limit shall not be counted.

The related regulations in Article 177, Article 177-1, and Article 177-2 of the Company Act shall apply mutatis mutandis to the Company's regulations on attendance of proxies of shareholders, the exercise of voting rights, and expression of opinions.

Votes in a shareholders' meeting are determined by the number of shares represented during the meeting.

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

Article 4 Shareholders in attendance are obligated to follow the rules of the meeting, accept the resolution, and maintain the order of the meeting.

Article 5 Unless otherwise specified in these Rules, shareholder meetings shall be convened by the Board of Directors and chaired by the Chairman. If the Chairman is unable to perform such duties due to leave of absence or any other reason, the Chairman shall appoint one of the directors to act on the Chairman's behalf. If no delegate is appointed by the Chairman, one shall be elected from among the directors to act on the Chairman's behalf. If a shareholders' meeting is convened by someone having the right to convene a meeting, but who is not a member of the Board of Directors, the said person shall chair the meeting. If more than one person has the right to convene the meeting, one shall be elected to chair the meeting.

Article 6 The Company may designate retained lawyers, certified public accountants or relevant personnel to attend the shareholders' meeting.

It is advisable that shareholders' meetings convened by the Board of Directors be attended by a majority of the Directors and at least one Supervisor who attends the meeting in person. The attendance records shall be included in the meeting minutes of the shareholders' meeting.

Organizers of the meeting must wear proper identification or arm badges.

Article 7 The Company shall record the whole course of the shareholders' meeting on audio tape or video tape, and shall keep the tapes on file for at least one year.

Article 8 The chair shall announce the commencement of the meeting when the scheduled time arrives. If the number of shareholders present represents less than half of all voting rights, the chair may postpone the meeting. A meeting may be postponed twice for a combined maximum of thirty minutes (the first postponement shall be twenty minutes and the second postponement shall be ten minutes). If after two postponements the number of shareholders present is still insufficient while representing at least one third of the total issued shares, provisional resolutions may be adopted in accordance with Article 175 Paragraph 1 of the Company Act.

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

Article 9 Agenda of a shareholders' meeting called by the board shall be decided by the board. The meeting shall proceed according to the agenda unless changed by a shareholders' meeting resolution.

If the shareholders' meeting is convened by someone entitled to convene such a meeting but who is not a member of the Board of Directors, the rules of the preceding paragraph shall apply *mutatis mutandis*.

Unless otherwise resolved at the meeting, the chair may not announce adjournment of the meeting before all the discussion items (including extempore motions listed in the agenda are resolved).

The shareholders cannot designate any other person as chair and continue the Meeting in the same or another place after the Meeting is adjourned.

Article 10 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed, or a resolution may be passed in the shareholders' meeting to reconvene the meeting within five days without requiring service of notice or public announcement in accordance with Article 182 of the Company Act.

Article 11 When a shareholder (or proxy) present at the meeting wishes to speak, a speech slip shall be filled out with summary of the speech, the shareholder's number (or the number on their attendance card), and the name of the shareholder. The sequence of speeches by shareholders shall be decided by the chair. A shareholder (or proxy) present at the meeting that merely submits a statement slip without speaking is considered not have spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Unless given consent by the chair and the speaking shareholder (or proxy), other shareholders may not speak to interrupt when a shareholder (or proxy) is speaking; otherwise the chair shall stop the interruption.

Article 12 Unless permitted by the chair, no shareholder may speak more than twice regarding the same proposal (including extempore motions), and shall not speak for more than five minutes each time.

If a shareholder violates the rules outlined in the preceding paragraph, goes beyond the scope of proposals in speaking, or affect the order of the meeting, the chair may stop him/her from speaking.

Article 13 An institutional shareholder may assign only one proxy representative to attend the meeting on its behalf. In the event an institutional shareholder assigns two or more representatives to attend the shareholders' meeting, only one of the representatives may speak on any single agenda item.

Article 14 After a shareholder present at the meeting speaks, the chair may reply in person or assign relevant personnel to reply.

Article 15 The chair may announce to discontinue further discussions if the agenda is considered to have been sufficiently discussed to proceed with the voting.

Article 16 The chair shall appoint personnel to monitor or count the votes. The individuals monitoring the votes, however, shall be the shareholders of the Company. Ballot

counting will proceed openly during the meeting. The outcome of the vote must be documented and announced on site.

Article 17 Except for special resolutions otherwise provided by the Company Act or the Articles of Incorporation, a proposal shall be approved by the consent of more than half of the votes of shares represented by shareholders present. If the voting method has been decided as a non-ballot vote prior to the vote and the chair has inquired whether there are any objections, the proposal shall be deemed as passed with the same validity as a ballot vote.

At the time of a vote, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders for each proposal. The shareholder shall vote on each proposal and the results of shareholders' agreement, objection, and abstention shall be input on the Market Observation Post System.

Article 18 A shareholder holding one percent or more of the total number of outstanding shares of the Company may submit to the company a written proposal for discussion at a shareholders' meeting within the period for accepting shareholders' proposals announced by the Company. Each shareholder may only submit one proposal. A shareholder who submits more than one proposal or a proposal with over 300 words shall not be included in the agenda. In addition, when the circumstances of any subparagraph of Article 172-1, Paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.

The announced period of acceptance of shareholder proposals, the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the acceptance regulations. At the shareholders' meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Where there is an amendment or an alternative for a proposal, the chair shall determine the order in which they are to be voted on with the original proposal. If any of these proposals is approved, the other proposals shall be treated as rejected and not be voted on separately.

Article 19 The chair may instruct the inspectors (or security personnel) to assist in maintaining order in the meeting venue. While maintaining order in the meeting, all proctors or security staff must wear arm bands which identify their roles as "Proctor."

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

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

Article 20 All matters not provided by these Rules herein shall be handled in accordance with the Company Act, relevant laws and regulations, as well as the Articles of Incorporation.

Article 21 These Rules shall come into force after a resolution in the Board of Directors meeting and on the approval of the shareholders' meeting. The same procedures shall apply for future amendments.

Article 22 Revision Date

The 1st amendment was on May 26, 1994.

The 2nd amendment was on June 13, 1997.

The 3rd amendment was on May 21, 2002.

The 4th amendment was on April 27, 2004.

The 5th amendment was on March 21, 2006.

The 6th amendment was on March 15, 2016.

HsinKuang Steel Co., Ltd.

Articles of Incorporation (before Amendment)

Chapter 1 General provisions

- Article 1 The Company is constituted in accordance with the Company Act, and shall be known as "HsinKuang Steel Company Limited."
- Article 2 The business items operated by the Company are as follows:
- (16).CA01050 Iron and Steel Rolling, Drawing, and Extruding
 - (17).CA02010 Metal architectural components manufacturing
 - (18).CA02060 Manufacture of Metal Containers
 - (19).CA02990 Manufacture of Other Fabricated Metal Products
 - (20).F111090 Wholesale of construction materials
 - (21).F106010 Wholesale of ironware
 - (22).F206010 Retail Sale of Ironware
 - (23).F211010 Retail Sale of Construction Materials
 - (24).F401010 International Trade.
 - (25).G801010 Warehousing and Storage
 - (26).H701010 Residence and Buildings Lease Construction and Development
 - (27).H703100 Real Estate Rental and Leasing
 - (28).IZ06010 Cargoes Packaging
 - (29).JE01010 Rental and Leasing Activities
 - (30).ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
- Article 3 The Company's head office is established at New Taipei City. Where necessary the Company may establish branches at appropriate domestic or overseas locations, subject to resolution by its Board of Directors.
- Article 4 Public announcements of the Company shall be made in accordance with the Company Act and other relevant rules and regulations.

Chapter 2 Shares

- Article 5 The Company's registered capital is NT\$3.6 billion, divided into 360 million shares with a face value of NT\$10 per share. Stock options of 20 million shares are set aside for employee subscription. The Board of Directors is authorized to issue the remainder in multiple installments.
- Before issuing any employee stock options at a strike price which is lower than the closing price of the Company's common stocks on the date of issuance, the Company should firstly obtain the agreement of at least two-thirds of the voting rights present at the shareholders' meeting attended by shareholders representing a

majority of total issued shares.

Transfer of shares to employees at prices below the Company's average purchase price are subject to shareholders' meeting resolution and must be resolved with the presence of shareholders representing more than half of outstanding shares, and voted in favor by more than two-thirds of votes present in the meeting.

Article 6 The Company's stocks shall be registered, and signed or sealed by at least three Directors. The stocks shall be issued after the proper certification procedures in accordance with the law.

Registered share certificates issued by the Company are not required to be printed. The Company, however, should contact the securities depository and custodian institution for registration of the share certificates.

Article 7 Title transfer of stocks shall be not be allowed within sixty days before the general shareholders meeting is held, within thirty days before an extraordinary shareholders meeting is held, or within five days before the base date for distribution of stock dividends and bonuses or other benefits determined by the Company.

Article 8 Unless otherwise specified by law or securities regulations, all stock-related affairs including transfer, creation of pledge, reporting of loss, transfer via inheritance, transfer via gift, application for lost or change of the specimen chop, and change of address shall be handled according to "Regulations Governing the Administration of Shareholder Services of Public Companies".

Chapter 3 Shareholders' Meeting

Article 9 Shareholders' meetings include general meetings and special meetings. Unless otherwise provided in regulations, the shareholders' meeting shall be convened by the Board of Directors in accordance with laws. The annual general shareholders meeting is convened within six months of the end of each fiscal year by the Board of Directors. The organization of extraordinary shareholders meetings shall be governed by the relevant regulations.

Article 10 Shareholders may attend meetings in person or appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney. A shareholder who cannot attend shareholders' meeting may appoint a proxy to attend on his/her behalf by executing a power of attorney in accordance with Article 177 of the Company Act.

Article 11 Shareholders of the Company shall be entitled to one vote for each share held, except for the circumstances described in Paragraph 2 under Article 179 of the Company Act where shareholders are restricted or prohibited from exercising voting rights.

According to regulations of the competent authority, the Company's shareholders may also exercise voting rights by means of electronic transmission. A shareholder who exercises his/her/its voting power at a shareholders' meeting by way of electronic transmission shall be deemed to have attended the shareholders'

meeting in person. Other related matters shall be carried out in accordance with regulations.

Article 12 Unless otherwise stipulated in the Company Act, any resolutions in a shareholders' meeting should be approved by a majority vote at a meeting attended by shareholders representing at least one half of its outstanding shares.

Chapter 4 Director

Article 13 The Company shall have six to nine Directors. The number of Directors to be elected in each term shall be determined by the Board of Directors. In the number of Directors specified in the previous paragraph, the number of Independent Directors shall be no less than three and they shall not represent less than one-fifth of the directors to be elected.

Directors shall serve a term of three years and may be eligible for re-election.

Each share shall be empowered with voting rights equal to the number of elected directors in elections of Directors. These voting rights may be concentrated on one candidate or separated across a number of candidates. Candidates with the highest number of votes shall be elected as the Directors.

When the number of vacancies in the Board of Directors reaches one third of the total number of members, the Board of Directors shall call a meeting of shareholders to elect Directors to fill the vacancies. With the exception of a comprehensive reelection of directors, the term of the newly-elected Director shall expire on the original expiry date of his/her predecessor.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination, and other requirements with regard to the Independent Directors shall be set forth in accordance with the Securities and Exchange Act and other relevant regulations.

The total proportion of shares held by all Directors of the Company shall be determined in accordance with regulations of the competent authority responsible for securities.

Article 13-1: Election of the Company's Independent Directors shall be based on the candidate nomination system. Shareholders retaining at least 1% of all outstanding shares and the Board of Directors may nominate candidates for independent director; a list of candidates that the Board of Directors deems qualified for the criteria for being an independent director shall be submitted to the shareholders' meeting for consideration. If the shareholder's meeting is convened by another person with the authority to convene the meeting, after the person with the authority to convene the meeting examines the qualifications of the candidate(s) for serving as an independent director, the names are sent to the shareholder's meeting for election. All matters regarding the acceptance method and announcement of the nomination of candidates for independent director will be handled according to the Company Act, the Securities and Exchange Act, and other applicable laws and regulations.

Article 13-2: The Company has established an Audit Committee in accordance with regulations in Article 14-4 of the Securities and Exchange Act. The Audit Committee shall consist of all independent directors and its powers and related matters shall be devised by the Board of Directors in accordance with the applicable laws. Following the Company's establishment of the Audit Committee, the duties that are previously exercised by supervisors in accordance with the Securities and Exchange Act, the Company Act, other laws and regulations, and the Articles of Incorporation, except for the power and authority stipulated in Article 14-4, Paragraph 4 of the Securities and Exchange Act, shall henceforth be exercised by the Audit Committee. The resolutions of the Audit Committee shall require agreement from more than one half of all members. The convener of the Audit Committee shall represent the Committee externally.

Article 13-3: The Company may purchase liability insurance policies that cover the directors' term of service, and therefore insure itself against liabilities incurred by the directors over the course of service.

Article 13-4: (deleted)

Article 14 The Board of Directors shall appoint one Chairman of the Board during a board meeting with more than two-thirds of Directors present, and with the approval of more than half of all attending Directors. The Chairman shall represent the Company externally.

A director may present a written proxy statement to entrust another director as proxy to attend the board meeting and exercise voting rights on his/her behalf with regard to all matters put forward in the meeting. However, the proxy may only represent one director.

Article 15 The board meeting shall be convened at least once every quarter.

The first meeting of the Board of Directors for each term shall be convened in accordance with Article 203 of the Company Act. The Board of Directors meeting shall be convened by the Chairman. Other meetings shall be convened and chaired by the Chairman.

Notices for the Company's Board of Directors meetings shall be distributed to the Directors at least seven days before the meeting. The date, location, and agenda of the meeting shall be clearly stated in the notice. However, a Board of Directors meeting may be called at any time in the event of an emergency without requiring notices described above. The notice in the preceding paragraph shall be provided in print or in electronic format.

Directors' attendance via video conference shall be considered as attendance in person.

The Chairman shall chair the Board of Directors meeting. In addition, the Chairman retains the right to represent the Company in signing documents in accordance with resolutions passed in the Board of Directors meeting. The Chairman shall represent the Board of Directors to take actions for furthering the Company's goals during the recess of the Board in accordance with the Board's resolutions.

Where the Chairman is absent, the Vice Chairman or other Directors shall act on his/her behalf in accordance with Article 208 of the Company Act. If the Chairman is unable to perform the duties, the Chairman may appoint one of the directors to act on his/her behalf. If no one is appointed, the remaining Directors will appoint one among them to perform the Chairman's duties.

The Company's operating guidelines and other important items shall be determined by the Board of Directors. The Directors shall exercise their powers in accordance with resolutions adopted by the Board of Directors or the shareholders' meeting.

- Article 16 The Board of Directors shall be authorized to determine the remuneration for the Chairman of the Board and the Directors in accordance with their extent of participation in the Company's operations, their value of contribution to the Company, and the industry's prevailing rates, regardless of profits or losses.

Chapter 5 Manager

- Article 17 The Company may have a General Manager and several Vice General Managers. Their appointment, dismissal and remuneration shall comply with Article 29 of the Company Act.

The General Manager shall be in charge of the Company's business operations. The General Manager's scope of duties shall exclude duties of the Board of Directors and the Chairman that are specified in the Company Act, Securities and Exchange Act, related regulations, and the "Authorization of Approval Table of the Board of Directors and Management" established by the Company; all other powers may be exercised by the General Manager.

Chapter 6 Accounting

- Article 18 At the end of each fiscal year, the Company's Board of Directors shall compile the following reports and submit them to the Audit Committee for review at least 30 days before the annual general shareholders meeting: (1) Business Report; (2) Financial Statements; and (3) Proposals on distribution of earnings or on off-set of deficits, etc. The documents shall be submitted to the general shareholders meeting for ratification.

- Article 19 (deleted).

- Article 20 If the Company has generated profits for the current year, it shall allocate at least 3% of profits as employee remuneration. The Board of Directors shall decide to distribute the bonus as shares or cash, which can also be distributed to employees of affiliated companies that meet certain criteria; if the Company sustains profits for the current year, the Board of Directors shall decide to set aside no more than 3% of profits as remuneration for Directors. Employee remuneration and director remuneration proposals shall be presented to the shareholders' meeting.

However when the Company still has accumulated loss, a certain amount of the earnings shall be retained for making up the loss and the remainder may be set aside as employee compensation and remuneration to Directors and Supervisors according to the percentage specified in the preceding paragraph.

Article 20-1: In the event of surplus earnings after closing of annual accounts, due taxes shall be paid in accordance with the law, and losses incurred in previous years shall be compensated. Upon completion of the preceding actions, 10% of the remainder surplus shall be allocated as legal reserve. However, in the event that the accumulated legal reserve is equivalent to or exceeds the Company's total paid-in capital, such allocation may be exempted. The remainder may be set aside or reversed as special surplus reserve in accordance with laws and regulations. If there is remainder surplus, the Board of Directors shall draft a surplus distribution proposal regarding the remainder of the surplus as well as accumulated undistributed surplus for approval at the shareholders' meeting, at which the allocation of shareholders' dividends shall be decided.

The Company has adopted a balanced dividend policy to protect shareholder interest and the goal of sustainable development. The optimal dividend policy shall be consistent with current and future development plans while accounting for the investment environment, capital needs, domestic and international competition, the interest of shareholders, as well as the capital budgets for the following year. The Board of Directors shall formulate a distribution plan for approval in the shareholders' meeting before implementation.

Dividends for shareholders may be distributed in cash or shares. The cash portion shall not be lower than 30% of total dividends.

Article 20-2: The Company may make reinvestments in Taiwan or abroad following resolution in a Board of Directors meeting. When the Company becomes the shareholder of limited liability in other companies, its total amount of investment in such companies shall not be subject to Article 13 of the Company Act which stipulates that the total amount of investment may not exceed 40% of the amount of its own paid-in capital.

Chapter 7 Supplementary provisions

Article 21 Any matters that are not addressed in the Articles of Incorporation shall be governed by the Company Act and the relevant regulations.

Article 22 The Articles of Incorporation were established on December 2, 1976. The 1st amendment was on October 12, 1978. The 2nd amendment was on December 11, 1978. The 3rd amendment was on January 8, 1979. The 4th amendment was on November 16, 1981. The 5th amendment was on April 28, 1985. The 6th amendment was on June 19, 1987. The 7th amendment was on September 5, 1988. The 8th amendment was on April 24, 1989. The 9th amendment was on June 15, 1990. The 10th amendment was on November 15,

1990. The 11th amendment was on April 27, 1991. The 12th amendment was on December 3, 1991. The 13th amendment was on July 4, 1992. The 14th amendment was on December 19, 1992. The 15th amendment was on May 26, 1994. The 16th amendment was on April 22, 1995. The 17th amendment was on April 20, 1996. The 18th amendment was on September 9, 1996. The 19th amendment was on June 13, 1997. The 20th amendment was on April 11, 1998. The 21st amendment was on April 14, 2000. The 22nd amendment was on April 9, 2001. The 23rd amendment was on May 21, 2002. The 24th amendment was on May 15, 2003. The 25th amendment was on May 17, 2005. The 26th amendment was on June 15, 2006. The 27th amendment was on June 13, 2007. The 28th amendment was on June 13, 2008. The 29th amendment was on June 10, 2009. The 30th amendment was on June 25, 2010. The 31st amendment was on June 15, 2016. The 32nd amendment was on June 11, 2019.

[Appendix 3]

Status of Shareholdings of Directors

- (1). Total issued shares of the Company as of April 16, 2022: 321,146,341 common shares.
- (2). According to Article 26 of the Securities and Exchange Act, all Directors as a whole shall retain no less than 12,845,854 shares.
- (3). As of the first day of the book closure period (April 16, 2022) shares retained by directors as indicated on the shareholders' register are as follows:

Saturday, April 16, 2022

Title	Name	Shares currently held as indicated on the shareholders' register	
		Number of shares	Shareholding ratio
Director	Representative of HAN DE INVESTMENT CO., LTD.: Alexander M.T.Su	24,700,276	7.69%
Director	Representative of Trickle Co., Ltd.: Trickle T.C.Chang	14,662,469	4.57%
Director	Ming-Shan Jheng	1,812,999	0.56%
Director	Fisher C.H. Yu	186,242	0.06%
Director	Johnathon Y.J. Su	7,704,930	2.40%
Director	Shih-yang Chen	10,193	0.00%
Independent Directors	Winston Won	-	-
Independent Directors	Po-Young Chu	-	-
Independent Directors	Paul T.Y. Huang	-	-

Note 1: As of the book closure date, a total of 49,077,109 shares were retained by all Directors, which meets the requirement of 12,845,854 shares as specified under Article 26 of the Securities and Exchange Act.

Note 2: The Company has established an Audit Committee.

MEMO



臺灣證券交易所公開資訊觀測站網址
Taiwan Stock Exchange Market Observation Post System

<http://mops.twse.com.tw>

新光鋼鐵股份有限公司年報網址
Hsin Kuang Steel Annual Report is available at

<http://www.hkssteel.com.tw/>

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