Stock Code: 2015

豐興鋼鐵股份有限公司

FENG HSIN STEEL CO., LTD.

General Shareholders' Meeting 2022

Handbook

June 9, 2022

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豐興鋼鐵股份有限公司

Agenda of General Shareholders' Meeting 2022

Form of meeting: Physical shareholders' meeting

Meeting time: Thursday, June 9, 2022 at 09:00 a.m.

Venue: No. 259, Sec. 3, Houke Rd., Houli Dist., Taichung City (Administration Building)

I. Announcement of Meeting

II. Address by Chairperson

III. Address by Guests

IV. Reports
- (1) Report on Business Overview 2021
- (2) Report on Financial Statements 2021 Reviewed by Audit Committee
- (3) Report on Allocation of Remuneration to Employees and Directors 2021
- (4) Report on Allocation of Cash Dividends from Earnings of 2021

V. Proposed Resolutions:
- (1) Proposed Resolution for Business Report and Financial Statements 2021
- (2) Proposed Resolution for Allocation of Earnings 2021

VI. Discussed Motions
- (1) Motion for amendments to the "Rules for Election of Directors"
- (2) Motion for amendments to the "Parliamentary Rules for Shareholders' Meetings."
- (3) Motion for amendments to the "Operating Procedure for Acquisition or Disposal of Assets."

VII. Extemporary Motions

VIII. Adjournment

Reports

I. To report the business overview 2021 for your review and approval.

The business report is attached hereto (please refer to Pages 3~7 of the Handbook).

II. To report the financial statements 2021 reviewed by Audit Committee for your review and approval.

The Audit Committee's inspection report is attached hereto (please refer to Page 8 of the Handbook).

III. To report on allocation of employee compensation and director remuneration 2021 for your review and approval (please refer to Page 9 of the Handbook).

IV. To report on allocation of cash dividends from earnings of 2021 for your review and approval (please refer to Page 9 of the Handbook).

豐興鋼鐵股份有限公司

2021 Business Report

Dear Ladies & Gentlemen:

With the efforts of all our employees, the Company has achieved a solid performance in 2021. The sales volume of the finished products reached 1,777,000 tons, which is an increase of 8.64% compared to 2020. In the past few years, the Company has been developing high value-added types of steel for its bar and wire products, and as the international economy recovered, these efforts eventually came to a fruition; hence the sales of bar and wire products increased by 46% in 2021. Benefiting from the government's promotion of public works and the Taiwanese businesses that returned to Taiwan to build their facilities, the overall domestic demand for steel bars continued to grow. The Company's new steel bar plant, which started production in 2018, continues to generate benefits. The Company adjusted its product mix to fully utilize its production capacity, and consequently the Company's steel bar sales volume in 2021 decreased slightly. In 2021, the Company's operating revenue reached $38.4 billion, which is an increase of 40.52% compared to 2020, and the operating net income reached $4.7 billion, which is an increase of 52.82% compared to 2020.

I. Operating results

1. The implementation results for the Company’s main product sale volume 2021:

Unit: Tons

	Main Products	Sale volume 2021	Sale volume 2020	Growth rate %
Finished goods	Section steel	352,965	339,599	3.94%
	Bar & wire	501,998	342,809	46.44%
	Steel bar	922,146	953,339	-3.27%
	Total	1,777,109	1,635,747	8.64%

2. The Company’s earnings are compared as follows:

(1) Consolidated financial statements

Unit: NT$ thousand

Main Business	2021	2020	Growth rate %
Operating revenue	38,360,406	27,298,051	40.52%
Operating cost	32,711,483	23,448,762	39.50%
Gross profit	5,648,923	3,849,289	46.75%
Operating expenses	927,915	758,427	22.35%
Operating profit	4,721,008	3,090,862	52.74%

(2) Parent company only financial statements

Unit: NT$ thousand

Main Business	2021	2020	Growth rate %
Operating revenue	38,360,406	27,298,051	40.52%
Operating cost	32,711,483	23,448,762	39.50%
Gross profit	5,648,923	3,849,289	46.75%
Operating expenses	927,893	758,405	22.35%
Operating profit	4,721,030	3,090,884	52.74%

3. Analysis of financial structure and profitability (the figures of the consolidated financial statements consist with those of the parent company only financial statements)

Analysis Item \ Year		2021	2020
Financial structure (%)	Liability to asset ratio	17.76	15.41
	Ratio of long-term capital to property, plants and equipment	247.03	206.32
Profitability	Return on assets (ROA) (%)	16.20	11.80
	Return on equity (ROE) (%)	19.41	13.88
	Income before tax to paid-in capital ratio (%)	86.46	55.66
	Net profit margin (%)	10.52	9.60
	EPS (NT$)	6.94	4.50

4. Technology and R&D

The Company’s technology and R&D primarily covered improvement on the process of semi-finished goods, development of new products and upgrading of product quality. Among other things, the new products under development primarily included the new steel types and products for new purposes, e.g. low-carbon and medium-carbon cold forging materials, carbon steel and low-alloy steel for mechanical structure, medium-carbon vulcanized steel, and spring steel for vehicles, etc.. Meanwhile, the Company continues to produce various products in new shapes and sizes.

The Company’s new product development primarily covered the application of vacuum degassing equipment to make steel billets. Then, the magnetic particle test equipment is applied to inspect the steel billets made therefor, and the billets are ground at various levels subject to the product usage. Finally, the finished goods would be subject to strict quality controls in order to satisfy customers’ demand.

For the technology, the Company retains domestic and foreign professional advisors to train the Company’s existing research personnel, and have the personnel attend related conferences domestically and overseas to improve their expertise and knowledge. Meanwhile, the Company will continue to work with professional steelmaking and steel rolling mills by contract, and implement advanced steelmaking and steel rolling equipment, technology and QA systems, so as to keep improving various products' quality. Completion of our technology and R&D works in 2021:1010A and 10B21 (for weld nut/weld flange nuts), 1021MA (for low temperature and impact resistant piping components), 1040ACR (for round head/carriage/flange bolts/flanged nuts), SCM440H (for drive shafts/ cam/control-arm/heavy vehicle tracks), and SD690 D36 (large size ultra-high strength steel bar).

II. Business Plan 2022

1. Business Policy

The Company's business policy 2022 will continue to adopt the goal in 2021, namely "continue to remodel equipment and improve technology to upgrade the production efficiency and product quality, aim at energy-saving and carbon-reducing production, practice the circular economy of green environment, and fulfill corporate social responsibility," in order to create the maximum interest for the Company and shareholders at the same time.

2. Sales volume forecast and supporting basis

Although the global steel industry is still under the shadow of COVID-19 pandemic in 2022, under the influence of the agreement reached by the countries at United Nations Climate Change Conference which just concluded in November 2021, the steel industry is the priority target for carbon reduction. Therefore, numerous uncertainties and fierce competitions are still existing among one another. According to the forecast data released by the World Steel Association in October 2021, after the growth of 4.5% in 2021, the global steel demand will continue to grow by 2.2% in 2022. Upon completing the remodeling of steel bar & wire mills, the Company continued developing toward the market for high-rank steel types and purposes. Further, upon the official mass production of steel bar mills, due to the government's prospective infrastructure construction and public work boosting policies, the Taiwanese businesspersons' return and their plant construction projects in Taiwan, the Increasing foreign investments in Taiwan, and the leading electronics manufacturers' increasing demand for factory expansion, it is expected that the overall demand may remain stable in 2022, and the steel sales of 2022 are forecast to be as many as that of 2021.

3. Key production and sales policies

(1) Production

A. Continue to develop new products per customers' needs, expand the product portfolio and apply flexible scheduling in response to the production plan in order to satisfy customers' needs.

B. Uphold the philosophy "Full Engagement, Quality First, and Customers as the First Priority" as the Company's quality policy.

C. Stabilize mass production of steel mills, improve the quality of finished goods, conserve energy consumption by means of direct steel rolling, cut the production cost, and improve the Company's competitiveness.

(2) Sales

A. Actively participate in the tender solicitations for public works and important factory construction, and use the best effort to strive for orders to increase the market share in the steel bars market by enhancing the cooperation with processors and developing new customers.

B. Continue to develop the export markets for finished goods to seek maximum profit.

C. Maintain a long-term supply relationship with raw materials suppliers to stabilize the source of goods and product quality.

D. Improve the service quality and establish a long-term fair partnership with distributors and customers to strive together and thrive together.

E. Keep remodeling, updating, and improving steel-making and rolling equipment to improve production efficiency and improve various products' quality; keep researching and developing round bar products to help launch into higher rank and wider ranges.

III. External competition, legal environment, and overall business environment

The steel economy and steel prices bottomed out in the fourth quarter of 2020 and will continue to rise into 2021. The international research institutions have upwardly revised the global economy for 2022, which could benefit the outlook of steel. Hence 2022 is still viewed with cautious optimism. However, after more than a year of sharp increase in steel prices, significant fluctuations have started to occur since the fourth quarter of 2021, and therefore steel companies will still face huge challenges in their future operations. In addition, the current international trend requires companies to take account of ESG issues while pursuing operational growth. In October 2021, the Company established the "Net Zero Emission Promotion Team," of which the Chairman of directors is the convener. The Team integrates labor safety, health, production, technology and raw material procurement related departments, and is committed to process improvement and energy efficiency. Using renewable energy and high quality raw materials, all the potential solutions will be evaluated, reviewed and introduced, thereby achieving the goal of net-zero emissions by 2050.

IV. Future Development Strategies

In order to pursue sustainable development, the Company sets forth the following short-term and long-term development strategies, which all employees shall follow:

1. Short-term development strategies

(1) Build a friendly working environment.

(2) Conserve energy and reduce carbon, reduce pollutant emissions, improve recycling of water resources, and aim at zero waste discharge.

(3) Develop new steel types and products.

(4) Reduce costs, improve product quality, and expand market share.

(5) Be a good neighbor and landscape the environment to improve the Company's identity.

2. Long-term development strategies

The Company shall actively coordinate with the national policies so as to move towards carbon neutrality. Implement the smart production into the production process step by step, and adopt the diversification strategy to expand the Company's core strengths and help the Company launch into the global market.

Thank you for your support and care over the years. We wish you good health and all the best!

Chairman of Board: Lin Ta-Chun

President: Lin Ta-Chun

Accounting Manager: Huang Kuei-Yu

豐興鋼鐵股份有限公司

Audit Committee’s Inspection Report

The Board of Directors has prepared the Company's business report, financial statements (including consolidated and parent company only financial statements) and the motion for allocation of earnings 2021, in which the financial statements have been audited by Chen Ming-Hung, CPA and Yen Wen-Pi, CPAs of EY Taiwan, who also issued their audit report. After inspecting said business report, the Audit Committee, financial statements and motion for allocation of earnings, the Audit Committee believes that they are free of material misstatement and thus issued this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review and approve it.

Feng Hsin Steel Co., Ltd.

Convener of Audit Committee: Yue Chao-Tang

February 24, 2022

Report on Allocation of Remuneration to Employees and Directors 2021

Notes:

1. According to Article 235-1 of the Company Act, a fixed amount or ratio of profit of the current year distributable as employees' compensation shall be definitely specified in the Articles of Incorporation.
2. According to the Articles of Incorporation, where the Company has annual profits at the end of a financial year, the Company may distribute not less than 2% of the profits for such year to employees as the employees' compensation. It may distribute not more than 2% thereof to directors as the remuneration.
3. Subject to the profit sought in 2021, upon approval of the Remuneration Committee and resolution of the Board of Directors, the employee compensation of 2021, NT$404,684 thousand, and the remuneration to directors of 2021, NT$65,000 thousand, were distributed in cash accordingly.

Report on Allocation of Cash Dividends from Earnings of 2021

Notes:

1. If the dividends are paid in cash in accordance with the provisions of the Company Act and Article 27-1 of the Company's Articles of Incorporation, based on the resolution of a majority of directors at a meeting attended by two-thirds of the whole directors, the Company may distribute the dividend and bonus, in whole or in part, in cash and thereafter report to the shareholders' meeting.
2. On February 24, 2022, the Board of Directors resolved to distribute common share cash dividends of NT$5.0 per share, which totaled NT$2,907,997,120. The dividends shall be paid in full on May 6, 2022.

Proposed Resolution No. 1

Cause:Proposed Resolution for Business Report and Financial Statements 2021 (Proposed by the Board of Directors)

Note: The Company's business report and financial statements 2021 (including consolidated and parent company only financial statements) have been inspected by the Audit Committee. Among the other things, said financial statements were also audited by Chen Ming-Hung, CPA and Yen Wen-Pi, CPA of EY Taiwan. The business report and financial statements are proposed for resolution.

Resolution:

Feng Hsin Steel Co., Ltd.

Declaration of Statement

The companies to be included by the Company in the consolidated financial statements of affiliated enterprises in 2021 (Jan. 1, 2021–Dec. 31, 2021) pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those to be included into the consolidated financial statements of the parent company and subsidiaries pursuant to the Statements of International Financial Reporting Standards (IFRS) No. 10. Further, the related information to be disclosed in the consolidated financial statements of affiliated enterprises has been disclosed in said consolidated financial statements of the parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial statements of affiliated enterprises separately.

We hereby declare as above.

Feng Hsin Steel Co., Ltd.

Responsible Person: Lin Ta-Chun

February 24, 2022

Independent Auditors' Report

To FENG HSIN STEEL Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of FENG HSIN STEEL Co., Ltd. and its subsidiaries (the "Group") as of 31 December 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2021 and 2020, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2021 and 2020, and their consolidated financial performance and cash flows for the years ended 31 December 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditor(s), 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 2021 consolidated financial statements. 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.

Valuation for inventories

As of 31 December 2021, the Group's net inventories amounted to NT$7,390,581 thousand which represented 27% of the total consolidated assets. The amount of inventories was significant to the Group's financial statements. The Group manufacture and sell various types of steel products. The main ingredient is iron scrap. The material and finished goods are affected by the fluctuation of international prices that may cause significant changes in inventory prices. As a result, the calculation of net realizable value was complicated, we therefore determined this a key audit mater. Our audit procedures included, but not limited to, understanding and testing the effectiveness of internal control; evaluating the adequacy of accounting policies around obsolete inventories; evaluating stocktaking plan and selecting important storage locations to observe inventory counts to ensure inventory quantities and status; obtaining inventory aging schedule to test whether inbound and outbound records are accurate; re-calculating the unit cost of inventories; evaluating and testing net realizable value adopted by management; testing selling prices; and implementing analytical procedures with respect to the gross profit ratios by products. We also assessed the adequacy of disclosures of inventories. Please refer to Note 6 to the Group's consolidated financial statements.

Other Matter – Making Reference to the Audits of Component Auditors

Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of other auditors. Investment in these associates and joint ventures under equity method amounted to NT$880,227 thousand and NT$744,203 thousand, both representing 3% of the consolidated total assets as of 31 December 2021 and 2020, respectively. The related shares of profits from the associates and joint ventures under the equity method amounted to NT$124,215 thousand and NT$83,504 thousand, representing 2% and 3% of the consolidated net income before tax for the years ended 31 December 2021 and 2020, respectively; and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT$174 thousand and NT$159 thousand, both representing 0% of the consolidated other comprehensive income for the years ended 31 December 2021 and 2020, respectively.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 ability to continue as a going concern of the Group 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 financial reporting process of the Group.

Auditor’s 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 auditor’s 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 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 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 internal control of the Group.

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 ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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 accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the

consolidated financial statements. We are responsible for the direction, supervision and performance of the 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 2021 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Other

We have audited and expressed an unqualified opinion on the parent company only financial statements of FENG HSIN STEEL CO., Ltd. as of and for the years ended 31 December 2021 and 2020.

/s/Chen, Ming Hung

/s/Yen, Wen Pi

Ernst & Young, Taiwan

24 February 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations 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 accepted and applied in the Republic of China.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

FENG HSIN STEEL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	2021.12.31	2020.12.31
Current Assets			
Cash and cash equivalents	4, 6.(1)	$1,221,496	$2,175,269
Financial assets at fair value through other comprehensive income-current	4, 6.(2)	1,925,798	1,700,311
Contract assets, current	4, 6.(14),(15)	461,511	397,242
Notes receivable, net	4, 6.(15)	946	12,193
Accounts receivable, net	4, 6.(3),(15)	1,913,374	1,477,780
Other receivables	4	44,964	8,579
Inventories, net	4, 6.(4)	7,390,581	3,301,468
Prepayments	6.(5)	712,798	668,739
Other current assets		7,611	7,352
Total current assets		13,679,079	9,748,933
Non-current assets			
Financial assets at fair value through other comprehensive income-noncurrent	4, 6.(2)	1,405,218	1,072,262
Investments accounted for under the equity method	4, 6.(6)	1,632,521	1,426,954
Property, plant and equipment	4, 6.(7)	8,946,284	9,436,032
Right-of-use asset	4, 6.(16)	172,823	178,936
Investment property,net	4, 6.(8)	694,434	698,381
Deferred tax assets	4, 6.(20)	103,633	109,222
Other non-current assets	6.(9)	238,224	343,142
Total non-current assets		13,193,137	13,264,929
Total assets		$26,872,216	$23,013,862

(Continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

FENG HSIN STEEL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (Continued)

31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Notes	2021.12.31	2020.12.31
Current liabilities			
Short-term loans	4, 6.(10)	$890,802	$329,941
Contract liabilities, current	4, 6.(14)	171,057	134,198
Accounts payable	4, 7	1,597,724	1,302,794
Other payables	4, 6.(11)	1,190,281	1,026,124
Current tax liabilities	4	676,982	414,836
Lease liabilities, current	4, 6.(16)	3,898	5,109
Other current liabilities		2,260	2,159
Total current liabilities		4,533,004	3,215,161
Non-current liabilities			
Deferred tax liabilities	4, 6.(20)	20	-
Lease liabilities, noncurrent	4, 6.(16)	170,906	174,803
Net defined benefit obligation, noncurrent	4, 6.(12)	68,455	155,688
Guarantee deposits		31	-
Total non-current liabilities		239,412	330,491
Total liabilities		4,772,416	3,545,652
Equity attributable to the parent company			
Capital			
Common stock	6.(13)	5,815,994	5,815,994
Additional paid-in capital	6.(13)	452,514	560,097
Retained earnings	6.(13)		
Legal reserve		4,630,509	4,354,532
Special reserve		83,991	278,241
Unappropriated earnings		10,800,945	8,543,337
Total Retained earnings		15,515,445	13,176,110
Other components of equity			
Unrealized gains (losses) on financial asset measured at fair value through other comprehensive income	4	318,742	(83,991)
Gains (losses) on hedging instruments, associates and joint ventures accounted for using the equity method		(2,895)	-
Total Other components of equity		315,847	(83,991)
Total equity		22,099,800	19,468,210
Total liabilities and equity		$26,872,216	$23,013,862

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

FENG HSIN STEEL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	2021	2020
Operating revenues	4,6.(14)	$38,360,406	$27,298,051
Operating costs	6.(17),7	(32,711,483)	(23,448,762)
Gross Profit-net		5,648,923	3,849,289
Operating expenses	6.(17)		
Sales and marketing expenses		(505,724)	(410,547)
General and administrative expenses		(375,636)	(304,047)
Research and development expenses		(46,555)	(43,833)
Subtotal		(927,915)	(758,427)
Operating Income		4,721,008	3,090,862
Non-operating income and expenses			
Interest income		1,316	3,480
Other income	4,6.(18)	163,895	65,015
Other gains and losses	6.(18)	22,370	(11,542)
Finance costs	6.(18)	(7,917)	(5,917)
Share of profit or loss of associates and joint ventures	6.(6)	127,850	95,044
Subtotal		307,514	146,080
Income from continuing operations before income tax		5,028,522	3,236,942
Income tax expense	4,6.(20)	(993,957)	(617,516)
Net income		4,034,565	2,619,426
Other comprehensive income	6.(19)		
Items that will not to be reclassified subsequently to profit or loss			
Remeasurements of defined benefit pension plans		(20,622)	(7,784)
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income		761,289	340,694
Share of other comprehensive of associates and joint ventures		(3,445)	159
Income tax related to items that will not to be reclassified subsequently to profit or loss		4,813	1,525
Total other comprehensive loss, net of tax		742,035	334,594
Total comprehensive income		$4,776,600	$2,954,020
Net income attributable to:			
Stockholders of the parent		$4,034,565	$2,619,426
Non-controlling interests		-	-
		$4,034,565	$2,619,426
Comprehensive income attributable to:			
Stockholder of the parent		$4,776,600	$2,954,020
Non-controlling interests		-	-
		$4,776,600	$2,954,020
Earnings per share (NTD)	4,6.(21)		
Earnings per share-basic		$6.94	$4.50
Earnings per share-diluted		$6.89	$4.48

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

FENG HSIN STEEL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to the parent company							Total Equity
			Retained earnings			Other components of equity		
	Common Stock	Additional Paid-in Capital	Legal Reserve	Special reserve	Unappropriated Earnings	Unrealized Gains (losses) measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	
Balance as of 1 January 2020	$5,815,994	$588,123	$4,158,088	$316,503	$7,686,547	$(278,241)	$ -	$18,287,014
Appropriation and distribution of 2019 retained earnings								
Legal reserve			196,444		(196,444)			-
Cash dividends					(1,744,798)			(1,744,798)
Reversal of special reserve				(38,262)	38,262			-
Change in other paid-in capital								
Change in other paid-in capital of associates and joint ventures accounted for using the equity method		(28,867)						(28,867)
Change in other paid-in capital		841						841
Net income for the year ended 31 December 2020					2,619,426			2,619,426
Other comprehensive income (loss), net of tax for the year ended 31 December 2020					(6,100)	340,694		334,594
Total comprehensive income (loss)	-	-	-	-	2,613,326	340,694	-	2,954,020
Disposal of financial assets at fair value through other comprehensive income					146,444	(146,444)		-
Balance as of 31 December 2020	$5,815,994	$560,097	$4,354,532	$278,241	$8,543,337	$(83,991)	$ -	$19,468,210
Balance as of 1 January 2021	$5,815,994	$560,097	$4,354,532	$278,241	$8,543,337	$(83,991)	$ -	$19,468,210
Appropriation and distribution of 2020 retained earnings								
Legal reserve			275,977		(275,977)			-
Cash dividends					(2,035,598)			(2,035,598)
Reversal of special reserve				(194,250)	194,250			-
Change in other paid-in capital								
Change in other paid-in capital of associates and joint ventures accounted for using the equity method		(108,392)			(1,829)			(110,221)
Change in other paid-in capital		809						809
Net income for the year ended 31 December 2021					4,034,565			4,034,565
Other comprehensive income (loss), net of tax for the year ended 31 December 2021					(16,359)	761,289	(2,895)	742,035
Total comprehensive income (loss)	-	-	-	-	4,018,206	761,289	(2,895)	4,776,600
Disposal of financial assets at fair value through other comprehensive income					358,556	(358,556)		-
Balance as of 31 December 2021	$5,815,994	$452,514	$4,630,509	$83,991	$10,800,945	$318,742	$(2,895)	$22,099,800

(The accompanying notes are an integral part of the financial statements)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

FENG HSIN STEEL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended 31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2021	2020
Cash flows from operating activities:		
Net income before tax	$5,028,522	$3,236,942
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Income and expense adjustments:		
Depreciation	1,218,266	1,184,374
Amortization	3,000	3,000
Net gain of financial assets and liabilities at fair value through profit or loss	(3,753)	(520)
Interest expense	7,917	5,917
Interest income	(1,316)	(3,480)
Dividend income	(122,990)	(48,056)
Share of profit of associates and joint ventures	(127,850)	(95,044)
Gain on disposal of property, plant and equipment	(4,990)	(497)
Loss on disposal of other assets	-	98
Other items	-	(544)
Changes in operating assets and liabilities:		
Increase in current contract assets	(64,269)	(158,101)
Decrease in notes receivable	12,056	15,122
(Increase) Decrease in accounts receivable	(435,594)	53,304
(Increase) Decrease in other receivables	(2,973)	8,700
(Increase) Decrease in inventories, net	(4,084,348)	1,007,086
Increase in prepayments	(92,707)	(40,114)
Increase in other current assets	(259)	(1,892)
Increase in current contract liabilities	36,859	2,826
Decrease in notes payable	-	(241)
Increase in accounts payable	294,930	129,036
Increase in other payables	78,516	39,594
Increase in other current liabilities	101	783
Decrease in net defined benefit obligation	(22,485)	(23,612)
Cash generated from operations	1,716,633	5,314,681
Interest received	1,345	3,480
Dividends received	123,553	51,293
Interest paid	(5,320)	(3,186)
Income tax paid	(721,389)	(319,452)
Net cash provided by operating activities	1,114,822	5,046,816

(Continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

FENG HSIN STEEL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

For the years ended 31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2021	2020
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(1,937,804)	(2,666,305)
Disposal of financial assets at fair value through other comprehensive income	2,077,491	1,303,417
Return of paid-in capital for capital reduction in financial assets at fair value through other comprehensive income	29,155	13,407
Acquisition of financial assets at fair value through profit or loss	(37,680)	(10,000)
Disposal of financial assets at fair value through profit or loss	41,433	10,520
Acquisition of investments accounted for under the equity method	(262,371)	(52,122)
Acquisition of property, plant and equipment	(670,318)	(726,663)
Disposal of property, plant and equipment	733	150
Acquisition of investment properties	-	(321,843)
Decrease (Increase) in non-current-assets	101,918	(244,501)
Dividends received	71,232	58,816
Net cash used in investing activities	(586,211)	(2,635,124)
Cash flows from financing activities:		
Increase (Decrease) in short-term loans	560,861	(51,210)
Increase in guarantee deposits	31	-
Cash payments for the principal of lease liability	(7,678)	(7,367)
Cash dividends	(2,035,598)	(1,744,798)
Net cash used in financing activities	(1,482,384)	(1,803,375)
Net (decrease) increase in cash and cash equivalents	(953,773)	608,317
Cash and cash equivalents at beginning of period	2,175,269	1,566,952
Cash and cash equivalents at end of period	$1,221,496	$2,175,269

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

Independent Auditors' Report

To FENG HSIN STEEL Co., Ltd.

Opinion

We have audited the accompanying standalone balance sheets of FENG HSIN STEEL Co., Ltd. and its subsidiaries (the "Company") as of 31 December 2021 and 2020, and the related standalone statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2021 and 2020, and notes to the standalone financial statements, including the summary of significant accounting policies (together "the standalone financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), the standalone financial statements referred to above present fairly, in all material respects, the standalone financial position of the Company as of 31 December 2021 and 2020, and their standalone financial performance and cash flows for the years ended 31 December 2021 and 2020, in conformity with the requirements of 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 Standalone 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 (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditor(s), 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 2021 standalone financial statements. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation for inventories

As of 31 December 2021, the Company's net inventories amounted to NT$7,390,581 thousand which represented 27% of the total standalone assets. The amount of inventories was significant to the Company's financial statements. The Company manufacture and sell various types of steel products. The main ingredient is iron scrap. The material and finished goods are affected by the fluctuation of international prices that may cause significant changes in inventory prices. As a result, the calculation of net realizable value was complicated, we therefore determined this a key audit mater. Our audit procedures included, but not limited to, understanding and testing the effectiveness of internal control; evaluating the adequacy of accounting policies around obsolete inventories; evaluating stocktaking plan and selecting important storage locations to observe inventory counts to ensure inventory quantities and status; obtaining inventory aging schedule to test whether inbound and outbound records are accurate; re-calculating the unit cost of inventories; evaluating and testing net realizable value adopted by management; testing selling prices; and implementing analytical procedures with respect to the gross profit ratios by products. We also assessed the adequacy of disclosures of inventories. Please refer to Note 6 to the Company's standalone financial statements.

Other Matter – Making Reference to the Audits of Component Auditors

Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of other auditors. Investment in these associates and joint ventures under equity method amounted to NT$880,227 thousand and NT$744,203 thousand, both representing 3% of the standalone total assets as of 31 December 2021 and 2020, respectively. The related shares of profits from the associates and joint ventures under the equity method amounted to NT$124,215 thousand and NT$83,504 thousand, representing 2% and 3% of the standalone net income before tax for the years ended 31 December 2021 and 2020, respectively; and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT$174 thousand and NT$159 thousand, both representing 0% of the standalone other comprehensive income for the years ended 31 December 2021 and 2020, respectively.

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

Management is responsible for the preparation and fair presentation of the standalone financial statements in accordance with the requirements of 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 standalone financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the ability to continue as a going concern of the Company 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 financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 standalone financial statements.

As part of an audit in accordance with 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 standalone 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 internal control of the Company.

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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 auditor's 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 standalone financial statements, including the accompanying notes, and whether the standalone financial

statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the Company 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 2021 standalone financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

/s/Chen, Ming Hung

/s/Yen, Wen Pi

Ernst & Young, Taiwan

24 February 2022

Notice to Readers

The accompanying standalone financial statements are intended only to present the standalone financial position, results of operations 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 standalone financial statements are those generally accepted and applied in the Republic of China.

English Translation of Standalone Financial Statements Originally Issued in Chinese

FENG HSIN STEEL CO., LTD.

Standalone BALANCE SHEETS

31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	2021.12.31	2020.12.31
Current Assets			
Cash and cash equivalents	4, 6.(1)	$1,220,485	$2,174,223
Financial assets at fair value through other comprehensive income-current	4, 6.(2)	1,925,798	1,700,311
Contract assets, current	4, 6.(14),(15)	461,511	397,242
Notes receivable, net	4, 6.(15)	946	12,193
Accounts receivable, net	4, 6.(3),(15)	1,913,374	1,477,780
Other receivables	4	44,964	8,579
Inventories, net	4, 6.(4)	7,390,581	3,301,468
Prepayments	6.(5)	712,798	668,739
Other current assets		7,611	7,352
Total current assets		13,678,068	9,747,887
Non-current assets			
Financial assets at fair value through other comprehensive income-noncurrent	4, 6.(2)	889,807	556,851
Investments accounted for under the equity method	4, 6.(6)	2,148,943	1,943,411
Property, plant and equipment	4, 6.(7)	8,946,284	9,436,032
Right-of-use asset	4, 6.(16)	172,823	178,936
Investment property,net	4, 6.(8)	694,434	698,381
Deferred tax assets	4, 6.(20)	103,633	109,222
Other non-current assets	6.(9)	238,224	343,142
Total non-current assets		13,194,148	13,265,975
Total assets		$26,872,216	$23,013,862

(Continued)

English Translation of Standalone Financial Statements Originally Issued in Chinese

FENG HSIN STEEL CO., LTD.

Standalone BALANCE SHEETS (Continued)

31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Notes	2021.12.31	2020.12.31
Current liabilities			
Short-term loans	4, 6.(10)	$890,802	$329,941
Contract liabilities, current	4, 6.(14)	171,057	134,198
Accounts payable	4, 7	1,597,724	1,302,794
Other payables	4, 6.(11)	1,190,281	1,026,124
Current tax liabilities	4	676,982	414,836
Lease liabilities, current	4, 6.(16)	3,898	5,109
Other current liabilities		2,260	2,159
Total current liabilities		4,533,004	3,215,161
Non-current liabilities			
Deferred tax liabilities	4, 6.(20)	20	-
Lease liabilities, noncurrent	4, 6.(16)	170,906	174,803
Net defined benefit obligation, noncurrent	4, 6.(12)	68,455	155,688
Guarantee deposits		31	-
Total non-current liabilities		239,412	330,491
Total liabilities		4,772,416	3,545,652
Equity attributable to the parent company			
Capital			
Common stock	6.(13)	5,815,994	5,815,994
Additional paid-in capital	6.(13)	452,514	560,097
Retained earnings	6.(13)		
Legal reserve		4,630,509	4,354,532
Special reserve		83,991	278,241
Unappropriated earnings		10,800,945	8,543,337
Total Retained earnings		15,515,445	13,176,110
Other components of equity			
Unrealized gains (losses) on financial asset measured at fair value through other comprehensive income	4	318,742	(83,991)
Gains (losses) on hedging instruments, associates and joint ventures accounted for using the equity method		(2,895)	-
Total Other components of equity		315,847	(83,991)
Total equity		22,099,800	19,468,210
Total liabilities and equity		$26,872,216	$23,013,862

(The accompanying notes are an integral part of the Standalone financial statements)

English Translation of Standalone Financial Statements Originally Issued in Chinese

FENG HSIN STEEL CO., LTD.

Standalone STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	2021	2020
Operating revenues	4,6.(14)	$38,360,406	$27,298,051
Operating costs	6.(17),7	(32,711,483)	(23,448,762)
Gross Profit-net		5,648,923	3,849,289
Operating expenses	6.(17)		
Sales and marketing expenses		(505,724)	(410,547)
General and administrative expenses		(375,614)	(304,025)
Research and development expenses		(46,555)	(43,833)
Subtotal		(927,893)	(758,405)
Operating Income		4,721,030	3,090,884
Non-operating income and expenses			
Interest income		1,316	3,479
Other income	4,6.(18)	163,895	65,015
Other gains and losses	6.(18)	22,383	(11,468)
Finance costs	6.(18)	(7,917)	(5,917)
Share of profit or loss of associates and joint ventures	6.(6)	127,815	94,949
Subtotal		307,492	146,058
Income from continuing operations before income tax		5,028,522	3,236,942
Income tax expense	4,6.(20)	(993,957)	(617,516)
Net income		4,034,565	2,619,426
Other comprehensive income	6.(19)		
Items that will not to be reclassified subsequently to profit or loss			
Remeasurements of defined benefit pension plans		(20,622)	(7,784)
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income		761,289	340,694
Share of other comprehensive of associates and joint ventures		(3,445)	159
Income tax related to items that will not to be reclassified subsequently to profit or loss		4,813	1,525
Total other comprehensive loss, net of tax		742,035	334,594
Total comprehensive income		$4,776,600	$2,954,020
Earnings per share (NTD)	4,6.(21)		
Earnings per share-basic		$6.94	$4.50
Earnings per share-diluted		$6.89	$4.48

(The accompanying notes are an integral part of the Standalone financial statements)

English Translation of Standalone Financial Statements Originally Issued in Chinese
FENG HSIN STEEL CO., LTD.
Standalone STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Common Stock	Additional Paid-in Capital	Retained earnings			Other components of equity		Total Equity
			Legal Reserve	Special reserve	Unappropriated Earnings	Unrealized Gains (losses) measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	
Balance as of 1 January 2020	$5,815,994	$588,123	$4,158,088	$316,503	$7,686,547	$(278,241)	$ -	$18,287,014
Appropriation and distribution of 2019 retained earnings								
Legal reserve			196,444		(196,444)			-
Cash dividends					(1,744,798)			(1,744,798)
Reversal of special reserve				(38,262)	38,262			-
Change in other paid-in capital								
Change in other paid-in capital of associates and joint ventures accounted for using the equity method		(28,867)						(28,867)
Change in other paid-in capital		841						841
Net income for the year ended 31 December 2020					2,619,426			2,619,426
Other comprehensive income (loss), net of tax for the year ended 31 December 2020					(6,100)	340,694		334,594
Total comprehensive income (loss)	-	-	-	-	2,613,326	340,694	-	2,954,020
Disposal of financial assets at fair value through other comprehensive income					146,444	(146,444)		-
Balance as of 31 December 2020	$5,815,994	$560,097	$4,354,532	$278,241	$8,543,337	$(83,991)	$ -	$19,468,210
Balance as of 1 January 2021	$5,815,994	$560,097	$4,354,532	$278,241	$8,543,337	$(83,991)	$ -	$19,468,210
Appropriation and distribution of 2020 retained earnings								
Legal reserve			275,977		(275,977)			-
Cash dividends					(2,035,598)			(2,035,598)
Reversal of special reserve				(194,250)	194,250			-
Change in other paid-in capital								
Change in other paid-in capital of associates and joint ventures accounted for using the equity method		(108,392)			(1,829)			(110,221)
Change in other paid-in capital		809						809
Net income for the year ended 31 December 2021					4,034,565			4,034,565
Other comprehensive income (loss), net of tax for the year ended 31 December 2021					(16,359)	761,289	(2,895)	742,035
Total comprehensive income (loss)	-	-	-	-	4,018,206	761,289	(2,895)	4,776,600
Disposal of financial assets at fair value through other comprehensive income					358,556	(358,556)		-
Balance as of 31 December 2021	$5,815,994	$452,514	$4,630,509	$83,991	$10,800,945	$318,742	$(2,895)	$22,099,800

(The accompanying notes are an integral part of the financial statements)

English Translation of Standalone Financial Statements Originally Issued in Chinese

FENG HSIN STEEL CO., LTD.

Standalone STATEMENTS OF CASH FLOWS

For the years ended 31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2021	2020
Cash flows from operating activities:		
Net income before tax	$5,028,522	$3,236,942
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Income and expense adjustments:		
Depreciation	1,218,266	1,184,374
Amortization	3,000	3,000
Net gain of financial assets and liabilities at fair value through profit or loss	(3,753)	(520)
Interest expense	7,917	5,917
Interest income	(1,316)	(3,479)
Dividend income	(122,990)	(48,056)
Share of profit of associates and joint ventures	(127,815)	(94,949)
Gain on disposal of property, plant and equipment	(4,990)	(497)
Loss on disposal of other assets	-	98
Other items	-	(544)
Changes in operating assets and liabilities:		
Increase in current contract assets	(64,269)	(158,101)
Decrease in notes receivable	12,056	15,122
(Increase) Decrease in accounts receivable	(435,594)	53,304
(Increase) Decrease in other receivables	(2,973)	8,700
(Increase) Decrease in inventories, net	(4,084,348)	1,007,086
Increase in prepayments	(92,707)	(40,114)
Increase in other current assets	(259)	(1,892)
Increase in current contract liabilities	36,859	2,826
Decrease in notes payable	-	(241)
Increase in accounts payable	294,930	129,036
Increase in other payables	78,516	39,594
Increase in other current liabilities	101	783
Decrease in net defined benefit obligation	(22,485)	(23,612)
Cash generated from operations	1,716,668	5,314,777
Interest received	1,345	3,479
Dividends received	123,553	51,293
Interest paid	(5,320)	(3,186)
Income tax paid	(721,389)	(319,452)
Net cash provided by operating activities	1,114,857	5,046,911

(Continued)

English Translation of Standalone Financial Statements Originally Issued in Chinese

FENG HSIN STEEL CO., LTD.

Standalone STATEMENTS OF CASH FLOWS (Continued)

For the years ended 31 December 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2021	2020
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(1,937,804)	(2,666,305)
Disposal of financial assets at fair value through other comprehensive income	2,077,491	1,303,417
Return of paid-in capital for capital reduction in financial assets at fair value through other comprehensive income	29,155	13,407
Acquisition of financial assets at fair value through profit or loss	(37,680)	(10,000)
Disposal of financial assets at fair value through profit or loss	41,433	10,520
Acquisition of investments accounted for under the equity method	(262,371)	(52,122)
Acquisition of property, plant and equipment	(670,318)	(726,663)
Disposal of property, plant and equipment	733	150
Acquisition of investment properties	-	(321,843)
Decrease (Increase) in non-current-assets	101,918	(244,501)
Dividends received	71,232	58,816
Net cash used in investing activities	(586,211)	(2,635,124)
Cash flows from financing activities:		
Increase (Decrease) in short-term loans	560,861	(51,210)
Increase in guarantee deposits	31	-
Cash payments for the principal of lease liability	(7,678)	(7,367)
Cash dividends	(2,035,598)	(1,744,798)
Net cash used in financing activities	(1,482,384)	(1,803,375)
Net (decrease) increase in cash and cash equivalents	(953,738)	608,412
Cash and cash equivalents at beginning of period	2,174,223	1,565,811
Cash and cash equivalents at end of period	$1,220,485	$2,174,223

(The accompanying notes are an integral part of the Standalone financial statements)

Proposed Resolution No. 2

Cause: Proposed Resolution for Allocation of Earnings 2021 (Proposed by the Board of Directors)

Note: The allocation of earnings 2021 is planned as following:

Feng Hsin Steel Co., Ltd.

Statement of Earnings Allocation 2021

Unit: NT$

Main Business	Amount
Unallocated earnings - beginning	**6,426,011,541**
Plus (Minus):	
Other comprehensive income (Defined benefit plan re-measurement amount - 2021)	**(16,358,228)**
Current net income 2021	**4,034,565,007**
Disposal of equity instrument at fair value through other comprehensive income	**358,555,581**
Changes in associates and joint ventures under the equity method	**(1,829,308)**
Allocable earnings	**10,800,944,593**
Minus:	
Provisions	
Appropriation of legal reserve (10%)	**(437,493,305)**
Special reserve set aside pursuant to laws	**83,991,547**
Allocations	
Dividend to shareholders—cash ($5 per share)	**(2,907,997,120)**
Unallocated earnings - ending	**7,539,445,715**

Note 1: The cash dividends will be calculated and truncated to the nearest NTD. Fractions shall be summed and recognized by the Company as other income.
Note 2: The earnings of 2021 shall be allocated as the first priority this year.

Chairman of Board: Lin Ta-Chun President: Lin Ta-Chun Accounting Manager: Huang Kuei-Yu

Resolution:

Discussed Motions

Discussion Motion No. 1

Cause:Motion for amendments to the “Rules for Election of Directors” (Proposed by the Board of Directors)
Explanation: Cross Reference Table for the amendments to the Company’s “Rules for Election of Directors”
Basis of amendment: The relevant provisions are amended in accordance with the "Procedures for Election of Directors of ○○ Company Limited" and the practical operations.

After Amendments	Before Amendments	Explanation
Article 4. The qualifications of independent directors of the Company shall meet the requirements of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". The Company's independent directors shall be elected pursuant to the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies " and the provisions of the Company's Regulations FI-12 "Corporate Governance Best-Practice Principles".	Article 4. (Added)	The qualifications of the new independent directors and the manner of their election are added.
Article 6. (Deleted)	Article 6. If a candidate is a shareholder, the candidate’s account name and shareholder account number or identification number shall be indicated in the "candidate" column on the ballot. If the candidate is a non-shareholder, his/her name and identification number shall be provided. However, if the candidate is a government agency or corporate shareholder, the name of the	In order to comply with the official document (Jin-Guan-Zheng-Jiao-Zi 1080311451) issued by the FSC on April 25, 2019, exchange-listed companies and OTC-listed companies shall adopt a candidate

After Amendments	Before Amendments	Explanation
	government agency or corporate shareholder, or the names of both the government agency or corporate shareholder and its representative, shall be indicated in the "candidate's account name" column on the ballot. When there are more than one representative, the name of each representative shall be provided.	nomination system for the election of directors and supervisors as of 2021, and the shareholders shall elect the candidates from the list of director candidates. The shareholders are able to know the names, educational background, and experience, etc. of the candidates from the list of candidates before the shareholders' meeting. The shareholder account number or ID card number is not the essential way to identify the candidates, therefore, this article is removed.
Article 8. A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by "a person with the right to convene". 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. Other words or marks are entered in addition to the number of voting rights allotted.	Article 8. A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared in accordance with these rules. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. Words other than the candidate's account name (or	In response to the amendment of the procedures for the election of directors of OO Company limited, the relevant provisions were amended.

After Amendments	Before Amendments	Explanation
	name) or shareholder account number (or identification number) and the number of voting rights allotted are written on the ballot;	
5. The written name of the candidate is different from that indicated in the "list of director candidates".	5. Where the candidate written therein is a shareholder, the account name or the shareholder account number is different from that indicated in the shareholders roster; where the candidate written therein is a non-shareholder, the personal name written therein is inconsistent. 6. Two or more candidates are listed on a single ballot. 7. The account name (the person's name) or the shareholder account number (ID card number) of the candidate is not written.	
Article 9. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chairperson on the site.	Article 9. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, shall be announced by the chair on the site.	The content to be announced for invoicing result is added.
Article 12. ………………………………………… 3rd amendments hereto were made on June 9, 2022.	Article 12. …………………………………………	Add the dates when the amendments were made.
Article 5–Article 6	Article 4–Article 5	The article number is amended.

Resolution:

Discussion Motion No. 2

Cause:Motion for amendments to the “Parliamentary Rules for Shareholders’ Meetings.” (Proposed by the Board of Directors)

Explanation: Cross Reference Table for the amendments to the Company’s “Parliamentary Rules for Shareholders’ Meetings.”

Basis of amendment: In order to comply with the amendment of "Rules for Recording and Complying with the Procedures of Shareholders' Meetings of Public Companies" (Official Document No. Jin-Guan-Zheng-Jiao-Zi 1100365384, dated December 16, 2021), the relevant wording of “the information disclosure website designated by the Financial Supervisory Commission” was corrected.

After Amendments	Before Amendments	Explanation
Article 2. (Convention of Shareholders’ Meetings and Meeting Notice) Unless otherwise provided in laws, any shareholders’ meeting of the Company shall be convened by the Board of Directors. The Company shall prepare the electronic version of the meeting notice, power of attorney form, information on motions for proposed resolutions, discussion motions, election or discharge of directors, and causes of the motions, and send the same to the information disclosure website designated by the Financial Supervisory Commission at least 30 days before a general shareholder’s meeting or at least 15 days before a special shareholders’ meeting. Meanwhile, the Company shall prepare the shareholders’ meeting handbook and supplementary materials for the meeting in an electronic version and send the same to the information disclosure website designated by the Financial Supervisory Commission at least 21 days before a general shareholders’ meeting or 15 days before a special shareholders’ meeting.	Article 2. (Convention of Shareholders’ Meetings and Meeting Notice) Unless otherwise provided in laws, any shareholders’ meeting of the Company shall be convened by the Board of Directors. The Company shall prepare the electronic version of the meeting notice, power of attorney form, information on motions for proposed resolutions, discussion motions, election or discharge of directors, and causes of the motions, and send the same to the Market Observation Post System at least 30 days before a general shareholder’s meeting or at least 15 days before a special shareholders’ meeting. Meanwhile, the Company shall prepare the shareholders’ meeting handbook and supplementary materials for the meeting in an electronic version and send the same to the Market Observation Post System at least 21 days before a general shareholders’ meeting or 15 days before a special shareholders’ meeting. The shareholders’ meeting handbook and supplementary materials of the meeting shall be prepared 15 days	In order to comply with the amendment of "Rules for Recording and Complying with the Procedures of Shareholders' Meetings of Public Companies"(Official Document No. Jin-Guan-Zheng-Jiao-Zi 1100365384, dated December 16, 2021), the relevant wording regarding “the information

After Amendments	Before Amendments	Explanation
The shareholders' meeting handbook and supplementary materials of the meeting shall be prepared 15 days before the meeting date for shareholders to read at any time. They shall also be displayed in the Company and at the premises of the professional shareholder service agent entrusted by the Company, and shall be distributed at the meeting. (omitted hereafter)	before the meeting date for shareholders to read at any time. They shall also be displayed in the Company and at the premises of the professional shareholder service agent entrusted by the Company, and shall be distributed at the meeting. (omitted hereafter)	disclosure website designated by the Financial Supervisory Commission" was corrected.

Resolution:

Discussion Motion No. 3

Cause:Motion for amendments to the “Operating Procedure for Acquisition or Disposal of Assets.” (Proposed by the Board of Directors)

Explanation: Cross reference table for the “Operating Procedure for Acquisition or Disposal of Assets”

Basis of amendment: In order to comply with the amendment of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"(Official Document No. Jin-Guan-Zheng-Fa-Zi 1110380465, dated January 28, 2022) and the practical operations, the relevant wording of “the acquisition or disposal of assets” was corrected.

After Amendments	Before Amendments	Explanation
Article 3 The term "assets" as used in these Regulations includes the following: 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real property (including land, houses and buildings, and investment property) and equipment.	Article 3 The term "assets" as used in these Regulations includes the following: 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real property (including land, houses and buildings, investment property, land use rights, and construction enterprise inventory) and equipment.	The inapplicable wording is removed.
Article 5 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance	Article 5 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of Regulations Governing the Acquisition and Disposal of Assets by Public Companies, the Company Act,	The inapplicable wording is revised.

After Amendments	Before Amendments	Explanation
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.	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.	
Article 9 I. Scope and Limit The Company and its subsidiaries may acquire operating assets and also procure of non-operating real property, right-of-use assets and securities. The limits thereof are stated as follows: 1. The total of non-operating property shall not exceed 20% of the Company's net value. 2. In accordance with the articles of Incorporation, the Company's investment in various businesses may be exempted from the restriction on the investment no more than 40% of the paid-in capital referred to in Article 13 of the Company Act. 3. The total amount of investment in the exchange-listed or OTC-listed shares shall not exceed 40% of the net value stated in the Company's latest financial statements which have been audited or reviewed by certified public accountants. 4. The amount of investment in each of the exchange-listed or OTC-listed shares shall not exceed 20% of the net value stated in the Company's latest financial statements which have been audited or	Article 9 I. Scope and Limit of Investment The Company and its subsidiaries may acquire operating assets and also invest in procurement of non-operating real property, right-of-use assets and securities. The limits thereof are stated as follows: 1. The total of non-operating property shall not exceed 20% of the Company's net value. 2. In accordance with the articles of Incorporation, the Company's investment in various businesses may be exempted from the restriction on the investment no more than 40% of the paid-in capital referred to in Article 13 of the Company Act. 3. The total amount of short-term investment in the marketable securities shall not exceed 40% of the net value stated in the Company's latest financial statements which have been audited or reviewed by certified public accountants. 4. The amount of "short-term investment in each marketable security shall not exceed 20% of the net value stated in the Company's latest financial	1. Considering that the opinion issued by external experts shall be in compliance with the self-regulatory rules of their respective industry associations, hence the content of the relevant provisions is removed. 2. Considering the practical operation time, the time limit for construction companies to

After Amendments	Before Amendments	Explanation
reviewed by certified public accountants. The amount may be increased by a resolution of the Board of Directors. Notwithstanding, the maximum amount shall not exceed 40% of the net value stated in the Company's latest financial statements audited or reviewed by a certified public accountant pursuant to the "Operating Procedure for Acquisition or Disposal of Assets." 5. The total amount of investment in the non-exchange-listed or non-OTC-listed securities shall not exceed the net value stated in the Company's latest financial statements which have been audited or reviewed by certified public accountants. 6. The limit on investment in each security non-exchange-listed or non-OTC-listed above shall not exceed 50% of the net worth of the Company. 7. If the Company's subsidiaries are dedicated to investment, the amount of investment shall not be limited by this Article. 8. The total of non-operating right-of-use assets shall not exceed 20% of the Company's net value. II. Price Determination Methods and Reference Basis. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or	statements which have been audited or reviewed by certified public accountants. The amount may be increased by a resolution of the Board of Directors. Notwithstanding, the maximum amount shall not exceed 40% of the net value stated in the Company's latest financial statements audited or reviewed by a certified public accountant pursuant to the "Operating Procedure for Acquisition or Disposal of Assets." 5. The total amount of long-term investment in the marketable securities shall not exceed the net value stated in the Company's latest financial statements which have been audited or reviewed by certified public accountants. 6. The limit on long-term investment in each security shall not exceed 50% of the net worth of the Company. 7. If the Company's subsidiaries are dedicated to investment, the amount of investment shall not be limited by this Article. 8. The total of non-operating right-of-use assets shall not exceed 20% of the Company's net value. II. Price Determination Methods and Reference Basis. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to	obtain certified public accountants' opinion has been revised and relaxed. 3. Considering the practical approaches, relevant approval authority and limits are amended. 4. The inapplicable wording is removed.

After Amendments	Before Amendments	Explanation
disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:	build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3.Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason	

After Amendments	Before Amendments	Explanation
(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. Where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser. III. Authorized Amount and Levels 1. When the Company intends to acquire or dispose of assets and the transaction amount reaches the following standards, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscriptions or	for the discrepancy and the appropriateness of the transaction price: (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date. Where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser. Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph, shall be obtained within 2 weeks counting inclusively from the date of occurrence. III. Authorized Amount and Levels 1. When the Company intends to acquire or dispose of assets and the transaction amount reaches the following standards, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscriptions or	

After Amendments	Before Amendments	Explanation
redemptions of money market funds issued by domestic securities investment trust enterprises which are Short-term investments such as bond funds, etc. and are based on the nature of capital redeployment, they shall be approved by the Board of Directors or shall be reported to the most recent Board of Directors afterwards. (1) Investment in a single exchange-listed or OTC company's shares which the amount reached $300 million or more within one year. (2) Investment in a single securities non-exchange-listed or non-OTC-listed which the amount reached $100 million or more within one year. (3) Equipment or right-of-use assets thereof for business use are acquired or disposed of reached $500 million or more. (4)Where an asset transaction other than any of those referred to above which the amount reached $300 million. (5) Other than any of those referred to in the preceding four subparagraphs,it shall be implemented in accordance with the approval power of the general provisions of each article. IV. Handling Unit The Company's financial department is the handling unit, which is responsible	redemptions of money market funds issued by domestic securities investment trust enterprises which are Short-term investments such as bond funds, etc. and are based on the nature of capital redeployment, they shall be approved by the Board of Directors or shall be reported to the most recent Board of Directors afterwards. (1) Long-term investment amounting to $100 million (or more). Long-term investments of less than $50 million shall be approved by the president, and those between $50 million and $100 million shall be approved by the chief executive officer. (2) Short-term Investment in a single object of $300 million (or more) in a year. Short-term investments in a single object of less than $50 million shall be approved by the president, and those between $50 million and $300 million shall be approved by the chief executive officer. (3) Asset purchases, sales and loans amounting to at least $500 million (inclusive). The purchase, sale and loan of assets between the amount of $1 million and $3 million shall be approved by the President, and the amount between $3 million (inclusive) and $500 million shall be approved by the Chief Executive Officer. Verification of the revaluation of fixed assets shall be reviewed by the president and approved by the chief executive officer. IV. Handling Unit The Company's financial department is the handling unit, which is responsible	

After Amendments	Before Amendments	Explanation
for the processing and evaluation of investments in marketable securities; for property and equipment, the handling unit is the department that uses them and the relevant authorized department. VI. Transaction Procedure The evaluation and operating procedures for acquiring or disposing of assets are as follows. 1. Regarding acquisition or disposal of the Company's assets, the case handling unit shall submit the reasons for the proposed acquisition or disposal, the object, the counterparty, the transfer price, the terms of receipt and payment, the basis of price reference and the appraisal to the relevant authorized units for determination and approval prior to the execution of the transaction. 2. Regarding the assessment of acquisition or disposal of investments in marketable securities, the Company shall conduct an analysis for the related benefits and evaluate the possible investment risks. 3. Regarding acquisition or disposal of the Company's property and equipment, if the estimated investment amount is NT$300 million or more, the respective unit shall prepare a capital expenditure plan in advance to assess the feasibility of the purpose of acquisition or disposal, and the estimated benefits. Thereafter, the approved document shall be submitted to the Finance Department and shall be executed and controlled in accordance with such plan. The same applies when the acquisition or disposal plan is	for the processing and evaluation of long-term and short-term investments in marketable securities; for property and equipment, the handling units are the department that uses them and the relevant authorized department. VI. Transaction Procedure The evaluation and operating procedures for acquiring or disposing of assets are as follows. 1. Regarding acquisition or disposal of the Company's assets, the case handling unit shall submit the reasons for the proposed acquisition or disposal, the object, the counterparty, the transfer price, the terms of receipt and payment, the basis of price reference and the appraisal to the relevant authorized units for determination and approval prior to the execution of the transaction. 2. Regarding the assessment of acquisition or disposal of long-term and short-term investments in marketable securities, the Company shall conduct an analysis of the related benefits and evaluate the possible investment risks. 3. Regarding acquisition or disposal of the Company's property and equipment, if the estimated investment amount is NT$300 million or more, the respective unit shall prepare a capital expenditure plan in advance to assess the feasibility of the purpose of acquisition or disposal, and the estimated benefits. Thereafter, the approved document shall be submitted to the Finance Department and shall be executed and controlled in accordance with such plan. The same applies when the acquisition or disposal plan is	

After Amendments	Before Amendments	Explanation
changed or revised.	changed or revised.	
Article 10 The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, 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 publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	Article 10 The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, 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. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply</u>. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	1. Considering that the opinion issued by external experts shall be in compliance with the self-regulatory rules of their respective industry associations, hence the content of the relevant provisions is removed.
Article 11 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	Article 11 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	1. Considering that the opinion issued by external experts shall be in compliance with the

After Amendments	Before Amendments	Explanation
accountant to render an opinion on the reasonableness of the transaction price.	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.	self-regulatory rules of their respective industry associations, hence the content of the relevant provisions is removed.
Article 15 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 money market funds issued by domestic securities investment trust enterprises, 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 Audit Committee: 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2.The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of	Article 15 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 money market funds issued by domestic securities investment trust enterprises, 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 Audit Committee: 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2.The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of	1. The following new regulation has been added: Regarding the related party stated in subparagraph 5, if the transaction reaches the threshold, it shall be submitted to the shareholders' meeting for approval. 2. The current paragraph 2 is moved to the amended paragraph 6, and the calculation of transaction

After Amendments	Before Amendments	Explanation
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 Article 16 and Article 17. 4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party. 5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. 7. Restrictive covenants and other important stipulations associated with the transaction. With respect to the types 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 Article 16 and Article 17. 4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party. 5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. 7. Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the Audit Committee need not be counted toward the transaction amount. With respect to the types of	amount is subject to the approval of the shareholders' meeting in accordance with the new amendment of paragraph 5.

After Amendments	Before Amendments	Explanation
transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 9, paragraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting: 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors 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. The matters for which paragraph 1 requires recognition by the Audit Committee shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 2 and 3. If the Company or its non-domestic listed subsidiaries have the transaction	transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 9, paragraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting: 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors 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. The matters for which paragraph 1 requires recognition by the Audit Committee shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 2 and 3.	

After Amendments	Before Amendments	Explanation
stated in the first paragraph and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the items stated in the first paragraph to the shareholders' meeting for approval before signing the transaction contract and paying the price. Notwithstanding, transactions between the Company and its parent company or its subsidiaries, or among its subsidiaries are not subject to this limitation. The calculation of the transaction amounts referred to in the paragraph 1 and the preceding paragraph shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders' meeting and board of directors, and recognized by the Audit Committee need not be counted toward the transaction amount.		
Article 21 Where the Company engaging in derivatives trading, the finance department shall submit an evaluation report, and the Chairman of the Board of Directors shall approve the report before implementation. A log book shall also be established, and the types and amounts of derivative transactions shall be recorded in such log book for reference. Where the Company engaging in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles:	Article 21 The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the senior officers designated by the Chairman of the board and the Board of Directors shall be reported immediately, and the Audit Committee and the independent directors shall be notified in writing.	1. The content of the original article is overlapped with Article 22. Therefore, the original content is deleted and replaced with a new article regarding the implementati on and

After Amendments	Before Amendments	Explanation
1. The financial officers shall pay continuous attention to monitoring and controlling derivatives trading risk. 2. The financial officers shall periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance. The financial officers shall manage derivatives trading in accordance with the following principles: 1. The financial officers shall periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these regulations and the procedures for engaging in derivatives trading formulated by the company. 2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; an independent director shall be present at the meeting and express an opinion. If the Company engages in derivative transactions and authorizes the relevant personnel to handle such transactions pursuant to the provisions of the procedures for engaging in derivative transactions, the Company shall report to the Board of Directors at its nearest meeting afterwards.		supervision of derivative products.

After Amendments	Before Amendments	Explanation
Article 22	Article 22 Where the Company engaging in derivatives trading, the finance department shall submit an evaluation report, and the Chairman of the Board of Directors shall approve the report before implementation. A log book shall also be established, and the types and amounts of derivative transactions shall be recorded in such log book for reference.	1. The content of the relevant provisions for engaging in derivative transactions is moved to Article 21. 2. Independent directors have been added to the recipients of the written notice.
The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the Audit Committee and the independent directors shall be notified in writing.	The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the Audit Committee shall be notified in writing.	
Article 31 … 6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million. Notwithstanding, this shall not apply to the following circumstances: (1) Trading of domestic government bonds or foreign central government bonds with a sovereign rating not lower than the sovereign rating of the ROC. (2) Where done by professional investors-securities trading on	Article 31 … 6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million. Notwithstanding, this shall not apply to the following circumstances: (1) Trading of domestic government bond (2) Where done by professional investors-securities trading on	1. Certain government bonds and securities are further exempted from the public announcement and regulatory filing procedures.

After Amendments	Before Amendments	Explanation
securities exchanges or OTC markets, or subscription of foreign government bonds or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription and Redemption of Exchange-Traded Notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. (3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. …	securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. (3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. …	
Article 36: (Date of Enforcement) … 13th amendments hereto were resolved by the Board of Directors on April 27, 2022, and passed upon resolution by the shareholders' meeting on June 9, 2022.	Article 36: (Date of Enforcement) …	Date of this amendment has been added.

Resolution:

Extemporary Motions

豐興鋼鐵股份有限公司
Parliamentary Rules for Shareholders' Meetings

Article 1.
Any shareholders' meeting of the Company shall be governed by these Rules, unless otherwise provided in laws or the Articles of Incorporation.

Article 2. (Convention of Shareholders' Meetings and Meeting Notice)
Unless otherwise provided in laws, any shareholders' meeting of the Company shall be convened by the Board of Directors.
The Company shall prepare the electronic version of the meeting notice, power of attorney form, information on motions for proposed resolutions, discussion motions, election or discharge of directors, and causes of the motions, and send the same to the MOPS at least 30 days before a general shareholder's meeting or at least 15 days before a special shareholders' meeting. Meanwhile, the Company shall prepare the shareholders' meeting handbook and supplementary materials for the meeting in an electronic version and send the same to MOPS at least 21 days before a general shareholders' meeting or 15 days before a special shareholders' meeting. The shareholders' meeting handbook and supplementary materials of the meeting shall be prepared 15 days before the meeting date for shareholders to read at any time. They shall also be displayed in the Company and at the premises of the professional shareholder service agent entrusted by the Company, and shall be distributed at the meeting.
Said notice and announcement shall contain information on the cause of the meeting, and may be made in electronic form upon the consent of the respondents.
Motions for election or discharge of directors, alteration of the Articles of Incorporation, capital decrease, suspension of public offerings, directors' competition permission, capital increase from earnings, capital increase from capital surplus, dissolution/merger/demerger of the Company, or anything as stated in Paragraph 1 of Article 185-1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be explicitly stated in the cause of convening the meeting, but shall not be proposed as extemporary motions.
Where the cause of convening a shareholders' meeting has specified re-election of the whole directors and the date of appointment, the date of appointment may not be changed via an extemporary motion or in any other manner at the same meeting upon completion of the re-election.
Any shareholder holding 1% or more of the total outstanding shares of the Company may propose no more than one motion at the Company's General Shareholders' Meeting. Any additional proposal will not be included as a motion. Any shareholder may propose any suggestive motion to urge the Company to enhance public interests or fulfill its corporate social responsibility. Procedurally, the shareholder is allowed to propose no more than one motion pursuant to Article 172-1 of the Company Act. Any additional proposal will not be included as a motion. Any proposals pertinent to any conditions as specified in Paragraph 4 of Article 172-1 of the Company Act may be excluded by the Board from motions.

The Company shall, by the book closure date before the date of a general shareholders' meeting, announce the opening of proposal submission from shareholders, acceptance of submission in writing or in an electronic form, where shareholders shall submit their proposals, and the submission period. The submission period shall be no less than 10 days. Each proposal is limited to 300 words or it will not be included as a motion. Each shareholder shall attend the general shareholders' meeting in person, or appoint a proxy to attend and engage in the discussion of the motion being proposed on behalf of him/her.

The Company shall inform any shareholder who has submitted a proposal of the result of the review of the proposal before the date when the notice of the shareholders' meeting is sent, and list the motions meeting the requirements of this Article into the meeting notice. For proposals by shareholders not being included as motions, the Board shall explain the reasons for excluding such proposals from motions at the shareholders' meeting.

Article 3.

Each shareholder may present a power of attorney prepared by the Company, which specifies the scope of powers, to appoint a proxy to attend the meeting on behalf of him/her.

One shareholder may appoint one proxy and present one power of attorney. A power of attorney shall be delivered to the Company 5 days prior to the scheduled date of the shareholders' meeting. Where duplicate copies of the power of attorney are delivered, the earliest one delivered shall prevail, unless a declaration is made to cancel the earlier appointment of proxy.

After the delivery of the power of attorney to the Company, any shareholder who desires to attend the meeting in person or cast a vote by correspondence or electronic means shall inform the Company for the revocation of the appointment of proxy in writing 2 days prior to the scheduled date of the meeting. In the event of any such notice sent beyond the time limit, votes cast by the proxy at the meeting shall prevail.

Article 4. (Principles About Venue and Time of Shareholders' meeting)

The venue where a shareholders' meeting shall be convened shall be at the premises where the Company is located, or a place convenient for convening the shareholders' meeting. The time for the meeting shall not be earlier than 9:00 am or later than 3:00 pm of the day.

Article 5. (Preparation for Sign-in Books, etc.)

The Company shall specify in its meeting notice the shareholders' check-in time & place, and other notes to be attended.

The shareholders' check-in time, as stated in the preceding paragraph, shall start no later than the time the meeting commences. The check-in place shall be clearly marked and a sufficient number of suitable personnel shall be assigned to deal with the check-in.

A shareholder or a proxy appointed by a shareholder (hereinafter referred to as the "shareholder"), shall bring with him/her the attendance card, sign-in card, or other certificates of attendance. The Company shall not arbitrarily require any additional identification documents like certificates of attendance from the shareholder. Persons requesting powers of attorney shall bring their ID documents for confirmation.

The Company shall prepare a sign-in book for present shareholders, or the present

shareholders may hand in a sign-in card in lieu of check-in.
The Company shall present the meeting handbook, annual report, attendance card, speech memo, ballots, and other materials for the meeting to shareholders present at the meeting. If there is an election of directors to be held, attach a ballot for such purpose.
When the government or a juristic person is a shareholder, its proxy attending the meeting on behalf of it shall not be limited to one person. When a juristic person is appointed to attend a shareholders' meeting as a proxy, it may designate only one person to act on behalf of it at the meeting.

Article 6. (Chairperson and Attendees)
If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of Board. When the Chairman of Board is on leave or for any reason unable to exercise the powers of the chairman, the Chairman shall appoint one of the directors to act on behalf of him/her. If no such designation is made by the Chairman, the directors shall select one person from among themselves to serve as the chairperson.
It is advisable that any shareholders' meetings convened by the Board of Directors be chaired by the Chairman of Board in person and attended by a majority of the directors and at least one independent director in person. The attendance shall be recorded in the meeting minutes.
If a shareholders' meeting is convened by any party with the power to convene the meeting, other than the Board of Directors, the meeting shall be chaired by the convener, and if there are two or more persons having the right to convene the meeting, the chairperson of the meeting shall be elected from among themselves.
The Company may appoint its attorneys-at-law, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 7. (Documentation of a Shareholders' Meeting by Audio or Video)
The Company, beginning from the check-in time, shall make an uninterrupted audio and video recording of the check-in procedure, proceedings of the shareholders' meeting, and voting and vote counting procedures.
The audio/video materials referred to in the preceding paragraph shall be maintained for at least 1 year. Notwithstanding, if a lawsuit has been instituted by any shareholder in accordance with Article 189 of the Company Act, the minutes of the shareholders' meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

Article 8.
Attendance at shareholders' meetings shall be calculated based on the quantity of shares. The quantity of shares represented by the shareholders' attending the meeting shall be calculated according to the shares indicated by the sign-in book and sign-in cards handed in, plus the quantity of shares whose voting rights are exercised by correspondence or electronic means.
The chairperson shall announce the commencement of the meeting as soon as it is due and the information about the number of attendees without voting rights and the number of shares represented by the attendees. However, if current attendees represent less than half of the Company's outstanding shares, the chairperson may announce to postpone the meeting no more than twice for a period totaling no more than one hour.
In the event of that postponement has been made twice and the shareholders present at

the meeting still fail to represent one-half but represent more than one-third of the total outstanding shares, Paragraph 1 of Article 175 of the Company Act shall be applicable whereby a provisional resolution could be made, and a meeting shall be re-convened within one month upon service of the provisional resolution to each shareholder.
If the quantity of shares represented by the present shareholders reaches one-half of the total outstanding shares before the end of the meeting, the chairperson shall refer the provisional resolution to the shareholders' meeting for the finalization pursuant to Article 174 of the Company Act.

Article 9. (Discussion of Motions)
For a shareholders' meeting is convened by the Board of Directors, the Board of Directors shall prepare the agenda, and related motions (including extemporary motions and amendments to the original motions) shall be subject to the voting by poll. The meeting shall be proceeded in accordance with the agenda unless otherwise resolved by a shareholders' meeting.
The provisions referred to in the preceding paragraph shall apply mutatis mutandis even when the shareholders' meeting is convened by any person with the power to convene the meeting, other than the Board of Directors.
The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda referred to in the preceding two paragraphs (including extemporary motions), except by a resolution of the shareholders' meeting. If the chairperson declares the meeting adjourned in violation of the parliamentary rules, a new chairperson shall be elected by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
If the chairperson thinks the motions and amendments or extraordinary motions brought up by shareholders shall be ready to vote, the chairperson may proclaim the closure of discussion and put them to a vote, and arrange sufficient hours for the voting.

Article 10. (Speech by Shareholders)
Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.
An attending shareholder who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the contents of the speech do not correspond to the subject given on the speaker's slip, the spoken contents shall prevail.
Except with the consent of the chairperson, a shareholder may not speak more than twice on the same motion, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the agenda item's scope, the chairperson may terminate the speech.
When an attending shareholder is speaking, the other shareholders may not speak or interrupt unless they have sought and obtained the chairperson's consent and the shareholder that has the floor. The chairperson shall stop any violation.
When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives appointed may speak on the same motion.
After a specific shareholder in the meeting has expressed an opinion, the Chairperson may respond to the issue personally or appoint specific personnel to respond to the issue.

Article 11. (Calculation of Voting Shares and Recusal System)
Voting at shareholders' meetings shall be calculated based on the quantity of shares.
The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a shareholders' meeting.
A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the Company's interest, shall not vote nor exercise the voting right on behalf of another shareholder.
The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
Except for trust enterprises or shareholder service agents approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting powers represented by him/her shall not exceed 3% of those represented by the total voting shares of the Company, otherwise, the portion of excessive voting power shall not be counted.

Article 12.
A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act.
When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. Notwithstanding, the shareholder shall be deemed having waived his/her rights with respect to the extemporary motions and amendments to the original motions of that meeting. Therefore, it is advisable that the Company avoid the submission of extemporary motions and amendments to original motions.
In case a shareholder elects to exercise his/her/its voting power by correspondence or electronic means referred to in the preceding paragraph, his/her/its declaration of intention shall be served to the Company two days prior to the scheduled meeting date of the shareholders' meeting, whereas if two or more declarations of the same intention are served to the company, the first declaration of such intention received shall prevail, unless an explicit statement to revoke the previous declaration is made in the declaration, which comes later.
After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made in the same manners by which the voting rights were exercised, two days prior to the Shareholders Meeting date. If the notice of retraction is submitted beyond said-noted time limit, the voting rights already exercised by correspondence or electronic means shall prevail. In case a shareholder has exercised his/her/its voting power by correspondence or electronic means and has also authorized a proxy to attend the shareholders' meeting on his/her/its behalf. The voting power exercised by the authorized proxy for said shareholder shall prevail.
Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the resolution of a motion shall require an affirmative vote of a majority of

the voting rights represented by the attending shareholders. At the time of a vote, for each motion, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each motion, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
When there is an amendment or an alternative to a motion, the chairperson shall present the amended or alternative motion together with the original motion and decide the order in which they will be put to a vote. When any one among them is passed, the other motions will then be deemed rejected, and no further voting shall be required.
Scrutineers and personnel dedicated to counting ballots on a motion shall be appointed by the chairperson, provided that all scrutineers shall be shareholders of the Company.
Ballot counting for shareholders' meeting motions or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after ballot counting has been completed, the voting results, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and recorded.

Article 13. (Election)
In the event that an election of directors is held at a shareholders' meeting, the election shall follow the procedure and regulation set forth by the Company. The election result shall be announced on the scene, including the list of elected directors and the final tally and the list of directors losing in the election and votes won by them.
The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least 1 year.
Notwithstanding, if a lawsuit has been instituted by any shareholder in accordance with Article 189 of the Company Act, the minutes of the shareholders' meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

Article 14.
Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, affixed with the signature or seal of the chairperson and distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. The production and distribution of the minutes of a shareholders' meeting may be effected by means of electronic transmission.
The Company may distribute the meeting minutes referred to in the preceding paragraph by means of a public announcement made through the MOPS.
The minutes of a shareholders' meeting shall record the date and place of the meeting, name of the chairperson, method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting (including statistical tallies of the numbers of votes). The minutes shall be kept persistently throughout the life of the Company.

Article 15. (Public Disclosure)
On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies. It shall make an express disclosure of the same at the place of the shareholders' meeting.

If matters put to a resolution at a shareholders’ meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation’s regulations, the Company shall upload the contents of such resolution to the MOPS within the prescribed time period.

Article 16. (Maintaining Order at the Meeting Place)
Staff handling administrative affairs of a shareholders’ meeting shall wear identification cards or armbands.
The chairperson may direct the proctors or security personnel to help maintain order at the meeting place.
Where the meeting place may be equipped with public address equipment, the chairperson shall stop any speech delivered by shareholders not using the equipment installed by the Company.
When a shareholder violates the parliamentary rules and defies the chairperson's correction, obstructing the proceedings and refusing to heed calls to stop, the chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 17. (Recess and Resumption of a Shareholders’ Meeting)
When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce the time when, in view of the circumstances, the meeting will be resumed.
If the meeting place is no longer available before all of the motions (including extemporary motions) on the meeting agenda have been addressed, the shareholders’ meeting may adopt a resolution to resume the meeting at another place.
A resolution may be adopted at a shareholders’ meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 18.
The Rules shall be implemented after a shareholders' meeting grants approval. The same procedure shall be followed when the Rules have been amended.

豐興鋼鐵股份有限公司
Articles of Incorporation

Chapter I General Provisions

Article 1: The Company has been duly incorporated in accordance with the Company Act and named Feng Hsin Steel
Co., Ltd.

Article 2: The Company is engaged in the principal business specified below:
1. Steelmaking and rolled steel manufacturing, repair, processing and trading.
2. Cast steel, milling and iron foundry casting, manufacturing, processing and trading.
3. Angle steel, flat-rolled steel, channel steel, steel plate and joist beam manufacturing, processing and trading.
4. Ordinary and special steels, including reinforcing steels and round steels (bars and rods), manufacturing, processing and trading.
5. Old (scrap) ship demolition and incidental services.
6. Steel & iron products and processed goods and byproduct thereof manufacturing, processing and trading.
7. Trading of raw materials, supplies, facilities and equipment for related products referred to in the previous paragraphs.
8. Import of the goods referred to in the previous paragraphs.
9. Engineering, management and consulting services for the related business referred to in the previous paragraphs.
10. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company is headquartered in Taichung City, and may establish domestic or overseas branches under the resolution of the Board of Directors, where necessary.

Article 4: The Company shall make announcements, if any, in the form of a circular letter and run in a prominent position on the daily news circulated in the municipal city or county (city) in which the Company is situated, or in the manner referred to in the Company Act and related laws.

Chapter II Shares

Article 5: The Company’s authorized capital stock shall be in the amount of NT$7 billion, divided into 700 million shares, at a par value of NT$10 per share, and may be issued in batch.

Article 6: The stock certificates of the Company shall be nominal and issued after being signed or sealed by no less than three directors on behalf of the Company and authenticated by the competent authority or the registration organization authorized by it pursuant to laws.

Article 7: The Company may issue shares without printing physical stock certificates, and shall register these issued shares with a securities depository organization.

Article 8: Unless otherwise provided by laws and securities regulations, a shareholder of the Company shall complete the registration of stock transfer, if any, in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies.”

Article 9: Registration for the stock transfer in the roster of shareholders shall be suspended 60 days before any general shareholders’ meeting, 30 days before any special shareholders’ meeting, or 5 days before the record date for determination of the shareholders entitled to dividends, bonuses or any other profits distributed by the Company.

Chapter III Shareholders’ Meeting

Article 10: Shareholders’ meetings of the Company consist of the general shareholders’ meeting to be convened by the Board of Directors once a year pursuant to Article 172 of the Company Act within six months after the close of each fiscal year and the special shareholders’ meeting to be convened pursuant to laws whenever necessary.

Article 11: A shareholder who cannot attend a shareholders’ meeting with causes may appoint a proxy to attend the meeting in his/her/its behalf by executing a power of attorney.

Article 12: Unless otherwise provided in the Company Act, the shareholders’ meeting shall be convened by the Board of Directors and chaired by the Chairman of Board. In case the Chairman is on leave or fails to exercise his/her powers with causes, he/she may appoint a proxy in the manner referred to in Article 208 of the Company Act.

Where the shareholders’ meeting is convened by any person with the power to convene the meeting, other than the Board of Directors, the chairperson shall be designated in accordance with Article 182-1 of the Company Act.

Article 13: A shareholder shall be entitled to one voting right for each share held by him/her/it, unless otherwise provided by laws.

Article 14: Resolutions at a shareholders’ meeting shall, unless otherwise provided for in Company Act, be adopted by a majority of voting rights of the shareholders present, who represent more than one-half of the total outstanding shares. The Company’s shareholders are allowed to exercise their voting rights by electronic means, pursuant to the competent authority's requirements. A shareholder who exercises his/her/its voting power by electronic means shall be deemed to have attended the meeting in person. Other related matters shall be governed by the relevant laws and regulations.

Article 15: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, affixed with the signature or seal of the chairperson and distributed to all shareholders of the Company within twenty (20) days after the close of the meeting. The Company may distribute the meeting minutes referred to in the preceding paragraph in the manners prescribed by the Company Act. The minutes of a shareholders' meeting shall record the date and place of the meeting, name of the chairperson, method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company.

Chapter IV Directors

Article 16: The Company shall appoint 7~15 directors, who shall held the office for a term of 3 years, via the candidate nomination system. They shall be elected by the shareholders' meeting from the list of candidates and may be reelected for a second term of office.

There shall be at least 3 independent directors included in said directors. The requirements for professional qualifications and other matters related to independent directors are governed by related laws and regulations.

The remunerations to the director and independent directors shall commensurate with their level of engagement in and contribution to the operation of the Company with reference to the standards applicable in the same industry and shall be determined by the Board of Directors under authorization.

The Company establishes the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Committee, consisting of all independent directors, is responsible for exercising the powers and related matters determined by the Board of Directors pursuant to the relevant laws.

The Company shall take out for directors the liability insurance during their term of office.

Article 17: When the number of vacancies in the Board of Directors of the Company equals one-third of the total number of directors, the Board of Directors shall, within the time limit prescribed in Article 201 of the Company Act, convene a shareholders' meeting to elect succeeding directors to fill the vacancies. The succeeding directors are required to fulfill the unexposed term of office of their predecessors only.

Article 18: In case no election of succeeding directors is effected after the expiration of the term of office of the existing directors, the term of office of the existing directors shall be extended until the time succeeding directors have been elected and assumed their office. However, the competent authority may, ex officio, order the Company to elect succeeding directors within a given time limit. If no re-election is effected after the expiry of the given time limit, the existing directors shall be discharged ipso facto from such expiration date.

Article 19: The total registered shares owned by the whole directors and the percentage thereof shall be governed by the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies."

Article 20: The Board of Directors shall consist of directors, and one Chairman shall be elected from among the directors upon the resolution adopted by a majority of the directors present at a meeting attended by more than two-thirds of the whole directors, who shall execute all of the Company's businesses pursuant to laws, Articles of Incorporation, and any resolution made by a shareholders' meeting and Board of Directors meeting.

Article 21: The Company's operating policies and other important matters shall be determined by the Board of Directors. Except for the first meeting of each term of the Board of Directors, which shall be convened pursuant to Article 203 of the Company Act, the other meetings of the Board of Directors shall be convened and chaired by the Chairman. In case the Chairman is unable to exercise his power and authority, he/she may appoint one director to act on his/her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman.

To convene a meeting of the Board of Directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be served to each director within 7 days. In the case of an emergency, the Company may convene a meeting of the Board of Directors at any time.

The notice referred to in the preceding paragraph shall set forth therein the subject(s) to be discussed at the meeting and may be given in writing or via email or fax.

Article 22: Unless otherwise provided in the Company Act, a meeting of the Board of Directors shall be attended by a majority of the whole directors. Any resolution made by the meeting shall be adopted only upon approval of a majority of the directors present at the meeting. If a director is unable to attend the meeting for any cause, he/she may appoint another director to attend the meeting as his/her proxy, by issuing a power of attorney identifying the scope of the powers for the subject to be discussed at the meeting, provided that each director may only appoint one director to act as his/her proxy.

Article 23: Resolutions adopted at a meeting of the Board of Directors shall be recorded in the minutes of the meeting, affixed with the chairperson's signature or seal and distributed to each director within twenty (20) days after the close of the meeting. The meeting minutes shall record the date and place of the meeting, name of the chairperson, method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company.

Article 24: (Deleted)

Chapter V Managers and Officers

Article 25: The Company appoints one President and several managers. The appointment, dismission and remuneration thereof are governed by Article 29 of the Company Act.

Remuneration to the Company’s managers is resolved by the Chairman of Board based on their engagement in the Company’s operation and value of their contribution, and then proposed to the Remuneration Committee for review and to the Board of Directors for resolution.

Chapter VI Account closure

Article 26: At the end of each fiscal year, the Board of Directors shall prepare the following statements, submit the same to a general shareholders’ meeting for ratification:

1. Business report
2. Financial statements
3. Motion for allocation of earnings or covering of loss

Article 27: Where the Company has annual profits at the end of a financial year, the Company shall distribute not less than 2% of the profits for such year to employees as the employees’ compensation and shall distribute no more than 2% thereof to directors Notwithstanding, the Company's accumulated losses, if any, shall have been covered first.

Article 27-1: If the Company has retained earnings according to its annual financial account, it may, after paying all taxes, and making up all past losses, set aside a 10% legal reserve and provide or reverse special reserve. The remainder, if any, plus accumulated unappropriated earnings shall be allocated as shareholder bonus subject to the motion proposed by the Board of Directors and resolved by a shareholders’ meeting.

No further legal reserve shall be provided, where the legal reserve referred to in the preceding paragraph has amounted to the Company’s total paid-in capital.

The Company is well developed in the industry, and it sought stable profit under the robust financial structure. Therefore, the motion for allocation of shareholder bonus proposed by the Board of Directors supports allocation of cash dividend primarily. Notwithstanding, if the Company has to spend any major capital expenditure, no more than 70% of the dividends to be allocated in the year may be distributed in the form of stocks.

The Board of Directors proposes the motion for distribution of shareholder bonus pursuant to Paragraph 1. The shareholder bonus refers to more than 50% (inclusive) of the balance after the current net income less the legal reserve and special reserve to be provided in the current period, as well as the non-recurring non-operating gains. Notwithstanding, when the allocable earnings are less than 10% of the paid-in capital or the current net income is less than 2% of the paid-in capital, a motion for suspended allocation of the shareholder bonus may be proposed.

For distribution of the shareholder bonus referred to in the preceding paragraph, based on the resolution of a majority of directors at a meeting attended by two-thirds of the whole directors, the Company shall distribute the dividend and bonus, in whole or in part, in cash and report to the shareholders' meeting.

Chapter VII Supplementary Provisions

Article 28: The Company's total investment may be exempted from the restriction on the investment no more than 40% of the paid-in capital referred to in Article 13 of the Company Act.

Article 29: The Company may make guarantees in accordance with the "Regulations for Making of Endorsements/Guarantees" set forth by the Company.

Article 30: Any matters not covered herein shall be governed by the Company Act and other related laws.

Article 31: The Articles of Incorporation shall be enforced upon approval of a shareholders' meeting. The same shall apply where these Articles are amended.

The Articles were enacted on December 9, 1968.
1st amendments hereto were made on March 10, 1969.
2nd amendments hereto were made on June 30, 1970.
3rd amendments hereto were made on October 20, 1972.
4th amendments hereto were made on October 10, 1973.
5th amendments hereto were made on May 7, 1975.
6th amendments hereto were made on September 27, 1976.
7th amendments hereto were made on May 25, 1979.
8th amendments hereto were made on December 31, 1979.
9th amendments hereto were made on December 5, 1980.
10th amendments hereto were made on January 15, 1984.
11th amendments hereto were made on May 25, 1987.
12th amendments hereto were made on May 15, 1988.
13th amendments hereto were made on July 1, 1988.
14th amendments hereto were made on January 21, 1990.
15th amendments hereto were made on June 5, 1990.
16th amendments hereto were made on July 10, 1990.
17th amendments hereto were made on May 19, 1991.
18th amendments hereto were made on April 12, 1992.
19th amendments hereto were made on April 24, 1993.
20th amendments hereto were made on April 30, 1994.
21st amendments hereto were made on April 29, 1995.
22nd amendments hereto were made on June 18, 1996.
23rd amendments hereto were made on May 19, 1997.
24th amendments hereto were made on September 15, 1998.
25th amendments hereto were made on May 24, 2000.
26th amendments hereto were made on May 31, 2001.
27th amendments hereto were made on May 30, 2002.
28th amendments hereto were made on June 3, 2004.
29th amendments hereto were made on June 3, 2005.
30th amendments hereto were made on June 6, 2006.
31st amendments hereto were made on June 15, 2007. (1st)
32rd amendments hereto were made on June 15, 2007. (2nd)

33rd amendments hereto were made on June 15, 2010.
34th amendments hereto were made on June 21, 2012.
35th amendments hereto were made on June 12, 2014.
36th amendments hereto were made on June 17, 2015.
37th amendments hereto were made on June 8, 2016.
38th amendments hereto were made on July 22, 2021.

豐興鋼鐵股份有限公司

Rules for Election of Directors

Article 1. Except where prescribed by the Company Act or the Articles of Incorporation of the Company, elections of directors of the Company shall be conducted in accordance with these Rules.

Article 2. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates at the Company's elections of directors.
The Company adopts a nomination system for its elections of directors. The shareholders may choose to exercise their election rights by either electronic voting or on-site voting. When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders' meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
When the number of independent directors falls below that required under the Articles of Incorporation, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When the independent directors are dismissed, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
Said shareholders who exercise their election rights by electronic voting shall exercise such rights on the electronic voting platform designated by the Company.

Article 3. The number of directors shall be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairman drawing lots on behalf of any person not in attendance.
The said votes are calculated based on the number of votes received at the shareholders' meeting plus the number of votes received through electronic voting.
Regarding the said electronic voting results, the identity of the shareholders and the number of voting rights shall be confirmed and the statistical verification shall be completed before the shareholders' meeting by an organization that meets the requirements of Article 44-6 of the Regulations

Governing the Administration of Shareholder Services.

Article 4. At the beginning of the election, the chairman shall designate a number of scrutineers and tally counters to perform relevant duties.

Article 5. The Board of Directors shall prepare the election ballots according to the attendance number and shall indicate the number of voting rights allotted.

Article 6. If a candidate is a shareholder, the candidate’s account name and shareholder account number or identification number shall be indicated in the "candidate" column on the ballot. If the candidate is a non-shareholder, his/her name and identification number shall be provided. However, if the candidate is a government agency or corporate shareholder, the name of the government agency or corporate shareholder, or the names of both the government agency or corporate shareholder and its representative, shall be indicated in the “candidate’s account name” column on the ballot. When there are more than one representative, the name of each representative shall be provided.

Article 7. The ballot boxes shall be opened and tested by the scrutineers before voting.

Article 8. A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared in accordance with these rules.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. Words other than the candidate's account name (or name) or shareholder account number (or identification number) and the number of voting rights allotted are written on the ballot;
5. Where the candidate written therein is a shareholder, the account name or the shareholder account number is different from that indicated in the shareholders roster; where the candidate written therein is a non-shareholder, the personal name written therein is inconsistent.
6. Two or more candidates are listed on a single ballot.
7. The account name (the person's name) or the shareholder account number (ID card number) of the candidate is not written.

Article 9. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, shall be announced by the chair on the site.

Article 10. The board of directors of the Company shall issue notifications to the persons elected as directors.

Article 11. Matters not stipulated in this rules shall be subject to the provisions of the Company Act and related laws and regulations.

Article 12. These rules, and any amendments hereto, shall be implemented after

approval by a shareholders' meeting.
The rules were established on June 18, 1996
1st amendments hereto were made on May 30, 2002.
1nd amendments hereto were made on June 17, 2015. Amendment of Name (Original Name: Rules for Election of Directors and Supervisors; Amended Name: Rules for Election of Directors)

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Statement of Current Shareholdings of the Company's Directors

Record Date: April 11, 2022

Job Title	Name	Date of Election	Shareholding when elected		Current shareholding	
			Quantity (shares)	% of the shares issued then	Quantity (shares)	% of the shares issued then
Chairman of Board	Lin Ta-Chun	July 22, 2021	7,168,881	1.23%	7,391,881	1.27%
Director	Lin Chiu-Huang	July 22, 2021	5,526,000	0.95%	5,526,000	0.95%
Director	Lin Wen-Fu	July 22, 2021	5,388,871	0.93%	5,388,871	0.93%
Director	Lin Tsai-Hsiang	July 22, 2021	5,846,860	1.01%	6,047,860	1.04%
Director	Lin Chi-Jui	July 22, 2021	3,768,292	0.65%	3,768,292	0.65%
Director	Yang Tsung-Ju	July 22, 2021	5,597,708	0.96%	5,597,708	0.96%
Director	Chen Hsin-Hung	July 22, 2021	3,119,997	0.54%	3,520,997	0.61%
Director	Chung Shing-Lin	July 22, 2021	10,727,510	1.84%	10,727,510	1.84%
Director	Lai San-Ping	July 22, 2021	12,702,006	2.18%	12,702,006	2.18%
Director	Lin Kun-Tan	July 22, 2021	8,160,782	1.40%	8,160,782	1.40%
Independent Director	Yue Chao-Tang	July 22, 2021	0	0%	0	0%
Independent Director	Liao Liao-Yu	July 22, 2021	0	0%	0	0%
Independent Director	Wang Yea-Kang	July 22, 2021	0	0%	0	0%
Total			68,006,907	11.69%	68,831,907	11.83%

Total quantity of shares issued on July 22, 2021: 581,599,424 shares

Total quantity of shares issued on April 11, 2022: 581,599,424 shares

Note: 1. The statutory quantity of shares to be held by the whole directors shall be 18,611,181 shares. Until April 11, 2022, a total of 68,831,907 shares have been held by the whole directors.

2. The Company has established the Audit Committee. Therefore, no requirements about the statutory quantity of shares to be held by the supervisors shall apply.

Effect of Bonus Stock Distribution on the Company’s Operation Performance, EPS and ROE.

Main Business \ Year			2022
Paid-in capital - beginning			5,815,994,240
Allocation of stocks and dividends this year	Cash dividend per share		5.00
	Stock dividends per share (from capitalization of earnings) (shares)		--
	Stock dividends per share (from capitalization of capital surplus) (shares)		--
Changes in Operation Performance	Operating income		Note 1
	Year-on-year percentage variation of operating income		Note 1
	Net income		Note 1
	Year-on-year percentage variation of net income (decrease)		Note 1
	EPS		Note 1
	Year-on-year percentage variation of EPS (decrease)		Note 1
	Yearly average return on investment (a reciprocal of yearly average P/E ratio)		Note 1
Pro forma EPS and P/E ratio	If allocation of cash dividends in whole adopted instead of that from capitalization of earnings.	Pro forma EPS	Note 1
		Pro forma annual average ROE	Note 1
	If no capitalization of capital surplus is effected	Pro forma EPS	Note 1
		Pro forma annual average ROE	Note 1
	If allocation of cash dividends adopted instead of that from capitalization of capital surplus and earnings	Pro forma EPS	Note 1
		Pro forma annual average ROE	Note 1

Notes: 1. Not required to disclose such information, as the Company has not yet prepared or published the financial forecast 2022.

2. The Company shall explain the basic assumptions based on the projected or pro forma information.

3. Pro forma EPS, if allocation of cash dividends in whole adopted instead of that from capitalization of earnings.= [Net income-Imputed interest expenses to be borne by cash dividends* × (1-Tax rate)]/[Total quantity of shares issued at the end of the year-Quantity of shares distributed from earnings**]

Imputed interest expenses to be borne by cash dividends* = Amount of capitalization of earnings × Lending interest rate for one-year loan

Quantity of shares distributed from earnings**: Quantity of shares increased upon distribution of shares from earnings.

4. Annual average P/E ratio = Annual average market price per share/EPS in annual financial statements

豐興鋼鐵股份有限公司
FENG HSIN STEEL CO., LTD.

Chairman of Board