

Stock code:2027

To consult information about meeting agenda, refer to the link below:

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

TA CHEN STAINLESS PIPE CO., LTD.

Handbook for the 2023 Annual General Meeting of Shareholders

TIME: 9:00 a.m. June 26, 2023

**VENUE: No. 261, Nanmen Rd., South Dist., Tainan City 702,
Taiwan (The Labor Recreation Center)**

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Ta Chen Stainless Pipe Co., Ltd.

Meeting Procedure of the 2023 Annual General Meeting of Shareholders

1. Call Meeting to Order (Report the shareholdings of the presented stockholders)
2. Chairman's Address
3. Reported Items
4. Matters for Ratification
5. Matters for Discussion
6. Director Election
7. Other Resolution
8. Extempore Motions
9. Meeting Adjournment

Ta Chen Stainless Pipe Co., Ltd.
2023 Annual General Shareholders' Meeting Agenda

Time: 9:00 a.m. June 26, 2023 (Monday)

2. Venue: No. 261, Nanmen Rd., Tainan City (Labor Recreation Center)

Shareholders Meeting will be held by means of: physical shareholders meeting

3. Meeting as Read

4. Chairman's Address

5. Reported Items

Item 1: The Company's 2022 Business Report and Financial Statements.

Item 2: Audit Committee's Review Report on the 2022 Financial Statements.

Item 3: 2022 Report on Remuneration Distribution for Employees and Directors.

Item 4: Report of implementation of indirect investments in the PRC.

Item 5: Report of Endorsements/Guarantees and Loaning Funds to Others.

Item 6: Other reporting items.

6. Matters for Ratification

Item 1: Adoption of the 2022 Business Report and Financial Statements.

Item 2: Adoption of the Proposal for Distribution of 2022 Profits.

7. Matters for Discussion

Item 1: The issuance of new shares for capital increase through capitalization of earnings of the Company.

Item 2: Amendment to the "Articles of Incorporation" in part.

8. Director Election: Election of the Board of 13th Directors of the Company.

9. Other Resolution: Agree with dismissing the new directors from non-competition restrictions.

10. Extempore Motions

11. Meeting Adjournment

Reported Item

No. 1

Proposal: The Company's 2022 Business Report and Financial Statements.

Explanation: Please refer to Page 14 hereof for the “2022 Annual Business Report” (Attachment 1)

Reported Item

No. 2

Proposal: Audit Committee’s Review Report on the 2022 Financial Statements.

Explanation: Please refer to Page 19 hereof for the “Audit Committee’s Review Report” (Attachment 2)

Reported Item

No. 3

Proposal: Report on 2022 employees' and directors' remuneration.

Explanation: 1. 2022 Net income before tax is NT\$13,199,653,992 (before deducting the remuneration of employees and directors). In accordance with Article 18-1 of the Articles of Incorporation, it has been proposed that the Company disburses in cash with 0.18% to directors and 3% to employees.

2. Amounting to NT\$24,000,000 to directors with no difference of distribution and the amount of NT\$3,000,000 to 8 directors (Excluding Independent Directors) is distributed by the Chairman.

3. Amounting to NT\$395,989,620 to employees.

Reported Item

No. 4

Proposal: Report on implementation of indirect investments in the PRC.

Explanation: The information of Company’s investment in PRC is stated as follows:

Name of Company	Investment method	Contribution Accumulated investment amount	Maximum Investment
Shijiazhuang Tachen Jitai Machinery Co., Ltd.	Operated according to the supervision of the subsidiary Ta Chen (B.V.I.) Holdings, Ltd.	US\$4,750,000 (NT\$145,873,000)	NT\$37,957,188,000
Ta Chen (Boye) Machinery Co., Ltd.	Operated according to the supervision of the subsidiary Ta Chen (B.V.I.) Holdings, Ltd.	US\$11,935,000 (NT\$366,524,000)	
Yinrong (Shanghai) Investment Management Limited.	100% shareholding	RMB\$500,000 (NT\$2,204,000)	

Note 1: The Company's collaboration amounted to NT\$63,261,980,000 till December 31, 2022. (At the exchange rate \$1USD : \$30.71NTD and \$1RMB : \$4.408NTD)

Note 2: The maximum investment is 60% of the Company's collaboration (Accumulated), in accordance with the "Regulation Governing the Approval Of Investment Or Technical Cooperation in Mainland China" of the Investment Commission promulgated on August 29, 2008.

Reported Item

No. 5

Proposal: Report of Endorsements/Guarantees and Loaning Funds to Others.

Explanation: 1. The endorsements and guarantees made by the Company for business up to February 28, 2023 are as follows

Date	Name of company as guarantor/endorser	Endorsed/ guaranteed party	Amount (NT\$)	Amount (US\$/RMB)	Type
2012.4	TA CHEN STAINLESS PIPE	Shijiazhuang Tachen Jitai Machinery Co., Ltd.	152,400,000	US\$5,000,000	Financing Guarantee
2017.7	TA CHEN STAINLESS PIPE	EMPIRE RESOURCES, INC.	182,880,000	US\$6,000,000	Financing Guarantee
2021.5	TA CHEN STAINLESS PIPE	TMCT PRODUCTS, INC.	192,024,000	US\$6,300,000	Financing Guarantee
2021.8	TA CHEN STAINLESS PIPE	Ta Chen (Hong Kong) Limited	152,400,000	US\$5,000,000	Financing Guarantee
2021.9	TA CHEN STAINLESS PIPE	Ta Chen (Boye) Machinery Co., Ltd.	157,931,000	RMB\$36,000,000	Financing Guarantee
2021.11	TA CHEN STAINLESS PIPE	Ta Chen Lung Mei Home Life Co., Ltd.	200,000,000		Financing Guarantee
2022.3	TA CHEN STAINLESS PIPE	Ta Chen (B.V.I.) Holdings, Ltd.	106,680,000	US\$3,500,000	Financing Guarantee
2022.3	TA CHEN STAINLESS PIPE	Ta Chen (Hong Kong) Limited	106,680,000	US\$3,500,000	Financing Guarantee
2022.8	TA CHEN STAINLESS PIPE	Ta Chen Lung Mei Home Life Co., Ltd.	600,000,000		Financing Guarantee
2022.9	TA CHEN STAINLESS PIPE	Ta Chen Lung Mei Home Life Co., Ltd.	500,000,000		Financing Guarantee
2023.1	TA CHEN STAINLESS PIPE	Ta Chen Lung Mei Home Life Co., Ltd.	100,000,000		Financing Guarantee

The total amounts of endorsements/guarantees as above are NT\$2,450,995,000 at an exchange rate of US\$:NT\$ @30.480 and RMB:NT\$ @4.387 in February, 2023), it does not exceed the threshold referred to in the subparagraph 3, Article 5 of the

Company's existing "Endorsement/Guarantee Operating Procedure", providing that "The endorsement/guarantee to subsidiaries cannot exceed 200% of the Company's net value". The endorsement/guarantee made for a single enterprise in the current period shall not exceed 200% of the Company's net value. (Net Value NT\$63,261,980,000×200%=126,523,960,000 on December 31, 2022)

2. The Company loaning funds to others as of February 28, 2023 are as follows.

In Thousands of New Taiwan Dollars					
Lender	Borrower	Highest Balance for the Period	Ending Balance	Interest Rate (%)	Reasons for Short-term Financing
The Company	Ta Chen Lung Mei Home Life Co., Ltd.	400,000	400,000	1.5%	Operating capital
The Company	Wei Mei Hsin Shu Interior Decoration Co., Ltd.	75,000	75,000	1.5%-1.8%	Operating capital
The Company	Ta Chen (Hong Kong) Limited	152,400 (US\$5,000,000)	152,400 (US\$5,000,000)	-	Operating capital
The Company	Wei Mei Roller Blind Co., Ltd.	200,000	80,000	1.5%	Operating capital

The total loaned funds to others as above are NT\$707,400,000, it does not exceed the threshold referred to in the Article 5 of the Company's existing "Procedures for Loaning of Funds to Others Comparison Table of Amendments" providing that "loaned funds to others cannot exceed 40% of the Company's net value" and "the board of directors deems it necessary to provide short-term financing cannot exceed 10% of the Company's net value". The total loaned funds to others in the current period shall not exceed 40% of the Company's net value. (Net Value NT\$63,261,980,000×40%=25,304,792,000 on December 31, 2022) ; The loaned funds made for a single enterprise in the current period shall not exceed 10% of the Company's net value. (Net Value NT\$63,261,980,000×10%=6,326,198,000 on December 31, 2022)

Reported Item

No. 6

Proposal: Other reporting items.

Explanation: None.

Matters for
Ratification

No. 1

(Proposed by the Board
of Directors)

Proposal: Adoption of the 2022 Business Report and Financial Statements.

Explanation: 1. The 2022 Business Report and Financial Statements have been approved by the Board of Directors, and reviewed by the Audit Committee. The Financial Statements were also audited by CPA Chi-Chen Lee , and Chao-Chin Yang, CPA of Deloitte & Touche.

2. Please refer to Page 20 hereof for said “Financial Statements and Independent Auditor Report” (Attachment 3).

Resolution:

Matters for
Ratification

No. 2

(Proposed by the Board
of Directors)

Proposal: Adoption of the Proposal for Distribution of 2022 Profits

Explanation: The Company's Distribution of 2022 Profits as following:

Ta Chen Stainless Pipe Co., Ltd.

Earnings Distribution Plan

2022

Unit: NT\$

	Amount
Initial Undistributed Retained Earnings	\$ 3,109,805,484
Retained Earnings Adjusted by Equity	(131,310,298)
Re-measurement of Defined benefit plans of the net defined benefit of Retained Earnings	<u>19,908,170</u>
Retained Earnings After Adjustment	2,998,403,356
Net Profit	12,025,615,383
Less: 10% Legal Reserve	(1,191,421,326)
Add: Special reserve provided pursuant to laws	<u>3,819,497,126</u>
Retained Earnings of 2022	17,652,094,539
Distribution	
Cash dividends of Common Stocks-NT\$ 2.4 per share	(4,868,521,229)
Stock dividends of Common Stocks-NT\$ 2 per share	(<u>4,057,101,030</u>)
Unappropriated Retained Earnings	<u>\$ 8,726,472,280</u>

Chairman: Li-Yun Hsieh

CEO: Rung-Kun Shieh

Accounting Manager: Jian-Chong Weng

Note 1. Based on the calculation of 2,028,550,512 shares outstanding in February 28, 2023, the cash dividend is NT\$2.4 per share, rounding up to NT\$; less than NT\$ fractional share would be sorted in descending order which shall be a sum equal to the total amount of cash dividends.

Note 2. Prior to the ex-dividend date for the distribution, if the number of total shares outstanding has changed due to the repurchasing of shares by the Company, the transfer of treasury shares to employees, the cancellations of treasury shares or shares issuance form capital increase, etc., so that the dividend payout ratio is changed and need to be adjusted, the Board of Directors is authorized to make such adjustments.

Resolution:

Matters for Discussion

No. 1

(Proposed by the Board
of Directors)

Proposal : The issuance of new shares from retained earnings of the Company

Explanation : 1. In consideration of the future business development, the Company will distribute NT\$ 2 stock dividend per share and issue 405,710,103 new shares with par value NT\$10 per share from the distributable retained earnings NT\$ 4,057,101,030 based on the outstanding shares 2,028,550,512 as of February 28, 2023.

2. The newly issued shares with the increased share capital would be allocated in accordance with pro rata to the shareholders on the shareholder register as of ex-dividend date i.e. 200 shares for each 1,000 shares. The shareholders can compile fractional share into one share and register it with the Shareholders' Registrar within five days from the ex-dividend date for distribution of share dividend. The deduction to Article 240 of the Company Act. would pay cash instead for such stock dividend (rounded down to an integer) for any failure to make the fractional share into one share by shareholders and the Chairman is to be authorized to offer the shares at par value to specific persons.
3. The shareholder's rights and obligations of the new shares are the same as those of existing shares.
4. Once this proposal is resolved by Shareholders' Meeting, the Board of Directors is authorized to set the ex-dividend date and handle the dividend distribution matters accordingly.
5. Prior to the ex-dividend date for the distribution, if the number of total shares outstanding has changed due to the repurchasing of shares by the Company, the transfer of treasury shares to employees, the cancellations of treasury shares or shares issuance from capital increase, etc., so that the dividend payout ratio is changed and need to be adjusted, the Board of Directors is authorized to make such adjustments.
6. If the forementioned events should be changed due to the amendments of relevant laws or regulations, or the request from competent authorities, the Board of Directors is authorized to handle this matter.

Resolution:

Matters for Discussion

No. 2

(Proposed by the Board
of Directors)

Proposal: Amendment to the "Articles of Incorporation" in part.

Explanation: 1. In response to the Company's practical needs, the Articles of Incorporation is amended in part.

2. Please refer to Page 40 hereof for the cross reference table for the amended Articles of Incorporation (Attachment 4).

Resolution:

Director Election

Proposal : Election of the Board of 13th Directors of the Company.

- Explanation : 1. The term of the current directors of the Company would be expire on 21 June 2023. All directors would be re-elected according to the law.
2. The company established an audit committee deduction from Article 14-4 of the Securities and Exchange Act. The audit committee would implement the Company Act., Securities and Exchange Act. and any other law to be exercised by supervisors. The company elected 11 directors (including 3 independent directors) to cooperate the operation of audit committee.
3. The term of the current directors of the company would be expire on June 26 , 2023. All current directors would be retired until the resolved election of the directors of the twelfth term in cooperate with the General Meeting of Shareholders. The current directors would be discharged after the Annual General Meeting. The terms of the new directors would be three years and the term of such directors shall commence from June 26, 2023 to June 25, 2026.
4. The nominee list of directors and independent directors as following, please elect from the list.

The list of directors elected			
Name	Qualification and Experience	Current Position	Number of Shares Held
Wei-Yi Investment Co., Ltd. Representative: Shieh, Li-Yun	Bank Department, Tatung Junior College of Commerce Financial Manager, Ta Chen Stainless Pipe Co., Ltd. Chairman, Ta Chen (Changsu) Machinery Co., Ltd.	Chairman, Ta Chen Stainless Pipe Co., Ltd. Director, Brighton-Best International (UK), Limited Director/President, Brighton-Best International (Canada), Inc. Director, Brighton-Best International (AU), Pty Ltd. Director, Brighton-Best International (NZ), Limited Director, Brighton-Best International Inc. (Cayman) Director, Cheng Rong (Shanghai) Trading Co., Ltd. Chairman, Ta Chen Empire Co., Ltd. Director, Brighton- Best (Hong Kong) Limited Director, Brighton- Best (Hong Kong) Holding Limited Chairman, Brighton-Best International (Taiwan), Inc. Chairman, Ta Chen (B.V.I.) Holdings Ltd. Chairman, Shijiazhuang Ta Chen Jitai Precision Casting Co., Ltd. Chairman, Ta Chen (Boye) Machinery Co., Ltd. Chairman, Wei Mei Roller Blind Co., Ltd. Chairman, Yinrong (Shanghai) Investment Management Limited Chairman, Ta Chen (Hong Kong) Limited Chairman, Ta Chen Lung Mei Home Life Co., Ltd. Chairman, Tachen interior Design Co., Ltd. Chairman, Wei Mei Hsin Shu Interior Decoration Co., Ltd. Chairman, Right Way Industrial Co., Ltd. Chairman, Right Way Industrial (Malaysia) Sdn. Bhd Chairman, TRIM-Telesis Engineering Sdn Bhd. Chairman, Excellent Growth Investments Limited Chairman, Hupao Technology Co., Ltd. Chairman, Noei Geeng Enterprise Co., Ltd.	156,461

The list of directors elected			
Name	Qualification and Experience	Current Position	Number of Shares Held
		Chairman, Xie Xin Enterprise Co., Ltd. Director, Clarke St. Property Holding, LLC.	
Ta Ying Cheng Investment Co., Ltd. Representative: Shieh, Rung-Kun	Department of Business Administration, Fu Jen Catholic Univ. Sales Manager, San Shing Fastech Corp. Director and President, Ta Chen (Changsu) Machinery Co., Ltd. Director, Wei Mei Roller Blind Co., Ltd,	Director/President, Ta Chen Stainless Pipe Co., Ltd. Director, Brighton-Best International, Inc. Director, Brighton-Best International (UK), Limited Director, Brighton-Best International (AU), Pty Ltd. Director, Brighton-Best International (NZ), Limited Director/President, Brighton-Best International (Taiwan), Inc. Director, Ta Chen International, Inc. Director, Ta Chen (B.V.I.) Holdings Ltd. Director/President, Shijiazhuang Ta Chen Jitai Precision Casting Co., Ltd. Director/President, Ta Chen (Boye) Machinery Co., Ltd. Director, TCI Investment Group, Inc. Director, Ta Chen Lung Mei Home Life Co., Ltd. Supervisor, Tachen interior Design Co., Ltd. Director/President, Ta Chen Empire Co., Ltd.	79,251,507
Ta Ying Cheng Investment Co., Ltd. Representative: Wang, Ling-Hwa	Philosophy Department, Tatung Junior College of Commerce General Services Staff, Chunghwa Post Co., Ltd.	Director, Brighton-Best International, Inc. Director, Brighton-Best International, Inc. Director, Ta Chen (Boye) Machinery Co., Ltd. Director, TCI Investment Group, Inc.	79,251,507
Tsai Chao-Chin	Kaohsiung Lu-Chu Junior High School Director and General Manager, Fang Sheng Screw Co., Ltd. Chairman, Chao Sheng Co., Ltd.	Director, Ta Chen Stainless Pipe Co., Ltd. Director, Brighton-Best International Inc. (Taiwan) Chairman, Fang Sheng Screw Co., Ltd. Supervisor, Fang Sheng Machinery Co., Ltd. Chairman, Chao Sheng Co., Ltd. Director, Taiwan Television Enterprise, Ltd.	3,414,317
Wise Creation Investment Ltd. Representative: Ou, I-Lan	Graduated at North Carolina State University, MSc Department of Civil, Construction, Environmental Engineering Graduated at National Taiwan University, Department of Civil Engineering, China Engineering Consultants Inc.	Director, Ta Chen Stainless Pipe Co., Ltd. Director, Brighton-Best International Inc. (Taiwan) Chairman, Liji Industrial Co., Ltd. Director, San Pao Wang Yueh Co., Ltd. Director, He De Co., Ltd. Supervisor, Ta Chen Empire Co., Ltd. Owner, Wise Creation Investment Ltd.	371,968
Hsieh, Erh-Yi	Global Logistics Management Department, National Yunlin University of Science and Technology	Chairman, Wan Duan Investment Co., Ltd. Director, Noei Geeng Enterprise Co., Ltd. Director, Hupao Technology Co., Ltd. Director, Xie Xin Enterprise Co., Ltd. Director, Yuqing Value Investment Co., Ltd.	963,671
Tu, Shi-Hsien	Graduated at UC Berkeley Economic and Bio-Chemistry double degree	Director, Ta Chen Stainless Pipe Co., Ltd. Vice President, Ta Chen International, Inc.	6,409,386
Linfangjin Charitable Foundation Representative: Lin, Mei-Feng	Graduated at Chihlee University of Technology Supervisor, Ta Chen Stainless Pipe Co., Ltd.	Director, Ta Chen Stainless Pipe Co., Ltd. Supervisor, Arch-World Co., Ltd. CFO, Linfangjin Charitable Foundation	2,326,797

Candidate list of Independent Director			
Name	Qualification and Experience	Current Position	Number of Shares Held
Shen, Ming-Chang	<p>Department of Business Administration, Fu Jen Catholic Univ.</p> <p>Senior Assistant Vice President, Core Pacific Securities Co., Ltd.</p> <p>Securities and Finance Department Manager, Union Bank</p> <p>Director, Antay Securities Co., Ltd.</p>	<p>Director, Ta Chen Stainless Pipe Co., Ltd. Independent</p> <p>Independent Director, Brighton-Best International (Taiwan) Inc.</p> <p>Independent Director, Right Way Industrial Co., Ltd.</p>	0
Hsu, Chun-An	<p>Graduated at National Chung Hsing University, Department of Accounting Statistics</p> <p>Rider University MBA, U.S.</p> <p>Division Chief/Deputy Director-general of National Taxation Bureau of Taipei, Ministry of Finance</p> <p>Deputy Director-general of National Taxation Bureau of the Northern Area, Ministry of Finance</p> <p>Deputy Minister of Taxation Administration Ministry of Finance, R.O.C</p> <p>Minister of National Taxation Bureau of the Southern Area, Ministry of Finance</p> <p>Supervisor, Taiwan Tobacco & Liquor Corporation</p> <p>Supervisor, Taiwan Financial Holdings</p> <p>Independent Director/Remuneration committee and Auditor Committee, Voltronic Power World Co., Ltd.</p> <p>Director, Hungkuo Delin University of Technology</p> <p>Independent Director/Remuneration committee and Auditor Committee , AAEON Technology Inc.</p>	<p>Independent Director/Remuneration committee and Auditor Committee, ASUSTEK COMPUTER INC.</p> <p>Independent Director/Remuneration committee and Auditor Committee, Ta Chen Stainless Pipe Co., Ltd.</p> <p>Independent Director/Remuneration committee and Auditor Committee, Brighton-Best International (Taiwan) Inc.</p>	0
Wang, Kuang-Hsiang	<p>Tamsui Institute of Business Administration, Junior college of Business Administration</p> <p>National Taiwan University SPECS, Administrative Leadership Master (3 years 40 Credit)</p> <p>Director, General Affair of Ministry of Finance, R.O.C</p> <p>Supervisor, Financial Information Service Co., Ltd.</p> <p>Director, Bank Taiwan Securities</p> <p>Director, Taiwan Business Bank</p> <p>Standing Supervisor, Small & Medium Enterprise Credit Guarantee Fund of Taiwan</p> <p>Supervisor, Agricultural Bank of China</p> <p>Director, General Affair of Directorate-General of Budget, Accounting and Statistics, Executive Yuan, R.O.C (Taiwan)</p> <p>Inspector/Director/Section</p>	<p>Independent Director/Remuneration committee and Auditor Committee, Ta Chen Stainless Pipe Co., Ltd.</p> <p>Remuneration committee and Auditor Committee, Right Way Industrial Co., Ltd.</p>	803

Chief/Senior Executive Officer/Chief Secretary of Department of Finance, Taipei City Government Taxpayer's Identification Clerk/Revenue Officer/Section Head/Auditor of Taipei Taxation Office Remuneration committee and Auditor Committee, Brighton-Best International (Taiwan) Inc.		
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Voting Results :

Other Resolution

Proposal : Agree with the new directors from non-competition restrictions.

Explanation : 1. The deduction to Article 209 of the Company Act., a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

2. This re-election of new director if the new director does anything for himself or on behalf of another person that is within the scope of the company's business. It is proposed to release from restrictions relating to the Directors' participation in competing industries by these directors who hold concurrent posts in other companies without prejudice to the Company's interests.

The situation of newly elected directors and their representatives concurrently working in other companies:

Directors and their representatives	Concurrently working in other companies
Wei-Yi Investment Co., Ltd. Representative: Shieh, Li-Yun	Chairman, Brighton-Best International (Taiwan) Inc. Director, Brighton-Best International (UK), Limited. Director, Brighton-Best International (Canada), Inc. Director, Brighton-Best International (AU), Pty Ltd. Director, Brighton-Best International (NZ), Limited Director, Brighton-Best International Inc. (Cayman) Director, Cheng Rong (Shanghai) Trading Co., Ltd Chairman, Ta Chen Empire Co., Ltd. Director, Brighton- Best (Hong Kong) Limited Director, Brighton- Best (Hong Kong) Holding Limited Chairman, Ta Chen Lung Mei Home Life Co., Ltd. Chairman, Right Way Industrial Co., Ltd. Chairman, Right Way Industrial (Malaysia) Sdn. Bhd Right Way Industrial (Malaysia) Sdn. Bhd Chairman, TRIM-Telesis Engineering Sdn Bhd. Chairman, Excellent Growth Investments Limited Chairman, Hupao Technology Co., Ltd. Chairman, Noei Geeng Enterprise Co., Ltd. Chairman, Xie Xin Enterprise Co., Ltd.
Ta Ying Cheng Investment Co., Ltd. Representative: Shieh, Rung-Kun	Director, Brighton-Best International (Taiwan) Inc. Director, Brighton-Best International, Inc. Director, Brighton-Best International (UK), Limited. Director, Brighton-Best International (AU) , Pty Ltd. Director, Brighton-Best International (NZ), Limited. Director, Ta Chen Lung Mei Home Life Co., Ltd. Director, Ta Chen Empire Co., Ltd.

Directors and their representatives	Concurrently working in other companies
Ta Ying Cheng Investment Co., Ltd. Representative: Wang, Ling-Hwa	Director, Brighton-Best International, Inc.
Director : Tsai, Chao-Chin	Director, Brighton-Best International (Taiwan) Inc. Chairman, Fang Sheng Screw Co., Ltd. Supervisor, Fang Sheng Machinery Co., Ltd. Chairman, Chao Sheng Co., Ltd. Director, Taiwan Television Enterprise, Ltd.
Wise Creation Investment Ltd. Representative: Ou, I-Lan	Director, Brighton-Best International Inc. (Taiwan) Chairman, Liji Industrial Co., Ltd. Director, San Pao Wang Yueh Co., Ltd. Director, He De Co., Ltd. Supervisor, Ta Chen Empire Co., Ltd. Owner, Wise Creation Investment Ltd.
Director : Hsieh, Erh-Yi	Chairman, Wan Duan Investment Co., Ltd. Director, Noei Geeng Enterprise Co., Ltd. Director, Hupao Technology Co., Ltd. Director, Xie Xin Enterprise Co., Ltd. Director, Yuqing Value Investment Co., Ltd.
Linfangjin Charitable Foundation Representative: Lin, Mei-Feng	Supervisor, Arch-World Co., Ltd. CFO, Linfangjin Charitable Foundation
Independent Director : Shen, Ming-Chang	Independent Director, Brighton-Best International (Taiwan) Inc. Independent Director, Right Way Industrial Co., Ltd.
Independent Director : Hsu, Chun-An	Independent Director, ASUSTEK COMPUTER INC. Independent Director, Brighton-Best International (Taiwan) Inc.
Independent Director : Wang, Kuang-Hsiang	Independent Director, Right Way Industrial Co., Ltd.

Resolution :

Extempore Motions

Meeting Adjournment

2022 Annual Business Report

1 Business Report of the Previous Fiscal Year (2022 Fiscal Year – January 1st, 2022 to December 31st, 2022)

(I) Implementation of the Business Report of the Previous Fiscal Year:

1. Implementation of the Business Report of the Previous Fiscal Year: (For the Financial Report of January 1st, 2022 to December 31st, 2022, please see [Page 20](#))

The turnover of the Company in 2022 is NT\$114,148,570,000, which is NT\$17,262,322,000 more than that in 2021, with an increase of 18%; profit before tax is NT\$19,186,223,000, which is NT\$3,771,729,000 more than that of 2021, with an increase of 24%. The detailed reasons of which are as follows:

(1) Stainless Steel Department

Unit: NTD thousand / Ton

	2022	2021	Increase (Decrease)	Increase (Decrease) %
Operating Revenue	43,109,096	35,719,893	7,389,203	21
Operating Income	30,410,928	24,623,188	5,787,740	24
Operating Gross Revenue	12,698,168	11,096,705	1,601,463	14
Number of Sales	200,627	227,907	(27,280)	(12)
Number of Production	208,433	237,893	(29,460)	(12)
Unit Sales	215	157	58	37
Unit Cost	152	108	44	41

In 2022, benefited from the increasing nickel price, both operating revenue and unit selling price increased. Though the sales volume decreased by 12% throughout the whole year due to conservative market demand since Q2, the gross profit still increased by NT\$1,601,463 thousand, i.e. 14%, from 2021.

(2) Fastener Department

Unit: NTD thousand / Ton

	2022	2021	Increase (Decrease)	Increase (Decrease)%
Operating Revenue	24,669,057	19,514,729	5,154,328	26
Operating Income	15,001,206	11,486,710	3,514,496	31
Operating Gross Revenue	9,667,851	8,028,019	1,639,832	20
Number of Sales	180,992	190,723	(9,731)	(5)
Number of Purchase	248,844	176,080	72,764	41
Unit Sales	136	102	34	33
Unit Cost	83	60	23	38

The increase in the operating revenue from fastener products by NT\$5.2 billion in 2022 from the same period of last year primarily resulted from the fact that in Q2 of 2021, the U.S. government announced the promotion of large-scale infrastructure projects covering the construction of hardware facilities, such as railways, highways, bridges, and power systems. The construction of said hardware facilities will drive the demand for the raw materials including plastics, steels cement for the bridge and highway construction works. Therefore, the market demand for fasteners was driven continuously in 2022. However, in consideration of the Russia-Ukraine War, post-epidemic inflation and lift rates, the demand in 2H of 2022 became weaker than in the 1H of 2022, and the sales volume for the current period decreased by 9,731 tons from the same period last year. Further, the purchase volume increased by 72,764 tons in 2022 from 2021, primarily because, upon the outbreak of the global epidemic in 2021, the global shipping chain stayed fully loaded, and the port congestion issues at various ports resulted in the shortage of ships, spaces, cabinets, and labors that disrupted the supply chain. Notwithstanding, as in 2022, the disrupted global shipping services and port congestion issues have been solved and the Company already had the sufficient inventory in place. The purchase volume increased significantly from the same period of last year.

(3) Aluminium Product Department

Unit: NTD thousand / Ton

	2022	2021	Increase (Decrease)	Increase (Decrease) %
Operating Revenue	45,196,057	41,216,187	3,979,870	10

Operating Income	36,899,934	31,520,520	5,379,414	17
Operating Gross Revenue	8,296,123	9,695,667	(1,399,544)	(14)
Number of Sales	272,953	325,220	(52,267)	(16)
Number of Purchase	267,605	242,590	25,015	10
Unit Sales	166	127	39	31
Unit Cost	135	97	38	39

In 2022, as the aluminum price has declined since Q2, the market demand became relatively conservative and thereby caused the annual sales volume to decrease by 16% from 2021, and the gross profit to decrease by NT\$1,399,544 thousand from 2021.

(4) Window decoration and other product department

Unit: NTD thousand / Ton

	2022	2021	Increase (Decrease)	Increase (Decrease) %
Operating Revenue	1,174,360	435,439	738,921	170
Operating Income	798,925	185,133	613,792	332
Operating Gross Revenue	375,435	250,306	125,129	50
Number of Sales	11,811	8,296	3,515	42
Number of Purchase	9,870	7,569	2,301	30
Unit Sales	99	52	47	90
Unit Cost	68	22	46	209

It is primarily engaged in the window decoration and forging product business. The increase in 2022 from 2021 was primarily a result of the consolidation of Right Way since July 2022.

(II) Execution of Operating Income and Expense Budget: Not Applicable

(III) Financial Income and Expenses:

Unit: NTD thousand

Item	2022	2021	Amount Increased /
	- 16 -		

			Decreased
Net Cash Inflow from Operating Activities	4,093,811	12,708,733	(8,614,922)
Net Cash Inflow (Outflow) from Investing Activities	(6,091,953)	(7,144,055)	1,052,102
Net Cash Inflow (Outflow) of Fundraising Activities	3,494,550	(3,425,954)	6,920,504

1. The decrease in net cash inflow was primarily a result of the increase in purchase amount of inventory this year.
2. The decrease in net cash outflow from investing activities was primarily a result of the consolidated effects produced by the increase in expenditure to meet the capital expenditure demand and also disposal of the financial assets carried at amortized cost.
3. Primarily a result of the increase in long-term and short-term loans this year.

(IV) Analysis of Profitability:

	2022	2021
Return on Assets (%)	12.03	12.16
Return on Shareholders' Equity (%)	22.44	25.31
Ratio of Operating Profit in Paid-in Capital (%)	91.33	94.28
Ratio of Net Profit Before Tax in Paid-in Capital (%)	94.58	76.75
Net Profit Rate (%)	12.61	11.93
Earnings per Share (NTD) – After Tax	6.23	5.76

The profit sought by the Company in 2022 was more than that in 2021, primarily a result of the increase in exchange gains and the decrease in net loss on financial instruments at fair value through profit or loss in 2022.

The decrease in the return on assets and return on shareholders' equity in 2022 from 2021 was primarily a result of the increase in the inventory, and exchange gains on translation of foreign financial statements, resulting in the increase in the total assets and shareholders' equity.

(V) Research Development:

For the goal to become a professional manufacturer of vertical and horizontal stainless steel and relevant products, apart from strengthening the improvement of quality and research efficiency of existing products, the Company also actively reaches out to the plastic and wooden curtain boards, and have achieved good results of its work.

2 Business Summary of the Current Fiscal Year (January 1st, 2023 to December 31st, 2023)

(I) The operating policies for the current fiscal year are as follows:

1. Improve production and marketing to lower costs and increase product competitiveness.
2. Secure expansion of marketing channels of the Company's subsidiary in America, increase revenue and profit.

(II) The Company's expected number of sales and basis of which in 2023 are as follows:

Unit: Ton

Major Products	Annual Expected Number of Sales (Ton)	Basis
Stainless Steel Products	200,000	Past sales performance and expected supply and demand situation of the current fiscal year
Screws and Screw-Nuts	200,000	
Aluminium Products	280,000	
Window decoration product	12,000	
Total	692,000	

(III) Important Production and Marketing Policy

1. Continue to expand foreign market.
2. Increase efficiency of machine equipment production.
3. Strict quality control for stable product quality.
4. Comprehensive information operation, increase business management efficiency, strengthen Company's competitiveness.

3 Development strategy of the Company in the future: Link closely the golden triangle of "Taiwan Operation", "Global Production" and "Global Sales", creating a new pattern for traditional industries.

4 Impact of external environment of competition, regulatory environment and overall business operation environment

1. Pricing competition of the steel market is fierce. Paired with trade barriers in various countries around the world, dumping cases are not uncommon.
2. The impact of the regulatory aspect is relatively low.
3. Stainless steel, screws, screw-nuts and aluminium products are all basic materials of industrial development, which is closely related to the performance of the overall economic environment.

Chairman: Li-Yun Hsieh

CEO: Rung-Kun Shieh

Accounting Manager: Jian-Chong Weng

Ta Chen Stainless Pipe Co., Ltd.
Audit Committee's Review Report

We have reviewed the Company's 2022 financial statements, earnings distribution plan and business report prepared by the Board of Directors and audited and certified by Deloitte & Touche, and found them to be in compliance with regulatory requirements. We hereby issue this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of The Company Act.

Respectfully submitted,

To:

2023 Annual General Meeting of Ta Chen Stainless Pipe Co., Ltd.

Audit committee of
Ta Chen Stainless Pipe Co., Ltd.

Independent Director: Ming-Chang Shen
Independent Director: Chun-An Hsu
Independent Director: Kuang-Hsiang Wang

March 13, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Ta Chen Stainless Pipe Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Ta Chen Stainless Pipe Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (ROC).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is described as follows:

Authenticity of Revenue Recognition from Specific Customers and Products

Sales revenue of the Group is primarily from the sale of goods to specific customers and the sale of specific products. As revenue from the specific customers and products is material to the consolidated financial statements, and considering that there is a presumed significant risk in revenue recognition, the authenticity of revenue recognition from specific customers and products has a significant impact on the consolidated financial statements. Therefore, the authenticity of revenue recognition from specific customers and products was identified as a key audit matter for the year ended December 31, 2022. For the relevant accounting policies of revenue recognition, refer to Note 4(q).

The main audit procedures that we performed in regard of the aforementioned key audit matter are as follows:

1. We understood and tested the effectiveness of the design of the relevant internal controls and implementation related to revenue recognition from specific customers and products.
2. We selected samples and checked the documents and payment status related to the sales revenue of the specific customers and products to verify the occurrence of the sales.

Emphasis of Matter

Refer to Note 18 to the consolidated financial statements, the Group purchased of operating assets of unrelated party, PFI LLC., in October 2021. As a result of the fact that the valuation report had completed in October 2022, we reviewed and retrospective restated the consolidated financial statements for the year ended December 31, 2021 in according to the regulations. Our opinion result is not modified in respect of this matter.

Other Matter

We have also audited the parent company only financial statements of Ta Chen Stainless Pipe Co., Ltd. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion with other matter paragraph.

We did not audit the financial statements of Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiary included in the consolidated financial statements of the Group, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included for Right Way Industrial (Malaysia) Sdn. Bhd. and its subsidiary, is based solely on the report of other auditors. The total assets of above subsidiaries was NT\$469,744 thousand, accounting for 0.32% of consolidated total assets as of December 31, 2022; and total revenue was NT\$73,710 thousand, accounting for 0.06% of consolidated total revenue for the year ended December 31, 2022. We did not audit the financial statements of TY Steel Co., Ltd. included in the consolidated financial statements of the Group, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included for TY Steel Co., Ltd., is based solely on the report of other auditors.

The total amount of above investments accounted for using the equity method was NT\$615,011 thousand, accounting for 0.42% of consolidated total assets as of December 31, 2022; and total comprehensive income of above investments accounted for using the equity method was (NT\$221,287) thousand, accounting for (1.01)% of consolidated total comprehensive income for the year ended December 31, 2022.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chi-Chen Li and Chao-Chin Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 13, 2023

Notice to Readers

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

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

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021 (Audited after Restatement)	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 11,234,287	8	\$ 9,331,655	8
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	122,249	-	242,100	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	79,240	-	71,199	-
Financial assets at amortized cost - current (Notes 4, 9 and 35)	2,594,949	2	6,446,275	6
Financial assets for hedging - current (Notes 4 and 33)	44,885	-	-	-
Notes receivable (Note 10)	40,019	-	3,879	-
Accounts receivable, net (Notes 4, 10, 24 and 35)	8,065,531	6	7,267,972	7
Other receivables (Note 34)	725,291	1	295,575	-
Current tax assets (Notes 4 and 27)	1,742,653	1	216	-
Inventories (Notes 4, 11 and 35)	72,103,060	49	49,951,123	46
Prepayments (Notes 19 and 34)	2,118,277	1	2,798,190	3
Non-current assets held for sale (Notes 4 and 12)	92,619	-	-	-
Other current assets	83,112	-	30,689	-
Total current assets	<u>99,046,172</u>	<u>68</u>	<u>76,438,873</u>	<u>70</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 14)	741,799	1	672,702	1
Financial assets at amortized cost - non-current (Notes 4, 9, 32 and 35)	1,394,676	1	1,312,936	1
Derivative financial assets for hedging - non-current (Notes 4 and 31)	1,595,174	1	104,030	-
Investments accounted for using the equity method (Notes 4, 5 and 14)	650,254	-	2,029	-
Property, plant and equipment (Notes 4, 15 and 35)	20,720,236	14	13,894,593	13
Right-of-use assets (Notes 4, 17 and 35)	7,300,665	5	6,843,128	6
Investment properties (Notes 4 and 16)	1,067,168	1	-	-
Goodwill (Notes 4 and 18)	4,212,701	3	3,718,849	3
Other intangible assets (Notes 4 and 18)	1,870,200	1	2,014,390	2
Deferred tax assets (Notes 4 and 27)	2,684,213	2	2,478,766	2
Prepayments for equipment and properties (Note 19)	4,990,108	3	899,934	1
Prepayments for investments (Note 14)	-	-	623,653	1
Net defined benefit assets - non-current (Notes 4 and 23)	109,717	-	62,651	-
Other non-current assets	63,003	-	4,631	-
Total non-current assets	<u>47,399,914</u>	<u>32</u>	<u>32,632,292</u>	<u>30</u>
TOTAL	<u>\$ 146,446,086</u>	<u>100</u>	<u>\$ 109,071,165</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 20 and 35)	\$ 13,650,609	9	\$ 9,993,137	9
Short-term bills payable (Notes 20 and 35)	889,310	1	1,369,589	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	182,453	-	256,938	-
Financial liabilities for hedging - current (Notes 4 and 33)	-	-	34,971	-
Contract liabilities - current (Note 25)	173,958	-	49,206	-
Notes payable (Note 21)	83,868	-	94,655	-
Accounts payable (Note 21)	2,569,320	2	2,161,946	2
Accounts payable to related parties (Note 34)	427,448	-	103,962	-
Other payables (Note 22)	3,899,554	3	2,355,859	2
Current tax liabilities (Notes 4 and 27)	1,595,242	1	973,502	1
Lease liabilities - current (Notes 4 and 17)	985,981	1	901,717	1
Current portion of long-term borrowings (Notes 20 and 35)	9,066,292	6	1,533,301	2
Other current liabilities	896,656	1	512,052	1
Total current liabilities	<u>34,420,691</u>	<u>24</u>	<u>20,340,835</u>	<u>19</u>
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	200	-	-	-
Financial liabilities for hedging - non-current (Notes 4 and 32)	-	-	279,545	-
Long-term borrowings (Notes 20 and 35)	28,987,572	20	26,020,571	24
Deferred tax liabilities (Notes 4 and 27)	1,821,441	1	1,200,619	1
Lease liabilities - non-current (Notes 4 and 17)	7,123,761	5	6,589,594	6
Long-term payables	51,153	-	59,591	-
Net defined benefit liabilities - non-current (Note 4)	10,993	-	-	-
Other non-current liabilities	133,080	-	154,294	-
Total non-current liabilities	<u>38,128,200</u>	<u>26</u>	<u>34,304,214</u>	<u>31</u>
Total liabilities	<u>72,548,891</u>	<u>50</u>	<u>54,645,049</u>	<u>50</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Ordinary shares	20,285,505	14	20,084,659	18
Capital surplus	22,783,377	15	22,993,816	21
Retained earnings				
Legal reserve	3,025,798	2	2,058,958	2
Special reserve	3,883,805	3	2,108,136	2
Unappropriated earnings	15,024,018	10	9,668,399	9
Total retained earnings	21,933,621	15	13,835,493	13
Other equity	2,733,151	2	(3,883,805)	(3)
Treasury shares	(4,473,674)	(3)	(4,004,953)	(4)
Total equity attributable to owners of the Company	<u>63,261,980</u>	<u>43</u>	<u>49,025,210</u>	<u>45</u>
NON-CONTROLLING INTERESTS (Note 24)				
Total equity	<u>73,897,195</u>	<u>50</u>	<u>54,426,116</u>	<u>50</u>
TOTAL	<u>\$ 146,446,086</u>	<u>100</u>	<u>\$ 109,071,165</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 25 and 34)	\$ 114,148,570	100	\$ 96,886,248	100
OPERATING COSTS (Notes 11, 26 and 34)	<u>83,110,993</u>	<u>73</u>	<u>67,815,551</u>	<u>70</u>
GROSS PROFIT	<u>31,037,577</u>	<u>27</u>	<u>29,070,697</u>	<u>30</u>
OPERATING EXPENSES (Notes 10, 26 and 34)				
Selling and marketing expenses	3,581,140	3	2,833,323	3
General and administrative expenses	8,920,812	8	7,308,257	7
Expected credit loss (gain)	<u>4,664</u>	<u>-</u>	<u>(8,721)</u>	<u>-</u>
Total operating expenses	<u>12,506,616</u>	<u>11</u>	<u>10,132,859</u>	<u>10</u>
OTHER OPERATING INCOME AND EXPENSES (Note 26)	<u>(4,759)</u>	<u>-</u>	<u>(1,227)</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>18,526,202</u>	<u>16</u>	<u>18,936,611</u>	<u>20</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 12, 14, 26 and 34)				
Interest income	86,225	-	14,768	-
Gain from bargain purchase - acquisition of subsidiaries	110,248	-	-	-
Other income	365,055	-	155,761	-
Other gains and losses	1,625,540	2	(2,392,808)	(3)
Finance costs	(1,215,810)	(1)	(1,294,385)	(1)
Excepted credit loss	-	-	(16,928)	-
Share of profit or loss of associates	<u>(311,237)</u>	<u>-</u>	<u>11,475</u>	<u>-</u>
Total non-operating expenses	<u>660,021</u>	<u>1</u>	<u>(3,522,117)</u>	<u>(4)</u>
PROFIT BEFORE INCOME TAX FOR THE YEAR	19,186,223	17	15,414,494	16
INCOME TAX EXPENSE (Notes 4 and 27)	<u>4,787,359</u>	<u>4</u>	<u>3,852,066</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>14,398,864</u>	<u>13</u>	<u>11,562,428</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	40,105	-	(4,716)	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	(17,897)	-	26,315	-

(Continued)

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss	\$ (4,780)	-	\$ 1,774	-
	<u>17,428</u>	<u>-</u>	<u>23,373</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	5,444,197	5	(1,290,007)	(2)
Share of the other comprehensive income of associates accounted for using the equity method	6,989	-	-	-
Gain on hedging instruments not subject to basis adjustment	1,984,945	1	667,955	1
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(24,745)</u>	<u>-</u>	<u>(3,643)</u>	<u>-</u>
	<u>7,411,386</u>	<u>6</u>	<u>(625,695)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>7,428,814</u>	<u>6</u>	<u>(602,322)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ <u>21,827,678</u>	<u>19</u>	\$ <u>10,960,106</u>	<u>11</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 12,025,615	11	\$ 9,672,917	10
Non-controlling interests	<u>2,373,249</u>	<u>2</u>	<u>1,889,511</u>	<u>2</u>
	\$ <u>14,398,864</u>	<u>13</u>	\$ <u>11,562,428</u>	<u>12</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 18,717,412	16	\$ 9,281,689	9
Non-controlling interests	<u>3,110,266</u>	<u>3</u>	<u>1,678,417</u>	<u>2</u>
	\$ <u>21,827,678</u>	<u>19</u>	\$ <u>10,960,106</u>	<u>11</u>
EARNINGS PER SHARE (New Taiwan Dollars; Note 28)				
Basic	\$ <u>6.23</u>		\$ <u>5.69</u>	
Diluted	\$ <u>6.19</u>		\$ <u>5.67</u>	

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

(Concluded)

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Company												
	Retained Earnings					Other Equity							
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements Foreign Operations	Unrealized Gain (loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total Other Equity	Treasury Shares	Total	Non-controlling Interest (Note 22)	Total Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
BALANCE AT JANUARY 1, 2021	16,584,659	12,354,362	2,058,958	1,487,080	621,056	(2,527,406)	(7,745)	(960,368)	(3,495,519)	(1,132,861)	28,477,735	8,479,221	36,956,956
Appropriation of 2020 earnings (Note 24)													
Special reserve	-	-	-	621,056	(621,056)	-	-	-	-	-	-	-	-
Cash dividends received from subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(869,913)	(869,913)
Cash dividends distributed from capital surplus	-	(1,326,772)	-	-	-	-	-	-	-	-	(1,326,772)	-	(1,326,772)
Net profit for the year ended December 31, 2021	-	-	-	-	9,672,917	-	-	-	-	-	9,672,917	1,889,511	11,562,428
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax (Note 24)	-	-	-	-	(2,942)	(1,078,913)	26,315	664,312	(388,286)	-	(391,228)	(211,094)	(602,322)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	9,669,975	(1,078,913)	26,315	664,312	(388,286)	-	9,281,689	1,678,417	10,960,106
Issuance of ordinary shares for cash	3,500,000	11,550,000	-	-	-	-	-	-	-	-	15,050,000	-	15,050,000
The Company's shares held by subsidiaries accounted for as treasury shares	-	-	-	-	-	-	-	-	-	(2,961,803)	(2,961,803)	(4,428,951)	(7,390,754)
Disposal of the Company's shares by subsidiaries recognized as treasury share transactions	-	130,903	-	-	-	-	-	-	-	89,711	220,614	270,382	490,996
Cash dividends distributed by subsidiaries	-	22,051	-	-	-	-	-	-	-	-	22,051	34,497	56,548
Difference between consideration and carrying amount of subsidiaries acquired	-	(45,245)	-	-	-	-	-	-	-	-	(45,245)	(57,671)	(102,916)
Share of changes in equity of subsidiaries	-	33,480	-	-	(1,576)	-	-	-	-	-	31,904	-	31,904
Share-based payments (Note 24)	-	275,037	-	-	-	-	-	-	-	-	275,037	-	275,037
Change in non-controlling interests (Note 30)	-	-	-	-	-	-	-	-	-	-	-	294,924	294,924
BALANCE AT DECEMBER 31, 2021	20,084,659	22,993,816	2,058,958	2,108,136	9,668,399	(3,606,319)	18,570	(296,056)	(3,883,805)	(4,004,953)	49,025,210	5,400,906	54,426,116
Appropriation of 2021 earnings (Note 24)													
Legal reserve	-	-	966,840	-	(966,840)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	1,775,669	(1,775,669)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(3,615,239)	-	-	-	-	-	(3,615,239)	-	(3,615,239)
Share dividends distributed by the Company	200,846	-	-	-	(200,846)	-	-	-	-	-	-	-	-
Other changes in capital surplus													
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	(1,159)	-	-	-	-	-	(1,159)	-	(1,159)
Net profit for the year ended December 31, 2022	-	-	-	-	12,025,615	-	-	-	-	-	12,025,615	2,373,249	14,398,864
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax (Note 24)	-	-	-	-	35,325	4,759,090	(38,734)	1,936,116	6,656,472	-	6,691,797	737,017	7,428,814
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	12,060,940	4,759,090	(38,734)	1,936,116	6,656,472	-	18,717,412	3,110,266	21,827,678
The Company's shares held by subsidiaries accounted for as treasury shares	-	-	-	-	-	-	-	-	-	(468,721)	(468,721)	468,611	(110)
Cash dividends distributed by subsidiaries	-	183,741	-	-	-	-	-	-	-	-	183,741	247,475	431,216
Difference between consideration and carrying amount of subsidiaries acquired	-	(315,032)	-	-	(170,955)	-	-	-	-	-	(485,987)	(811,801)	(1,297,788)
Share of changes in equity of subsidiaries	-	(78,965)	-	-	(14,129)	-	-	-	-	-	(93,094)	93,094	-
Share-based payments (Note 24)	-	(183)	-	-	-	-	-	-	-	-	(183)	-	(183)
Change in non-controlling interests (Note 30)	-	-	-	-	-	-	-	-	-	-	-	3,201,141	3,201,141
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	39,516	-	(39,516)	-	(39,516)	-	-	-	-
Cash dividends received from subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,074,477)	(1,074,477)
BALANCE AT DECEMBER 31, 2022	20,285,505	22,783,377	3,025,798	3,883,805	15,024,018	1,152,771	(59,680)	1,640,060	2,733,151	(4,473,674)	63,261,980	10,635,215	73,897,195

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 19,186,223	\$ 15,414,494
Adjustments for:		
Depreciation expenses	2,109,917	1,835,203
Amortization expenses	350,852	376,307
Expected credit loss recognized on accounts receivable	4,664	8,207
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	136,593	(17,652)
Finance costs	1,215,810	1,294,385
Interest income	(86,225)	(14,768)
Dividend income	(1,197)	(836)
Compensation costs of employee share options	-	275,037
Share of (profit) loss of associates	311,237	(11,475)
Loss on disposal of property, plant and equipment	4,759	1,227
Property, plant and equipment transferred to expense	27,359	-
Gain on derecognition of disposal groups held for sale	(37,774)	-
Loss on disposal of associate	79,461	29,410
Impairment loss on non-financial assets	1,662,913	58,681
Net gain on foreign currency exchange	(723,704)	(197,666)
Gain on bargain purchase and lease modifications	(111,601)	-
Changes in operating assets and liabilities		
Notes receivable	(13,207)	4,347
Accounts receivable	532,115	(1,544,262)
Other receivables	(330,504)	(126,451)
Other receivables from related parties	(6,404)	-
Inventories	(17,327,388)	(2,005,220)
Prepayments	640,790	(1,628,355)
Other current assets	(3,446)	(177)
Contract liabilities	124,752	13,982
Notes payable	(17,770)	1,364
Accounts payable	562,944	272,735
Other payables	1,295,372	1,136,189
Other current liabilities	356,573	256,251
Net defined benefit obligation	(36,073)	(19,275)
Cash generated from operations	9,907,041	15,411,682
Income tax paid	(5,813,230)	(2,702,949)
Net cash generated from operating activities	<u>4,093,811</u>	<u>12,708,733</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(296,871)	(543,959)
Proceeds from sale of financial assets at fair value through other comprehensive income	32,737	-
Acquisition of financial assets at amortized cost	-	(4,405,983)
Proceeds from sale of financial assets at amortized cost	3,899,561	19,150
Acquisition of financial assets at fair value through profit or loss	(61,618)	(112,092)
Proceeds from sale of financial assets at fair value through profit or loss	36,803	112,016
Acquisition of investments accounted for using the equity method	(330,464)	-
Increase in prepayments for investments	-	(623,653)

(Continued)

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)**

	2022	2021
Acquisition of subsidiaries (net of cash received)	\$ 202,305	\$ 14,302
Net cash inflow on disposed of subsidiary	-	327,761
Payments for property, plant and equipment	(4,160,752)	(743,861)
Proceeds from disposal of property, plant and equipment	72,589	5,926
Increase in refundable deposits	(256,869)	(120,080)
Decrease in refundable deposits	202,362	110,122
Acquisition of intangible assets	(50,205)	(341,967)
Proceeds from disposal of intangible assets	7,232	-
Acquisition of investment properties	(1,073,991)	-
Increase in other non-current assets	(7,414)	-
Decrease in other non-current assets	-	926
Increase in prepayments for equipment	(4,394,768)	(858,267)
Interest received	86,213	14,768
Dividends received	<u>1,197</u>	<u>836</u>
Net cash used in investing activities	<u>(6,091,953)</u>	<u>(7,144,055)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	48,398,559	40,541,704
Repayments of short-term borrowings	(44,832,837)	(39,886,551)
Proceeds from short-term bills payable	13,404,202	13,036,375
Repayments of short-term bills payable	(13,945,000)	(14,120,000)
Proceeds from long-term borrowings	21,821,677	14,385,723
Repayments of long-term borrowings	(13,428,595)	(21,461,097)
Decrease in payables	(8,438)	(28,411)
Repayment of the principal portion of lease liabilities	(1,106,663)	(866,747)
Cash dividends distributed	(3,184,023)	(1,270,224)
Proceeds from issue of ordinary shares	-	15,050,000
Payments for buy-back of ordinary shares	(240,761)	(7,390,754)
Proceeds from sale of treasury shares	-	490,996
Acquisition of ownership interests in subsidiaries	(1,297,788)	(102,916)
Interest paid	(1,108,864)	(1,194,440)
Changes in non-controlling interests	(903,698)	(647,164)
Other financing activities	<u>(73,221)</u>	<u>37,552</u>
Net cash generated from (used in) financing activities	<u>3,494,550</u>	<u>(3,425,954)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>406,224</u>	<u>(107,266)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,902,632	2,031,458
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>9,331,655</u>	<u>7,300,197</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 11,234,287</u>	<u>\$ 9,331,655</u>

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Ta Chen Stainless Pipe Co., Ltd.

Opinion

We have audited the accompanying standalone financial statements of Ta Chen Stainless Pipe Co., Ltd. (the "Company"), which comprise the standalone balance sheets as of December 31, 2022 and 2021, and the standalone statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the standalone financial statements, including a summary of significant accounting policies.

In our opinion and based on our and other independent auditor's reports (refer to Other Matter paragraph), the accompanying standalone financial statements present fairly, in all material respects, the standalone financial position of the Company as of December 31, 2022 and 2021, and its standalone financial performance and its standalone cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the report of other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended December 31, 2022. 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.

The key audit matter of the Company's standalone financial statements for the year ended December 31, 2022 is described as follows:

Authenticity of Revenue Recognition from Specific Customers

Sales revenue of the Company is primarily from the sale of goods to specific customers. As revenue from the specific customers is significant to the financial statements, and considering that there is a presumed significant risk in revenue recognition, the authenticity of revenue recognition from the specific customers has been identified as a key audit matter. Please refer to Note 4 (m) to the financial statements for the accounting policies on revenue recognition.

The main audit procedures that we performed in regard of the aforementioned key audit matter are as follows:

1. We understood and tested the effectiveness of the design of the relevant internal controls and implementation related to revenue recognition from specific customers.
2. We selected samples and checked the documents and payment status related to the sales revenue of the specific customers to verify the occurrence of the sales.

Other Matter

We did not audit the financial statements of some investees accounted for using the equity method included in the financial statements of the Company, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included herein is based solely on the reports of other auditors. The total investment in these investees accounted for using the equity method was NT\$877,393 thousand, accounting for 1.09% of total assets as of December 31, 2022; the amount of the Company's share of comprehensive income of such subsidiaries was NT\$(245,835) thousand, accounting for (1.31%) of the Company's comprehensive income for the year ended December 31, 2022.

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

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

Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with the Standards on Auditing of 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chi-Chen Lee and Chao-Chin Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 13, 2023

Notice to Readers

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

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

Ta Chen Stainless Pipe Co., Ltd.

STANDALONE BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash (Notes 4 and 6)	\$ 5,345,079	7	\$ 3,142,767	5
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	106,658	-	64,427	-
Financial assets at amortized cost - current (Notes 4, 11 and 31)	872,055	1	5,063,334	8
Notes receivable (Notes 4 and 9)	8,694	-	3,879	-
Accounts receivable, net (Notes 4, 9 and 22)	77,479	-	349,606	1
Accounts receivable from related parties (Notes 9, 22 and 30)	7,995,175	10	6,552,085	11
Other receivables	32,709	-	76,860	-
Other receivables from related parties (Note 30)	680,609	1	62,825	-
Inventories (Notes 4, 5 and 10)	2,767,406	3	3,146,580	5
Prepayments (Note 16)	361,197	1	629,438	1
Total current assets	18,247,061	23	19,091,801	31
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	27,152	-	75,872	-
Financial assets at amortized cost - non-current (Notes 4, 11, 30 and 31)	206,000	-	258,534	-
Investment accounted for using the equity method (Notes 4, 12 and 31)	55,346,647	69	37,974,632	61
Property, plant and equipment (Notes 4, 13 and 31)	4,577,470	6	3,389,724	6
Investment properties (Notes 4 and 14)	1,118,389	1	-	-
Right-of-use assets (Notes 4 and 15)	40,616	-	42,040	-
Deferred tax assets (Notes 4 and 24)	443,010	1	508,368	1
Prepayment for investments (Note 12)	-	-	623,653	1
Net defined benefit assets - non-current (Notes 4 and 20)	109,260	-	66,053	-
Other non-current assets	242,736	-	84,558	-
Total non-current assets	62,111,280	77	43,023,434	69
TOTAL	\$ 80,358,341	100	\$ 62,115,235	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 17 and 31)	\$ 5,195,579	6	\$ 5,619,598	9
Short-term bills payable (Note 17)	-	-	79,990	-
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	21,298	-	74	-
Financial liabilities for hedging - current (Notes 4 and 29)	-	-	1,204	-
Notes payable (Note 18)	78,938	-	74,720	-
Accounts payable (Note 18)	102,660	-	406,994	1
Accounts payable to related parties (Note 30)	4,516	-	8,576	-
Other payables (Note 19)	1,472,692	2	969,101	2
Other payables to related parties (Note 30)	-	-	694,250	1
Current tax liabilities (Notes 4 and 24)	428,284	1	503,680	1
Lease liabilities - current (Notes 4 and 15)	14,424	-	11,435	-
Current portion of long-term borrowings (Notes 17 and 31)	7,250,912	9	1,337,330	2
Other current liabilities (Note 30)	12,957	-	14,919	-
Total current liabilities	14,582,260	18	9,721,871	16
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 17 and 31)	2,414,696	3	3,323,608	5
Deferred tax liabilities (Notes 4 and 24)	63,138	-	13,372	-
Lease liabilities - non-current (Notes 4 and 15)	26,825	-	31,174	-
Other non-current liabilities (Note 12)	9,442	-	-	-
Total non-current liabilities	2,514,101	3	3,368,154	5
Total liabilities	17,096,361	21	13,090,025	21
EQUITY (Note 21)				
Ordinary shares	20,285,505	25	20,084,659	32
Capital surplus	22,783,377	28	22,993,816	37
Retained earnings				
Legal reserve	3,025,798	4	2,058,958	3
Special reserve	3,883,805	5	2,108,136	3
Unappropriated earnings	15,024,018	18	9,668,399	16
Total retained earnings	21,933,621	27	13,835,493	22
Other equity	2,733,151	4	(3,883,805)	(6)
Treasury shares	(4,473,674)	(5)	(4,004,953)	(6)
Total equity	63,261,980	79	49,025,210	79
TOTAL	\$ 80,358,341	100	\$ 62,115,235	100

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

Ta Chen Stainless Pipe Co., Ltd.

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 30)	\$ 14,587,913	100	\$ 15,232,827	100
OPERATING COSTS (Notes 10, 20, 23 and 30)	<u>9,883,202</u>	<u>68</u>	<u>9,656,604</u>	<u>63</u>
GROSS PROFIT	<u>4,704,711</u>	<u>32</u>	<u>5,576,223</u>	<u>37</u>
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	(1,927,123)	(13)	(2,327,693)	(15)
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>2,327,693</u>	<u>16</u>	<u>224,089</u>	<u>1</u>
REALIZED GROSS PROFIT	<u>5,105,281</u>	<u>35</u>	<u>3,472,619</u>	<u>23</u>
OPERATING EXPENSES (Notes 20, 23 and 30)				
Selling and marketing expenses	163,345	1	168,837	1
General and administrative expenses	1,957,717	14	1,700,842	11
Expected credit loss	<u>6,411</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>2,127,473</u>	<u>15</u>	<u>1,869,679</u>	<u>12</u>
OTHER OPERATING INCOME AND EXPENSES (Note 23)	<u>6,790</u>	<u>-</u>	<u>(2,279)</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>2,984,598</u>	<u>20</u>	<u>1,600,661</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES (Notes 7, 12, 23 and 30)				
Interest income	52,278	-	3,682	-
Other income	12,911	-	10,660	-
Other gains and losses	843,294	6	(170,457)	(1)
Finance costs	(196,658)	(1)	(266,663)	(2)
Expected credit loss	-	-	(16,928)	-
Share of profit or loss of subsidiaries	<u>9,083,241</u>	<u>62</u>	<u>8,831,281</u>	<u>58</u>
Total non-operating income and expenses	<u>9,795,066</u>	<u>67</u>	<u>8,391,575</u>	<u>55</u>
PROFIT BEFORE INCOME TAX FOR THE YEAR	12,779,664	87	9,992,236	66
INCOME TAX EXPENSE (Notes 4 and 24)	<u>754,049</u>	<u>5</u>	<u>319,319</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>12,025,615</u>	<u>82</u>	<u>9,672,917</u>	<u>64</u>

(Continued)

Ta Chen Stainless Pipe Co., Ltd.

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 24,884	-	\$ (8,870)	-
Share of other equity of subsidiaries	(23,316)	-	30,469	-
Income tax expense (benefit) relating to items that will not be reclassified subsequently	(4,977)	-	1,774	-
	<u>(3,409)</u>	<u>-</u>	<u>23,373</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	4,292,166	29	(942,732)	(6)
Gain on hedging instruments not subject to basis adjustment	147,806	1	18,212	-
Share of the other comprehensive loss of subsidiaries	2,255,129	16	513,562	3
Income tax expense (benefit) relating to items that may be reclassified subsequently to profit or loss	105	-	(3,643)	-
	<u>6,695,206</u>	<u>46</u>	<u>(414,601)</u>	<u>(3)</u>
Other comprehensive income(loss) for the year, net of income tax	<u>6,691,797</u>	<u>46</u>	<u>(391,228)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 18,717,412</u>	<u>128</u>	<u>\$ 9,281,689</u>	<u>61</u>
EARNINGS PER SHARE (New Taiwan dollars; Note 25)				
Basic	<u>\$ 6.23</u>		<u>\$ 5.69</u>	
Diluted	<u>\$ 6.19</u>		<u>\$ 5.67</u>	

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

(Concluded)

Ta Chen Stainless Pipe Co., Ltd.

STANDALONE STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Retained Earnings					Other Equity					
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements Foreign Operations	Unrealized Gain (loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total Other Equity	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2021	\$ 16,584,659	\$ 12,354,362	\$ 2,058,958	\$ 1,487,080	\$ 621,056	\$ (2,527,406)	\$ (7,745)	\$ (960,368)	\$ (3,495,519)	\$ (1,132,861)	\$ 28,477,735
Appropriation of 2020 earnings (Note 21)	-	-	-	621,056	(621,056)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-	-
Issuance of share dividends from capital surplus (Note 21)	-	(1,326,772)	-	-	-	-	-	-	-	-	(1,326,772)
Net profit for the year ended December 31, 2021	-	-	-	-	9,672,917	-	-	-	-	-	9,672,917
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax (Note 21)	-	-	-	-	(2,942)	(1,078,913)	26,315	664,312	(388,286)	-	(391,228)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	9,669,975	(1,078,913)	26,315	664,312	(388,286)	-	9,281,689
Issuance of ordinary shares for cash	3,500,000	11,550,000	-	-	-	-	-	-	-	-	15,050,000
The Company's shares held by subsidiaries accounted for as treasury shares	-	-	-	-	-	-	-	-	-	(2,961,803)	(2,961,803)
Disposal of company's share by subsidiaries recognized as treasury share transactions	-	130,903	-	-	-	-	-	-	-	89,711	220,614
Cash dividends distributed by subsidiaries	-	22,051	-	-	-	-	-	-	-	-	22,051
Changes in percentage of ownership interests in subsidiaries	-	33,480	-	-	(1,576)	-	-	-	-	-	31,904
Difference between consideration and carrying amount of subsidiaries acquired	-	(45,245)	-	-	-	-	-	-	-	-	(45,245)
Share-based payments (Note 21)	-	275,037	-	-	-	-	-	-	-	-	275,037
BALANCE AT DECEMBER 31, 2021	20,084,659	22,993,816	2,058,958	2,108,136	9,668,399	(3,606,319)	18,570	(296,056)	(3,883,805)	(4,004,953)	49,025,210
Appropriation of 2021 earnings (Note 21)	-	-	966,840	-	(966,840)	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	1,775,669	(1,775,669)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(3,615,239)	-	-	-	-	-	(3,615,239)
Cash dividends distributed by the Company	200,846	-	-	-	(200,846)	-	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	(1,159)	-	-	-	-	-	(1,159)
Net profit for the year ended December 31, 2022	-	-	-	-	12,025,615	-	-	-	-	-	12,025,615
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax (Note 21)	-	-	-	-	35,325	4,759,090	(38,734)	1,936,116	6,656,472	-	6,691,797
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	12,060,940	4,759,090	(38,734)	1,936,116	6,656,472	-	18,717,412
The Company's shares held by subsidiaries accounted for as treasury shares	-	-	-	-	-	-	-	-	-	(468,721)	(468,721)
Cash dividends distributed by subsidiaries	-	183,741	-	-	-	-	-	-	-	-	183,741
Difference between consideration and carrying amount of subsidiaries acquired	-	(315,032)	-	-	(170,955)	-	-	-	-	-	(485,987)
Changes in percentage of ownership interests in subsidiaries	-	(78,965)	-	-	(14,129)	-	-	-	-	-	(93,094)
Share-based payments (Note 21)	-	(183)	-	-	-	-	-	-	-	-	(183)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	39,516	-	(39,516)	-	(39,516)	-	-
BALANCE AT DECEMBER 31, 2022	\$ 20,285,505	\$ 22,783,377	\$ 3,025,798	\$ 3,883,805	\$ 15,024,018	\$ 1,152,771	\$ (59,680)	\$ 1,640,060	\$ 2,733,151	\$ (4,473,674)	\$ 63,261,980

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

Ta Chen Stainless Pipe Co., Ltd.

STANDALONE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income profit before income tax	\$ 12,779,664	\$ 9,992,236
Adjustments for:		
Depreciation expenses	199,525	207,841
Amortization expense	358	605
Expected credit loss	6,411	16,928
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	3,808	53,641
Finance costs	196,658	266,663
Interest income	(52,278)	(3,682)
Dividend income	(1,197)	(836)
Compensation costs of employee share options	-	275,037
Share of profit of subsidiaries	(9,083,241)	(8,831,281)
(Gain) Loss on disposal of property, plant and equipment	(6,790)	2,279
Gain on disposal of associate accounted for using the equity method	-	(12,197)
Impairment loss on non-financial assets	66,975	56,862
Unrealized gain on the transactions with subsidiaries	1,927,123	2,327,693
Realized gain on transactions with subsidiaries	(2,327,693)	(224,089)
Net gain on foreign currency exchange	(197,124)	(94,721)
Share of impairment loss of associates accounted for using the equity method	67,386	-
Changes in operating assets and liabilities		
Notes receivable	(4,815)	3,853
Accounts receivable	266,018	(228,746)
Accounts receivable to related parties	(1,241,560)	(3,558,469)
Other receivables	(573,619)	(115,392)
Inventories	297,712	(1,200,211)
Prepayments	282,728	(554,106)
Net defined benefit assets	(18,322)	(18,200)
Notes payable	1,260	13,397
Accounts payable	(304,334)	284,699
Accounts payable to related parties	(4,060)	(3,534)
Other payables	(290,614)	1,485,164
Other current liabilities	(1,962)	2,814
Cash generated from operations	1,988,017	144,248
Income tax paid	(719,178)	(20,440)
Net cash generated from operating activities	<u>1,268,839</u>	<u>123,808</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	48,720	(59,519)
Purchase of financial assets at amortized cost	4,239,514	(3,990,069)
Purchase of financial assets at fair value through profit or loss	(61,618)	(112,092)
Proceeds from sale of financial assets at fair value through profit or loss	36,803	82,016
Acquisition of investments accounted for using the equity method	(2,295,801)	(264,585)
Increase in prepayments for investments	-	(623,653)

(Continued)

Ta Chen Stainless Pipe Co., Ltd.

STANDALONE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Payments for property, plant and equipment	\$ (1,357,292)	\$ (369,698)
Proceeds from disposal of property, plant and equipment	68,617	379
Increase in refundable deposits	(72,684)	(11,702)
Decrease in refundable deposits	76,924	10,548
Acquisition of investment properties	(1,053,558)	-
Increase in prepayments for equipment	(206,667)	(38,239)
Other dividends received	1,197	836
Interest received	52,266	3,682
Dividends received from subsidiaries	<u>783,226</u>	<u>563,164</u>
Net cash generated (used in) investing activities	<u>259,647</u>	<u>(4,808,932)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	24,400,404	27,847,922
Repayments of short-term borrowings	(24,830,802)	(26,638,636)
Proceeds from short-term bills payable	3,890,880	6,114,045
Repayments of short-term bills payable	(4,020,000)	(7,220,000)
Proceeds from long-term borrowings	7,392,000	4,095,635
Repayments of long-term borrowings	(2,395,000)	(11,884,004)
Repayment of the principal portion of lease liabilities	(15,512)	(14,530)
Dividends paid	(3,615,239)	(1,326,772)
Proceeds from issue of ordinary shares	-	15,050,000
Interest paid	<u>(132,905)</u>	<u>(269,345)</u>
Net cash generated from financing activities	<u>673,826</u>	<u>5,754,315</u>
NET INCREASE IN CASH	2,202,312	1,069,191
CASH AT THE BEGINNING OF THE YEAR	<u>3,142,767</u>	<u>2,073,576</u>
CASH AT THE END OF THE YEAR	<u>\$ 5,345,079</u>	<u>\$ 3,142,767</u>

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

(With Deloitte & Touche auditors' report dated March 13, 2023)

(Concluded)

TA CHEN STAINLESS PIPE CO., LTD

Articles of Incorporation Comparison Table of Amendments

After the Revision		Before the Revision		Purpose of Revision
Article	Content	Article	Content	
Article 4	The total amount of this Corporation's capital is NTD <u>32 billion</u> , which is further divided into <u>3.2 billion</u> shares, with the value per share NTD 10, and the Board is authorized to issue shares in installments.	Article 4	The total amount of this Corporation's capital is NTD 30 billion, which is further divided into 3 billion shares, with the value per share NTD 10, and the Board is authorized to issue shares in installments..	Revised in response to adjustments in the future operations needs of the Company

<p>Article 11</p>	<p>This Corporation shall appoint 9 to 15 directors (including <u>at least 3</u> independent directors) with legal capacity, and the term of the director is three years and may be re-elected after the term. The board of directors is empowered to resolve the number of directors.</p> <p>For the nomination system of director nominees, the directors' election is taken in shareholders' meeting adopting cumulative voting system in accordance with Article 198 of the Company Act. The total amount of registered shares held by all directors of this Company is handled following "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".</p> <p>However, when the number of vacancies in the board of directors of a company equals to one third of the total number of directors, the board of directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies, and their term of office shall be extended until the time new directors have been elected and assumed their office.</p> <p>This Company establishes an audit committee composed of all independent directors which shall not be less than 3 people, including 1 convener and at least 1 person with accounting or finance expertise. Organic regulations of audit committee is otherwise regulated by the board of directors.</p> <p>This Company's board of directors meeting is called by the chairman. The reasons for calling a board of directors meeting shall be notified to each director and supervisor before the expiration date as set forth by competent securities authorities. In emergency circumstances, however, a meeting may be called on shorter notice. The above notice in respect of convening the meeting shall be done</p>	<p>Article 11</p> <p>This Corporation shall appoint 9 to 15 directors (including 3 independent directors) with legal capacity, and the term of the director is three years and may be re-elected after the term. The board of directors is empowered to resolve the number of directors.</p> <p>For the nomination system of director nominees, the directors' election is taken in shareholders' meeting adopting cumulative voting system in accordance with Article 198 of the Company Act. The total amount of registered shares held by all directors of this Company is handled following "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".</p> <p>However, when the number of vacancies in the board of directors of a company equals to one third of the total number of directors, the board of directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies, and their term of office shall be extended until the time new directors have been elected and assumed their office.</p> <p>This Company establishes an audit committee composed of all independent directors which shall not be less than 3 people, including 1 convener and at least 1 person with accounting or finance expertise. Organic regulations of audit committee is otherwise regulated by the board of directors.</p> <p>This Company's board of directors meeting is called by the chairman. The reasons for calling a board of directors meeting shall be notified to each director and supervisor before the expiration date as set forth by competent securities authorities. In emergency circumstances, however, a meeting may be called on shorter notice. The above notice in respect of convening the meeting shall be done in writing, by electronic email, or by</p>	<p>Revised in response to adjustments in the future operations needs of the Company</p>
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After the Revision		Before the Revision		Purpose of Revision
Article	Content	Article	Content	
	<p>in writing, by electronic email, or by facsimile.</p> <p>The resolution of the board of directors, unless as otherwise set forth in the Company Act, shall be attended by a majority of all the directors and be approved by a majority of the attending directors. Upon absence of the chairperson, the chairperson shall appoint one of the directors to act as chair, or where the chairperson does not make such a delegation, the directors shall select from among themselves one person to serve as chair. When the chairperson of the board is unable to exercise the powers of chairperson, the chairperson shall appoint one of the managing directors to act.</p>		<p>facsimile.</p> <p>The resolution of the board of directors, unless as otherwise set forth in the Company Act, shall be attended by a majority of all the directors and be approved by a majority of the attending directors. Upon absence of the chairperson, the chairperson shall appoint one of the directors to act as chair, or where the chairperson does not make such a delegation, the directors shall select from among themselves one person to serve as chair. When the chairperson of the board is unable to exercise the powers of chairperson, the chairperson shall appoint one of the managing directors to act.</p>	

After the Revision		Before the Revision		Purpose of Revision
Article	Content	Article	Content	
Article 19	<p>If the company's annual final accounts have a net profit after tax, the accumulated losses should be compensated first (including the adjustment of the retained earnings amount), and 10% of the net profit will be allocated to be legal reserve according to the law. except that the legal reserve has reached the Company's paid-in capital. Secondly, special reserve will be allocated according to the law or regulations of competent authority.If there are earnings remained, the resolution of the earnings along with the retained earnings at the beginning of the period(including the adjustment of the retained earnings amount) will be drawn up and forwarded to the shareholders' meeting for distribution of dividends.</p> <p>The company's dividend policy is based on current and future development plans, considering the investment environment, capital needs and domestic and international competition, and taking into account the interests of shareholders, etc.. No less than <u>20</u> % of the annual distributable earnings are allocated as dividends to shareholders; when dividends are distributed to shareholders, they can be cash or shares, with cash dividends are no less than 20% of the total dividends.</p>	Article 19	<p>If the company's annual final accounts have a net profit after tax, the accumulated losses should be compensated first (including the adjustment of the retained earnings amount), and 10% of the net profit will be allocated to be legal reserve according to the law. except that the legal reserve has reached the Company's paid-in capital. Secondly, special reserve will be allocated according to the law or regulations of competent authority.If there are earnings remained, the resolution of the earnings along with the retained earnings at the beginning of the period(including the adjustment of the retained earnings amount) will be drawn up and forwarded to the shareholders' meeting for distribution of dividends.</p> <p>The company's dividend policy is based on current and future development plans, considering the investment environment, capital needs and domestic and international competition, and taking into account the interests of shareholders, etc.. No less than 50 % of the annual distributable earnings are allocated as dividends to shareholders; when dividends are distributed to shareholders, they can be cash or shares, with cash dividends are no less than 20% of the total dividends.</p>	Revised in response to adjustments in the future operations needs of the Company
Article 25	<p>This Articles of Incorporation was drawn up on the thirty-first of October 1986.</p> <p style="text-align: center;">• •</p> <p>Thirty-seventh amendment was effected on July 15, 2021. Thirty-eight amendment was effected on June 20, 2022. <u>Thirty-nine amendment was effected on June 26, 2023.</u> Implemented after being approved by the competent authority.</p>	Article 25	<p>This Articles of Incorporation was drawn up on the thirty-first of October 1986.</p> <p style="text-align: center;">• •</p> <p>Thirty-seventh amendment was effected on July 15, 2021. Thirty-eight amendment was effected on June 20, 2022. Implemented after being approved by the competent authority.</p>	Change in time of amendment and added date of revision

TA CHEN STAINLESS PIPE CO., LTD.
Rules and Procedure of Shareholders' Meeting

- A. Ta Chen Stainless Pipe Co., Ltd. (hereinafter referred to as the Company) shareholders' meeting shall be carried out in accordance with these Rules unless otherwise specified.
- B. The term "shareholders" as used in these Rules refers to the shareholders themselves or the representatives entrusted to attend the meeting.
- C. At the the shareholders' meeting, the attending shareholders shall hand in the sign-in card instead of signing in, and the number of attending shares will be calculated according to the sign-in card.
- D. when the meeting time comes, the chairman shall announce the meeting begins. However, if the total shares of the present shareholders are less than half of total issued shares , the chairman may announce the postponement of the meeting. The number of delays shall be less than two times, and the total time of the delay shall not exceed one hour. If the shares held by the present shareholders are still insufficient after the 2 delays, but there are more than one-third of the total issued shares represented, they may make a false resolution in accordance with the provisions of Article of the Company Act.
Before the end of the meeting, if the number of shares represented by the shareholders has reached more than half of the total issued shares, the chairman may propose the vote on the false resolution in the meeting in accordance with the provisions of Article 174 of the Company Act.
- E. If the shareholders' meeting is convened by the board of directors, the agenda shall be determined by the board of directors. The meeting shall be held according to the scheduled agenda and may not be changed without the resolution of the shareholders' meeting.
If the shareholders' meeting is convened by other convening rights holders other than the board of directors, the provisions of the preceding paragraph shall apply. Before the first two scheduled proposals are finalized (including motions of any other business), the chairman may not announce the meeting adjourned without a resolution. After the meeting is adjourned by the resolution, the shareholders may not choose another chairman to continue the meeting at the original site or another place.
- F. During the meeting, the chairman may announce the rest time. If a meeting fails to complete the issue, it may be decided by the shareholders' meeting to postpone or renew the meeting within five days and be exempt from notice and announcement.
- G. Before the shareholder's speech, the speech notes must be filled out with keynote, shareholder number (or attendance card number) and the name. The chairman will arrange the speaking order. Shareholders who only fill out a speech note but do not speak are considered to have not spoken. If the content of the speech is inconsistent with the speech note, it shall go by the confirmed speech. When a shareholder speaks, the other shareholders shall not interfere with the speech except with the consent of the chairman and the speaking shareholder, or the chairman may stop the violators.
- H. Each shareholder shall not speak more than two times in the same resolution without the consent of the chairman, and each time may not exceed five minutes. If the attending shareholders' speech violates the provisions of the preceding paragraph, exceeds the scope of the issue, or disturb the order of the meeting, the chairman may stop or suspend his speech. Other shareholders may also request that the chairman do so.
- I. The voting of the proposals, unless otherwise specified by Company Act or Articles of Incorporation of the Company, is passed by the approval of more than half of the voting rights of attending shareholders. At the time of voting, if there is no objection after the chairman requests opinions, it shall be look upon as passed, and its validity shall be the same as the voting. When the chairman violates the rules of procedure and announces the meeting adjourned, a new chairman may be elected by more than half of the voting rights of the present shareholders, and the meeting may continues.
- J. The voting of the proposals, unless otherwise specified by Company Act or Articles of Incorporation of the Company, is passed by the approval of more than half of the voting rights of attend-

ing shareholders. At the time of voting, if there is no objection after the chairman requests opinions, it shall be look upon as passed, and its validity shall be the same as the voting. When the chairman violates the rules of procedure and announces the meeting adjourned, a new chairman may be elected by more than half of the voting rights of the present shareholders, and the meeting may continues.

- K. Shareholders have one vote per share, while shareholders who are restricted or do have voting rights according to the Article 179 of Company Act are not subject to this rule. If a shareholder is entrusted by two or more shareholders at the same time, the voting rights of the representative shall not exceed 3 percent of the voting rights of the total issued shares. If it exceeds, the excess shall not be counted. The voting of the shareholders' meeting shall be based on the shares. Shareholders shall not vote in the event that has their personal interests and is harmful to the interests of the Company. And they may not exercise the voting rights on behalf of other shareholders as well.
- L. The place of the shareholders' meeting shall be at where the headquarters is or a place convenient to shareholders as well as suitable for the shareholders' meeting. The beginning time of the meeting shall not be earlier than 9:00 am or later than 3:00 pm.
- M. If the shareholders' meeting is convened by the board of directors, the chairman of the board shall be the chairman of the meeting. If the chairman of the board is taking leaves or fails to exercise his authority, he shall be represented by the vice chairman. If there is no vice chairman or the vice chairman is absent or unable to exercise his functions as well, the chairman of the board shall designate one of the managing directors to substitute; if there is no managing director, one of the directors shall be designated. If the chairman does not appoint a representative, the managing directors or the directors shall select one from one another other.
If the shareholders' meeting is convened by other person that has the convening right other than the board of directors, the chairman of the meeting shall be the person having the convening right. When there are more than two convening right holders, one shall be the chairman chose by each other.
- N. The company may appoint attorneys, accountants or related personnel to attend the shareholders' meeting. The attending staff of the shareholders' meeting should wear an identification badge or armband.
- O. During the shareholders' meeting, the Company will record or videotape the whole process and keep it for at least one year.
- P. In addition to the proposals listed in the agenda, shareholders' amendments to the original proposals, alternatives or other motions as any other business shall be seconded by two or more shareholders. So shall the changes to the agenda and the motion for the adjournment of the meeting.
- Q. When there is an amendment or an alternative to the same proposal, the chairman shall decide the order of voting along with the original case. If one of the cases has been passed, the other motions are regarded as vetoed and no further votes are required.
- R. When a legal person is entrusted to attend the shareholder meeting, the legal person can only assign one representative to attend the meeting. When a corporate shareholder appoints two or more representatives to attend the meeting, only one of them may speak on the same motion.
- S. The chairman may personally or designate the relevant personnel to reply the speaking of the attending shareholders.
- T. The staff members in charge of the scrutiny or counting of the proposal votes shall be designated by the chairman and approved by the attending shareholders; the scrutineers shall have the identities of shareholder. The results of the voting shall be reported on the spot and minuted.
- U. The chairman may direct the pickets (or security officers) to help maintain the order of the venue. When the pickets (or security officers) is assisting in maintaining order, they shall wear the badges that read "picket."
- V. When the meeting is in progress, if there are major disasters such as air raid alarms, earthquakes, fires, etc., it should be announced that the meeting suspended at the time of evacuation. One hour after the situation is relieved, the chairman will announce the meeting time.
- W. Items not covered by these rules shall be handled in accordance with the provisions of Company

Act, other relevant regulations and the Articles of Incorporation of the Company.

X. These rules shall be implemented after the shareholders' meeting passes the resolution, which also applies to the amendments.

Y. This operation procedure was approved by the shareholders' meeting on June 25, 2002

First revision was made on March 28, 1996

Second revision was made on April 15, 1998

Third revision was made on June 25, 2002

Fourth revision was made on June 15, 2006

Fifth revision was made on June 22, 2015

TA CHEN STAINLESS PIPE CO., LTD.

Articles of Incorporation

Chapter 1 General Provisions

Article 1 : This Company is incorporated in accordance with the Company Act and registered under the business name of 大成不銹鋼工業股份有限公司, with the English business name of Ta Chen Stainless Pipe Co., Ltd.

Article 2 : The Company's business is as follows:

ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 : The Headquarters of the Company is located in Tainan City.

Chapter 2 Shares

Article 4 : The total amount of this Corporation's capital is NTD 30 billion, which is further divided into 3 billion shares, with the value per share NTD 10, and the Board is authorized to issue shares in installments.

Article 5 : The Company's shares are registered with names. The shares are issued after being signed and sealed by the director representing the company and approved by the competent authority or the approved issuing agency.

The registered stock issued by the Company may be issued without printing out the shares.

Article 6 : Changes in the register of shareholders' names shall not be made within 60 days before the annual general meeting, within 30 days before the extraordinary general meeting, or within five days before the base date on which the dividends or other benefits are given by the Company

Chapter 3 Shareholders' Meeting

Article 7 : The shares of the company shall be registered with names. The shareholders' names and addresses shall be listed in the shareholder's list, with the shareholder's seal cards deposited to the Company. The same requirement applies to the change. The management of the Company's shareholder services is handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public

Companies” issued by the competent authority.

Article 8 : There are two types of shareholders's meeting, which are annual general meeting and extraordinary general meeting. The annual general meeting is held once a year within 6 months after the end of each fiscal year, while the extraordinary general meeting is held according to relevant regulations if necessary.

Article 9 : Shareholders of the company have one vote per share, except for those restricted by Company Act or other regulations. Shareholders may show the proxy issued by the Company at each shareholder meeting, indicating the limits of authorization, and entrusting an agent to attend the shareholders' meeting. The operations of entrusting others to attend the shareholders' meeting shall be handled in accordance with the provisions of the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” promulgated by the competent authority, in addition to Company Act.

The resolutions of the shareholders' meeting, unless otherwise stipulated by the Company Act, shall be approved by more than half of the shareholders' voting, with the attending shareholders holding more than half of the total shares.

According to the regulations of the competent authority, the Company may exercise its voting rights by electronic means. Shareholders who exercise their voting rights by electronic means are deemed to be present in person, and the related matters are handled in accordance with the regulations.

Article 10 : The shareholders' meeting is chaired by the chairman of the board of directors. If the chairman is on business, he may appoint one of the directors as an agent. If the chairman has not appointed the agent, the chairman of the meeting shall be selected among the directors by one another.

Chapter 4 Directors and Supervisors

Article 11 : This Corporation shall appoint 9 to 15 directors (including 3 independent directors) with legal capacity, and the term of the director is three years and may be re-elected after the term. The board of directors is empowered to resolve the number of directors. For the nomination system of director nominees, the directors' election is taken in shareholders' meeting adopting cumulative voting system in accordance with Article 198 of the Company Act. The total amount of registered shares held by all directors of this Company is handled following “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”.

However, when the number of vacancies in the board of directors of a company equals

to one third of the total number of directors, the board of directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies, and their term of office shall be extended until the time new directors have been elected and assumed their office.

This Company establishes an audit committee composed of all independent directors which shall not be less than 3 people, including 1 convener and at least 1 person with accounting or finance expertise. Organic regulations of audit committee is otherwise regulated by the board of directors.

This Company's board of directors meeting is called by the chairman. The reasons for calling a board of directors meeting shall be notified to each director and supervisor before the expiration date as set forth by competent securities authorities. In emergency circumstances, however, a meeting may be called on shorter notice. The above notice in respect of convening the meeting shall be done in writing, by electronic email, or by facsimile.

The resolution of the board of directors, unless as otherwise set forth in the Company Act, shall be attended by a majority of all the directors and be approved by a majority of the attending directors. Upon absence of the chairperson, the chairperson shall appoint one of the directors to act as chair, or where the chairperson does not make such a delegation, the directors shall select from among themselves one person to serve as chair. When the chairperson of the board is unable to exercise the powers of chairperson, the chairperson shall appoint one of the managing directors to act.

Article 12 : The board of directors of the Company shall be elected by more than two-thirds of the attending directors and approved by more than half of the directors. Internally, the chairman of the board chairs the shareholders' meeting and the board of directors, while externally the chairman represents the Company.

Article 13 : The board of directors of the Company is convened by the chairman of the board. The convening of board of directors shall list clearly the reasons for the convening and notify all the directors seven days before. However, if there is an emergency, it can be convened at any time. The directors of the Company can be notified of the convening by writing, email or fax.

Unless otherwise specified by the Company Act, the resolutions shall be approved by more than half of the attending directors, and the attending directors shall be more than half of the total directors. If the chairman of the board is unable to attend the board of directors, he may appoint one of the directors as the agent. If the chairman of the board does not appoint an agent, one of the directors will be elected to be the chairman of the

meeting by one another. If the director is unable to attend the board of directors for any reason, the director may entrust other directors to be the agent.

Article 14 : The authority of board of directors is as follows:

1. Approval of business and financial policies.
2. Approval budget and final accounts.
3. Approval important contracts.
4. Approval important articles.
5. Review of the proposals and report of the shareholders' meeting.
6. Disposition of net earnings.
7. Appointment, dismissal and remuneration of accountants.
8. Appointment and dismissal of managers.
9. Implementation of the resolutions of the shareholders' meeting.
10. Other important matters that should be decided by the board of directors.

Article 15 : (Deleted)

Article 16 : The resolution of directors' remuneration is authorized to the board of directors and is made based on the level of the industry.

Chapter 5 Managers

Article 17 : The company has one general manager, adhering to the resolution of the board of directors, a number of vice general managers and managers, who assist the general manager in managing business. The appointment, dismissal and remuneration are handled in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 18 : The company shall, at the end of the annual fiscal year, submit the following forms to the Audit Committee and the Board of Directors for approval, and forward them to the annual shareholders' meeting for recognition:

1. business report
2. financial statements
3. surplus earnings distribution or loss make-up proposal

Article 18-1 : 3% of the Company's annual net profit before deduction of employee compensation and directors' remuneration shall be allocated to the employee's remuneration,

while no more than 1.5% shall be director's remuneration. However, if the company still has accumulated losses (including adjustment of retained earnings amount), the amount of compensation should be retained in advance.

The employee's remuneration mentioned in the preceding paragraph can be given by shares or cash, and the objects of payment may include the employees of the subordinate companies that meet the conditions set by the board of directors.

Nevertheless, the directors' remuneration can only be paid in cash. The resolution of the previous two items shall be passed by the board of directors and reported to the shareholders' meeting.

Article 19 : If the company's annual final accounts have a net profit after tax, the accumulated losses should be compensated first (including the adjustment of the retained earnings amount), and 10% of the net profit will be allocated to be legal reserve according to the law. except that the legal reserve has reached the Company's paid-in capital. Secondly, special reserve will be allocated according to the law or regulations of competent authority. If there are earnings remained, the resolution of the earnings along with the retained earnings at the beginning of the period (including the adjustment of the retained earnings amount) will be drawn up and forwarded to the shareholders' meeting for distribution of dividends.

The company's dividend policy is based on current and future development plans, considering the investment environment, capital needs and domestic and international competition, and taking into account the interests of shareholders, etc.. No less than 50 % of the annual distributable earnings are allocated as dividends to shareholders; when dividends are distributed to shareholders, they can be cash or shares, with cash dividends are no less than 20% of the total dividends.

Article 20 : The transportation allowances of the Company's directors shall be determined by the board of directors. The salary standard for ordinary employees shall be approved by the general manager and shall be paid regardless of the Company's operating gain or loss.

Chapter 7 Supplementary Provisions

Article 21 : The items not listed in the Articles of Incorporation of the Company shall be handled in accordance with the provisions of the Company Act and other relevant regulations.

Article 22 : Based on the regulations, the Company may give endorsement to third parties.

Article 23 : When the Company is a shareholder with limited liabilities of another company, the

total investment amount is not subject to Article 13 of Company Act.

Article 24 : If the company buys back the shares and plans to transfers the shares to the employees at an price lower than the average price of the purchase, it shall be approved by more than two-thirds of the shareholders' voting, with the attending shareholders holding more than half of the total shares at the latest shareholders' meeting.

Article 25 : The Articles was laid down on October 31, 1986

First revision was made on December 25, 1986

Second revision was made on May 20, 1987

Third revision was made on September 1, 1988

Fourth revision was made on January 7, 1989

Fifth revision was made on April 16, 1989

Sixth revision was made on October 4, 1989

Seventh revision was made on January 24, 1990

Eighth revision was made on April 20, 1991

Ninth revision was made on February 15, 1992

Tenth revision was made on August 11, 1992

Eleventh revision was made on April 20, 1994

Twelfth revision was made on March 17, 1995

Thirteenth revision was made on March 28, 1996

Fourteenth revision was made on October 18, 1996

Fifteenth revision was made on April 15, 1998

Sixteenth revision was made on April 7, 1999

Seventeenth revision was made on April 18, 2000

Eighteenth revision was made on October 20, 2000

Nineteenth revision was made on June 25, 2002

Twentieth revision was made on June 15, 2004

Twenty-first revision was made on June 14, 2005

Twenty-second revision was made on June 15, 2006

Twenty-third revision was made on June 21, 2007

Twenty-fourth revision was made on June 19, 2008

Twenty-fifth revision was made on June 10, 2009

Twenty-sixth revision was made on June 15, 2010

Twenty-seventh revision was made on June 10, 2011

Twenty-eighth revision was made on June 13, 2012

Twenty-ninth revision was made on June 28, 2013

Thirtieth revision was made on June 12, 2014

(Article 11 of the provisions about the nomination system for candidates has been applicable since the election of directors of the eleventh term.)

Thirty-first revision was made on June 22, 2015

Thirty-second revision was made on June 21, 2016

Thirty-third revision was made on June 19, 2017

Thirty-fourth revision was made on June 8, 2018

Thirty-fifth revision was made on June 18, 2019.

Thirty-sixth amendment was effected on June 22, 2020.

Thirty-seventh amendment was effected on July 15, 2021.

Thirty-eighth amendment was effected on June 20, 2022.

Implemented after being approved by the competent authority.

TA CHEN STAINLESS PIPE CO., LTD.

Procedures for Election of Directors

Jun.2017

Article 1

Except as otherwise provided by law and regulation or by this Corporation's Articles of Incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 2

The cumulative voting method shall be used for election of the Directors at this Corporation.

Besides the use of electronic vote, attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders

Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 3

Elections of Directors at this Corporation shall be conducted in accordance with the candidate nomination system whereby the shareholders nominate and elect candidates from the candidates list.

The number of directors will be as specified in this Corporation's Articles of Incorporation.

Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes as director and independent

director positions. 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 chair drawing lots on behalf of any person not in attendance.

Article 4

Before the election begins, it shall appoint 2 people with shareholder status to perform the respective duties of vote monitoring personnel. The chair shall appoint the other people to perform the respective duties of vote counting personnel.

Article 5

The board of directors shall prepare separate ballots in the number of voting rights which shall then be distributed to the attending shareholders . The preparation of ballots by electronic voting shall not be printed.

Article 6

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 7

A ballot is invalid which shall not be distribute to the candidate under any of the following circumstances:

1. Ballots not placed in the ballot box.
2. Ballots not prepared by this Company
3. A blank ballot
4. Other words or marks are entered in addition to the candidate's account name, shareholder account number or identity card number.
5. The writing is unclear and indecipherable.

6. The name of the candidate, shareholder account number or identity card number has been altered.
7. The writing of ballot in accordance with Article 7.
8. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
9. Two or more candidates are included in a single ballot.

Article 8

The number of voting shares exercised by correspondence or electronically shall be calculated on site immediately after the end of the poll, and the list of persons elected as directors which they were elected, shall be announced by the chair on the site

Article 9

The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 10

The exception to this procedure shall be conducted in accordance with Company Act, Corporation's Articles of Incorporation or associated laws.

Article 11

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Shareholdings of All Directors

1. Based on the provisions of Article 26 of Securities and Exchange Act, the Company's directors altogether shall hold a minimum of 60,856,515 shares (3%).
2. The Company has established an audit committee, thus there is no requirement for the number of shares that the supervisors should legally hold.
3. As of April 28, 2023, the shareholdings of individual and all directors as well as supervisors listed in the shareholder list are as follows:

April 28, 2023

Title	Name	Shares Held at Present	
		Number of Shares	Shareholding Ratio
Chairman	Ta Ying Cheng Investment Co., Ltd. Representative : Li-Yun Hsieh	79,251,507	3.91%
Director	Rung-Kun Shieh	33,858,048	1.67%
Director	Yong-Yu Tsai	706,349	0.03%
Director	Shi-Hsien Tu	6,409,386	0.32%
Director	Jung-Huei Hsieh	3,513,580	0.17%
Director	Chao-Chin Tsai	3,414,317	0.17%
Director	I-Lan Ou	2,889,584	0.14%
Director	Linfangjin Charitable Foundation Representative : Mei-Feng Lin	2,326,797	0.11%
Independent Director	Chun-An Hsu	-	-
Independent Director	Ming-Chang Shen	-	-
Independent Director	Kuang-Hsiang Wang	803	-

Note: As of the date of the shareholder's transfers, the total number of shares held by all directors was 132,370,371 shares, which conform to the provisions of Article 26 of Securities and Exchange Act.

The impact of bonus shares issuance on the Company's operating performance, earnings per share and return on investment of shareholders

Items		Year	2023(Pro-Forma)
Beginning paid-in capital (Include preferred share)			NTD 20,285,505,120
Stock dividend and cash dividend issued this year(Note 1)	Cash dividend per share		NTD 2.4
	Stock dividend per share appropriate from a capitalization of retained earnings		0.2 shares
	Stock dividend per shares appropriate from a capitalization of capital reserve		-
Change in business performance	Operating income		(Note 2)
	Ratio of increase (decrease) in operating income as compared to the previous year		
	Net income after tax		
	Ratio of increase (decrease) in net income after tax as compared to the previous year		
	Earnings per share		
	Ratio of increase (decrease) in EPS as compared to the previous year		
	Average annual ROE ratio (Average annual PE/ratio)		
Pro-forma EPS and P/E Ratio	In case that cash dividends would be paid in lieu of stock dividend by a Capitalization of retained earnings	Pro-forma EPS	
		Pro-forma average annual ROE ratio	
	In case that there would be no stock dividend appropriated from a capitalization of capita; reserve	Pro-forma EPS	
		Pro-forma average annual ROE ratio	
	In case that there would be no stock dividend appropriated from a capitalization of capital reserve and cash dividends would be paid in lieu of stock dividends by a capitalization of retained earnings	Pro-forma EPS	
		Pro-forma average annual ROE ratio	

Note 1 : Stock dividend and cash dividend issued this year is shown according to the profit distribution proposal resolved by the Board on March 13, 2023.

Note 2 : According to the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company does not disclose complete financial forecast and therefore does not need to disclose the 2022 forecast information.

Chairman: Li-Yun Hsieh

CEO: Rung-Kun Shieh

Financial Manager: Jian-Chong Weng