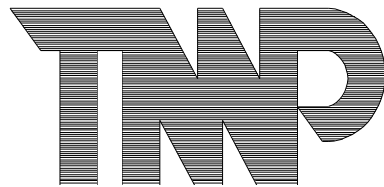


Stock Code : 6248



TMP Steel Corporation

2021 Annual Meeting of Shareholders

Meeting Handbook

Time : 10:00 a.m., June 3 Thursday, 2021

**Place :14F.-3, No. 108, Minquan W. Rd., Datong Dist., Taipei City
103045 , Taiwan (R.O.C.)(Taipei Business Exchange Center)**

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TMP Steel Corporation
2021 Annual Shareholders' Meeting
Meeting Procedure

1. Call Meeting to Order
2. Chairman's Address
3. Report Items
4. Matters for Ratification
5. Matters for Discussion
6. Extemporaneous motions
7. Meeting Adjourned

TMP Steel Corporation
2021 Annual Shareholders' Meeting
Meeting Agenda

Time : 10:00 a.m., June 3 Thursday, 2021

Place :14F.-3, No. 108, Minquan W. Rd., Datong Dist., Taipei City 103045 ,
Taiwan (R.O.C.)(Taipei Business Exchange Center)

I. Chairman's Address

II. Report Items

1. 2020 Business Report.
2. Audit Committee's Review Report on the 2020 Consolidated Financial Statements
3. 2020 Report on the Distribution of Remuneration to Employees and Directors °

III. Matters for Ratification

1. Adoption of the 2020 Business Report and Financial Statements.
2. Adoption of the 2020 Earnings Distribution Proposal.

IV. Matters for Discussion

1. Amendment for some articles of the "Articles of Incorporation."
2. Amendment for some articles of the "Shareholders Meeting Procedure Rules."

V. Extemporaneous motions

VI. Meeting Adjourned

Report Items

- I. The 2020 Business Report is hereby attached for your review and approval.
Description: The 2020 Business Report is hereby attached as Attachment 1, please refer to pages 5~7.
- II. Audit Committee's Review Report on the 2020 Consolidated Financial Statements is hereby attached for your review and approval.
Description: The Audit Committee's Review Report is hereby attached as Attachment 2, please refer to pages 8.
- III. The 2020 Report on the Distribution of Remuneration to Employees and Directors is hereby attached for your review and approval.
Description: The Company has passed the board of directors' resolution on March 11, 2021 regarding to the employee and director remuneration distribution related matters according to the Company's Articles of Incorporation as follows:
 - (I) Employee remuneration cash distribution: NT\$1,500,000.
 - (II) Director remuneration cash distribution: NT\$1,500,000.
 - (III) Distributed in cash.

Matters for Ratification

Proposal 1 (Proposed by the Board of Directors)

Cause of Action: Adoption of the 2020 Business Report and Financial Statements.

- Description: I. The Company's 2020 Business Report, Earnings Distribution Proposal, and Financial Statements have been approved by the Board of Directors. Among them, the Financial Statements have been reviewed and verified by CPA Shih-Ran Cheng and CPA Sean Chao of Deloitte Taiwan, and the verification report has been issued.
- II. The aforesaid reports and statements had been delivered to the audit committee, which has completed the audit and issued the audit report.
 - III. For Business Report, CPA Verification Report, and Financial Statements, please refer to the Handbook page 5~7, Attachment 3, pages 9~18.
 - IV. Please ratify.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Cause of Action: Adoption of the 2020 Earnings Distribution Proposal.

- Description: I. The Company's distributable earnings for 2020 is NT\$63,232,591. The proposed cash dividend is NT\$36,810,221 or NT\$1.2 per share.
- II. This cash dividend is calculated according to the distribution ratio to the nearest dollar, and fractions that do not amount to a full NT\$1 shall be summed and recognized by the Company as other income.
 - III. If the Company's share capital changes subsequently affect the number of shares outstanding and cause the shareholder dividend rate to change and require corrections, it is proposed to authorize the chairman of the board to make adjustments and set the dividend base date and other related

- matters.
- IV. The Earnings Distribution Report is attached as Attachment 4, please refer to page 19.
 - V. Please ratify.

Resolution:

Matters for Discussion

Proposal 1 (Proposed by the Board of Directors)

Cause of Action: Amendment for some articles of the "Articles of Incorporation," please discuss.

- Description: I. Due to the Company's business development and management needs, a vice chairman position is added, and some articles of the Company's "Articles of Incorporation" are revised.
- II. The article revision comparison table is attached as Attachment 5, please refer to page 20.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Cause of Action: Amendment for some articles of the "Shareholders Meeting Procedure Rules," please discuss.

- Description: I. Some articles of the "Shareholders Meeting Procedure Rules" are revised in order to improve corporate governance and safeguard the rights and interests of shareholders.
- II. The article revision comparison table is attached as Attachment 6, please refer to pages 22~23.

Resolution:

Extemporary motions

Meeting Adjourned

TMP Steel Corporation

2021 Business Report

I. 2020 Business Accomplishments

(I) Accomplishments in Implementation of the Operation Plan

Unit: NTD thousands

Item	2020	%	2019	%	Growth rate (%)
Operating income	3,115,269	100.00	3,012,489	100.00	3.41
Operating gross profit	217,687	6.99	194,188	6.45	12.10
Operating expenditure	146,473	4.70	98,102	3.26	49.31
Operating profit (loss)	71,214	2.29	96,086	3.19	(25.89)
Pre-tax net profit (loss)	67,601	2.17	100,783	3.34	(32.92)
(Expenditure) Profit from Income Tax	(14,146)	0.45	(12,142)	(0.40)	(16.50)
Net profit (loss) of current term	53,455	1.72	88,641	2.94	(39.69)
Sum of combined profits or losses of current term	53,804	1.73	88,016	2.92	(38.87)
Basic earnings per share (\$)	1.74		2.89		

(II) Budget Implementation Status

This is not applicable as the Company does not disclose to the public its financial forecast of 2020.

(III) Income and Expenditure and Profitability Analysis

Unit: NTD thousands

Analysis Item		Year	
		2020	2019
Financial Income and	Business income (in thousands)	3,115,269	3,012,489

Analysis Item		Year	
		2020	2019
Expenditure	Operating gross profit (in thousands)	217,687	194,188
	Pre-tax net profit (in thousands)	67,601	100,783
Profitability	Return on assets (%)	4.65	8.28
	Return on equity (%)	13.04	23.99
	Pre-tax net profit to paid-in capital ratio (%)	22.04	32.85
	Net profit rate (%)	1.72	2.94
	Earnings per share (\$)	1.74	2.89

(IV) Research and Development Overview

The Hardware Division was added in the fourth quarter of 2013 while the original product division became "Electronics Division". Related products and planned developments are as follows:

Hardware Division: Products include steel bars and wire rods. The steel bar forming process and direct delivery to the construction site are planned to be developed.

II. Overview of 2021 Operation Plan

(I) Operation Policy:

Hardware Division:

The Company established the Hardware Division in the fourth quarter of 2013 and its major product is steel bar at the moment. The steel bar industry is the largest industry where a single steel product is produced in the country and it is meant primarily to be distributed domestically mostly for use in construction and public projects.

(II) Expected Sales and Rationales

This is not applicable as the Company does not disclose to the public its financial forecast of 2021.

(III) Important Production and Distribution Policies

Hardware Division:

- (1) Production: A secondary processing plant is intended to be established. Transactions of steel bars occurred in the past primarily as raw materials. As Taiwan shifted towards being service-oriented, the industry will gradually evolve to feature post-secondary processing transactions. Compared to transactions of steel products in advanced countries, where the forming ratio is up to 85%, it is only about 20% in Taiwan now. In

other words, there is still quite some room for secondary processing of steel products to grow in Taiwan.

(2) Sales:

A. The Company targets primarily large construction companies and builders. This way orders may be taken at the minimum order quantity (MOQ) that is of an economic scale in order to bring down the production cost and to stabilize and control quality.

B. The Company is positioned to be the distributor that serves throughout Taiwan and to provide large customers with thorough services through its collaborative steel bar plants in northern, central, and southern parts of Taiwan.

C. Post-secondary processing products can better meet customer demand while at the same time contributing higher profits and additional value to the Company.

III. Future Company Development Strategy, Impacts from External Competition, Regulatory Environment, and Overall Operational Setting

(I) Future Development Strategy:

Hardware Division:

The steel bar automatic cutting and secondary processing plants were built in Central Taiwan in 2016 and in Northern Taiwan in 2018, respectively. In order to better reflect the needs of steel product consumers, supply points and market supply volumes were increased. The secondary processing plant was added to the Tainan plant in 2019. The ground was broken for the new plant in Changhua Coastal Industrial Park in January 2020. It is expected that a processing load of 20 thousand tons may be added in the future once it is completed and loss and consumption may be reduced through more efficient management and automated processing equipment was introduced to bring down the cost of manpower. The plan is to build, one after another, advantageous channels for our own steel products in northern, central, and southern parts of Taiwan and to add sufficient storage room for steel products. Meanwhile, collaboration and dealership with various steel bar plants are sought at the same time in order to address the issue of incomplete dimensions of a single steel bar product and to meet customers' demand in real time.

(II) Impacts from External Competition, Regulatory Environment, and Overall Operational Setting:

1. Devote to cost control and reduce expenditure.
2. Pay attention to market dynamics to cope with the operational risk brought about for the industry and by the overall economic and environmental changes.
3. Reinforce staff training while at the same time reviewing and revising the operational strategy and countermeasures.

Finally, on behalf of the TMP Steel Corporation team and all employees, I would like to

thank all shareholders for your support and encourage over the past year. For the coming year, the Company will work even harder to reach the maximum internal consensus so that we can work better to deal with challenges in the future. It is also my hope that all of you can continue to provide us with guidance and advice. My most sincere gratitude and best wishes.

I wish everyone good health and the best in all of your endeavors.

Chairman: Cai Yu Ye General Manager: Yeh Chun Liang Accounting Supervisor: Li Chia-Ling

TMP Steel Corporation
Audit Committee's Review Report

Board of Directors sent the company's 2020 annual business report, individual financial statements and the distribution of surpluses to the company. The individual financial statements have also been audited by accountants Cheng Shih-Ran and Chao Yuang Shiang of Deloitte & Touche in Taiwan, and an unqualified audit report has been issued. The Audit Committee has been issued.

The Audit Committee has completed the verification of the above-mentioned business report, individual financial statements and the proposal for distribution of surpluses, and is of the opinion that there was no discrepancy therein. A statement is therefore announced as above in accordance with the provisions of Article 14-4 of Securities Exchange Act and Article 219 of Company Act for your review and verification.

To the 2021 Annual Meeting of Shareholders of TMP Steel Corporation

TMP Steel Corporation

Audit Committee Convener :
YANG GUEI MEI

March 11, 2021

TMP Steel Corporation



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Independent Auditor's Report

To TMP Steel Corporation

Opinion

We have audited the accompanying financial statement of TMP Steel Corporation (“the Company”) which comprise the balance sheets as of December 31, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of TMP Steel Corporation Co., Ltd., as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee (collectively, “IFRSs”) as endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Basis of Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical

responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of TMP Steel Corporation Co., Ltd., for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming of our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the company's financial statements for the year ended December 31, 2020 are stated as follows:

Estimated impairment of accounts receivable

The Company's net accounts receivable as of December 31, 2020 was NT\$ 525,290 thousand, please refer to Note 5 and 10 of the financial statements, When assessing the loss allowance of the Company's receivables, the management applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The lifetime expected credit loss rate is calculated based on the provision matrix approach and forward-looking information, as the judgment and outcome of our assessment on estimated impairment of accounts receivable involved subjective judgment of the management, we, therefore, included that as the key audit matters. We performed the following key audit procedures in respect of the above key audit matter:

1. Understood and recognized the design of internal control related to the loss allowance of accounts receivable and tested its operating effectiveness.
2. Understood the policy for recognition of the loss allowance of accounts receivable, and based on past intervals of accounts receivable aging, to assess reasonableness of the assumption for recognition of the loss allowance of accounts receivable.
3. Obtained accounts receivable aging schedule and the provision matrix used for estimate expected credit loss, tested age of receivables, and based on the policy for recognition of the loss allowance of accounts receivable to recalculate the management's recognition of loss allowance of accounts receivable.
4. Confirm recoverability of accounts receivable at the end of period by verifying the status of collections after the stated period, so as to consider the adequacy of the allowance for credit losses.

Sales revenue of steel building materials from new customers

The main source of revenue of TMP Steel is derived from the sales of steel building materials. Revenue is therefore subject to changes in construction orders obtained by TMP's customers each year. TMP's top 20 accounts in 2020 have changed compared with that of 2019. Therefore, the authenticity of sales revenue of steel building materials from the new top 20 accounts is a key item to be verified. We performed the following key audit procedures in respect of the above key audit matter:

1. Understand the design of the internal control system related to the sales process of steel building materials and validation of its operational effectiveness.
2. Verify whether the new top 20 major transactional accounts are related parties. If they are related parties, fair justification of relevant transactions need to be confirmed and whether they are related to major purchasers.
3. Perform analytical procedures and authenticity tests to verify sales revenue, and select appropriate samples from the sales revenue details of the new top 20 customers:
 - (1) Verify whether sales transactions have original documents such as external customer orders, shipping orders, and invoices.
 - (2) Ascertain whether material accounts receivable have been offset against the same parties to which the sales were made, and if any of them have not, assess the reason and reasonableness.
 - (3) Verify whether there are no recurring or significant sales returns after the stated period and whether there are any abnormalities in payment collections after the stated period.
4. Extract samples from the sales revenue details of new customers and send to corresponding parties for external confirmation. Implement alternative procedures for parties which fail to receive the inquiry letter in time, including checking transaction documents and proof of collections after the stated period.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers, and the IFRSs as endorsed and issued into effect by the Financial Supervisory Commission (FSC), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's

ability to continue as a going concern, disclosing, as applicable, matter 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if

such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 matters communicated with those charged with governance, we determine a matter that was of most significance in the audit of the financial statements for the year ended December 31, 2020, and is therefore the key audit matter. We describe this matter 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.

Deloitte & Touche

CPA: Cheng Shih-Ran

CPA: Chao Yuang Shiang

The Financial Supervisory Commission
R.O.C. Approved No.
Jing Guang Zheng Shen No.
1010028123

The Financial Supervisory Commission
R.O.C. Approved No.
Jing Guan Zheng Shen No. 1050024633

March 19, 2021

*The English version of the financial statements has not been reviewed or verified by an accountant.

TMP Steel Corporation
Balance sheet
As of December 31, 2020 and 2019

Unit: NTD thousand

Code	Asset	Dec. 31, 2020		Dec. 31, 2019	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and bank deposits (Note 4 and 6)	\$ 100,429	7	\$ 210,032	17
1110	Financial assets at fair value through profit or loss (Note 4 and 7)	24,458	2	20,577	2
1120	Financial assets at fair value through other comprehensive income (Note 4 and 8)	3,393	-	3,762	-
1136	Financial assets at amortized cost (Note 4 and 9)	1,829	-	1,912	-
1150	Note receivable (Note 4 and 10)	93,405	7	61,827	5
1170	Accounts receivable (Notes 4, 5, and 10)	521,600	37	607,572	49
1180	Notes and accounts receivable - related parties (Note 4, 5, 10, and 26)	5,603	1	1,407	-
130X	Inventory (Note 4 and 11)	139,486	10	121,218	10
1410	Prepayments (Note 13)	11,967	1	23,166	2
1470	Other current assets (Note 27)	99,584	7	72,526	6
11XX	Total current assets	<u>1,001,754</u>	<u>72</u>	<u>1,123,999</u>	<u>91</u>
	non-current assets				
1600	Net property, plant, and equipment (Note 4 and 14)	267,325	19	32,459	3
1755	Net right-of-use asset (Note 4 and 15)	93,386	7	63,806	5
1780	Net intangible assets (Note 4)	1,819	-	1,587	-
1840	Deferred tax assets (Note 4 and 22)	4,445	-	575	-
1900	Other non-current assets (Note 10)	26,059	2	13,037	1
15XX	Total non-current assets	<u>393,034</u>	<u>28</u>	<u>111,464</u>	<u>9</u>
1XXX	Total Assets	<u>\$ 1,394,788</u>	<u>100</u>	<u>\$ 1,235,463</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 4 and 16)	\$ 130,000	9	\$ 11,000	1
2120	Financial liability at fair value through profit or loss (Note 4 and 7)	30	-	180	-
2130	Contract liability (Note 4 and 17)	105,356	8	134,561	11
2150	Note payable	11,396	1	22,901	2
2170	Accounts payable	314	-	26,710	2
2180	Note payable and accounts payable - related parties (Note 26)	162,433	12	195,954	16
2200	Other payables (Note 26)	44,349	3	37,990	3
2230	Current tax liabilities (Note 4)	13,485	1	11,942	1
2280	Lease liabilities - Current (Note 4 and 215)	22,963	2	11,593	1
2320	Long-term borrowings-current portion (Note 4 and 16)	12,680	1	5,923	-
2321	Current portion of convertible bonds (Note 4 and 18)	147,046	10	-	-
2399	Other current liabilities	228	-	358	-
21XX	Total current liabilities	<u>650,280</u>	<u>47</u>	<u>459,112</u>	<u>37</u>
	non-current liabilities				
2530	Bonds payable (Note 4 and 18)	147,310	10	288,033	23
2540	Long-term borrowings (Note 4 and 16)	121,052	9	17,276	2
2570	Deferred tax liabilities (Note 4 and 22)	-	-	1,179	-
2580	Lease liabilities - Non-current (Note 4 and 15)	73,156	5	53,080	4
2640	Net defined benefit liability (Note 4 and 19)	40	-	152	-
25XX	Total non-current liabilities	<u>341,558</u>	<u>24</u>	<u>359,720</u>	<u>29</u>
2XXX	Total liabilities	<u>991,838</u>	<u>71</u>	<u>818,832</u>	<u>66</u>
	Equity (Note 20)				
3100	Share capital	306,752	22	306,752	25
3200	Additional paid-in capital	6,117	-	6,117	1
	Retained earnings				
3310	Statutory reserves	16,914	1	8,050	1
3320	Special reserves	5,110	1	5,110	-
3350	undistributed earnings	68,189	5	91,523	7
3300	Total retained earnings	<u>90,213</u>	<u>7</u>	<u>104,683</u>	<u>8</u>
3400	Other equities	(132)	-	(921)	-
3XXX	Total equity	<u>402,950</u>	<u>29</u>	<u>416,631</u>	<u>34</u>
	Total equity and liabilities	<u>\$ 1,394,788</u>	<u>100</u>	<u>\$ 1,235,463</u>	<u>100</u>

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

Chairman: Cai Yu Ye General Manager: Yeh Chun Liang Accounting Supervisor: Li Chia-Ling

TMP Steel Corporation

statement of comprehensive income

As of December 31, 2020 and 2019

Unit: NTD thousand; NTD for earnings per share

Code		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (Note 4 and 26)	\$ 3,115,269	100	\$ 3,012,489	100
5000	Operating cost (Note 11, 19, 21, and 26)	(2,897,582)	(93)	(2,818,301)	(94)
5900	Gross profit	<u>217,687</u>	<u>7</u>	<u>194,188</u>	<u>6</u>
	Operating expenses (Note 4, 19, 21, and 26)				
6100	Selling and marketing expenses	(85,113)	(3)	(70,742)	(2)
6200	Administrative expenses	(35,023)	(1)	(27,360)	(1)
6450	Expected credit impairment loss (Note 10)	(26,337)	(1)	-	-
6000	Total operating expenses	(146,473)	(5)	(98,102)	(3)
6900	Profit from operations	<u>71,214</u>	<u>2</u>	<u>96,086</u>	<u>3</u>
	Non-operating income (Note 21)				
7100	Interest income	663	-	1,100	-
7010	Other income	7,121	-	4,099	-
7020	Other gains or losses	(1,769)	-	2,992	-
7050	Financial costs	(9,628)	-	(3,494)	-
7000	Total non-operating income and expenses	(3,613)	-	<u>4,697</u>	-
7900	Profit before tax	67,601	2	100,783	3
7950	Income tax expense (Note 4 and 22)	(14,146)	-	(12,142)	-
8200	Current net income	<u>53,455</u>	<u>2</u>	<u>88,641</u>	<u>3</u>

(To be Continued)

(Continued)

Code		2020		2019	
		Amount	%	Amount	%
8310	Other comprehensive income Items that will not be reclassified subsequently to profit or loss				
8311	Re-measurement amount of the defined benefit plan (Notes 4 and 19)	-	-	(421)	-
8316	Unrealized gains (losses) on investments in equity instruments as at fair value through other comprehensive income (Notes 4 and 20)	349	-	(288)	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 22)	-	-	84	-
8300	Other comprehensive income of the current year (net amount after-tax)	349	-	(625)	-
8500	Total comprehensive income in the current period	<u>\$ 53,804</u>	<u>2</u>	<u>\$ 88,016</u>	<u>3</u>
	Earnings per share (Note 23)				
9750	Basic	<u>\$ 1.74</u>		<u>\$ 2.89</u>	
9850	Diluted	<u>\$ 1.45</u>		<u>\$ 2.88</u>	

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

Chairman: Cai Yu Ye

General Manager: Yeh Chun Liang

Accounting Supervisor: Li Chia-Ling

TMP Steel Corporation
Statement of changes in equity
As of December 31, 2020 and 2019

Unit: NTD thousand

Code		Share capital	Additional paid-in capital	Retained earnings			Other equities	Total Equity	
				Statutory reserves	Special reserves	undistributed earnings	Total		Unrealized gain/(loss) on equity instruments at FVTOCI
A1	Balance at January 1, 2019	\$ 306,752	\$ -	\$ 8,022	\$ 5,110	\$ 3,247	\$ 16,379	(\$ 633)	\$ 322,498
B1	Earning provision and appropriate for 2018 Statutory reserves	-	-	28	-	(28)	-	-	-
C3	Unclaimed dividends	-	197	-	-	-	-	-	197
I1	The Company issued convertible corporate bonds recognized as components of equity	-	5,920	-	-	-	-	-	5,920
D1	Net income of 2019	-	-	-	-	88,641	88,641	-	88,641
D3	Other comprehensive income after tax of the year 2019	-	-	-	-	(337)	(337)	(288)	(625)
D5	Total comprehensive income of 2019	-	-	-	-	88,304	88,304	(288)	88,016
Z1	Balance at December 31, 2019	306,752	6,117	8,050	5,110	91,523	104,683	(921)	416,631
B1	Earning provision and appropriate for 2019 Statutory reserves	-	-	8,864	-	(8,864)	-	-	-
B5	Cash dividends	-	-	-	-	(67,485)	(67,485)	-	(67,485)
D1	Net income of 2020	-	-	-	-	53,455	53,455	-	53,455
D3	Other comprehensive income after tax of the year 2020	-	-	-	-	-	-	349	349
D5	Total comprehensive income of 2020	-	-	-	-	53,455	53,455	349	53,804
Q1	<u>Disposal of unrealized gain/(loss) on equity instruments at FVTOCI</u>	-	-	-	-	(440)	(440)	440	-
Z1	Balance at December 31, 2020	<u>\$ 306,752</u>	<u>\$ 6,117</u>	<u>\$ 16,914</u>	<u>\$ 5,110</u>	<u>\$ 68,189</u>	<u>\$ 90,213</u>	<u>(\$ 132)</u>	<u>\$ 402,950</u>

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

Chairman: Cai Yu Ye

General Manager: Yeh Chun Liang

Accounting Supervisor: Li Chia-Ling

TMP Steel Corporation

Cash flow statement = Statement of cash flows

As of December 31, 2020 and 2019

Unit: NTD thousand

Code		2020	2019
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Profit before tax	\$ 67,601	\$ 100,783
A20010	Adjustments for:		
A20100	depreciation expense	34,634	24,803
A20200	Amortization expenses	764	744
A20300	Expected credit impairment loss	26,337	-
A20900	Interest expenses	9,628	3,494
A20400	Net gain or loss on financial assets or financial liability at fair value through profit or loss	315	(3,767)
A21200	Interest income	(663)	(1,100)
A21300	Dividends income	(901)	(865)
A22500	Gain on disposal of property, plant and equipment	(29)	-
A24100	Unrealized gains (losses) on foreign currency exchange	994	767
A30000	Changes in operating assets and liabilities		
A31130	Note receivable	(31,578)	32,665
A31140	Notes receivable - related parties	(1,125)	(710)
A31150	Trade receivable	59,635	(156,390)
A31160	Accounts receivable - related parties	(3,071)	2,091
A31200	Inventories	(18,268)	3,172
A31230	Prepayments	11,199	(158)
A31240	Other current assets	(27,840)	(30,764)
A32125	contract liability	(29,205)	20,201
A32130	Note payable	(11,505)	(32,736)
A32140	Note payable - related parties	(184)	(66,121)
A32150	Accounts payable	(26,396)	4,775
A32160	Accounts payable - related parties	(33,337)	(39,898)
A32180	Other payables	6,359	19,346
A32230	Other current liabilities	(130)	199
A32240	Net defined benefit liability	(112)	(1,160)
A33000	Cash inflow (outflow) generated from operations	33,122	(120,629)
A33100	Interest received	663	1,100
A33200	Interest received	901	865
A33300	Interest paid	(3,305)	(3,494)
A33500	Income tax paid	(17,652)	(181)

(To be Continued)

(Continued)

Code		2020	2019
AAAA	Net cash generated from or used in operating activities	<u>13,729</u>	<u>(122,339)</u>
	Cash flows from investing activities		
B00040	Purchase of financial assets at amortized cost	(69)	(550)
B00100	Purchase of financial assets at fair value through profit or loss	(4,353)	-
B00010	Purchased of financial assets at FVTOCI	(1,976)	-
B00020	Purchase of financial assets at FVTOCI	2,694	-
B00200	Disposal of financial assets at FVTPL	7	5,805
B02700	Purchase of property, plant and equipment	(242,972)	(13,965)
B02800	Proceeds from disposal of property, plant and equipment	68	-
B03700	Decrease (Increase) in refundable deposits	(20,999)	521
B04500	Acquisition of intangible asset	(996)	(42)
B07200	Decrease in prepayments for equipment	<u>7,977</u>	<u>(7,617)</u>
BBBB	Net cash used in investing activities	<u>(260,619)</u>	<u>(15,848)</u>
	Cash flows from financing activities		
C00100	Increase (Decrease) in short-term borrowings	119,000	(95,241)
C01200	Corporate bonds issuance	-	293,254
C01600	Proceeds from long-term borrowings	117,016	-
C01700	Repayments of long-term borrowings	(6,483)	(5,837)
C04020	Repayment of the principal portion of lease liabilities	(24,701)	(19,287)
C04500	Distribute cash dividends	(67,485)	-
C09900	Unclaimed dividends	<u>-</u>	<u>197</u>
CCCC	Net cash gain from financing activities	<u>137,347</u>	<u>173,086</u>
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>(60)</u>	<u>(64)</u>
EEEE	Increase (decrease) in cash and cash equivalents	(109,603)	34,835
E00100	Cash and opening balance of bank deposits	<u>210,032</u>	<u>175,197</u>
E00200	Cash and balance of bank deposits at end of period	<u>\$ 100,429</u>	<u>\$ 210,032</u>

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

Chairman: Cai Yu Ye General Manager: Yeh Chun Liang Accounting Supervisor: Li Chia-Ling

TMP Steel Corporation
2020 Distribution Table of Net Profit

Unit: NT\$

Summary	Amount
Beginning unappropriated retained earnings	18,626,686
Plus: Net income after tax in the current period	53,455,108
Effect of retrospective application and retrospective restatement	(3,453,435)
Disposal of Investments in Equity Instruments at Fair Value through Other Comprehensive Income. Accumulated profit and loss are directly transferred to retained earnings.	(439,556)
The total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period as calculated.	49,562,117
10% legal reserve	(4,956,212)
Distributable net profit	63,232,591
Assign items: :	
Cash Dividends to Common Share Holders (30,675,184 shares*NT\$1.2 per share)	(36,810,221)
unappropriated retained earnings at the end of the period	26,422,370

Chairman: Cai Yu Ye General Manager: Yeh Chun Liang Accounting Supervisor: Li Chia-Ling

TMP Steel Corporation Comparison Table for the Amendment to the “Articles of Incorporation”

After Amendment	Before Amendment	Explanation
<p>Article 14 :</p> <p>The Board of Directors shall be organized by the directors. One chairman shall be appointed during a Board of Directors meeting with over two-thirds of the directors present and with the support of over half of all attending directors, <u>the same method shall be used to elect one vice chairman</u>, and the chairman shall represent the Company externally.</p>	<p>Article 14 :</p> <p>The Board of Directors is composed of directors, shall elect a Chairperson from among themselves in the Board of Directors’ meeting with the consent of majority of attending directors which represents more than two-third of all directors. The Chairperson shall have the authority to represent the Company.</p>	<p>Add one vice chairman.</p>
<p>Article 19 :</p> <p>If the final annual accounts of the Corporation show a net profit for a given year, it shall allocate 1~10 percent of the net profit as profit-sharing compensation to employees which could be paid by cash or stock which should be decided by the board of directors. Those employees should be qualified employees of the company or the subsidiaries. The Corporation shall alloction no more than 4% of the net profit as profit-sharing compensation to Directors which should be decided by the board of directors. However, if the Company has an accumulated deficit, the profit shall cover the deficit before it can be used for compensation to employees and remuneration to the <u>directors</u> based on the above-mentioned ratios.</p> <p>The content hereafter will be omitted.</p>	<p>Article 19 :</p> <p>If the final annual accounts of the Corporation show a net profit for a given year, it shall allocate 1~10 percent of the net profit as profit-sharing compensation to employees which could be paid by cash or stock which should be decided by the board of directors. Those employees should be qualified employees of the company or the subsidiaries. The Corporation shall alloction no more than 4% of the net profit as profit-sharing compensation to Directors which should be decided by the board of directors. However, if the Company has an accumulated deficit, the profit shall cover the deficit before it can be used for compensation to employees and remuneration to the <u>directors or supervisors</u> based on the above-mentioned ratios.</p> <p>The content hereafter will be omitted.</p>	<p>The audit committee shall be established to replace the supervisor’s authority, and the supervisor-related text shall be deleted.</p>

<p>Article 19-1 :</p> <p>The Company is at industrial growth stage. In the next few years, there are plans to expand operations and capital needs. Therefore, in addition to the distribution of earnings in accordance with the above regulations. Tthe company’s dividend policy is in line with current and future development plans, Taking into account the investment environment, capital requirements and domestic and foreign competition conditions, and taking into account the interests of shareholders, the annual dividend is not less than <u>30%</u> of the distributable earnings in current year, but when the cumulative distributable earnings is lower than the 1% of the total paid-in capital, it may not be distributed; when dividends to shareholders are distributed, it can be done in cash or stocks, where the cash dividend is not less than 10% of the total dividend, but the type and ratio of the surplus distribution , It may be adjusted according to the actual profit and capital status of the current year and determined by the shareholders meeting.</p>	<p>Article 19-1 :</p> <p>The Company is at industrial growth stage. In the next few years, there are plans to expand operations and capital needs. Therefore, in addition to the distribution of earnings in accordance with the above regulations. Tthe company’s dividend policy is in line with current and future development plans, Taking into account the investment environment, capital requirements and domestic and foreign competition conditions, and taking into account the interests of shareholders, the annual dividend is not less than <u>1%</u> of the distributable earnings in current year, but when the cumulative distributable earnings is lower than the 1% of the total paid-in capital, it may not be distributed; when dividends to shareholders are distributed, it can be done in cash or stocks, where the cash dividend is not less than 10% of the total dividend, but the type and ratio of the surplus distribution , It may be adjusted according to the actual profit and capital status of the current year and determined by the shareholders meeting.</p>	<p>To prevent overly vague dividend policy, the dividend policy amount is revised to within a reasonable range.</p>
<p>Article 23 : According to the original article, add "<u>The forty-second amendment was made on June 3, 2021.</u>"</p>	<p>Article 23 : Omitted</p>	<p>Add new amendment date.</p>

TMP Steel Corporation
Comparison Table for the Amendment to the
“Shareholders Meeting Procedure Rules”

After Amendment	Before Amendment	Explanation
<p data-bbox="228 454 598 533">Article 2 Item 1 and item 2 omitted.</p> <p data-bbox="228 566 598 1630">Issues that involve election or dismissal of directors, changes to the Articles of Incorporation, capital reduction, application for suspension of public offering, director's permission to compete, surplus capital increase, capital reserve conversion, corporate liquidation, merger, divestment, or any matters listed in Paragraph 1 of Article 185 of The Company Act, Article 26-1 or Article 43-6 of the Securities and Exchange Act, or Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers must be raised and have the main content explained as part of the regular motions and cannot be raised in the form of special motions.</p> <p data-bbox="228 1704 598 1783">The content hereafter will be omitted.</p>	<p data-bbox="598 454 968 533">Article 2 Item 1 and item 2 omitted.</p> <p data-bbox="598 533 968 1592">Issues that involve election or dismissal of directors, changes to the Articles of Incorporation, capital reduction, application for suspension of public offering, director's permission to compete, surplus capital increase, capital reserve conversion, corporate liquidation, merger, divestment, or any matters listed in Paragraph 1 of Article 185 of The Company Act, Article 26-1 or Article 43-6 of the Securities and Exchange Act, or Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers must be raised and have the main content explained as part of the regular motions and cannot be raised in the form of special motions.</p> <p data-bbox="598 1592 968 1883"><u>The main content may be placed on websites designated by the competent securities authorities or the Company, and the website addresses shall be stated in the notice.</u></p> <p data-bbox="598 1921 968 1995">The content hereafter will be omitted.</p>	<p data-bbox="968 533 1324 640">Adjust the announcement method according to the article provisions.</p>
Article 11	Article 11	

<p>Item 1 omitted.</p> <p>The chair shall immediately announce the meeting adjourned at the scheduled meeting time, <u>and announce the relevant information such as the number of non-voting rights and the number of shares present.</u></p> <p>But shall postpone the meeting when the shareholders present do not represent over 1/2 of the total issued shares.</p> <p>The number of postponements is limited to 2, and the total postponement time shall not exceed 1 hour. If the share amount present is still insufficient after 2 postponements but is over 1/3 of the total issued shares, the chair shall announce the meeting aborted.</p> <p>The content hereafter will be omitted.</p>	<p>Item 1 omitted.</p> <p>The chair shall immediately announce the meeting adjourned at the scheduled meeting time, but shall postpone the meeting when the shareholders present do not represent over 1/2 of the total issued shares.</p> <p>The number of postponements is limited to 2, and the total postponement time shall not exceed 1 hour. If the share amount present is still insufficient after 2 postponements but is over 1/3 of the total issued shares, the chair shall announce the meeting aborted.</p> <p>The content hereafter will be omitted.</p>	<p>Paragraph 2 is revised in order to improve corporate governance and safeguard the rights and interests of shareholders.</p>
<p>Article 21</p> <p>The election of directors during the shareholders meeting must be handled according to the relevant election provisions set by the Company. The election results, including the list of elected directors, the final tally, <u>and the list of directors who have lost the election as well as the number of voting rights they obtained</u> must be announced on-site.</p> <p>Item 2 omitted.</p>	<p>Article 21</p> <p>The election of directors during the shareholders meeting must be handled according to the relevant election provisions set by the Company. The election results, including the list of elected directors, the final tally, must be announced on-site.</p> <p>Item 2 omitted.</p>	<p>Paragraph 1 is revised in order to improve corporate governance and safeguard the rights and interests of shareholders.</p>

TMP Steel Corporation

Articles of Incorporation(before revision)

Chapter I General Provisions

- Article 1 The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 沛波鋼鐵股份有限公司 in the Chinese language, and TMP Steel Corporation in the English language.
- Article 2 The business scope of the Company is as follows:
1. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
 2. CC01040 Lighting Facilities Manufacturing
 3. CC01060 Wired Communication Equipment and Apparatus Manufacturing
 4. CC01070 Telecommunication Equipment and Apparatus Manufacturing
 5. CC01080 Electronic Parts and Components Manufacturing
 6. CC01110 Computers and Computing Peripheral Equipments Manufacturing
 7. CC01990 Electrical Machinery, Supplies Manufacturing
 8. F113050 Wholesale of Computing and Business Machinery Equipment
 9. F213030 Retail sale of Computing and Business Machinery Equipment
 10. F299990 Retail Sale of Other Retail Trade Not Elsewhere Classified
 11. F399990 Retail sale of Others
 12. F399040 Retail Business Without Shop
 13. JE01010 Rental and Leasing Business
 14. J602010 Agents and Managers for Performing Arts, Entertainers, and Models
 15. F401010 International Trade
 16. F111090 Wholesale of Building Materials
 17. F106010 Wholesale of Ironware
 18. F211010 Retail Sale of Building Materials
 19. F206010 Retail Sale of Ironware
 20. CA01050 Iron and Steel Rolling, Drawing, and Extruding
 21. F113010 Wholesale of Machinery
 22. F113020 Wholesale of Household Appliance
 23. F113070 Wholesale of Telecom Instruments
 24. J701040 Recreational Activities grounds and Facilities

- 25. H701010 Residence and Buildings Lease Construction and Development
- 26. H701020 Industrial Factory Buildings Lease Construction and Development
- 27. H701050 Public Works Construction and Investment
- 28. H703090 Real Estate Commerce
- 29. H703100 Real Estate Rental and Leasing
- 30. I401010 General Advertising Services
- 31. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

- Article 3 The Company has its head office in Taipei City. The Company may, if necessary, set up branch offices domestically and abroad upon resolution of the Board of Directors authority.
- Article 4 (Delete)

Chapter II Capital stocks

- Article 5 The total capital stock of the Corporation shall be in the amount of 1,500,000,000 New Taiwan Dollars, divided into 150,000,000 shares, at ten New Taiwan Dollars each, and may be paid-up in installments.

The Corporation may reserve 114,620,000 New Taiwan Dollars among the above total capital stock for issuing stock warrant to exercise which including employee stock option , corporate bonds with stock options and etc. A total of 11,462,000 shares at ten New Taiwan Dollars each may be paid-up in installments.

- Article 5-1 If the Company wishes to transfer an employee stock options to an employee at a price lower than the average price of the shares that were bought back or when the Company issues employee stock options with a subscription price lower than the closing price of the Company's common shares on the day of issuance, it shall be approved by at least two-thirds of the voting rights represented at the latest shareholders' meeting attended by shareholders representing a majority of the total issued shares.

Treasury stock purchased by the Company accordance with the company law can be transferred to the employees of parent's or subsidiaries of the company meeting certain specific requirements.

Stock warrants of the Company or new stock issued by Company or restricted employee stock warrant can be transferred to the employees of parent's or subsidiaries of the company meeting certain specific requirements.

- Article 6 Unless otherwise provided in relevant laws or regulations, affairs concerning shareholder services need to be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies

promulgated by the competent authority.

Article 7 Share certificates of the Company shall be assigned with serial numbers, shall indicate the particulars accordance with the company law, shall be affixed with the signatures or personal seals of three or more directors of the issuing company, and shall be duly certified or authenticated by the competent authority or a certifying institution appointed by the competent authority before issuance. The shares issued by the Company are exempted from printing, however, they shall be registered in the central securities depository and be handled in accordance with the regulations of the institution.

Article 8 Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation.
The period starts from the meeting date or the base date.

Chapter III Shareholders' Meeting

Article 9 Shareholders' meetings of the Corporation are of two types, namely: (1) general meetings and (2) special meetings. The general meeting shall be annually convened within six months from the end of each fiscal year. The special meeting shall be convened in accordance with the relevant laws and regulations, whenever is necessary.

Unless otherwise provided by company law or other regulations, this Corporation's shareholders meetings shall be convened by the board of directors.

Article 9-1 Written notices shall be sent to all shareholders thirty days prior to the general meeting and fifteen days prior to the special meeting. The notice shall specify the date, place and reasons to convene. Pursuant to relevant laws and regulations, the notice served to the shareholder who owns less than 1,000 shares of nominal stocks may be given in the form of a public announcement.

Article 10 Shareholders who are unable to attend the shareholders' meeting may designate a proxy to attend the shareholders' meeting with a power of attorney indicating the scope of authority in accordance with Article 177 of the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meeting of Public Companies.

Article 11 Unless otherwise provided by laws, regulations, bylaws, or rules, each shareholder of the Corporation is entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under

Article 179, paragraph 2 of the Company Act.

Article 12 The resolutions of shareholders' meeting, unless otherwise stated in the relevant laws and regulations, shall be agreed by the majority of votes represented by the attending shareholders or proxies who represents the majority of total number of issued shares.

Chapter IV Directors and Audit Committees

Article 13 The Board of Directors of the company has five (5) to nine (9) Directors, and the term of office is three (3) years. Re-elected candidates are reappointed. The total shareholding ratio of all directors shall not be lower than the regulations of the securities regulatory authority. The election of Directors adopts the system of nomination for shareholders to vote from a list of nominated candidates at the shareholders' meeting. The nomination method shall be conducted in accordance with one of Article 192 of the Company Law.

In compliance with Articles 14-4 of the Securities and Exchange Law, the Corporation shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Law, the Securities and Exchange Law and other relevant regulations.

Article 13-1 The number of independent directors within the number of directors in the preceding article shall be three at least and shall not be less than one-fifth of the total number of directors.

Article 13-2 The meeting of the Board of Directors shall be held at least once every quarter. Unless otherwise stipulated in the Company Act, the Board of Directors' meeting shall be convened by the Chairperson and shall be clearly stated in the written notices sent out to the directors. All directors shall be notified of the meeting seven days in advance via mail, e-mail or fax. In case of emergency, the Board meeting can be convened.

Article 14 The Board of Directors is composed of directors, shall elect a Chairperson from among themselves in the Board of Directors' meeting with the consent of majority of attending directors which represents more than two-third of all directors. The Chairperson shall have the authority to represent the Company.

Article 15 When the Chairperson is on leave or unable to exercise power, the person who may preside the meeting shall be determined in accordance with Article 208 of the Company Act.

Article 15-1 A director who appoints another director to attend a board meeting shall in each

instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

No director may act as proxy for more than one other director.

Article 16 The compensation of all directors shall be recommended by the Remuneration Committee and determined by the board of directors in accordance with the usual standards of the industry.

The regulations governing the appointment and exercise of powers by the Remuneration Committee of a Company should be determined by the board of directors accordance with Article 14-6 of Securities and Exchange Act, other laws and the regulations of the authority.

Article 16-1 The company may purchase duty insurance for directors every year to reduce and diversify the risk of major damages to the company and shareholders caused by the directors' illegal activities.

Chapter V Managers

Article 17 The Company shall has a general manager, a deputy general manager, an associate and have several managers. The appointment, dismissal and remuneration shall be subject to Article 29 of the Company Act.

Chapter VI Accounting

Article 18 The fiscal year for the Corporation shall be from January 1 of each year to December 31 of the same year. After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, and submitted to the regular shareholders' meeting for acceptance: After the close of each fiscal year, the following reports shall be prepared by the Board of Directors on 30 days before the meeting of the shareholders' meeting, and submitted to the regular shareholders' meeting for acceptance: (1) Business report (2) Financial statement (3) Profit distribution or deficit compensation proposal

Article 19 If the final annual accounts of the Corporation show a net profit for a given year, it shall allocate 1~10 percent of the net profit as profit-sharing compensation to employees which could be paid by cash or stock which should be decided by the board of directors. Those employees should be qualified employees of the company or the subsidiaries. The Corporation shall alloction no more than 4% of the net profit as profit-sharing compensation to Directors which should be decided by the board of directors.

However, if the Company has an accumulated deficit, the profit shall cover the deficit before it can be used for compensation to employees and remuneration to the directors based on the above-mentioned ratios.

When the Company completes final accounting to obtain net income, after deduction of income tax and dues and have covered the losses, the Company shall first set aside 10% of net income as legal reserve; provided that no legal reserve may be set aside when such legal reserve has reached the Company's total paid-in capital. The Company should provide or reverse the remaining to special reserve pursuant accordance with the Company law 41, and the board of directors submit the proposal to a shareholders' meeting for resolution on the distribution of dividends to shareholders.

Article 19-1 The Company is at industrial growth stage. In the next few years, there are plans to expand operations and capital needs. Therefore, in addition to the distribution of earnings in accordance with the above regulations. The company's dividend policy is in line with current and future development plans, Taking into account the investment environment, capital requirements and domestic and foreign competition conditions, and taking into account the interests of shareholders, the annual dividend is not less than 1% of the distributable earnings in current year, but when the cumulative distributable earnings is lower than the 1% of the total paid-in capital, it may not be distributed; when dividends to shareholders are distributed, it can be done in cash or stocks, where the cash dividend is not less than 10% of the total dividend, but the type and ratio of the surplus distribution, It may be adjusted according to the actual profit and capital status of the current year and determined by the shareholders meeting.

Chapter VII Supplementary

- Article 20 The Company's investment may exceed 40% of the paid-in capital, and it shall be authorized by the board of directors to execute it.
- Article 21 The company may provide external guarantees among the similar industries.
- Article 22 Matters not set forth in the Articles of Incorporation shall be subject to the Company Act, and other laws.
- Article 23 The Articles of Incorporation was established on May 7, 1984.
The first amendment was made on May 26, 1984.
The second amendment was made on December 10, 1984.
The third amendment was made on August 21, 1986.
The fourth amendment was made on September 9, 1986.
The fifth amendment was made on August 18, 1988.
The sixth amendment was made on May 2, 1989.
The seventh amendment was made on June 30, 1990.
The eighth amendment was made on August 6, 1990.
The ninth amendment was made on May 9, 1992.
The tenth amendment was made on December 21, 1992.
The eleventh amendment was made on February 15, 1993.

The twelfth amendment was made on August 5, 1993.
The thirteenth amendment was made on June 18, 1994.
The fourteenth amendment was made on July 20, 1994.
The fifteenth amendment was made on June 28, 1995.
The sixteenth amendment was made on August 18, 1995.
The seventeenth amendment was made on January 28, 1997.
The eighteenth amendment was made on March 18, 1997.
The nineteenth amendment was made on June 28, 1997.
The twentieth amendment was made on April 25, 1998.
The twenty-first amendment was made on June 12, 2001.
The twenty-second amendment was made on June 19, 2002.
The twenty-third amendment was made on May 13, 2003.
The twenty-fourth amendment was made on May 18, 2004.
The twenty-fifth amendment was made on June 14, 2005.
The twenty-sixth amendment was made on June 14, 2006.
The twenty-seventh amendment was made on June 15, 2007. (The revised Article 5-1 will be applicable from the date of implementation by the authority. (January 1, 1997).
The twenty-eighth amendment was made on June 13, 2008.
The twenty-ninth amendment was made on June 19, 2009.
The thirtieth amendment was made on November 18, 2009.
The thirty-first amendment was made on June 15, 2010.
The thirty-second amendment was made on June 22, 2011.
The thirty-third amendment was made on June 21, 2012.
The thirty-fourth amendment was made on October 4, 2012.
The thirty-fifth amendment was made on June 18, 2013.
The thirty-sixth amendment was made on December 30, 2013.
The thirty-seventh amendment was made on May 29, 2014.
The thirty-eighth amendment was made on June 29, 2016.
The thirty-ninth amendment was made on November 1, 2017.
The fortieth amendment was made on June 28, 2019.
The forty-first amendment was made on April 23, 2020.

TMP Steel Corporation
Chairman: Cai Yu Ye

TMP Steel Corporation

Shareholders Meeting Procedure Rules (before revision)

Approved by the shareholders meeting on April 23, 2020

Article 1. Unless otherwise specified by the laws or the Articles of Incorporation, the Company's Shareholders Meeting Procedure Rules shall prevail.

Article 2. Unless otherwise specified by the laws or the Articles of Incorporation, the Company's Shareholders Meeting shall be convened by the Board of Directors.

The Company shall formulate the cause and the description information for the shareholders meeting notice, the power of attorney documents, the relevant approval proposals, the discussion proposals, and the various proposals concerning the appointment or dismissal of directors into electronic files and upload them to the Market Observation Post System at least 30 days prior to a general shareholders meeting or 15 days prior to an extraordinary shareholders meeting.

The Company shall also formulate the shareholders meeting handbook and supplementary materials into electronic files and upload them to the Market Observation Post System at least 21 days prior to a general shareholders meeting or 15 days prior to an extraordinary shareholders meeting. Prepare the meeting handbook and supplementary materials for the current shareholders meeting at least 15 days prior to the meeting, and make them available to shareholders upon request. The materials shall be displayed in the Company and the stock agency appointed by the Company, and must be distributed on-site during the shareholders meeting. The notice and announcement shall specify the reason for convening. If the notice is approved by the counterparty, it may be done electronically.

Issues that involve election or dismissal of directors, changes to the Articles of Incorporation, capital reduction, application for suspension of public offering, director's permission to compete, surplus capital increase, capital reserve conversion, corporate liquidation, merger, divestment, or any matters listed in Paragraph 1 of Article 185 of The Company Act, Article 26-1 or Article 43-6 of the Securities and Exchange Act, or Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers must be raised and have the main content explained as part of the regular motions and cannot be raised in the form of special motions. The main content may be placed on websites designated by the competent securities authorities or the Company,

and the website addresses shall be stated in the notice.

Shareholder(s) holding over 1% of the Company's outstanding shares are entitled to make a proposal for discussion at a general shareholders meeting. Only one matter is permitted, and proposals exceeding this limit shall be excluded from discussion. However, if a shareholder's proposal matters involve urging the Company to promote the public interest or fulfill its social responsibility, the Board of Directors must still include the proposal for discussion.

If a shareholder's proposal involves one of the conditions specify by Paragraph 4, Article 172-1 of the Company Act, the proposal shall be excluded from the board of directors meeting.

The Company shall announce, before the book closure date of the general shareholders meeting, the conditions, places, written or electronic acceptance method, and time within which shareholders proposals are accepted. The timing of acceptance must not be less than 10 days.

A proposal made by a shareholder shall be limited to 300 characters. Anything exceeding 300 characters shall be excluded. The proposing shareholder shall attend the shareholders meeting in person or entrust another to participate in the proposal discussion.

The Company shall, before the date of notice for the shareholders meeting, advise the proposing shareholder of the handling results, and list the proposals conforming to the provision of this Article in the meeting notice. For shareholder proposals not included in the proposals list, the board of directors shall explain why they are excluded during the shareholders meeting.

Article 3. During each shareholders meeting, shareholders may issue a power of attorney printed by the Company, specifying the scope of authorization, and appoint an proxy to attend the meeting.

One shareholder is limited to issuing one power of attorney to appoint one person as proxy, and shall deliver the document to the Company 5 days prior to the shareholders meeting. In case of duplicate power of attorney forms, the earliest one received shall prevail unless a declaration has been issued to revoke the earlier entrustment.

After the power of attorney is delivered to the company, shareholders who wish to attend the shareholders meeting in person or exercise their voting rights in writing or electronically shall notify the Company of revocation of the proxy in writing two days prior to the shareholders meeting. The voting rights of the entrusted proxy shall prevail if the revocation is not issued prior to the deadline.

Article 4. The shareholders meeting shall be located at a place within the Company or a place convenient for shareholders' attendance and suitable for the shareholders meeting.

The start time of the meeting shall not be earlier than 9 am or later than 3 pm. The opinions of independent directors must be fully considered in terms of the place and time of the meeting.

Article 5. The Company shall specify the time and location for shareholder registration in the meeting notice as well as other matters requiring attention.

The preceding registration time shall be at least 30 minutes prior to the meeting. The registration area shall be clearly identified, and sufficient personnel must be deployed to handle the registration matters.

The shareholder in person or the proxy entrusted by the shareholder (hereafter “the shareholder”) must present the attendance certificate, attendance sign-in card, or other attendance certificate in order to attend the shareholders meeting. Except for the documents required by the shareholders to attend, the Company shall not arbitrarily request other supporting documents. The proxy with a power of attorney must present ID documents for verification.

The Company shall provide a signature book for the attending shareholders to sign in, or the attending shareholders shall hand-in a sign-in card to sign in.

The Company shall deliver the meeting handbook, annual report, attendance certificate, speech slips, voting slips, and other meeting materials to the shareholders attending the shareholders meeting. In case of director election, additional voting slips must be included.

When the government or corporation is a shareholder, the representative attending the shareholders meeting is not limited to one person. When a corporation is entrusted to attend the shareholders meeting, only one representative may be appointed to attend.

Article 6. If the shareholders meeting is convened by the board of directors, the chairman of the board shall chair the meeting. If the chairman is unable to perform such duties due to leave of absence or any reason, the vice chairman shall act on the chairman's behalf. If the vice chairman is also unavailable or cannot perform such duties due to leave of absence or any reason, the chairman may appoint a managing director to act on the chairman's behalf. If there is no managing director, the chairman shall appoint a proxy. If the chairman has not appointed a proxy, the managing directors or other directors shall appoint one among them as proxy.

The chairman mentioned in the preceding paragraph shall be an executive director or a director’s proxy who has served for over 6 months and has a clear grasp of the Company's financial business status. The same shall apply if the chairman is the representative of a corporate director.

If the shareholders' meeting is convened by someone with the right to convene other than the board of directors, the chairman shall be the convener.

Article 7. The Company may appoint the retained attorneys, accountants, or related personnel to attend the shareholders meeting.

- Article 8. Staff handling the shareholders meeting shall wear identification cards or armbands.
- Article 9. The chair may direct guards or security personnel to assist in maintaining order in the venue. The guards or security personnel assist in maintaining order in the venue must wear a "Guard" armband.
- If the venue is equipped with amplifying equipment, the chair may stop it when the shareholder does not use the equipment configured by the Company to speak.
- If a shareholder violates the procedure rules, obstructs the progress of the meeting, and refuses to comply with the chair's instructions; the chair may direct the guard or security personnel to ask the shareholder to leave the venue.
- Article 10. The Company may perform audio or video recording of the shareholder registration process from the time the shareholder registration begins.
- Continuous audio or video recording must be made throughout the entire shareholder meeting and vote counting process.
- The audiovisual materials from the preceding 2 paragraphs shall be retained for at least 1 year. However, if the case involves a lawsuit according to Article 189 of the Company Act, the materials shall be retained until the end of the lawsuit.
- Article 11. The attendance of the shareholders meeting shall be calculated based on the number of shares held by those present. The number of shares held by those present shall be calculated based on the signature book or the sign-in card submitted plus the number of shares exercising voting rights in writing or electronically.
- The chair shall immediately announce the meeting adjourned at the scheduled meeting time, but shall postpone the meeting when the shareholders present do not represent over 1/2 of the total issued shares. The number of postponements is limited to 2, and the total postponement time shall not exceed 1 hour. If the share amount present is still insufficient after 2 postponements but is over 1/3 of the total issued shares, the chair shall announce the meeting aborted.
- If the share amount present do not exceed 1/3 of the total issued shares after 2 postponements, a tentative resolution may be passed pursuant to the first paragraph of Article 175 of the Company Act, and notify the shareholders of the tentative resolution and reconvene the shareholders meeting within 1 month.
- Before the end of the meeting, if the number of shares represented by the shareholders present has exceeded 1/2 of the total issued shares, the chair may submit the tentative resolution for a full resolution pursuant to Article 174 of the Company Act.
- Article 12. If the shareholders meeting is convened by the directors, the agenda shall be set by the board of directors, and the meeting shall be conducted in accordance with the set agenda and shall not be changed without a resolution from the shareholders meeting.

If the shareholders meeting is convened by someone with the right to convene other than the board of directors, the preceding paragraph shall apply mutatis mutandis.

Before the meeting (including special motions) has been concluded, the chair shall not declare the meeting adjourned without a resolution. If the chair violates the procedure rules and announces the meeting adjourned, other members of the board of directors shall promptly assist the shareholders present to elect one person to serve as the chair and continue the meeting in accordance with the procedures established by law, and continue the meeting.

The chair must allow adequate time to explain and discuss the various motions, amendments, or special motions proposed during the meeting. The chair may announce discontinuing further discussions if the issue in question is considered to have been sufficiently discussed to proceed with the voting.

After the meeting is adjourned, shareholders shall not elect another chair to continue the meeting at the original location or another place.

Article 13. Before a shareholder makes a statement, the shareholder must specify the shareholder's account number (or attendance certificate number), account name, and statement summary on the statement slip. The chair shall determine the order of shareholder statements.

If a shareholder has submitted a statement slip and fails to make a statement, the statement is deemed as waived. If the content of the statement is inconsistent with that specified on the statement slip, the content of the statement shall prevail.

When an attending shareholder makes a statement, other shareholders shall not interfere with the statement except those with the consent of the chair and the speaking shareholder. Violators shall be stopped by the chair.

Article 14. Each shareholder shall not make over 2 statements during each meeting without the consent of the chair, and each statement shall not exceed 5 minutes. The chair may stop a statement if it violates the preceding provision or exceeds the scope of the topic.

Article 15. When a corporate shareholder appoints two or more representatives to attend the shareholders meeting, only one person is permitted to speak on the same proposal.

Article 16. After the shareholders have spoken, the chair may reply personally or designate the relevant personnel to reply.

Article 17. Votes during a shareholders meeting shall be calculated based on the number of shares. During a shareholders meeting resolution, the total number of issued shares shall not be included the number of shares held by non-voting shareholders. When a shareholder is a stakeholder in matters presented at the meeting and may pose harm to the interests of the Company, said shareholder shall not participate in the

voting or act on behalf of other shareholders to exercise their voting rights.

The number of shares for which voting rights cannot be exercised in the preceding paragraph shall not be counted as the number of voting rights of shareholders present.

Except for a trust enterprise or a stock agency approved by the competent securities authorities, when one person is entrusted by two or more shareholders at the same time, the voting rights of the proxy shall not exceed 3% of the total number of shares issued, and the part that exceeded this limit shall not be calculated.

Article 18. Shareholders have one voting right per share, except for those who are restricted or have no voting rights pursuant to Article 179, Paragraph 2 of the Company Act.

Voting rights can be exercised in writing or using the electronic method. When adopting the written or electronic method to exercise the voting rights, instructions for exercising voting rights in writing or using the electronic form must be clearly stated on the shareholders meeting notice. Shareholders who exercise voting rights in writing or electronically are deemed to have attended the shareholders meeting in person. However, the provisional motions and amendments to the original shareholders meeting proposals shall be deemed as abstentions. Therefore, the Company must avoid proposing provisional motions and amendments to the original proposals.

For those who intend to exercise voting rights in writing or electronically under the preceding paragraph, their expressions of intent shall be delivered to the Company 2 days before the shareholders meeting. In the event of duplicate expressions of intent, the first 1 shall prevail unless a declaration has been issued to revoke the earlier expression of intent.

After shareholders have exercised their voting rights in writing or electronically, if they wish to attend the shareholders meeting in person, they must revoke the aforesaid expressions of intent 2 days prior to the shareholders meeting the same way they exercised their vote rights. If the revocation is overdue, the voting rights exercised in writing or electronically shall prevail. If voting rights are exercised in writing or electronically and a proxy is entrusted to attend the shareholders meeting via a power of attorney, the voting rights exercised by the entrusted proxy shall prevail.

The vote for a proposal shall be passed with the approval of a majority of the shareholder voting rights present unless otherwise stipulated in the Company Act or the Company's Articles of Incorporation. At the time of voting, shareholders

shall vote on a case-by-case basis, and the shareholders' approval, opposition, and abstention voting results shall be uploaded to the Market Observation Post System.

Article 19. In case there are any amendments or alternative solutions for the same proposal, the chair shall combine these amendments/alternative solutions with the original proposal and decide their priority for voting. If one of these cases has already been resolved, the other cases shall be considered rejected and no further voting is required.

Article 20. The scrutineers and vote-counters for the proposal votes shall be designated by the chair, but the scrutineers must be shareholders. The vote counting operation for shareholder votes or election proposals shall be conducted at a public place in the shareholders meeting. After the vote counting has completed, the voting results shall be announced on-site (including the statistical weight), and a record shall be made.

Article 21. Director election during a shareholders meeting shall be handled in accordance with the relevant election provisions established by the Company, and the results of the election, including the list of elected directors and the number of voting rights they obtained must be announced on-site.

The electoral votes for the preceding election shall be sealed and signed by the scrutineers, and properly retained for at least one year. However, if the case involves a lawsuit according to Article 189 of the Company Act, the materials shall be retained until the end of the lawsuit.

Article 22. The shareholders meeting resolutions shall be compiled into detailed minutes, and signed or sealed by the chair of the meeting before disseminating to each shareholder no later than 20 days after the meeting. The meeting minutes may be prepared and distributed in electronic form.

The aforesaid meeting minutes may be announced via upload to the Market Observation Post System.

The minutes must detail the date and venue of the meeting, the meeting chair's name, the key meeting discussions, and the meeting agenda result summary. The minutes shall be retained indefinitely.

Article 23. The number of shares acquired by the solicitor and the number of shares represented by the entrusted proxy shall be clearly disclosed in the shareholders meeting on the meeting day in a statistical table compiled under the prescribed format.

If the shareholders meeting resolution involves significant information required by the laws and regulations or by the Stock Exchange, the company shall transmit the content to the Market Observation Post System within a certain deadline.

Article 24. During a meeting, the chair may announce a break at his or her discretion. During a force majeure event, the chair may rule to suspend the meeting temporarily and

announce the meeting continuation time.

If the meeting venue cannot continue to be used before the agendas (including special motions) set by the shareholders meeting are concluded, the shareholders meeting may decide to find another venue to continue the meeting.

The shareholders meeting may decide to postpone or continue the meeting within 5 days pursuant to Article 182 of the Company Act.

Article 25. Matters not covered in this Procedure Rules shall be handled in accordance with the Company Act, the Rules Governing the Conduct of Shareholders Meetings by Public Companies, the Company's Articles of Incorporation, and the relevant laws and regulations.

Article 26. This Procedure Rules shall be implemented after approval by the shareholders meeting, and the same shall apply to its revisions.

List of Shareholding by Directors

The Company has issued a total of 30,675,184 capital shares, and pursuant to Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”:

1. The minimum number of shares held by all directors is 3,600,000 shares.
2. The Company has established an audit committee, so the number of shares that must be held by the supervisor is inapplicable.

TMP Steel Corporation

List of individual shareholdings and total shareholdings of directorseholdings and total shareholdings of directors.

Title	Name	Shareholding on the book closure date (2021.04.05) Number of shares	Shareholding percentage(%)
Chairman	Representative of Tianquan Investment Co., Ltd. : CAI YU YE	6,385,303 shares	20.82 %
Director	Representative of Tianquan Investment Co., Ltd. : YEH CHUN LIANG		
Director	Representative of TAIWAN STEEL GROUP UNITED CO., LTD. : YAN CING LI	21,000 shares	0.07%
Director	Representative of TAIWAN STEEL GROUP UNITED CO., LTD. : JHAO SHIH JIE		
Independent Director	YANG GUEI MEI	0 shares	0.00 %
Independent Director	WU DI MIAO	0 shares	0.00 %
Independent Director	WU YING DE	0 shares	0.00 %
Total		6,406,303 shares	20.89 %