

2024 Annual Shareholders' Meeting Minutes

Time: 9:30 AM, Friday, May 24, 2024

Meeting convening method: Physical shareholders' meeting

Venue: No. 22, Pingding, Erhu Vil., Xihu Township, Miaoli County

Miaoli Plant of Tung Ho Steel Enterprise Corporation

Quorum: 575,015,839 shares were represented by the shareholders and proxies present (246,620,351 shares were presented via electronic transmission) which amounted to 78.74% of the Company's 730,213,818 issued and outstanding shares.

Directors Present: Ho, Chieh-Teng, Ho, Yu-Shu, Tung, Po-Hsun, Huang, Chih-Ming, Chen, Pao-Ho, Hou, Yean-Liang

Independent Directors Present: Lieu, Der-Ming, Liu, Chi-Kang, Liu, Chia-Wen

Chairman: Ho, Chieh-Teng

Recorders: Lin, Yu-Hsuan, Chan, Chia Yu

Meeting Procedure

1. Call Meeting to Order
2. Chairperson's Remarks: (omitted)
3. Reports

(I) 2023 business report

Description:

1. The Company mainly engages in the production and sales of rebar, H-beam, steel plate and channel steel. The production and sales volume in 2023 and 2022 are listed in the following table:

Unit: Metric tons

| | Production volume | | | Sales volume | | |
|----------------------------|-------------------|-----------|-------------|--------------|-----------|-------------|
| | 2023 | 2022 | Growth rate | 2023 | 2022 | Growth rate |
| Billet | 1,901,382 | 1,912,605 | (0.59%) | 13,991 | 52,621 | (73.41%) |
| Rebar | 1,471,113 | 1,160,164 | 26.80% | 1,449,920 | 1,213,895 | 19.44% |
| H-beam | 503,887 | 486,070 | 3.67% | 512,006 | 517,571 | (1.08%) |
| Steel plate | 102,264 | 110,159 | (7.17%) | 83,692 | 85,958 | (2.64%) |
| Channel | 42,554 | 29,971 | 41.98% | 39,849 | 33,947 | 17.39% |
| I-Beam | 2,395 | 1,328 | 80.35% | 2,376 | 1,330 | 78.65% |
| Sale and purchase of steel | 0 | 0 | 0.00% | 2,143 | 9,132 | (76.53%) |

| | Production volume | | | Sales volume | | |
|-------------------|-------------------|-----------|-------------|--------------|-----------|-------------|
| | 2023 | 2022 | Growth rate | 2023 | 2022 | Growth rate |
| Steel sheet piles | 746 | 5,464 | (86.35%) | 1,049 | 5,923 | (82.29%) |
| Total | 4,024,341 | 3,705,761 | 8.60% | 2,105,026 | 1,920,377 | 9.62% |

2.The net operating income of parent company only and consolidated financial statements for 2023 and 2022 are as follows:

Unit: Thousands of New Taiwan Dollars

| | 2023 | 2022 | Growth rate |
|--------------------------------------|------------|------------|-------------|
| Parent company only operating income | 49,355,594 | 47,003,192 | 5.00% |
| Consolidated operating income(note) | 61,505,649 | 59,972,121 | 2.56% |

Note: It includes continuing operations and discontinued operations in 2023.

3.Please refer to Attachment 1 of the Meeting Handbook for the business report.

4.Please take a look at it.

(II) The Report on the 2023 Annual Financial Statement Reviewed by the Audit Committee.

Description:

1. The Report on the 2023 Annual Financial Statement has been checked and signed by CPAs Isabel Lee and Hui-Chih Kou of KPMG in Taiwan, and has been reviewed by the Audit Committee. The CPAs' audit report and the Audit Committee's review report have been issued respectively. Please refer to Attachment 2 and Attachment 3 of the Meeting Handbook for more information.

2.Please take a look at it.

(III) Report on cash dividends from earnings for 2023.

Description:

1. In accordance with Article 28-1 of the Company's Articles of Association, if the distribution of profits is made in cash, it shall be authorized by the Board of Directors with the resolution of more than 2/3 of the directors present and the approval of more

than half of the directors present, and report to the Shareholders' Meeting.

2. A cash dividend of NT\$3,066,898,036, or NT\$4.20 per share, was approved by the resolution of the 7th meeting of the 25th term of the Board of Directors.
3. Cash dividends of less than NT\$1 shall be tallied and listed under stockholders' equity.
4. If there is any subsequent change in the number of outstanding shares for other reasons, the chairman of the Board of Directors is authorized to adjust the allotment rate for shareholders.
5. As resolved by the Board of Directors, the ex-dividend date of the cash dividend was set as March 30, 2024 and the payment date was set as April 26, 2024.
6. Please take a look at it.

(IV) 2023 Annual Report on the Distribution of Remuneration to Employees and Directors.

Description:

1. Pursuant to Article 28 of the Articles of Association.
2. As approved by the Board of Directors, 2.5% of the Company's profit for 2023 shall be appropriated as employee remuneration and 2% as directors' remuneration, respectively. The remuneration shall be paid in cash, excluding employees of subsidiaries.
3. The total employee remuneration for 2023 was NT\$149,341,954 and the total remuneration to directors and supervisors was NT\$119,473,563.
4. Please take a look at it.

(V) Annual Report on the 2023 Remuneration Received by Directors.

Description:

1. Please refer to Attachment 4 of the Meeting Handbook for 2023 Annual Report on the Remuneration Received by Directors.
2. Directors' remuneration policy:

(1). In accordance with Article 28 of the Articles of Association, no more than 2% of the current year's profits shall be appropriated as directors' remuneration, depending on the performance evaluation results of each director in the current year.

Pursuant to Article 10 of the Company's "Rules for Performance Evaluations of the Board of Directors", the performance evaluation results of directors shall be taken as

the reference for determining their remuneration. On December 31, 2019, the resolution of the 18th meeting of the 23rd term of the Board of Directors approved the methods for the calculation and distribution of directors' salaries and remuneration, which included the directors' performance evaluation results:

Directors' remuneration = Amount of distributable directors' remuneration x The ratio of shares held by some directors to shares held by all directors x The distribution ratio based on director performance evaluation.

The payout ratio for director performance assessment is calculated based on the evaluation results according to Article 9 of the Rules of the Performance Evaluation of the Board of Directors: for those who are "superior to the standard" or "above the standard", the distribution rate is 100%; for those who "meet the standard", the distribution rate is 90%; for those who "fail to meet the standard", the distribution rate is 80%, and for those who "need to make improvement", the distribution rate is 70%.

Each director's self-evaluation results in 2023 are shown in the table below, and all evaluations are rated as "superior to the standard".

| 6 major aspects of self-evaluation | Number of questions | Proportion | Average score |
|--|---------------------|------------|---------------|
| A. Familiarity with the goals and missions of the company | 5 | 16.67% | 4.91 |
| B. Awareness of the duties of a director. | 5 | 16.67% | 4.98 |
| C. Participation in the operation of the company | 10 | 33.33% | 4.83 |
| D. Management of internal relationship and communication. | 4 | 13.33% | 4.94 |
| E. The director's professionalism and continuing education | 3 | 10.00% | 4.74 |
| F. Internal control | 3 | 10.00% | 4.93 |
| Total/average score | 30 | 100.00% | 4.89 |

(2). Besides, in accordance with Article 22-1 of the Company's Articles of Association, the Remuneration and Nominating Committee recommends monthly fixed remuneration with reference to the standards of relevant peers and listed companies and the responsibilities of directors, and submit it to the board meeting for approval.

(3). In addition to the fixed monthly remuneration, the

directors shall receive a monthly attendance fee based on the actual number of meetings attended.

- (4).If concurrently serving as a member of the various functional committees of the Company, the director shall be paid a fixed monthly remuneration and attendance fees in accordance with the actual number of meetings attended.

3.Independent directors' remuneration policy:

(1).Independent directors receive monthly fixed remuneration and do not participate in the distribution of earnings, and are paid attendance fees on a per-meeting basis based on the actual number of meetings attended.

(2).The above fixed remuneration is based on each independent director's participation in and contribution to the Company's operations and the value of their contributions to the Company. It is proposed to the Board of Directors after evaluation and discussion by the Remuneration and Nominating Committee, taking into account the payout to listed companies in the same industry and related industries.

(3).For serving as a member of each functional committee of the Company, the functional committee member shall be paid a fixed monthly remuneration and shall be paid attendance fees in accordance with the actual number of meetings attended.

4.Please take a look at it.

(VI) Report on communication between Audit Committee and Internal Audit Supervisor.

Description:

1. The internal audit supervisor of the Company sends the relevant materials regarding the internal audit reports to the independent directors for review every month, and the independent directors guide the internal audit unit through the communication mechanism. Please refer to Attachment 5 of the Meeting Handbook for the key summary of the communication between the Audit Committee and the internal audit supervisor in 2023.

2.Please take a look at it.

(VII) 2023 Annual Report on Major Transactions with Related Parties.

Description:

1. In accordance with Article 17 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Company has established procedures for financial transactions

and operations with related parties.

2. According to the procedures, the Company purchases and sells goods, conducts labor or technical service transactions with related parties. The estimated annual transaction amount reaches 5% of the company's latest consolidated total assets or the consolidated net operating income in the most recent year. Except for the transactions that are governed by the regulations for handling the acquisition or disposal of assets by list companies, or the transactions between the Company, and subsidiaries, the information required by the procedures shall be submitted to the Board of Directors for approval before the transaction and reported to the Shareholders' Meeting at the end of the year.
3. In 2023, there were no major transactions with related parties that were required to be reported to the Shareholders' Meeting in accordance with the procedures.
4. Please take a look at it.

(VIII) Report on the Amendment to "Rules of Procedure for the Board of Directors Meeting".

Description:

1. In accordance with Articles 12 and 13 of the amended Regulations Governing Procedure for Board of Directors Meetings of Public Companies as announced by the Financial Supervisory Commission on January 11, 2024, as well as the renaming of a functional committee of the Company, the Rules of Procedure for the Board of Directors Meeting were partially amended.
2. Please refer to Appendix 6 of the Meeting Handbook for the comparison of provisions before and after the amendment of the "Rules of Procedure of the Board Meeting".
3. Please take a look at it.

(IX) Report on Amendment to "Ethical Corporate Management Best Practice Principles".

Description:

1. In accordance with the renaming of a functional committee of the Company, the "Ethical Corporate Management Best Practice Principles" were partially amended.
2. Please refer to Appendix 7 of the Meeting Handbook for the comparison of provisions before and after the amendment of the "Ethical Corporate Management Best Practice Principles".
3. Please take a look at it.

(1) Shareholder Account Number 5677, OO Tao, Inaugural Speech

Hello, fellow shareholders. I am shareholder 5677, and this is my first time attending the Company's shareholders' meeting. I am highly pleased and satisfied with the Company's operational performance, and would like to express my sincere appreciation for the efforts of the management team. As a shareholder, I would like to make my initial statement regarding the business report.

- (i) The auditor's report mentioned the current impairment situation of our subsidiary in Vietnam, and highlighted the need to assess its cash flow and impairment status. In this case, it needs to be asked how severe will this situation continue to be, and what is the current status?
- (ii) The Company's R&D status is presented on page 15 of the meeting manual, detailing 9 R&D projects. These include the 5th project, which focuses on automating the robotic arm and LD sliding gate maintenance of the continuous casting machine, as well as the automation of finished goods warehouse entry and management. Additionally, there is particular concern about the development of high-temperature multi-functional thermal interface design and material technology applications, and the development of automation equipment for steel billet ID marking and tracking. Some of these projects are software-based, while others are hardware-based. Generally speaking, our R&D expenditure is quite low, but automation trends, including AI, are inevitable in the future. As a company in a traditional industry, do we have more proposals and backup plans prepared regarding automation?
- (iii) On page 95 of the annual report, I noticed that there are over ten items pertaining to fines. I am curious about the significant number of fines related to environmental protection for the Company. Has a specific improvement plan been presented to the Board of Directors for implementation?

Chairman's response:

- (i) Indeed, operations in Vietnam have been challenging, leading to significant losses in the past two years. However, we were able to achieve a more balanced state last year. With many companies setting up steel plants in Vietnam, steel prices have been very low, making profitability difficult amid such competition. Nevertheless, through the efforts of all units, we minimized losses. Additionally, the investment in the Daya Works has enabled Vietnam to stably supply steel billets, improving both the profit and the operational capacity. Regarding exchange rates, we adopted a natural hedging business model, which helped reduce last year's

losses. As for impairments, if there are losses that cannot be recovered, the auditor advises us to recognize these impairments, which are assessed according to established standards. From our extensive experience, we know that every developing country goes through a period of rapid development and intense market competition. We hope the market will gradually stabilize over time, and we remain confident in our operations in Vietnam.

(ii) Our R&D projects indeed encompass various technologies that different units are currently working on. As you mentioned, some are software-based while others are hardware-based. These initiatives aim to enhance automation, improve energy efficiency, reduce carbon emissions, and refine production data related to efficiency and energy consumption. Although AI is not listed explicitly in the report, our IT department does have a dedicated AI team. This team conducts experimental AI research within the factory, such as exploring the possibility of using AI systems for scrap metal inspection. By comparing millions of scrap steel inspection photos, the AI system could potentially be used to determine the quality of scrap metal.

(iii) In terms of environmental protection, Tung Ho Steel is quite a large-scale operation with facilities in Taoyuan, Miaoli, Kaohsiung, Yunlin, as well as overseas. We continuously strive to address many environmental issues. Sometimes, we may not perform well in certain areas, leading to fines from local environmental protection agencies. We take these incidents seriously and aim to do our best. For example, our investment in Taiwan Steel Union, alongside several partner factories, demonstrates our commitment to leading in this area. Even though such investments may not be profitable initially, we are dedicated to minimizing both hazardous and non-hazardous waste, enabling their reuse and solving environmental problems one by one. However, during this process, we also encounter issues related to outdated equipment and operational site challenges, which we are committed to addressing continuously.

President's reply:

Tung Ho Steel itself is a part of the circular economy and is engaged in resource recycling. From the recent environmental fines, you can see that not only the parent company, Tung Ho Steel, but also our subsidiary, Katec Creative Resources Corp., are involved in the circular economy and resource reutilization. Since we are in this industry, we must make a concerted effort in environmental protection. During this process, there are areas where we need to improve, such as equipment maintenance and

personnel management. We appreciate the shareholders' feedback and will continue to strive for improvement. Thank you.

(2) Shareholder Account Number 5677, OO Tao, Second Speech

- (i) Regarding the top ten customers listed by the Company, there were changes between the years 2022 and 2023. Are these changes due to the customers themselves, price negotiations, or their product procurement needs? Could you please clarify the reasons for these changes?
- (ii) Our export volume is relatively low, and I'd like to inquire about how the pricing for exports is determined compared to domestic sales. For instance, given that nearly eighty to ninety percent of our sales are within Taiwan, how are prices negotiated when dealing with foreign buyers for our exports?
- (iii) The Company's financial reports are indeed very transparent and detailed, as mentioned earlier. In the R&D section, companies like TSMC, Lite-On Technology Corporation, and others that are also at the forefront typically provide a breakdown of allocated funds for each project. They also disclose the percentage of completion achieved up to the board of directors' deadline or before the shareholders' meeting, whether there will be additional allocations, and the projected percentage completion by the end of the year or by Q3 of the following year. They also outline future development plans. As a shareholder, I suggest that we strive to provide R&D project descriptions similar to those of leading companies. Thank you.

Chairman's response:

- (i) Taiwan's major construction firms are potential clients for us, primarily in the rebar sector. The volume of orders depends on the progress of each firm's projects. Larger projects naturally entail more orders. This fluctuation is solely based on the progress of each client's business and doesn't necessarily dictate the maintenance of specific clients in the top ten list. In fact, we aim to serve all major construction firms in Taiwan.
- (ii) In terms of export pricing, the steel trade operates within a highly transparent information environment. The price at which steel can be sold is largely dictated by market conditions. While we strive to provide reliable service and maintain quality standards to earn the trust of our customers, pricing adjustments must align with market trends.
- (iii) As for R&D, we will consider supplementing certain content after the meeting. However, compared to high-tech industries, R&D in traditional and mature steel products is relatively low. This is because steel products have been in use for over a century, and the scope for variation is limited.

(3) Account Number 422670, OO Tseng, Inaugural Speech

The Company has listed derivative investment products, which inherently carry risks. Could you please explain why the Company is interested in investing in this area? Thank you.

Chairman's response:

In the data provided, you may have noticed some derivative investment products. In more traditional aspects, such as foreign exchange transactions, when importing scrap iron priced in US dollars, there might be a delay of one or two months before delivery. During this time, exchange rate fluctuations pose a risk that we must mitigate. However, our primary focus is on simple forward foreign exchange contracts. Furthermore, we also conduct transactions involving scrap iron and steel billets. In the past year or two, our business volume has been significantly high. When selling to customers, we also ensure that we purchase the corresponding amount of raw materials. Due to the fluctuating prices of bulk commodities, if we sell at a good price today but fail to procure enough raw materials, the price of raw materials may increase in the following week or month. What initially appears to be a profitable business could turn into a loss. Hence, we consistently strive for a balanced trade volume between sales and raw materials. However, our steel plant in Vietnam produces two million tons of steel annually. In Taiwan, we offer our customers fixed-price steel bar orders for six or nine months. However, it is challenging for us to accumulate such a large amount of raw material in the factory. As a result, we have started considering derivative commodities that are already available internationally, such as copper, aluminum, and nickel, which are commonly traded on the London Metal Exchange (LME). However, our involvement in these derivative transactions is limited, so the risk for us is low. This is because we have already sold or committed these raw materials to our customers through back-to-back trades. If we do not lock in the raw material prices, the risk would actually be higher. I hope this provides clarification. Thank you.

4. Ratification

(I)Ratified the 2023 Annual Business Report and Financial Statement. (Board of directors' proposal)

Description:

1.The accountants and the audit committee found no discrepancies in the 2023 Company business report and financial statements (including the consolidated statements). Please refer to

2. Please ratify it.

(1) Shareholder Account Number 5677, OO Tao, Inaugural Speech

(i) On page 237 of the annual report, the inventory sales cost for 2023 was NT\$46,511,066,000, while for 2022 it was NT\$46,026,541,000. There was a loss in inventory (recovery benefit) depreciation, but no recovery benefit in 2022. In 2023, revenue from the sale of raw materials and waste was NT\$196,367,000, compared to NT\$298,722,000 in 2022. The NT\$196,367,000 in 2023 accounts for approximately only 0.4221% of the total inventory sales cost, while the NT\$298,722,000 in 2022 accounts for 0.64% of the total. The recovery benefit in 2023 is much lower than in the previous year, indicating a decline in revenue from the sale of raw materials and waste. Could you please explain the reasons behind this downward trend?

(ii) Last year, both accounts receivable and inventory increased relative to the previous year. Whether consolidated or standalone, according to page 214 of the annual report, inventory increased by 1 billion and accounts receivable increased by 940 million compared to the previous year, with no increase in the year before. This is likely due to delayed payments from certain parties with whom we have contractual payment terms. Could you please provide more information about which parties are delaying payments to us?

Chairman's response:

(i) In terms of selling raw materials, there are generally two main categories from the perspective of consolidated financial statements. Firstly, at our Miaoli factory, we have an iron crusher. For instance, scrapped cars contain various materials, with iron being the heaviest. After processing through the scrap shredder, we separate the heavier iron for resale. The remaining materials like tin and copper are sorted and sold as scrap. The second category involves our subsidiary, Tung Kang Steel Structure Corporation. Apart from purchasing materials from the parent company, they may also procure steel for processing from other steel companies like China Steel Corporation. After processing, there will be some leftover scrap metal, which is also sold as scrap. This scrap metal is actually a valuable resource, and this constitutes another type of situation where scrap material sales are observed. Overall, the prices of bulk commodities fluctuate, and in the past two years, the general trend has been downwards, affecting both the quantity we can sell and the amount we purchase. Additionally, the volume of scrap iron available for purchase fluctuates depending on market conditions at the time of procurement. Therefore, the revenue from selling scrap metal may

not necessarily correlate directly with operational changes. While the proportion of revenue from these sales may seem lower, it doesn't always directly reflect operational changes.

(ii) In regards to the changes in accounts receivable, there is typically a period of credit extended for selling steel rebar, which might range from one to two months, though not significantly longer. As mentioned earlier, the steel rebar business was indeed better in the previous year, resulting in higher total sales and consequently increased accounts receivable. However, this is not always the case. Some customers are required to pay in cash more often, while others are granted longer credit terms. The fluctuation in these proportions can also impact accounts receivable. Additionally, pricing factors play a role. Hence, it's challenging to establish a definite pattern for where accounts receivable should stand.

Resolution: after the voting, there are 541,922,650 votes in favor, which is 94.24% of the total shares; 66,747 votes against; 33,026,442 votes abstained; 0 invalid vote. The proposal by the Board of Directors was approved.

(II) Ratified the Table of the Distribution of Earnings for 2023. (Board of directors' proposal)

Description:

1. The Company's net income before tax for 2023 was NT\$5,704,862,650. In addition, income tax expense was recognized as NT\$975,517,018 and net profit after tax was NT\$4,729,345,632 in accordance with Bulletin No. 12 of International Financial Reporting Standards.
2. For the year 2023, except for the distribution of cash dividends, the remaining items in the surplus distribution include the legal reserve provided, the reduction of equity in the special reserve reversed, a special reserve provided in response to climate change adaptation and mitigation, and the re-measurement of changes in declared benefit plans for the current period. Please refer to Attachment 9 of the Meeting Handbook for the items and descriptions.
3. Please ratify it.

Resolution: after the voting, there are 543,246,781 votes in favor, which is 94.47% of the total shares; 78,948 votes against; 31,690,110 votes abstained; 0 invalid vote. The proposal by the Board of Directors was approved.

5. Matter of discussion

(I) Amendment to the “Procedures for Handling Derivative Commodity Transactions”. (Board of directors’ proposal)

Description:

1. In accordance with the provisions of Section 4, Article 19 and Article 20 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, publicly issued companies engaging in derivative trading should incorporate transaction principles, policies, and risk management measures into their processing procedures. Therefore, in order to comply with regulatory requirements and meet the operational needs of the Company’s derivative trading, certain articles of the “Procedures for Handling Derivative Commodity Transactions” are hereby amended.
2. Please refer to Attachment 10 of the Meeting Handbook for the Comparison Table of Amendments to the “Procedures for Handling Derivative Commodity Transactions”.
3. Please discuss it.

Shareholder Account Number 5677, OO Tao, Inaugural and Second Speech

- (i) Regarding the handling procedures for engaging in derivative commodity trading, as a shareholder who previously worked in the futures department of a bank's headquarters for six years, I have several questions. Apart from the London Metal Exchange (LME), are there any other exchanges available for us to consider?
- (ii) In the future, what will be the proportion between fully hedged positions and partially hedged positions, specifically the ratio between hedging and speculation?
- (iii) Page 51 of the meeting handbook primarily focuses on exchanging opinions. In the third to last line of the first paragraph of Article 5, it states that the individual transaction contract amount should not exceed 1.5% of the Company's total assets, and the maximum loss limit should not exceed 10% of the individual transaction contract amount. In addition, the second paragraph is crucial. Non-exchange rate-related derivative transactions are limited to hedging purposes. The total transaction contract amount should not exceed 40% of the Company's total assets, and the maximum loss limit should not exceed 35% of the total transaction contract amount. The individual transaction contract amount should not exceed 1.5% of the Company's total assets, and the maximum loss limit should not exceed 50% of the individual transaction contract amount. Normally, we do not pay the full amount of the contract as margin, but rather a slightly higher amount. However, when it

comes to nearly 50% of the transaction contract amount, if we want to hedge completely, it would be faster to simply bear the risk of price depreciation of the goods and not hedge at all! Furthermore, on page 52, there is a section on regular evaluation and handling of exceptional situations. The first point in the second major section states that the positions held by the Company in derivative products, which are non-hedging transactions, should be evaluated at least once a week (the second statement is also included in the calculation). Non-hedging transactions involve many unforeseen risks, and there have been numerous examples of this. It cannot be measured by the experience of the Board of Directors or other personnel, as it is a global speculative market. We can search online for past cases of non-hedging transactions in countries such as the UK, US, and China, where major banks have collapsed. Does the Company have any other ideas regarding non-hedging transactions? Furthermore, if the actual loss exceeds 50%, it is advisable to make a complete delivery without any loss. In the future, when deciding between LME and TAIEX, it is always preferable to choose delivery over incurring a 50% loss.

Chairman's response:

- (i) I believe the counterparties for futures trading could be varied, not restricted to a particular market.
- (ii) We engage in these transactions solely for hedging purposes.
- (iii) Although these proportions are relatively high, as mentioned earlier, when we sell finished products to customers, we must lock in the raw material prices. Within our management team, we do not participate in speculative transactions, such as purchasing a metal based on its expected increase in value, and selling it as soon as it slightly rises. While there may be uncertainty about the extent of the price drop, the reality is that we require these raw materials. Therefore, our focus should be on ensuring reliable delivery and securing the price difference. In fact, we would prefer to make deliveries as it enables us to engage in selling and purchasing raw materials over a longer duration. Presently, the majority of raw materials are stored in inventory, which places considerable strain on our factory space. Our aim is to decrease the accumulation of additional raw materials and minimize the backlog of funds.

Resolution: after the voting, there are 537,936,561 votes in favor, which is 93.55% of the total shares; 70,810 votes against; 37,008,468 votes abstained; 0 invalid vote. The proposal by the Board of Directors was approved.

6. **Extempore Motions: Yes.**

Shareholder Account Number 5677, OO Tao, Inaugural and Second Speech

We are delighted to be present at the shareholders' meeting of Tung Ho Steel for the first time. As shareholders, we have only one or two minor proposals as the meeting draws to a close.

- (i) The Company is a transparent and highly efficient professional team. According to the annual report, we have achieved excellent profits and reached a five-year high. As such, we should encourage more shareholders to actively participate, as the turnout of today's attendance is not even seventy. We hope that shareholders can attend the 2025 Annual Shareholders' Meeting next year at the following address: 6th floor, No. 9, Section 1, Chang an East Road, Taipei City; and actively engage in the proceedings. While it would be great to have a tenfold increase in attendees, we just hope that shareholders will participate with enthusiasm, similar to TSMC. This is our first proposal.
- (ii) The second proposal aims to showcase samples of the Company's H-beams, I-beams, and other steel structures at the shareholders' meeting venue. This will allow shareholders to gain a better understanding of our main products. The rationale behind this proposal is the increasing number of redevelopment projects in Taipei and New Taipei City. Additionally, many of our shareholders are involved in constructing commercial buildings with more than twenty floors. These shareholders now require construction companies to use Tung Ho steel as the designated material, which will significantly boost the Company's revenue and profitability. Including these two proposals in the meeting minutes will not only increase the Company's revenue, but also encourage greater shareholder participation, ultimately taking the Company's performance to new heights. Thank you.

Chairman's response:

- (i) Thank you for the two suggestions. Regarding the venue, the 6th floor of No. 9, Section 1, Chang an East Road, Taipei City, is actually the headquarters of Tung Ho Steel. Unfortunately, there is limited space available there, which is why we opted for the administrative building in Miaoli. This conference room is our largest one. However, I will consult with the team once again. Thank you for your suggestion.
- (ii) As for the second suggestion related to the showcasing of our products, if given the opportunity, we are willing to provide the Company's products to everyone, not just our shareholders. In fact, there are many opportunities for Taiwan to use Tung Ho Steel's H-beams and steel bars in house construction. We are also one of the few traditional industries that advertise, and likely the only steel company that does so. We will continue to make efforts to

promote our products. Thank you. We sincerely hope that more people will choose to use Tung Ho Steel's products. Thank you.

7. Adjournment: at 10:54 am on the same day

Chairman: Ho, Chieh-Teng

Recorders: Lin, Yu-Hsuan, Chan, Chia Yu