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Sustainability, our STEEL commitment

https://www.csc.com.tw/csc/hr/csr/index.htm

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China Steel Corporation 2023 Annual Report

CSC

Stock Code: 2002

Smart Innovation
Green Energy & Carbon Reduction
Value Co-creation

Be a Sustainable Growth Enterprise

Printed on March 31, 2024
Taiwan Stock Exchange Market Observation Post System: https://mops.twse.com.tw
CSC Annual Report is available at: https://www.csc.com.tw/csc/ss/bd/bd_index.html
Notice to readers: This English-version annual report is a translation of the Chinese version.
If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

2023 Annual Report

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Note: This annual report is prepared in accordance with the Regulations Governing Information to be Published in Annual Reports of Public Companies formulated by the Securities and Futures Bureau, Financial Supervisory Commission, R.O.C.

Chapter I. Letter to Shareholders

Dear Shareholders,

After the three-year haze of the COVID-19 pandemic, the pace of global post-pandemic economic recovery remained lagged owing to the lingering geopolitical tensions and successive developmental challenges such as energy, inflation, and supply chain disruptions in the aftermath of the pandemic in 2023. Affected by the restrained global end-demand under high interest rates and the destocking cycle of supply chain, the steel-using demand was delayed and confidence in material procurement was weakened. The supply distuptions has pushed up the global coking coal and iron ore prices. Despite the persistently high cost of steel production, sales volume and prices of steel products have declined due to sluggish end-demand. CSC faced the severe challenge of raw material costs being detached from steel price trends. Nevertheless, CSC weathered the economic adjustment cycle through initiating diversified response plans and striving to reduce costs. CSC has also continuously refined sales strategies in order to enhance the sales proportion of advanced premium steel (APS) and high-end steel products. Through the collective efforts of all employees, CSC seized the opportunity of market recovery and achieved another remarkable turnaround by turning from loss to profit for the whole year, living up to the long-term trust and support of shareholders. CSC will continue to grasp the trend of the economic recovery with perseverance, looking forward to achieving outstanding operational performance again this year.

Climate change and sustainable development have become key focus areas globally, with countries vigorously implementing carbon reduction and net-zero policies. The EU's Carbon Border Adjustment Mechanism (CBAM) transition period began in October 2023. CSC has completed the product carbon emission inventory in accordance with the regulations. CBAM filing reports have been prepared and provided to downstream customers, along with assistance in the filing process. In December 2023, the Ministry of Environment proposed the draft of the "Regulations Governing the Collection of Carbon Fees," and is currently working on related supplementary measures to mitigate the impact on industries. CSC is actively researching international practices regarding carbon pricing, providing practical perspectives

for government policy reference, aiming to align with the international standards and maintain fair competition with global industry peers. CSC has also been selected by the Industrial Development Administration as one of the 1+N Carbon Management Demonstration Team, and established a “Carbon Management Advisory Group”. Leveraging its own experience in carbon reduction and embodying the spirit of “value co-creation”, CSC assists downstream customers in building carbon inventory capabilities, identifying carbon emission hotspots in production processes, and customizing carbon reduction solutions. In 2023, a total of 22 customers were assisted and guided, resulting in a remarkable performance of creating a potential electricity saving of 8.68 million kWh/year and a total carbon reduction potential of 4,443 metric tons/year. Through actual actions, CSC is leading the steel industry chain towards low-carbon transformation.

In addition, CSC produced Taiwan’s first batch of steel that passed carbon neutrality certification in 2023. This achievement contributes to enhancing the competitiveness of downstream customers and creating new green transformation business opportunities. Furthermore, CSC became the first enterprise in Taiwan to purchase overseas carbon credits on the Taiwan Carbon Solution Exchange (TCX). CSC’s proactive carbon reduction actions and numerous outstanding achievements have been recognized by the World Steel Association (worldsteel) as one of the most outstanding member companies. CSC has been shortlisted for the Steelie Award in the Excellence in Life Cycle Assessment and has also been recognized as the 2024 “Steel Sustainability Champions”.

To leverage the synergies within the Group, CSC has been actively cultivating green businesses and developing the green energy industry. CSC Group’s Rail Engineering Team completed the Kaohsiung Light Rail Phase II project ahead of schedule at the end of last year, completing the circular light rail system and opening a new chapter in urban public transportation. The Zhong Neng Offshore Wind Farm has completed all the installation of pin piles and jackets. It is expected to finish the construction and connect to the grid by August 2024, contributing to the supply of green power. CSC and subsidiaries of CSC Group are joining hands and working together towards the path of carbon neutrality.

As revenues from steel products account for nearly 80% of the consolidated operating revenues of CSC Group, the global macroeconomic situation and changes in the steel market are highly related to the operations of the Group. Therefore, this letter to the shareholders primarily analyzes the steel industry.

I. Business and Financial Performance in 2023

(I) Business and Profitability Analysis

In the high interest rate and inflation environment, the major economies registered no significant growth in 2023, compounded by geopolitical uncertainties. Enterprises slowed down large-scale investment projects, resulting in sluggish steel demand. The oversupplied and low-priced exports from China, coupling with the high raw material costs, further squeezed profits. The management team of CSC actively implemented various reforms and response measures, including intensifying efforts to reduce costs and increase profits, and adopting flexible sales strategies. The annual performance turned positive benefiting from the increase in steel prices and the gradual decrease in cost in the fourth quarter. CSC posted a consolidated and standalone net profit of NT$3.531 billion and NT$1.682 billion in 2023, respectively.

Information on the Company's consolidated and standalone financial statements are presented as follows:

1. Consolidated Financial Statements

Unit: NT$ million/million tons

Item \ Year	2023	2022	Change	
Operating Revenues	363,326	449,567	(86,241)	(19%)
Gross Profit	16,773	31,902	(15,129)	(47%)
Profit from Operations	3,586	18,265	(14,679)	(80%)
Non-operating Income and Expenses	1,004	4,994	(3,990)	(80%)
Profit before Income Tax	4,590	23,259	(18,669)	(80%)
Net Profit for the Year	3,531	17,995	(14,464)	(80%)
Sales volume of steel products	12.13	12.97	(0.84)	(6%)

2. Standalone Financial Statements

Unit: NT$ million/million tons

Item \ Year	2023	2022	Change	
Operating Revenues	197,149	250,601	(53,452)	(21%)
Gross Profit	7,055	18,256	(11,201)	(61%)
Profit from Operations	(239)	10,882	(11,121)	(102%)
Non-operating Income and Expenses	2,346	9,485	(7,139)	(75%)
Profit before Income Tax	2,107	20,367	(18,260)	(90%)
Net Profit for the Year	1,682	17,784	(16,102)	(91%)
Sales volume of steel products	7.75	8.59	(0.84)	(10%)

(II) Research and Development (R&D)

The Company enjoyed a fruitful year in the area of R&D with a total of 30 new product development projects completed in 2023, 14 of which were classified as Advanced Premium Steel (APS). With APS and high-end steel reaching 8% and 50% of total orders respectively, CSC is making continuous efforts to enhance our competitive advantage through product differentiation. Based on the operational and developmental cores, “the high value-added steel mill” and “development of green energy industry”, as well as the three transformational focus: digital, low-carbon, and supply chain. These efforts aim to cultivate specialized and robust core capabilities. Major R&D outcomes are listed as follows:

1. Development of Advanced Premium Steel
   (1) Superior Hand Tool Steels: By incorporating unique high-silicon and high-nickel components, CSC has successfully developed steel for screwdriver heads with high hardness, high torsion strength, and extended fatigue life. The performance significantly surpasses that of traditional products, facilitating the advancement of the hand tool industry towards cutting-edge product development.
   (2) High Performance Structural Steels: In response to the trend of “high piers, large spans, and deep foundations” in bridge construction, CSC has developed high performance steel specifically for bridges. The steel exhibits higher

strength and toughness, as well as superior weldability, benefited from low carbon content and making the bridge construction more efficient.

(3) Steel for Green Energy & Home Appliance: To meet the demand for high recycled content materials from hot-dip galvanized users of computer and server chassis industries, CSC has established steelmaking technology to use more scrap in basic oxygen furnace. The low-carbon steel with a high proportion of scrap used has been successfully produced and has passed the recycled content certification.

(4) Cross-Generational Automotive Steels: CSC has developed a series of advanced ultra-high strength steels for automotive application, featuring higher strength, hole-expansion, and ductility. The steels meet the composite demands for lightweight and ease of processing.

(5) Ultra-High Efficiency Electrical Steels: CSC has established key technologies which continuously refine ultra-thin electrical sheets with low iron loss, high magnetic flux and high strength. These advancements enhance motor operational efficiency. CSC has successfully made such products sourced by major electric vehicle manufacturers, and continues to play a critical role in supplying electrical sheets.

2. Intelligent manufacturing technologies

(1) Development of Intelligent Steel Strip Offset Monitoring Technology: Enhancing dimensional measurement accuracy of steel strips, refining image measurement techniques, and establishing a steel strip offset monitoring system. This can reduce rolling failure rate, lower the proportion of damage from steel strip head-end collisions, and minimize delays caused by equipment abnormalities.

(2) Development of Intelligent Shape Dynamic Control System for Steel Strip of Hot-dip Galvanizing Line: Integrating laser shape measurement technology with AI prediction models for roll bending force, enabling real-time measurement of the steel strip and dynamic control of edge waves. This successful implementation has led to a reduction in product rejection rates.

(3) Application of AI-based Surface Defect Detection System for Billets: Enhancing the detection efficiency and real-time warning capability for

surface defects on billets. The system also provides information on the quantity and location of defects, as well as historical data retrieval, to prevent defective products from being released and ensure product quality.

3. Energy saving, carbon reduction and environmental protection technologies

(1) Development of blast furnace low-carbon iron making technology: In 2023, CSC successfully completed the test of charging 6,000 metric tons of hot briquetted iron (HBI) into the blast furnace, effectively reducing coke consumption. At the same time, CSC has developed the technology of injecting hydrogen-rich gas into blast furnace and plans to commence natural gas injection trials in 2024, aiming to eventually replace coking coal with hydrogen to reduce CO_2 emissions.

(2) Development of By-product Gas Carbon Capture and High-Value Utilization Technology: Establishing a pilot line for "Co-production of Steel and Chemicals", capturing and purifying carbon monoxide (CO) to meet the intake specifications of acetic acid plants, and establishing a quality prediction model. CSC is advancing cooperation with the petrochemical industry to set up demonstration production lines, and conducting feasibility assessments for an acetic acid plant with 600,000 tons annual capacity.

(3) Establishment of Optimal Allocation Technology for Boiler Fuel Consumption and Generator Load: Utilizing neural network algorithms to establish models for boilersteam production and generator power generation. Coupled with differential evolution algorithms, this ensures that the electricity generated per unit of fuel gas reaches its maximum, reducing expenditures on purchased electricity.

(4) Self-Supply and Development of Refractories by CSC Group: Two production lines for unshaped refractories, two for tap hole clay, and one for ramming mass have been established. Various refractory development and mass production processes are ongoing to ensure stable refractory supply and quality.

II. 2024 Business Plan and Business Development Strategies

Looking ahead to 2024, core inflation is expected to decline from its peak, which bodes well for global central banks to enter interest rate cut cycle. It is expected to alleviate corporate

financing pressure, boost investment momentum, and stimulate end consumption and demand for commodities. Chinese authorities are intensifying efforts to promote various economic stimulus measures and monetary easing policies to support economic development. The International Monetary Fund (IMF) projects that the global economy will grow by 3.2% in 2024 compared to 2023, indicating stable global economic performance. Taiwan is expected to benefit from the global economic recovery, coupled with the government's continued expansion of domestic infrastructure projects, which is anticipated to drive private investment. The Directorate-General of Budget, Accounting and Statistics (DGBAS) has revised up Taiwan's economic growth rate forecast for this year to 3.43%, marking the best performance in recent years.

As for the steel industry, after over a year and a half of destocking cycles, downstream customers' inventories are generally low, leading to a potential increase in restocking demand. The global manufacturing industry is steadily recovering, and the high-interest-rate environment is getting to an end, which is expected to drive steel demand back onto the growth trajectory. Meanwhile, in China, various stimulus policies such as expanding the revitalization of the real estate market, investing in infrastructure, stimulating consumption, and relaxing foreign investment restrictions in the manufacturing sector support steady steel demand. The World Steel Association (worldsteel) estimated in early April of this year that global steel demand in 2024 will grow by approximately 1.7% (about 30.1 million metric tons) compared to 2023, with total demand reaching 1,793 million metric tons. For 2025, it is expected to further grow by about 1.2% (about 22.1 million metric tons) compared to 2024, indicating a steady recovery trend. In this context, it is anticipated that CSC's production and sales in the second half of this year will outperform that in the first half, and 2024 will surpass 2023.

With a long-term commitment to environmental sustainability, social engagement, and corporate governance, CSC ranked among the top 5% companies in the 2023 Corporate Governance Evaluation published in 2024 for the 5th consecutive year. Given the rapidly

changing business environment and the major challenge of carbon neutrality in recent years, CSC has formulated the 10-year business development strategies for the period 2024 to 2033, guided by the vision of "We aspire to be a sustainable growth enterprise that distinguishes itself through a firm commitment to smart innovation, green energy, carbon reduction, and value co-creation." The 10-year business development strategies actively promotes the "dual cores and three transformations strategies": The "dual cores" are the high value-added steel mills and the development of green energy industry. The "three transformations strategies" consist of digital transformation, low carbon transformation, and supply chain transformation. CSC have also outlined 4 strategic goals, 10 core strategies, and various action plans. The main focuses include:

1. Continuously promote the development of advanced premium steel (APS), nurture the potential APS, and collaborate with relevant entities to refine manufacturing process improvements, thereby enhancing the margin of quasi-APS.
2. Continuously expand photovoltaic installations with an installation target of over 120MW in total capacity. Additionally, the Zhong Neng Offshore Wind Farm is expected to connect to the grid by the end of 2024, with an estimated annual power generation of approximately 1.1 billion kilowatt-hours, contributing to a reduction in carbon emissions of about 550,000 metric tons per year.
3. Comprehensively promote intelligent manufacturing, establish 9 Artificial Intelligence of Things (AIoT) platforms, integrate data from various production lines and deploy intelligent models, and provide a unified interface for data querying and model management.
4. To pragmatically advance low-carbon transformation, CSC has set long-term carbon neutrality goal. Besides, CSC has intensified efforts to improve energy efficiency and utilize renewable energy, aiming at achieving a 7% short-term carbon reduction target by 2025 compared to the base year 2018. Additionally, we are developing innovative and forward-looking process technologies such as charging reduced iron in the blast furnaces, injecting hydrogen-rich gas into blast furnaces, increasing the use of scrap, and co-production of steel and chemicals to achieve the 25% medium-term carbon reduction target by 2030.

5. Drive supply chain transformation and improve pre-sales, in-sales, and after-sales services for customers. Our goal is to assist customers in upgrading and transforming their operations while also exploring new business opportunities for mutual prosperity and growth through the provision of differentiated competitive products and services.

Looking ahead, CSC will move towards becoming a specialized, refined, and strong intelligent high value-added steel mill. CSC will continue to strengthen corporate resilience while upholding the philosophy of "As Downstream and customers improve, CSC will improve." Through the mode of leading the small enterprises to address the challenges of low-carbon transformation, we will collaborate with upstream and downstream businesses to build a low-carbon steel supply chain, in order to enhance international competitiveness and create sustainable value together.

Best regards,

Chao-Tung Wong
Chairman

Shyi-Chin Wang
President

Chapter II. Company Profile

China Steel Corporation (CSC), located in Kaohsiung City, was founded in December 1971. With annual crude steel production of 10 million metric tonnes, CSC's main products include plates, bars and wire rods, hot and cold rolled coils, electrogalvanized coils, electrical steel coils, and hot-dip galvanized coils. In 2023, the domestic market takes roughly 52.4% of CSC's production and the exports take the remaining 47.6%. CSC is the largest steel company in Taiwan with market share of more than 50% and export products mainly to Europe, Southeast Asia and Japan.

CSC is very active in innovation and has strong capability to put the innovations into practice. The Company's vision is "We aspire to be a sustainable growth enterprise that distinguishes itself through a firm commitment to smart innovation, green energy, carbon reduction, and value co-creation." CSC actively puts into practice its corporate value of "teamwork, entrepreneurial approach, down-to-earthness and pursuit of innovation", as well as its operational beliefs of "promotion of social well-being, result orientation, implementation of teamwork, and emphasis on employees' self-realization." CSC keeps deepening the roots for its core business in steel, and is devoted to integrate the related downstream industries to foster healthy development and international competitiveness of Taiwan's steel related industry.

CSC was awarded the "National Quality Award" from the Executive Yuan in 1991; the "Distinguished Innovation Accomplishment Award" from the Ministry of Economic Affairs in 2009; the only award of "Leading Company of Maintenance and Reliability KPIs Survey Project, 2013" from the World Steel Association; the World Steel Industry Leader by Dow Jones Sustainability Index (DJSI) in 2013; the inclusion in the FTSE4Good Emerging Index by FTSE Russell starting from 2017; the Gold Class Sustainability leaders in the steel industry by RebocoSAM in 2014 and 2018; the "Leader in Sustainability Award" by British Standards Institution (BSI) in 2018 and 2019; the "Outstanding Corporate Group in Sustainability Resilience Award" by BSI for the fourth consecutive year in 2023; the Gold Class of Sustainable Cities and Communities and the Bronze Class of Decent Work and Economic Growth in the 1st Taiwan Sustainable Action Award by Taiwan Institute for Sustainable Energy (TAISE) in 2021; 10 awards including the "The Most Prestigious Sustainability Awards- Top Ten Domestic Corporates" by Taiwan Institute for Sustainable Energy (TAISE) in 2022; 1 Gold, 2 Silver and 1 Bronze Class of 2023 Asia-Pacific Sustainability Action Awards and 10 awards including the "The Most Prestigious Sustainability Awards- Top 100

Domestic Corporates" by Taiwan Institute for Sustainable Energy (TAISE) in 2023. These achievements signifying that CSC's accomplishments in R&D, innovation, production, maintenance, and sustainable development have long been acknowledged by the domestic and oversea industries and the public.

In order to enhance its operational synergy, CSC has diversified its businesses. Presently CSC and its 23 main subsidiaries constitute the "CSC Group" in five business areas: steel, engineering, industrial materials, logistics & investment, and green energy. On January 16, 2020, CSC declared to position itself as a steel mill that produces premium products with high value and devote itself to the development of the green energy industry as the operational and developmental cores in enhancing its competitiveness for the next 50 years. The Company has been striving to promote various strategies and action plans starting from 2021. Besides, the Company also actively addresses carbon reduction and digital transformation issues. In February 2021, "Task Force on Energy Saving & Carbon Reduction and Carbon Neutrality" was set up under the Corporate Governance and Sustainability Committee, which is dedicated to implementing and developing various energy saving and carbon reduction technologies aiming at carbon neutrality by 2050. By deepening environmental, social and corporate governance (ESG) practices, the Company would like to contribute to the sustainable development of Taiwan's industries, economy and society. In February 2023, CSC further set up the "Task Force on Digital Transformation", aiming to use smart innovation as the foundation to improve business structure and resilience, lead the domestic steel industry to enhance international competitiveness, and co-create value and share achievements with all stakeholders.

Company History

December 3, 1971	China Steel Corporation was officially registered, with head office located in Taipei.
September 16, 1972	Kaohsiung Plant Site Office was established.
September 1, 1974	Phase I expansion project commenced.
December 26, 1974	CSC stock was listed on Taiwan Stock Exchange.
September 15, 1975	Head office relocated to Kaohsiung. Plant Site Office closed.
July 1, 1977	CSC became a state-owned enterprise.
December 16, 1977	Phase I expansion project was completed, with capacity of 1.5Mt per year.
July 1, 1978	Phase II expansion project commenced.
June 30, 1982	Phase II expansion project was completed. Capacity reached 3.25Mt per year.
July 1, 1984	Phase III expansion project commenced.
April 30, 1988	Phase III expansion project was completed. Capacity reached 5.652Mt per year.
July 15, 1993	Phase IV expansion project commenced.
April 12, 1995	CSC was privatized.
May 31, 1997	Phase IV expansion project was completed. Capacity reached 8.054Mt per year.
June 2, 1998	CSC Group's identity system was formally introduced to the public.
April 15, 2006	Annual production capacity was officially increased to 9.86Mt owing to success in equipment renovations and improvements carried out over the years.
November 22, 2006	Groundbreaking for the China Steel Building took place.
October 6, 2008	Dragon Steel Corporation became a wholly owned subsidiary of CSC.
June 30, 2010	DSC's Stage II phase 1 expansion project was completed. CSC Group's capacity reached 13.36Mt per year.
March 5, 2013	DSC's stage II phase 2 expansion project was completed. CSC Group's capacity reached 15.86 Mt per year.
October 22, 2013	China Steel Building was inaugurated.
December 20, 2017	The Board of Directors approved the initiation of the revamping plan of coke ovens (Phase I and II).
December 31, 2018	CSC Group's operating revenues in 2018 sets the record of exceeding NT$400 billion.

January 16, 2020	CSC positions itself as a steel mill that produces premium products with high value and devotes itself to the development of the green energy industry as the operational and developmental cores in enhancing its competitiveness for the next 50 years.
February 21, 2020	CSC sets a new milestone in its pricing system by offering monthly and quarterly prices simultaneously for the first time.
July 1, 2020	To promote the utilization of BOF Slag, CSC and TIPC jointly submit the Environmental Impact Difference Analysis Report for utilizing BOF Slag as an alternative land reclamation material in Taipei Port, approved by the Environmental Impact Assessment and Review Committee of Taiwan EPA.
November 11, 2020	The first truck of BOF aggregate is successfully utilized as land reclamation material in Taipei Port, which marks a new milestone in BOF aggregate application.
February 26, 2021	CSC commits to taking action on environmental protection and climate change by setting up a Task Force on Energy Saving & Carbon Reduction and Carbon Neutrality.
January 1, 2023	CSC declares the company's new vision of “We aspire to be a sustainable growth enterprise that distinguishes itself through a firm commitment to smart innovation, green energy, carbon reduction, and value co-creation." Based on the new vision, CSC launches its first 10-year, operation and development strategy toward its promising prospects.
December 22, 2023	CSC acquires 500 metric tons of carbon credits in the inaugural transaction following the Taiwan Carbon Solution Exchange unveiling, marking a new milestone in CSC’s history of steel product carbon neutrality.
December 23, 2023	CSC undertakes the Kaohsiung Light Rail Phase II project and completes the final segment (C24-C32) with quality and one year ahead of schedule. As the project passes the final inspection and obtains the operating permit, the rail loop is complete, supporting a low-carbon city and enhancing the development of a livable Kaohsiung.
January 1, 2024	To improve on the Employee Stock Ownership Trust (ESOT) by introducing a new allocation rate of 30% scheme and delivering the incentive bonus to ESOT.

Chapter III. Corporate Governance

I. Organization System

(I) Organization Structure

(II) Functions of Major Divisions

1. The Production Division is responsible for the planning, execution and supervision of in-plant transportation, steel products manufacturing, utilities, automation engineering, equipment maintenance, production planning, industrial safety & hygiene, and environmental protection.
2. The Commercial Division is responsible for the planning, execution and supervision of purchasing, marketing and transportation.
3. The Technology Division is responsible for the planning, execution and supervision of research and development, quality control, metallurgical technology, green energy and system integration technology, and intellectual property and testing technology.
4. The Finance Division is responsible for the planning, execution and supervision of finance, accounting, information system and cost.
5. The Administration Division is responsible for the planning, execution and supervision of human resources, general affairs (including guard and fire brigade), public affairs and Taipei liaison business.
6. The Corporate Planning Division is responsible for the planning, execution and supervision of secretariat, industrial engineering, corporate strategy and legal affairs.
7. The Engineering Division is responsible for the planning, execution and supervision of the Company's major engineering projects, and handling contracting of external projects.

II. Information on Directors and Management Team

(I) Information on Directors

As of March 31, 2024

Title	Nationality	Name	Gender/ Age	Date of Appointment	Term	Date of Initial Appointment	Shareholding on Date of Appointment		Current Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Other Current Assignments/Positions	Spouse or Relative within the Second Degree of Relationship Holding A Position as Manager, Director or Supervisor			Remarks (Note 7)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	Taiwan, R.O.C.	Ministry of Economic Affairs	--	2022.06.17	3 years	1971.12.03	3,154,709,357	20	3,154,709,357	20	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Taiwan, R.O.C.	Representative: Chao-Tung Wong (Note 1)	Male/ 69	2022.06.17	3 years	Assumed office on 2016.06.23	1,000,875	0.01	1,000,875	0.01	191,355	0	0	0	PhD in Resource Engineering, National Cheng Kung University President, China Steel Corporation	Director, Chung Hung Steel Corporation; Director, China Steel Chemical Corporation; Director, China Ecotek Corporation; Director, Dragon Steel Corporation; Director, China Steel Global Trading Corporation	None	None	None	
Director	Taiwan, R.O.C.	Ministry of Economic Affairs	--	2022.06.17	3 years	1971.12.03	3,154,709,357	20	3,154,709,357	20	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
	Taiwan, R.O.C.	Representative: Wen-Sheng Tseng	Male/ 54	2022.06.17	3 years	Assumed office on 2018.05.14	0	0	0	0	0	0	0	0	Bachelor of Civil Engineering, National Taiwan University Director-General of Economic Development Bureau, Kaohsiung City Government	Deputy Minister, Ministry of Economic Affairs Acting Chairman, Taiwan Power Company	None	None	None	
Director	Taiwan, R.O.C.	Ministry of Economic Affairs	--	2022.06.17	3 years	1971.12.03	3,154,709,357	20	3,154,709,357	20	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
	Taiwan, R.O.C.	Representative: Ming-Jong Liou (Note 2)	Male/ 70	2022.06.17	3 years	Assumed office on 2012.11.01	588	0	588	0	0	0	0	0	PhD in Industrial Management, National Taiwan University of Science and Technology Director, General, Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs Director, State-Owned Enterprise Commission, Ministry of Economic Affairs	Director, Critical Infrastructure Committee, Ministry of Economic Affairs; Director, Aerospace Industrial Development Corporation	None	None	None	Not applicable
Director	Taiwan, R.O.C.	Chiun Yu Investment Corporation	--	2022.06.17	3 years	Elected on 1997.12.30 Assumed office on 1998.05.26	1,623,289	0.01	1,623,289	0.01	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
	Taiwan, R.O.C.	Representative: Shyi-Chin Wang (Note 3)	Male/ 66	2022.06.17	3 years	Assumed office on 2015.10.01	276,390	0	411,010	0	271,356	0	0	0	PhD in Materials Science, National Sun Yat-sen University Executive Vice President, China Steel Corporation	President, China Steel Corporation; Chairman, China Steel Power Holding Corporation; Chairman, China Steel Power Corporation; Director, China Steel Chemical Corporation; Director, China Ecotek Corporation; Director, Dragon Steel Corporation	None	None	None	
Director	Taiwan, R.O.C.	Ever Wealthy International Corporation	--	2022.06.17	3 years	2004.06.17	4,226,265	0.03	4,226,265	0.03	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	

Title	Nationality	Name	Gender/ Age	Date of Appointment	Term	Date of Initial Appointment	Shareholding on Date of Appointment		Current Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Other Current Assignments/Positions	Spouse or Relative within the Second Degree of Relationship Holding A Position as Manager, Director or Supervisor			Remarks (Note 7)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
	Taiwan, R.O.C.	Representative: Chien-Chih Hwang (Note 4)	Male/ 64	2022.06.17	3 years	Assumed office on 2019.09.30	33,233	0	33,233	0	0	0	0	0	Bachelor of Economics, Tunghai University Vice President of Commercial Division, China Steel Corporation	Executive Vice President/Chief Information Security Officer/ Corporate Governance Officer, China Steel Corporation; Chairman, Dragon Steel Corporation; Director, Taiwan High Speed Rail Corporation; Director, China Steel Structure Co., Ltd; Director, China Steel Express Corporation; Director, China Steel Global Trading Corporation; Director, Formosa Ha Tinh (Cayman) Limited; Director, Formosa Ha Tinh Steel Corporation	None	None	None	Not applicable
Director	Taiwan, R.O.C.	Hung Kao Investment Corporation	--	2022.06.17	3 years	2010.06.23	1,003,980	0.01	1,003,980	0.01	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
	Taiwan, R.O.C.	Representative: Cheng-I Weng (Note 5)	Male/ 79	2022.06.17	3 years	2001.05.31	9,000	0	9,000	0	0	0	0	0	PhD in Mechanical Engineering, University of Rochester, U.S.A. President, National Cheng Kung University President, Fo Guang University	Adjunct Chair Professor, Kun Shan University; Honorary Professor, Department of Mechanical Engineering, National Cheng Kung University	None	None	None	
Director	Taiwan, R.O.C.	Gau Ruei Investment Corporation	--	2022.06.17	3 years	Elected on 1997.12.30 Assumed office on 1998.05.26	1,493,318	0.01	1,493,318	0.01	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
	Taiwan, R.O.C.	Representative: Shou-Tao Chen (Note 6)	Male/ 62	2023.08.04	3 years	Assumed office on 2023.08.04	91,064	0	91,064	0	1,275	0	0	0	Bachelor of Power Mechanical Engineering, National Tsing Hua University Assistant Vice President of Production Division, China Steel Corporation	Vice President of Production Division, China Steel Corporation; Chairman, China Steel Machinery Corporation; Director, Tang Eng Iron Works Co., Ltd.; Director, Dragon Steel Corporation; Director, China Steel Express Corporation	None	None	None	
Director	Taiwan, R.O.C.	Labor Union of China Steel Corporation, Kaohsiung City	--	2022.06.17	3 years	2001.05.31	7,221,487	0.05	7,221,487	0.05	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
	Taiwan, R.O.C.	Representative: Chun-Sheng Chen	Male/ 62	2022.06.17	3 years	Assumed office on 2018.01.05	19,743	0	0	0	0	0	0	0	Electrical Engineering, National Taitung Junior College Technician, China Steel Corporation	President, Labor Union of China Steel Corporation, Kaohsiung City; Director, Kang Fu Recreation Co., Ltd.	None	None	None	

Title	Nationality	Name	Gender/ Age	Date of Appointment	Term	Date of Initial Appointment	Shareholding on Date of Appointment		Current Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Other Current Assignments/Positions	Spouse or Relative within the Second Degree of Relationship Holding A Position as Manager, Director or Supervisor			Remarks (Note 7)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Independent Director	Taiwan, R.O.C.	Shyue-Bin Chang	Male/ 75	2022.06.17	3 years	2016.06.23	0	0	0	0	0	0	0	0	PhD in Mechanical and Aerospace Engineering, Cornell University, U.S.A.; Chair Professor and Vice President, Kao Yuan University; Chief Reviewer, Board of Science & Technology Program Executive Review Board, Executive Yuan; Director, Hua's Aero Industry Development Foundation; Chairman, Nansiang Innovation Consultant Company Limited; Director, Air Asia Company Limited; Executive Director, Ship and Ocean Industries R&D Center; Supervisor, Metal Industries Research & Development Centre; Supervisor, China Engine Corporation; Technology Consultant, Department of Industrial Technology, Ministry of Economic Affairs; Senior Vice President, International Turbine Engine Company LLC; Chief engineer, Aerospace Technology Research And Development Center of ROCAF/Aerospace Industrial Development Corporation	Independent Director, Hiwin Mikrosystem Corp. ; Independent Director, Advanced International Multitech Co., Ltd.;	None	None	None	
Independent Director	Taiwan, R.O.C.	Min-Hsiung Hon	Male/ 80	2022.06.17	3 years	2016.06.23	0	0	0	0	5,000	0	0	0	PhD in Materials Science and Engineering, North Carolina State University, U.S.A.; President, Dayeh University; Professor, Department of Materials Science and Engineering, National Cheng Kung University	Emeritus Professor, Department of Materials Science and Engineering, National Cheng Kung University	None	None	None	Not applicable
Independent Director	Taiwan, R.O.C.	Lan-Feng Kao	Female/ 58	2022.06.17	3 years	2016.06.23	4,216	0	4,216	0	1,000	0	0	0	PhD in Accounting, National Cheng Kung University; Chairman, Department of Finance, National University of Kaohsiung; Member of Professional Review Committee, Taiwan Industry Innovation Platform Program Office, Industry Development Bureau, Ministry of Economic Affairs; External Member of TPEx Listing Review Committee, Taipei Exchange	Professor, Department of Finance, National University of Kaohsiung	None	None	None	

Note 1: Mr. Chao-Tung Wong has assumed the position as Director of the Company from June 23, 2016 to date, however the juristic person he represented has changed during the period.

Note 2: Mr. Ming-Jong Liou first became a Director of the Company on November 1, 2012 until his dismissal on June 23, 2016. He resumed as a Director of the Company on November 20, 2020 to date.

Note 3: Mr. Shyi-Chin Wang has assumed the position as Director of the Company from October 1, 2015 to date, however the juristic person he represented has changed during the period.

Note 4: Mr. Chien-Chih Hwang has assumed the position as Director of the Company from September 30, 2019 to date, however the juristic person he represented has changed during the period.

Note 5: Mr. Cheng-I Weng has assumed the position as Director of the Company from May 31, 2001 to date, however the juristic person he represented has changed during the period.

Note 6: Gau Ruei Investment Corporation appointed Mr. Shou-Tao Chen to replace Mr. Yueh-Kun Yang as its representative on August 4, 2023.

Note 7: Where the Chairman, President or person holds an equivalent position (the highest level management) of the Company are the same person, spouses, or relatives within the first degree of relationship, an relevant explanation shall be given regarding the information on the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (including methods such as increasing the number of seats for Independent Directors and more than half of the Directors shall not hold a position as employees or managements).

Table 1: Major shareholders of institutional shareholders

As of March 31, 2024

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholder
Chiun Yu Investment Corporation	Eminence Investment Corporation 25%; China Steel Structure Co., Ltd. 35%; China Ecotek Corporation 40%
Ever Wealthy International Corporation	China Steel Chemical Corporation 100%
Hung Kao Investment Corporation	Chung Hung Steel Corporation 100%
Gau Ruei Investment Corporation	Eminence Investment Corporation 25%; China Steel Chemical Corporation 40%; CHC Resources Corporation 35%

Table 2: Major shareholders of the entities from Table 1 that are institutions

As of March 31, 2024

Institutional Shareholders	Major Shareholders of Institutional Shareholders
Eminence Investment Corporation	Gains Investment Corporation 100%
China Steel Structure Co., Ltd.	China Steel Corporation 33.24%; Yu Chuan Investment Co., Ltd. 12.50%; Taiwan Mask Corporation 7.17%; IHI Corporation 5.53%; Berlin Co., Ltd. 4.52%; Yung Chi Paint & Varnish MFG Co., Ltd. 2.50%; Dragon Steel Corporation 2.11%; Great Grandeul Steel Co., Ltd. 1.95%; Hui-Chen Wu Lai 1.85%; Transglory Investment Corporation 1.74%
China Ecotek Corporation	China Steel Corporation 44.76%; Hua Eng Wire & Cable Co., Ltd. 9.57%; Trust Asset Fund of China Ecotek Corporation under the custody of Mega International Commercial Bank Co., Ltd. 4.77%; Great Grandeul Steel Co., Ltd. 3.20%; Chin Ho Fa Steel & Iron Co., Ltd. 2.92%; Bai Chien Investment Corporation 2.43%; Chun Yuan Steel Industry Co., Ltd. 2.42%; Taiwan Sugar Corporation 2.33%; C. Hao Corporation 1.28%; CSC Solar Corporation 0.59%
China Steel Chemical Corporation	China Steel Corporation 29.04%; Fubon Life Insurance Co., Ltd. 5.31%; International CSRC Investment Holdings Co., Ltd. 4.96%; Ever Wealthy International Corporation 2.01%; C.C.T. Investment Co., Ltd. 1.46%; Yuanta Taiwan High Dividend Low Volatility ETF 1.23%; Jin Hong Investments Corporation 0.96%; Xin Yang Investment Co. Ltd. 0.93%; Chang Gung Medical Foundation 0.93%; Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch 0.90%
Chung Hung Steel Corporation	China Steel Corporation 40.59%; Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch 0.70%; DFA Emerging Markets Value Portfolio under the custody of Citibank (Taiwan) Limited 0.43%; Norges Bank Investment Management under the custody of Citibank (Taiwan) Limited 0.43%; Investment Account of Goldman Sachs International Corporation under the custody of HSBC (Taiwan) 0.42%; Vanguard Total International Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch 0.38%; Vanguard Equity Index II Investment Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch 0.36%; Investment Account of Merrill Lynch International Corporation under the custody of HSBC (Taiwan) 0.28%; UBS Europe SE investment fund under the custody of Citi Bank (Taiwan) Limited 0.27%; Investment account of Berkeley Capital Corporation under the custody of Citi Bank (Taiwan) Limited 0.26%
CHC Resources Corporation	China Steel Corporation 19.83%; Taiwan Cement Corporation 12.15%; China Steel Structure Co., Ltd. 9.33%; Asia Cement Corporation 9.17%; Universal Cement Corporation 6.85%; China Steel Chemical Corporation 6.04%; Southeast Cement Corporation 5.26%; Employee's Stock Trust of CHC Resources Corporation under the custody of Mega International Commercial Bank Co., Ltd. 2.41%; Der Ching Investment Corporation 1.94%; Chia Hsin Cement Corporation 1.72%

Note: The data of Table 1 & Table 2 has been updated to the latest book closure date before the publication date of this annual report.

(II) Information on Directors' Professional Qualification and Independent Directors' Independence Criteria

Condition / Name		Professional Qualification and Experience	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairman	Chao-Tung Wong	**Expertise:** Relevant industry experiences (Steel/Resource engineering); Corporate administration **Education:** PhD in Resource Engineering, National Cheng Kung University **Other major current positions:** Chairman of 22nd, Taiwan Steel & Iron Industries Association; Managing Director, Industrial Technology Research Institute **Past experience:** President, China Steel Corporation; Chairman, China Ecotek Corporation; Chairman and President, China Steel and Nippon Steel Vietnam Joint Stock Company	0
Director	Wen-Sheng Tseng	**Expertise:** Civil engineering **Education:** Bachelor of Civil Engineering, National Taiwan University **Other major current positions:** Deputy Minister, Ministry of Economic Affairs; Acting Chairman, Taiwan Power Company **Past experience:** Director-General of Economic Development Bureau, Kaohsiung City Government	0
Director	Ming-Jong Liou	**Expertise:** Corporate administration **Education:** PhD in Industrial Management, National Taiwan University of Science and Technology **Other major current positions:** Director, Critical Infrastructure Committee, Ministry of Economic Affairs; Director, Aerospace Industrial Development Corporation **Past experience:** Director General, Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs; Director, State-Owned Enterprise Commission, Ministry of Economic Affairs	0
Director	Shyi-Chin Wang	**Expertise:** Relevant industry experiences (Steel/Materials science); Wind power industry **Education:** PhD in Materials Science, National Sun Yat-sen University **Other major current positions:** President, China Steel Corporation; Chairman, China Steel Power Holding Corporation; Chairman, China Steel Power Corporation; Executive Director of 22nd, Taiwan Steel & Iron Industries Association **Past experience:** Executive Vice President, China Steel Corporation; Chairman, Dragon Steel Corporation; Chairman of 3rd Board of Directors, Taiwan Wind Industry Association	0
Director	Chien-Chih Hwang	**Expertise:** Relevant industry experiences (Steel/Logistics and trading); Marketing **Education:** Bachelor of Economics, Tunghai University **Other major current positions:** Executive Vice President/Chief Information Security Officer/ Corporate Governance Officer, China Steel Corporation; Chairman, Dragon Steel Corporation; Director of 6th, Chinese International Economic Cooperation Association; Executive Director of 22nd, Taiwan Steel & Iron Industries Association **Past experience:** Vice President of Commercial Division, China Steel Corporation; Chairman, China Steel Global Trading Corporation; Representative of Japan Office of Chia Steel Corporation and President of CSGT Japan Co., Ltd.; Vice President of Commercial Division, China Steel and Nippon Steel Vietnam Joint Stock Company; Director of 21st Board of Directors, International Steel Management Society of Kaohsiung	0
Director	Cheng-I Weng	**Expertise:** Relevant industry experiences (Steel/Machinery); Mechanical manufacturing system; Reverse problem; Molecular dynamics simulation **Education:** PhD in Mechanical Engineering, University of Rochester, U.S.A **Other major current positions:** Adjunct Chair Professor, Kun Shan University; Honorary Professor, Department of Mechanical Engineering, National Cheng Kung University **Past experience:** President, National Cheng Kung University; President, Fo Guang University; Chairman, Industrial Technology Research Institute; Chairman, National Science Council, Executive Yuan; Chairman, Taiwan Machinery Manufacturing Corporation	0
Director	Shou-Tao Chen	**Expertise:** Relevant industry experiences (Steel); Corporate administration **Education:** Bachelor of Power Mechanical Engineering, National Tsing Hua University **Other major current positions:** Vice President of Production Division, China Steel Corporation; Chairman, China Steel Machinery Corporation **Past experience:** Assistant Vice President of Production Division, China Steel Corporation	0
Director	Chun-Sheng Chen	**Expertise:** Union affairs; Labor rights **Education:** Electrical Engineering, National Taitung Junior College **Other major current positions:** President, Labor Union of China Steel Corporation, Kaohsiung City **Past experience:** Technician, China Steel Corporation	0
Independent Director	Shyue-Bin Chang	**Expertise:** Aviation industry; Electrical and mechanical engineering; Board member of other listed companies **Education:** PhD in Mechanical and Aerospace Engineering, Cornell University, U.S.A. **Other major current positions:** Adjunt Researcher; Board of Science & Technology Program Executive Review Board, Executive Yuan;Honorary Professor, Taiwan Steel University of Science and Technology (former Kao Yuan University); Member, National Defense Technology Industry Development Council, Executive Yuan; Convener of Expert Review Committee on Evaluation of Localization, Technology and Achievement of of Electric Bus, Ministry of Economic Affairs; Independent Director, Hiwin Mikrosystem Corp.; Independent Director, Advanced International Multitech Co., Ltd. **Past experience:** Chair Professor and Vice President, Kao Yuan University; Member, Board of Science & Technology Program Executive Review Board, Executive Yuan; Director, Hua's Aero Industry Development Foundation; Chairman, Nansiang Innovation Consultant Company Limited; Director, Air Asia Company Limited; Executive Director, Ship and Ocean Industries R&D Center; Supervisor, Metal Industries Research & Development Centre; Supervisor, China Engine Corporation; Technology Consultant, Department of Industrial Technology, Ministry of Economic Affairs; Senior Vice President, International Turbine Engine Company LLC; Chief engineer, Aerospace Technology Research And Development Center of ROCAF/Aerospace Industrial Development Corporation	2
Independent Director	Min-Hsiung Hon	**Expertise:** Materials science **Education:** PhD in Materials Science and Engineering, North Carolina State University, U.S.A. **Other major current positions:** Emeritus Professor, Department of Materials Science and Engineering, National Cheng Kung University **Past experience:** President, Dayeh University; Professor, Department of Materials Science and Engineering, National Cheng Kung University; Director, Metal Industries Research & Development Centre; Independent Director, Member of Audit Committee and Member of Remuneration Committee, INPAQ Technology Co., Ltd.	0
Independent Director	Lan-Feng Kao	**Expertise:** Accounting/Finance; Corporate Governance **Education:** PhD in Accounting, National Cheng Kung University **Other major current positions:** Professor, Department of Finance, National University of Kaohsiung; Member of Urban Bus Review Committee, Kaohsiung City Government **Past experience:** Chairman, Department of Finance, National University of Kaohsiung; Member of Professional Review Committee, Taiwan Industry Innovation Platform Program Office, Industry Development Bureau, Ministry of Economic Affairs; External Member of TPEx Listing Review Committee, Taipei Exchange	0
None of the Directors of the Company (Independent Directors included) has any conditions defined in Article 30 of the Company Act			

Name \ Criteria		Independence Criteria			
		Whether the person and the person's spouse as well as relatives within the second degree of relationship are not a director, supervisor, or employee of the Company or any of its affiliates.	Whether the person is not a shareholder who holds shares, together with those held by the person's spouse as well as relatives within the second degree of relationship (or under others' names), in an aggregate amount of 1% or more of total shares issued by the Company or ranking as one of its top ten natural-person shareholders.	Whether the person is not a director, supervisor, or employee of a company or organization that has a specific relationship with the Company.	Whether the person did not receive any remuneration for providing commercial, legal, financial, accounting or related services from the Company or any of its affiliates in the recent 2 years.
Chairman	Chao-Tung Wong	No	Yes The person: 1,000,875 shares (0.01%) Spouse: 191,355 shares (0%) Other relatives within the second degree of relationship: 6,000 shares (0%)	No	Yes: No remuneration
Director	Wen-Sheng Tseng	No	Yes The person: 0 shares (0%) Spouse and minor children: 0 shares (0%) Other relatives within the second degree of relationship: 4 shares (0%)	No	Yes: No remuneration
Director	Ming-Jong Liou	No	Yes The person: 588 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)	No	Yes: No remuneration
Director	Shyi-Chin Wang	No	Yes The person: 411,010 shares (0%) Spouse: 271,356 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)	No	Yes: No remuneration
Director	Chien-Chih Hwang	No	Yes The person: 33,233 shares (0%) Spouse: 0 shares (0%) Other relatives within the second degree of relationship: 7,000 shares (0%)	No	Yes: No remuneration
Director	Cheng-I Weng	No	Yes The person: 9,000 shares (0%) Spouse: 0 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)	Yes	Yes: No remuneration
Director	Shou-Tao Chen	No	Yes The person: 91,064 shares (0%)	No	Yes: No remuneration

Name \ Criteria		Independence Criteria			
		Whether the person and the person's spouse as well as relatives within the second degree of relationship are not a director, supervisor, or employee of the Company or any of its affiliates.	Whether the person is not a shareholder who holds shares, together with those held by the person's spouse as well as relatives within the second degree of relationship (or under others' names), in an aggregate amount of 1% or more of total shares issued by the Company or ranking as one of its top ten natural-person shareholders.	Whether the person is not a director, supervisor, or employee of a company or organization that has a specific relationship with the Company.	Whether the person did not receive any remuneration for providing commercial, legal, financial, accounting or related services from the Company or any of its affiliates in the recent 2 years.
			Spouse: 1,275 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)		
Director	Chun-Sheng Chen	No	Yes The person: 0 shares (0%) Spouse: 0 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)	No	Yes: No remuneration
Independent Director	Shyue-Bin Chang	Yes	Yes The person: 0 shares (0%) Spouse: 0 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)	Yes	Yes: No remuneration
Independent Director	Min-Hsiung Hon	Yes	Yes The person: 0 shares (0%) Spouse: 5,000 shares (0%) Other relatives within the second degree of relationship: 25,000 shares (0%)	Yes	Yes: No remuneration
Independent Director	Lan-Feng Kao	Yes	Yes The person: 4,216 shares (0%) Spouse: 1,000 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)	Yes	Yes: No remuneration
The Independent Directors Shyue-Bin Chang, Min-Hsiung Hon and Lan-Feng Kao meet the independence requirements stipulated in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies in the two years prior to the date of appointment and during term of office.					

(III) Board Diversity and Independence

1. Board Diversiry:

According to the Sample Template for Procedures for Election of Directors released by TWSE, the Company has incorporated the concept of diversity into the Rules Governing the Election of Directors. Two major areas, namely basic requirements and values and professional knowledge and skills (e.g., law, accounting, industry, finance, marketing or technology) should be taken into consideration during the election of Directors. Directors shall commonly possess the knowledge, skills, general capacity and disposition required to perform their duties. Furthermore, the Corporate Governance Best-Practice Principles of the Company also stipulate that the number of Directors who concurrently holds a management position at the Company shall not exceed one-third of the total number of Directors.

The Board of Directors is set up with the specific aim of appointing Directors of different gender and age and with different professional knowledge and background, consisting of at least one Director with finance or accounting background and at least one Director with management experience in the steel industry. At present, the Board of Directors is composed of 11 Directors with 3 Independent Directors, including 1 female Director, 1 Director recommended by the labor union of the Company as labor representative, and 3 Directors holding a management position, whose professional knowledge and skills cover different areas, including steel, resource engineering, civil engineering, industrial management, machinery, materials, economics, electrical engineering, aerospace, and finance and accounting. Out of the current Directors, there are 1 with finance and accounting backgrounds and 4 with management experience in the steel industry. Hence, the Company fully implements the concept of diversity in the composition of Board of Directors, which is beneficial to its development goals, including succession planning, equipment replacement, research and development of advanced products, promotion of energy conservation and carbon reduction, construction of high-value industry chain, creation of smart production and sale, and commitment to the circular economy in the future.

Implementation of diversity policy for members of the Board of Directors:

Core Diversity Element / Name of Director	Composition								Business Management	Decision-Making	Industry Knowledge	Steel Industry Management Experience	Finance and Accounting	Marketing	Technology	Risk Management	ESG
	Gender	Employed by the Company	Ages			Tenure of Independent Directors											
			50 ~ 59	60 ~ 69	> 70	< 3 yrs	4~8 yrs	> 9 yrs									
Chairman Chao-Tung Wong	Male			V					V	V	V	V		V		V	V
Director Wen-Sheng Tseng	Male		V						V	V	V						V
Director Ming-Jong Liu	Male				V				V	V	V						V
Director Shyi-Chin Wang	Male			V					V	V	V	V			V		V
Director Chien-Chih Hwang	Male	V		V					V	V	V	V		V			V
Director Cheng-I Weng	Male				V					V	V				V		V
Director Shou-Tao Chen	Male	V		V					V	V	V	V			V		V
Director Chun-Sheng Chen	Male	V		V					V	V	V					V	V
Independent Director Shyue-Bin Chang	Male				V		V		V	V	V				V		V
Independent Director Min-Hsiung Hon	Male				V		V		V	V	V				V		V
Independent Director Lan-Feng Kao	Female		V				V				V		V			V	V

2. Board Independence:

The Board of Directors of the Company is composed of 11 Directors, 3 of whom are Independent Directors (accounting for 27%). All independent directors maintain independence within the scope of their duties, and none of them have direct or indirect interest relationship with the Company. All independent directors also serve for Audit Committee and are responsible for overseeing matters including fair presentation of the Company's financial reports, the appointment (and dismissal), independence and performance of the Company's CPA, the effective implementation of the Company's internal control system, the Company's compliance with relevant laws and regulations, and the Company's risk management and control mechanism.

None of the Directors (including Independent Directors) has a marital relationship or falls within the second degree of relationship with each other, also Chairman and the President of the Company are held by different persons. Meanwhile in Paragraph 1, Article 20 of Rules of Procedure for Board of Directors Meetings of the Company stipulates that "With regard to Board Meeting proposals, a Director shall explain, to the Board of Directors, the important content of interests if he/she, the corporate he/she represents or the following persons and enterprises have conflict of interests in such proposals. If there are concerns that such conflict of interests may impair the interests of the Company, the Director shall not take part in discussion and voting, nor exercise voting rights on behalf of other Directors, and shall recuse him/herself from discussion and voting." All directors of the Company have complied with the aforementioned requirements and have ensured independence on the Board.

(IV)Information on Management Team

As of March 31, 2024

Title	Nationality	Name	Gender	Date of Assumption of Office	Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Academic and Career Background	Positions Currently Held in Other Companies	Managers with spouses or relatives within the second degree of kinship			Remarks (Note 4)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
President	Taiwan, R.O.C.	Shyi-Chin Wang	Male	2019.09.30 2022.08.05 (Note 1)	411,010	0	271,356	0	0	0	PhD in Materials Science, National Sun Yat-sen University Executive Vice President, China Steel Corporation	Chairman, China Steel Power Holding Corporation; Chairman, China Steel Power Corporation; Director, China Steel Chemical Corporation; Director, China Ecotek Corporation; Director, Dragon Steel Corporation	None	None	None	Not applicable
Executive Vice President/ Chief Information Security Officer/ Corporate Governance Officer	Taiwan, R.O.C.	Chien-Chih Hwang	Male	2019.09.30 (Note 2,3)	33,233	0	0	0	0	0	Bachelor of Economics, Tunghai University Vice President of Commercial Division, China Steel Corporation	Chairman, Dragon Steel Corporation; Director, Taiwan High Speed Rail Corporation; Director, China Steel Structure Co., Ltd; Director, China Steel Express Corporation; Director, China Steel Global Trading Corporation; Director, Formosa Ha Tinh (Cayman) Limited; Director, Formosa Ha Tinh Steel Corporation	None	None	None	
Vice President, Administration Division	Taiwan, R.O.C.	I-Chung Huang	Male	2021.09.24	168,827	0	13,952	0	0	0	Masters of Labor Science, Chinese Culture University Assistant Vice President of Administration Division, China Steel Corporation	Director, China Steel Express Corporation; Director, China Steel Security Corporation; Director, KHH Arena Corporation; Supervisor, Dragon Steel Corporation	None	None	None	
Vice President, Commercial Division	Taiwan, R.O.C.	Ming-Yuan Chen	Male	2024.02.01	1,000	0	0	0	0	0	Bachelor of Mechanical Engineering, Feng Chia University Assistant Vice President of Commercial Division, China Steel Corporation	Chairman, China Steel Global Trading Corporation; Chairman, China Steel and Nippon Steel Vietnam Joint Stock Company	None	None	None	
Vice President, Finance Division	Taiwan, R.O.C.	Yueh-Kun Yang	Male	2018.07.01	32,427	0	599	0	0	0	Master of Business Management, National Sun Yat-sen University Assistant Vice President of Finance Division, China Steel Corporation	Chairman, Kaohsiung Rapid Transit Corporation; Director, C.S.Aluminium Corporation	None	None	None	
Vice President, Corporate Planning Division	Taiwan, R.O.C.	Kuan-Fu Chen	Male	2023.08.04	57,613	0	11,078	0	0	0	Master of Management, University Of Surrey Assistant Vice President of Corporate Planning Division, China Steel Corporation	Chairman, Eminent II Venture Capital Corporation Director, Kaohsiung Rapid Transit Corporation; Director, China Steel Machinery Corporation	None	None	None	

Title	Nationality	Name	Gender	Date of Assumption of Office	Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Academic and Career Background	Positions Currently Held in Other Companies	Managers with spouses or relatives within the second degree of kinship			Remarks (Note 4)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Vice President, Technology Division	Taiwan, R.O.C.	Jih-Jau Jeng	Male	2021.05.07	50,348	0	0	0	0	0	Ph.D. in Mining, Metallurgy and Mechanical Engineering, Clausthal University of Technology Assistant Vice President, Technology Division, China Steel Corporation	Director, InfoChamp Systems Corporation; Director, Gains Investment Corporation; Director, Rechi Precision Co., Ltd.	None	None	None	
Vice President, Engineering Division	Taiwan, R.O.C.	Jui-Teng Chen	Male	2022.08.05	25,572	0	87,753	0	0	0	Masters of Industrial Engineering, National Chiao Tung University; President, China Steel Structure Co., Ltd.	Chairman, China Steel Structure Co., Ltd.	None	None	None	
Vice President, Production Division	Taiwan, R.O.C.	Shou-Tao Chen	Male	2021.06.18	91,064	0	1,275	0	0	0	Bachelor of Power Mechanical Engineering, National Tsing Hua University; Assistant Vice President, Production Division, China Steel Corporation	Chairman, China Steel Machinery Corporation Director, Tang Eng Iron Works Co., Ltd.; Director, Dragon Steel Corporation; Director, China Steel Express Corporation	None	None	None	
General Manager, Finance Department	Taiwan, R.O.C.	Shih-Hsin Chen	Male	2019.07.01	306	0	0	0	0	0	Master of Finance, National Chengchi University; Assistant Vice President of Finance Division, Dragon Steel Corporation	Supervisor, Wuxi Teco Electric & Machinery Co., Ltd.	None	None	None	
General Manager, Accounting Department	Taiwan, R.O.C.	Pei-Yu Lee	Female	2023.03.01	0	0	0	0	0	0	Master of Public Finance, National Chengchi University; Acting Manager of Group Accounting Section, Accounting Department, China Steel Corporation	Director, HIMAG Magnetic Corporation	None	None	None	

Note 1: Mr. Shyi-Chin Wang beacme President of the Company on September 30, 2019 until his mandatory retirement on May 31, 2022; the Board of Directors approved the appointment of Mr. Shyi-Chin Wang to hold a concurrent post as President of the Company while serving as one of the representatives of Juristic-person Directors on August 5, 2022.

Note 2: The Board of Directors approved the appointment of Mr. Chien-Chih Hwang, Executive Vice President, to hold a concurrent post as Chief Information Security Officer on November 4, 2022.

Note 3: The Board of Directors approved the appointment of Mr. Chien-Chih Hwang, Executive Vice President, to hold a concurrent post as Corporate Governance Officer on February 24, 2023.

Note 4: Where the Chairman, President or person holds an equivalent position (the highest level management) of the Company are the same person, spouses, or relatives within the first degree of relationship, an relevant explanation shall be given regarding the information on the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (including methods such as increasing the number of seats for Independent Directors and more than half of the Directors shall not hold a position as employees or managements).

III. Compensations of Directors, President and Vice Presidents

(I) Compensations Paid to Non-independent Directors and Independent Directors

Unit: NT$ thousands, as of December 31, 2023

Title	Name	Compensation Paid to Directors								Sum of A, B, C and D/ The Sum as A Percentage of Net Income (%)		Compensation Received by a Director Who is Also an Employee								Sum of A, B, C ,D, E, F and G/ The Sum as A Percentage of Net Income		Compensation Paid to Directors by Non-consolidated Affiliates or Parent Company
		Base Compensation (A)		Severance Pay and Pension(B)		Remuneration to Directors(C)		Allowances (D)				Salary, Bonus and Allowance (E)		Severance Pay and Pension (F)		Remuneration to Employees (G)						
		The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company		Consolidated Entities		The Company	Consolidated Entities	
																Cash	stock	Cash	stock			
Chairman	Chao-Tung Wong (Representative of Ministry of Economic Affairs)	0	3,987	0	0	2,196	1,098	928	1,415	3,124 0.186%	6,500 0.387%	19,949	19,949	488	488	649	0	649	0	24,210 1.440%	27,586 1.640%	29
Director	Ministry of Economic Affairs																					
	Chiun Yu Investment Corporation																					
	Ever Wealthy International Corporation																					
	Hung Kao Investment Corporation																					
	Gau Ruei Investment Corporation																					
	Labor Union of China Steel Corporation, Kaohsiung City																					
	Wen-Sheng Tseng (Representative of Ministry of Economic Affairs)																					
	Ming-Jong Liou (Representative of Ministry of Economic Affairs)																					
	Shyi-Chin Wang (Representative of Chiun Yu Investment Corporation)																					
	Chien-Chih Hwang (Representative of Ever Wealthy International Corporation)																					
	Cheng-I Weng (Representative of Hung Kao Investment Corporation)																					
	Yueh-Kun Yang (Note 1) (Representative of Gau Ruei Investment Corporation)																					
	Shou-Tao Chen (Note 1) (Representative of Gau Ruei Investment Corporation)																					
	Chun-Sheng Chen (Representative of Labor Union of China Steel Corporation, Kaohsiung City)																					
Independent Director	Shyue-Bin Chang	2,160	2,160	0	0	0	0	775	775	2,935 0.175%	2,935 0.175%	0	0	0	0	0	0	0	0	2,935 0.175%	2,935 0.175%	0
	Min-Hsiung Hon																					
	Lan-Feng Kao																					

★ Policies, system, standards and structure of compensation paid to Independent Directors and the correlation of such compensation with their reponsability, risks and time devoted to business:

(1) The remuneration for Independent Directors is a fixed compensation. An Independent Director is entitled to a remuneration of NT$60,000 per month and shall not receive the remuneration for Directors as set out in Article 6 of Articles of Incorporation of the Company. The profit or loss of the Company does not affect the fixed compensation of Independent Directors.

(2) Independent Directors shall participate in Board meetings, and the travel expenses shall be borne by the Company.

(3) Where any Independent Director serves as a member of a functional committee and participates in the meeting of the functional committee under the Board of Directors, the Company shall pay attendance fee according to the actual attendance.

★ In addition to the disclosure above, compensation paid to Directors for their services (e.g. providing consulting services as a non-employee to parent company, all the consolidated entities in the financial statements, and non-consolidated affiliates): None.

Note:
1. Gau Ruei Investment Corporation appointed Mr. Shou-Tao Chen to replace Mr. Yueh-Kun Yang as its representative on August 4, 2023.
2. Compensations paid to Non-independent Directors and Independent Directors only include the compensations received by juristic person directors and representatives during their tenure.
3. Remuneration to Directors of the Company is fully received by juristic person directors. The travel expenses for the Ministry of Economic Affairs are shared by juristic person and its representatives in an agreed ratio, whereas the travel expenses for Labor Union of China Steel Corporation are received by juristic person.
4. Consolidated entities include the Company, however where juristic person directors of the Company are one of the consolidated entities, various types of compensations received by juristic persons shall be eliminated under the column headed "Consolidated Entities".
5. Directors of the Company (juristic persons and representatives) do not receive or contribute to severance pay and pension upon resignation or retirement. Meanwhile, for representatives of juristic person who serve as employees at the Company, the total amount of severance pay and pension contributed in 2023 according to the law was NT$488 thousand.

Range of Compensation

Range of compensation paid to Directors of the Company	Directors' Name			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	Consolidated Entities	The Company	Parent Company and Affiliates
Under NT$1,000,000	Chao-Tung Wong, Wen-Sheng Tseng, Ming-Jong Liou, Shyi-Chin Wang, Chien-Chih Hwang, Cheng-I Weng, Yueh-Kun Yang, Shou-Tao Chen, Chun-Sheng Chen, Shyue-Bin Chang, Min-Hsiung Hon, Lan-Feng Kao, Ministry of Economic Affairs, Chiun Yu Investment Corporation, Ever Wealthy International Corporation, Hung Kao Investment Corporation, Gau Ruei Investment Corporation, and Labor Union of CSC	Chao-Tung Wong, Wen-Sheng Tseng, Ming-Jong Liou, Chien-Chih Hwang, Cheng-I Weng, Yueh-Kun Yang, Shou-Tao Chen, Chun-Sheng Chen, Shyue-Bin Chang, Min-Hsiung Hon, Lan-Feng Kao, Ministry of Economic Affairs, Chiun Yu Investment Corporation, Ever Wealthy International Corporation, Hung Kao Investment Corporation, Gau Ruei Investment Corporation, and Labor Union of CSC	Wen-Sheng Tseng, Ming-Jong Liou, Shyi-Chin Wang, Cheng-I Weng, Shyue-Bin Chang, Min-Hsiung Hon, Lan-Feng Kao, Ministry of Economic Affairs, Chiun Yu Investment Corporation, Ever Wealthy International Corporation, Hung Kao Investment Corporation, Gau Ruei Investment Corporation, and Labor Union of CSC	Wen-Sheng Tseng, Ming-Jong Liou, Cheng-I Weng, Shyue-Bin Chang, Min-Hsiung Hon, Lan-Feng Kao, Ministry of Economic Affairs, Chiun Yu Investment Corporation, Ever Wealthy International Corporation, Hung Kao Investment Corporation, Gau Ruei Investment Corporation, and Labor Union of CSC
NT$1,000,000 (inclusive) - NT$2,000,000 (not inclusive)	None	None	Chun-Sheng Chen	Chun-Sheng Chen
NT$2,000,000 (inclusive) - NT$3,500,000 (not inclusive)	None	None	Yueh-Kun Yang and Shou-Tao Chen	Yueh-Kun Yang and Shou-Tao Chen
NT$3,500,000 (inclusive) - NT$5,000,000 (not inclusive)	None	Shyi-Chin Wang	None	Shyi-Chin Wang
NT$5,000,000 (inclusive) - NT$10,000,000 (not inclusive)	None	None	Chao-Tung Wong and Chien-Chih Hwang	Chao-Tung Wong and Chien-Chih Hwang
NT$10,000,000 (inclusive) - NT$15,000,000 (not inclusive)	None	None	None	None
NT$15,000,000 (inclusive) - NT$30,000,000 (not inclusive)	None	None	None	None
NT$30,000,000 (inclusive) - NT$50,000,000 (not inclusive)	None	None	None	None
NT$50,000,000 (inclusive) - NT$100,000,000 (not inclusive)	None	None	None	None
NT$100,000,000 and above	None	None	None	None
Total number of persons in each amount range	18	18	18	18

Note: Remuneration to Directors of the Company is fully received by juristic person directors. Compensation paid to representatives of juristic person directors who serve as employees also include salaries and remuneration to employees.

(II) Compensations Paid to President and Vice Presidents

Unit: NT$ thousands, as of December 31, 2023

Title		Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)		Remuneration to Employees(D)				Sum of A, B, C and D/ The Sum as A Percentage of Net Income (%)		Compensation Paid by Non-consolidated Affiliates or Parent Company
			The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company		Consolidated Entities		The Company	Consolidated Entities	
									Cash	Stock	Cash	Stock			
Managers	President	Shyi-Chin Wang (Note 2)	27,853	27,853	1,319	1,319	8,258	12,932	1,939	0	1,939	0	39,369 2.341%	44,043 2.619%	48
	Executive Vice President	Chien-Chih Hwang													
	Vice President	I-Chung Huang													
		Min-Hsiung Liu													
		Yueh-Kun Yang													
		Pai-Chien Huang (Note 3)													
		Kuan-Fu Chen (Note 3)													
		Jih-Jau Jeng													
		Jui-Teng Chen													
		Shou-Tao Chen													

Note:

1. Consolidated entities include the Company.
2. Compensations paid to President and Vice Presidents only include the compensations received by them during their tenure of this position in 2023. Among managers, President of the Company, Mr. Shyi-Chin Wang reached retirement age on May 31, 2022. On August 5, 2022, the Board of Directors approved the appointment of Mr. Shyi-Chin Wang to hold a concurrent post as President of the Company while serving as one of the Directors. Meanwhile, Mr. Shyi-Chin Wang only received compensations as a representative of juristic person director and did not receive salaries, bonus and remuneration from the Company.
3. Vice President of Corporate Planning Division, Mr. Pai-Chien Huang, reached retirement age on January 31, 2023, whose successor Mr. Kuan-Fu Chen was promoted as the Vice President of Corporate Planning Division on August 4, 2023.

Range of Compensation

Range of compensation paid to Presidents and Vice Presidents of the Company	Name of President and Vice President	
	The Company	Consolidated Entities
Under NT$1,000,000	Shyi-Chin Wang	None
NT$1,000,000 (inclusive) - NT$2,000,000 (not inclusive)	Pai-Chien Huang and Kuan-Fu Chen	Pai-Chien Huang and Kuan-Fu Chen
NT$2,000,000 (inclusive) - NT$3,500,000 (not inclusive)	None	None
NT$3,500,000 (inclusive) - NT$5,000,000 (not inclusive)	I-Chung Huang, Jih-Jau Jeng, and Jui-Teng Chen	Shyi-Chin Wang, I-Chung Huang, Jih-Jau Jeng, and Jui-Teng Chen
NT$5,000,000 (inclusive) - NT$10,000,000 (not inclusive)	Chien-Chih Hwang, Min-Hsiung Liu, Yueh-Kun Yang, and Shou-Tao Chen	Chien-Chih Hwang, Min-Hsiung Liu, Yueh-Kun Yang, and Shou-Tao Chen
NT$10,000,000 (inclusive) - NT$15,000,000 (not inclusive)	None	None
NT$15,000,000 (inclusive) - NT$30,000,000 (not inclusive)	None	None
NT$30,000,000 (inclusive) - NT$50,000,000 (not inclusive)	None	None
NT$50,000,000 (inclusive) - NT$100,000,000 (not inclusive)	None	None
NT$100,000,000 and above	None	None
Total number of persons in each amount range	10	10

(III) Employee Remuneration Distributed to Managerial Personnel and Distribution Situation

As of December 31, 2023

Unit: NT$ thousands

	Title	Name	Amount of Stock	Amount of Cash	Total	Total Amount as A Percentage of Net Income (%)
Managerial Personnel	Executive Vice President	Chien-Chih Hwang	0	2,041	2,041	0.121
	Vice President	I-Chung Huang				
		Min-Hsiung Liu				
		Yueh-Kun Yang				
		Pai-Chien Huang				
		Kuan-Fu Chen				
		Jih-Jau Jeng				
		Jui-Teng Chen				
		Shou-Tao Chen				
General Manager, Finance Department		Shih-Hsin Chen				
General Manager, Accounting Department		Kai-Ching Huang				
		Pei-Yu Lee				
Director	President of Labor Union	Chun-Sheng Chen				

(IV) Analysis on proportion of compensation paid to Directors, President and Vice Presidents of the Company to net income in the most recent two years; description of policies, standards and portfolios of compensation payments; procedures for determining compensation and correlation of such compensation with business performance and future risks:

1. In 2023, total compensation paid to Directors, President and Vice Presidents of the Company accounted for 3.23% of the Company's net income. In 2022, total compensation paid to Directors, President and Vice Presidents of the Company constituted 0.61% of the Company's net income. Independent Directors of the Company only receive fixed compensation and are not entitled to the distribution of remuneration for Directors. The policies and standards for compensations paid by the Company to Directors, President and Vice Presidents are clearly stated in Paragraph 1, Article 6 of the Company's Articles of Incorporation, which stipulates that "If there is profit in any given fiscal year, the Company shall set aside no less than 0.1% as the remuneration in stock or cash for employees, and no more than 0.15% as the remuneration for Directors…." Also in Article 9 of Rules Governing the Performance Evaluation of the Board of Directors stated that "The results of the performance evaluation for the Board of Directors shall be used as a reference and the basis for the election or nomination of Directors, while the results of performance evaluation for each Director (excluding Independent Directors) will also serve as a reference and the basis for determining the remuneration allocation for Directors." With regard to employee remuneration for Presidents and Vice Presidents, the Board of Directors has approved that 1.5% of the total amount of employee remuneration shall be distributed to them. Travel expenses for Directors are determined referring to the standards set by industry peers. Incentives for President and Vice Presidents are distributed according to a certain proportion of the Company's profit in the previous year.
2. The compensation paid by the Company, according to the Organization Regulations for Remuneration Committee, includes cash remuneration, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures, which is consistent with the scope of the

compensation for directors and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

3. As for the procedures for determining compensation, the Company has formulated the Rules Governing the Performance Evaluation of the Board of Directors and Performance Appraisal Rules applicable to managements and employees as the basis for performance evaluation and appraisal and as a reference for determining reasonable allocation of remuneration, which is also linked to the Company's operating performance. The evaluation criteria used to measure the performance of the Board of Directors include the level of participation in business operations and the supervision and assessment of risk management and controls. The appraisal items for managements consist of financial indicators (e.g. sales volume of steel products, order of steel products, amount of cost savings, etc.) and non-financial indicators (e.g. number of major occupational accidents, number of process improvements, and number of projects completed, etc.). Compensation paid to Directors and the remuneration for employees and incentive bonus paid to managements are determined according to the results of performance evaluation. The reasonableness of performance appraisal and remuneration is reviewed by both the Remuneration Committee and the Board of Directors on an annual basis.

IV. Implementation of Corporate Governance

(I) Operation of the Board of Directors

1. In 2023, the 18th Board of Directors convened a total of 5 meetings. Attendance of Directors is listed as follows:

(January 1, 2023 to December 31, 2023)

Title	Name		Attendance in Person	Attendance by Proxy	Required Attendance	Percentage of Attendance in Person (%)	Remarks
Chairman	Representative of Ministry of Economic Affairs	Chao-Tung Wong	5	0	5	100%	None
Director	Representative of Ministry of Economic Affairs	Wen-Sheng Tseng	5	0	5	100%	None
Director	Representative of Ministry of Economic Affairs	Ming-Jong Liou	5	0	5	100%	None
Director	Representativeof Chiun Yu Investment Corporation	Shyi-Chin Wang	5	0	5	100%	None
Director	Representativeof Ever Wealthy International Corporation	Chien-Chih Hwang	5	0	5	100%	None
Director	Representative of Hung Kao Investment Corporation	Cheng-I, Weng	5	0	5	100%	None
Director	Representative of Gau Ruei Investment Corporation	Yueh-Kun Yang	3	0	3	100%	Shou-Tao Chen was appointed as the representative on August 4, 2023.
		Shou-Tao Chen	2	0	2	100%	
Director	Representative of Labor Union of China Steel Corporation, Kaohsiung City	Chun-Sheng Chen	5	0	5	100%	None
Independent Director	Shyue-Bin Chang		5	0	5	100%	None
Independent Director	Min-Hsiung Hon		5	0	5	100%	None
Independent Director	Lan-Feng Kao		5	0	5	100%	None

Other matters to be noted:

1. If any of the following applies to the operation of Board of Directors, the date and session of Board Meetings, the content of proposals, Independent Directors' opinions, and the Company's actions in response to Independent Directors' opinions shall be stated:

(1) Items listed in Article 14-3 of the Securities and Exchange Act:

Date and Session of Board Meeting	Proposal	Independent Directors' opinions	The Company's actions in response to Independent Directors' opinions
2023.02.24 The 5th meeting of the 18th Board of Directors	Discussion Item 3: Proposal for Distribution of 2022 Profits	No opinion.	NA
	Discussion Item 6: Proposal to invest NT$362.77 million in the “Addition of Desulfurization System for Boiler No. 11 in the Power Plant” project	No opinion.	NA
	Discussion Item 7: Proposal to provide loans totaled NT$2.3 billion to 4 subsidiaries, including C.S.Aluminium Corporation, etc.	No opinion.	NA

Date and Session of Board Meeting	Proposal	Independent Directors' opinions	The Company's actions in response to Independent Directors' opinions
	Discussion Item 9: Proposal to continue to appoint Deloitte Taiwan to audit and attest the Company's Financial Statements, and adjust the CPA fee to NT$21.568 million per year for a period of 5 years	No opinion.	NA
	Discussion Item 12: Amendments to the Company's "Internal Control System Provisions"	No opinion.	NA
	Discussion Item 13: The Company's "2022 Statement on Internal Control System"	No opinion.	NA
	Discussion Item 15: Pei-Yu Lee will succeed Kai-Ching Huang as the Accounting Manager of the Company effective from March 1, 2023	No opinion.	NA
2023.05.05 The 6th meeting of the 18th Board of Directors	Discussion Item 2: Proposal to provide loans totaled NT$3 billion to 5 subsidiaries, including C.S. Aluminium Corporation, etc.	No opinion.	NA
	Discussion Item 6: To transfer 70% shares of Changzhou China Steel Precision Materials Co., Ltd. (CSPM) held by China Steel Asia Pacific Holdings Pte Ltd (CSAP), a subsidiary of the Company, to ThinTech Materials Technology Co., Ltd.	1. This proposal was reviewed by the Audit Committee on May 3. During the meeting, discussions were held regarding issues such as the fair value of the shares to be exchanged, the equity valuation report from PwC, the thoroughness and reasonableness of the auditor's fairness opinion on the price, and the willingness of ThinTech's shareholders. The Corporate Planning Division also provided appropriate explanations. 2. The proposal can contribute to operational synergies for CSC Group, and we are positive about the outcomes.	1. The Company will handle the matter in accordance with the "Procedures for Acquisition or Disposal of Assets." 2. The Company will regularly evaluate the operating performance of its subsidiaries in accordance with the "Supervision Regulations of Subsidiaries" and the "Measures for the Evaluation of Operating Performance of Subsidiaries."
	Discussion Item 7: Proposal to renew the Company's lease of a small parcel of land along Tien Tzu rear section in Hsiao Kang District, Kaohsiung City from CHC Resources Corporation after the expiration of the lease on June 30, 2023	No opinion.	NA

Date and Session of Board Meeting	Proposal	Independent Directors' opinions	The Company's actions in response to Independent Directors' opinions
2023.08.04 The 7th meeting of the 18th Board of Directors	Discussion Item 2: Proposal to provide loans totaled NT$1.6 billion to Kaohsiung Rapid Transit Company and Sing Da Marine Structure Corporation	No opinion.	NA
2023.11.03 The 8th meeting of the 18th Board of Directors	Discussion Item 2: Proposal to invest NT$ 638 million in the "Addition of Neon Gas Production Equipment in the Oxygen Plant" project	No opinion.	NA
	Discussion Item 3: Proposal to dispose of the common shares of Dyna Rechi Co., Ltd. held by the Company	No opinion.	NA
	Discussion Item 4: Proposal to subcontract the civil engineering works of Straight Bar Finishing Line (Phase-C) at No. 2 Bar Mill out to United Steel Engineering & Construction Corporation upon price negotiation	No opinion.	NA
	Discussion Item 5: Proposal to provide loans totaled NT$2.6 billion to 5 subsidiaries, including Chung Hung Steel Corporation, etc.	This proposal was submitted to the Audit Committee for review, and the financial operations of all 5 subsidiary companies were considered normal.	The Company will handle the matter in accordance with the "Procedures for Loaning of Funds."
	Discussion Item 12: Proposal to repurchase 150 million common shares of the Company	No opinion.	NA
2023.12.29 The 9th meeting of the 18th Board of Directors	No items as listed in Article 14-3 of the Securities and Exchange Act.		

(2) In addition to the preceding matters, other resolutions of Board Meetings on which Independent Directors have dissenting opinions or qualified opinions, and that are documented or issued through written statements: None.

2. Recusal of Directors due to conflict of interests (the name of the Directors, the content of proposals, reasons for recusal, and participation in voting shall be stated):

All the Directors of the Company follow the regulation of Paragraph 1 and 2, Article 20 of the China Steel Corporation Rules of Procedure for Board of Directors Meetings, which stipulates that "With regard to Board Meeting proposals, a Director shall explain, to the Board of Directors, the important content of interests if he/she or the corporate he/she represents have conflict of interests in such proposals. If there are concerns that such conflict of interests may impair the interests of the Company, the Director shall not take part in discussion and voting, nor exercise voting rights on behalf of other Directors, and shall recuse him/herself from discussion and voting. Where the spouse or a blood relative within the second degree of kinship of a Director, or a company which has a controlling or subordinate relation with a Director, has conflict of interests in the proposals as described in the preceding paragraph, he/she shall be deemed to have conflict of interests with respect to that proposal."

(1) The 5th meeting of the 18th Board of Directors on February 24, 2023: Proposal regarding the 2022 Year-End Performance Evaluation of Executive Vice President and Vice Presidents (From January to December): Directors Shyi-Chin Wang, Chien-Chih Hwang, and Yueh-Kun Yang recused themselves according to applicable laws.

(2) The 6th meeting of the 18th Board of Directors on May 5, 2023: Proposal regarding the appointment of President: Director Shyi-Chin Wang recused himself according to applicable laws.

(3) The 7th meeting of the 18th Board of Directors on August 4, 2023: Proposal to provide loans totaled NT$1.6 billion to 2 subsidiaries, Kaohsiung Rapid Transit Corporation and Sing Da Marine Structure Corporation: Director Yueh-Kun Yang recused himself according to applicable laws.

(4) The 7th meeting of the 18th Board of Directors on August 4, 2023: Proposal regarding the 2023 Mid-Year Performance Evaluation of Executive Vice President, and Vice Presidents (From January to June): Directors Chien-Chih Hwang and Yueh-Kun Yang recused themselves according to applicable laws.

(5) The 8th meeting of the 18th Board of Directors on November 3, 2023: Proposal to provide loans totaled NT$2.6 billion to 5 subsidiaries, including Chung Hung Steel Corporation, etc.: Chairman Chao-Tung Wong recused himself according to applicable laws.

(6) The 8th meeting of the 18th Board of Directors on November 3, 2023: Proposal regarding the salary and benefit adjustment for appointed managements: Directors Chien-Chih Hwang and Shou-Tao Chen recused themselves according to applicable laws.

3. TWSE/TPEx listed companies shall disclose the information of self-evaluation (or peer evaluation) of the Board of Directors, such as evaluation cycle, period, scope, method and contents:

The Company has formulated the Rules Governing the Performance Evaluation of the Board of Directors approved by the Board of Directors, which specifies that the Company shall conducts internal evaluation every year and external evaluation by an external independent professional institution or a panel of external experts and scholars at least once every three years. The scope of the performance evaluation includes Board of Directors, Board Members, and functional committees of the Board of Directors.

(1) External Evaluation: The Company commissioned an external independent professional institution, the Taiwan Corporate Governance Association (TCGA) in 2022, to conduct an external performance evaluation of the Board of Directors for the year ended 2021. The evaluation results were submitted to the Board of Directors on May 6, 2022. Furthermore, the Company has planned to implement the items suggested by the external evaluation institution to strengthen corporate governance.

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
To conduct at least once every three years	2021.01.01 ~ 2021.12.31	Board of Directors, Board Members, and Functional Committees of the Board of Directors	The TCGA reviewed the relevant documents provided by the Company and sent 3 evaluation experts to the Company on March 8, 2022 for on-site evaluation, in which the Chairman, the conveners of the functional committees of the Board of Directors, President, Corporate Governance Officer and Chief Auditor, etc. were interviewed.	Review the operation of the Board of Directors in eight areas, including Board composition, Board direction, Board authorization, Board supervision, Board communication, internal control and risk management, Board self-regulation, and others such as Board of Directors' meetings and support system.

(2) Internal Self-Evaluation

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
To conduct once in a year	2023.01.01 ~ 2023.12.31	Board of Directors, Board Members, and Functional Committees of the Board of Directors	Self-Evaluation Questionnaire	(1) The measurement items for the performance evaluation of the Board of Directors include the following five aspects: A. Involvement in the Company's operations B. Improvement in the quality of decision-making of the Board of Directors C. Composition and structure of the Board of Directors D. Election and continuing education of Directors E. Internal Control (2) The measurement items for the performance evaluation of the Board Members include the following six aspects: A. Alignment of the Company's goals and missions B. Awareness of the duties of the Director C. Involvement in the Company's operations D. Management of internal relations and communication E. Professionalism and continuing education of Directors F. Internal Control (3) The measurement items for the performance evaluation of the Functional Committees include the following five aspects: A. Involvement in the Company's operations B. Awareness of the duties of the functional committees C. Improvement in the quality of decisionmaking of the functional committees D. Composition of the functional committees, and election of its members E. Internal Control

Internal performance evaluation of the Board of Directors in 2023 comprises 20 self-evaluation indicators. The full mark for each indicator is 5. The evaluation results have been reported to the Board of Directors on Febuary 29, 2024 and are summarized as follows:

Type of self-evaluation	Average indicator score	Average total score of the questionnaire
Board of Directors	4.95	98.91
Board Members	4.99	99.73
Audit Committee	4.98	99.67
Remuneration Committee	4.97	99.33
Corporate Governance and Sustainability Committee	4.99	99.80

A. Performance evaluation of the Board of Directors: All of the individual indicators were scored between 5 (very satisfactory) to 4 (satisfactory). The Board of Directors is well-functioning, and the operation of the Board of Directors meets the requirements of corporate governance and directors' expectations.
B. Performance evaluation of the Board Members: All of the individual indicators were scored between 5 (very satisfactory) to 4 (satisfactory). The Board of Directors is well-functioning, and the operation of the Board of Directors meets the requirements of corporate governance and directors' expectations.
C. Performance evaluation of each Functional Committee: All of the individual indicators were scored between 5 (very satisfactory) to 4 (satisfactory). The Remuneration Committee's performance in the

aspect of "Ensuring Compliance with Laws and Best Practices Related to Remuneration and ESG" slightly falls below the average score for the committee. The Company has planned to develop an ESG-linked management remuneration mechanism to promote sustainable development. The operational performance of other functional committees is satisfactory, meeting corporate governance requirements.

4. Measures for strengthening the functions of Board of Directors in the current year and the most recent year, and relevant implementation assessment
   (1) In 2024, the Company continued to develop its ten-year operational development strategy, formulating overarching strategies, objectives, and specific plans for the next decade starting from 2024 based on a framework of dual cores and three transformations. The new phase (2024-2033) of operational development strategy was presented to the Board of Directors on December 29, 2023, with discussions and suggestions specifically addressing the proportion of Advanced Premium Steel's gross profit in total sales. To follow up the implementation of these strategies, the Company reports the implementation outcomes to the Corporate Governance and Sustainability Committee on a semi-annual basis and to the Board of Directors after the end of the year.
   (2) In order to properly respond to relevant issues of concern to stakeholders and understand their reasonable expectations and needs, the Company has delegated various departments to be responsible for stakeholder communication. In addition, the Company arranges engagements between domestic and foreign investors and the Board members from time to time. CSC's Corporate Governance and Sustainability Committee reported the annual stakeholder engagement results to the Board of Directors in August 2023, and also reported topics of concern to institutional investors for 2023 and their suggestions for improvement to the Board of Directors in February 2024.
   (3) The Company discloses the important resolutions of the Board Meetings on the corporate website, and maintains directors and officers (D&O) liability insurance for Directors.
5. Operation of the Corporate Governance and Sustainability Committee
   (1) The Corporate Governance and Sustainability Committee consists of 5 Directors, including 3 Independent Directors, whose expertise covers areas including mechanical engineering, materials science, and finance and accounting, as well as the Employee Director who concerns about labor rights and the Director with practical management experience, which meets the professional requirements for corporate governance and sustainable development of this Committee.
   (2) To implement policies on sustainable operations and fulfill the risk management, the authority of the Committee includes:
      I. Promoting and improving the corporate governance structure and systems
      II. Promoting and implementing ethical corporate management related work
      III. Promoting and developing policies of sustainable development and matters related to sustainable management
      IV. Implementing and assisting in supervision of matters related to risk management
      V. Planning and promoting matters related to energy saving & carbon reduction and carbon neutrality
      VI. Planning and promoting matters related to digital transformation
      VII. Implementing other matters resolved by the Board of Directors
   (3) Operation of the Corporate Governance and Sustainability Committee
      The Corporate Governance and Sustainability Committee convened a total of 3 meetings in 2023, discussing the amendments of the organization regulations of the Committee and the implementation of sustainable development.

(2023.01.01~2023.12.31)

Title	Name	Attendance in Person	Attendance by Proxy	Percentage of Attendance in Person (%)	Remarks
Independent Director (Convener)	Shyue-Bin Chang	3	0	100%	None
Independent Director	Min-Hsiung Hon	3	0	100%	None
Independent Director	Lan-Feng Kao	3	0	100%	None
Director	Chien-Chih Hwang	3	0	100%	None
Director	Chun-Sheng Chen	3	0	100%	None

(II) Operation of the Audit Committee

The Company established the Audit Committee on June 23, 2016. In 2023, the Audit Committee of the Board of Directors convened a total of 5 meetings. Attendance of Independent Directors is listed as follows:

(2023.01.01~2023.12.31)

Title	Name	Attendance in Person	Attendance by Proxy	Percentage of Attendance in Person (%)	Remarks
Independent Director (Convener)	Lan-Feng Kao	5	0	100%	None
Independent Director	Shyue-Bin Chang	5	0	100%	None
Independent Director	Min-Hsiung Hon	5	0	100%	None

1. Professional qualifications and experience of Audit Committee members

Title	Name	Professional qualifications and experience
Independent Director	Lan-Feng Kao	**Expertise:** Accounting/Finance, Corporate governance **Education:** Ph.D.in Accounting, National Cheng Kung University
Independent Director	Shyue-Bin Chang	**Expertise:** Aviation industry; Electrical and mechanical engineering, Board member of other listed companies. **Education:** Ph.D.in Mechanical and Aerospace Engineering, Cornell University, U.S.A.
Independent Director	Min-Hsiung Hon	**Expertise:** Materials science **Education:** Ph.D. inMaterials Science and Engineering, North Carolina State University, U.S.A.
For the experience and other current positions of Independent Directors, please refer to page 19-21 Information on Diretors of this annual report.		

2. Annual focus of the Audit Committee:
   (1)Audit of the annual business report and financial statements.
   (2)Review of planned capital expenditure projects, focusing on the implementation of intelligent design.
   (3)Review of the Company's common shares repurchase proposal.
3. Other matters to be noted:
   (1)If any of the following applies to the operation of Audit Committee, please specify the date and session of Audit Committee Meetings; the content of proposals; the content of Independent Directors' dissenting opinion, qualified opinion, or material suggestion; resolutions of the Audit Committee; and the Company's actions in response to opinions from the Audit Committee.
      A. Items listed in Article 14-5 of the Securities and Exchange Act:

Date and Session of Audit Committee Meeting	Proposal	Independent Directors' Opinions or Major Suggestions	Resolution of the Audit Committee
2023.02.22 The 3rd meeting of the Audit Committee of the 18th Board of Directors	Discussion Item 1: The Company's 2022 Business Report and Financial Statements	Suggestions: The geopolitical risks and preemptively contingency plans for potential blockades should be considered.	Unanimously approved by all the Committee members present.

Date and Session of Audit Committee Meeting	Proposal	Independent Directors' Opinions or Major Suggestions	Resolution of the Audit Committee
	Discussion Item 3: Proposal to continue to appoint Deloitte Taiwan to audit and attest the Company's Financial Statements, and adjust the CPA fee to NT$21.568 million per year for a period of 5 years	None	Unanimously approved by all the Committee members present.
	Discussion Item 4: Proposal for Distribution of 2022 Profits	None	Unanimously approved by all the Committee members present.
	Discussion Item 5: Proposal to provide loans totaled NT$2.3 billion to 4 subsidiaries, including C.S.Aluminium Corporation, etc.	None	Unanimously approved by all the Committee members present.
	Discussion Item 6: Proposed to invest NT$362.77 million in the "Addition of Desulfurization System for Boiler No. 11 in the Power Plant" project	None	Unanimously approved by all the Committee members present.
	Discussion Item 7: The Company's "2022 Statement on Internal Control System"	None	Unanimously approved by all the Committee members present.
	Discussion Item 8: Amendments to the Company's “Internal Control System Provisions”	None	Unanimously approved by all the Committee members present.
	Discussion Item 9: The Company's Acconuting Manager, Kai-Chin Huang, has been appointed to another position. Effective March 1, 2023, he will be relieved of his duties as Accounting Manager. The vacant position is proposed to be filled by Pei-Yu Lee, currently serving as the acting Manager of Group Accounting Section of Accounting Department	None	Unanimously approved by all the Committee members present.
2023.05.03 The 4th meeting of the Audit Committee of the 18th Board of Directors	Discussion Item 1: To transfer 70% shares of Changzhou China Steel Precision Materials Co., Ltd. (CSPM) held by China Steel Asia Pacific Holdings Pte Ltd (CSAP), a subsidiary of the Company, to ThinTech Materials Technology Co., Ltd.	Suggestions: The execution time of this case is prolonged; the Company should be mindful of any associated risks.	Unanimously approved by all the Committee members present.
	Discussion Item 2: The Company's 2023 1st quarter Financial Statements	None	Unanimously approved by all the Committee members present.
	Discussion Item 3: Proposal to provide loans totaled NT$3 billion to 5 subsidiaries, including C.S.Aluminium Corporation, etc.	None	Unanimously approved by all the Committee members present.
	Discussion Item 4: Proposal to renew the Company's lease of a small parcel of land along Tien Tzu rear section in Siaogang District, Kaohsiung City from CHC Resources Corporation after the expiration of the lease on June 30, 2023	None	Unanimously approved by all the Committee members present.
2023.08.02 The 5th meeting of the Audit Committee of the 18th Board of Directors	Discussion Item 1: The Company's 2023 2nd quarter Financial Statements	None	Unanimously approved by all the Committee members present.
	Discussion Item 2: Proposal to provide loans totaled NT$1.6 billion to Kaohsiung Rapid Transit Company and Sing Da Marine Structure Corporation	None	Unanimously approved by all the Committee members present.

Date and Session of Audit Committee Meeting	Proposal	Independent Directors' Opinions or Major Suggestions	Resolution of the Audit Committee
2023.11.02 The 6th meeting of the Audit Committee of the 18th Board of Directors	Discussion Item 1: The Company's 2023 3rd quarter Financial Statements	Suggestions: In light of the fact that the financial statements of subsidiaries/affiliates are part of the consolidated financial statements of the parent company, the parent company should enhance the professionalism and compliance awareness of financial and accounting personnel within the Group, and ensure the quality of both consolidated and standalone financial statements.	Unanimously approved by all the Committee members present.
	Discussion Item 2: Proposal to provide loans totaled NT$2.6 billion to 5 subsidiaries, including Chung Hung Steel Corporation, etc.	None	Unanimously approved by all the Committee members present.
	Discussion Item 3: Proposed to dispose of the common shares held by the Company in Dyna Rechi Co., Ltd.	Suggestions: The Company should carefully evaluate non-controlled investments in the future.	Unanimously approved by all the Committee members present.
	Discussion Item 4: Proposal to subcontract the civil engineering works of Straight Bar Finishing Line (Phase-C) at No. 2 Bar Mill out to United Steel Engineering & Construction Corporation upon price negotiation	None	Unanimously approved by all the Committee members present.
	Discussion Item 5: Proposal to invest NT$ 638 million in the “Addition of Neon Gas Production Equipment in the Oxygen Plant” project	None	Unanimously approved by all the Committee members present.
	Discussion Item 6: Proposal to repurchase 150 million common shares of the Company	Suggestions: The relevant departments should ensure adherence to legal and regulatory requirements in the process.	Unanimously approved by all the Committee members present.
2023.12.27 The 7th meeting of the Audit Committee of the 18th Board of Directors	No items as listed in Article 14-5 of the Securities and Exchange Act.		
The Company's actions in response to opinions from the Audit Committee: The proposals above were first approved by more than half the members of the Audit Committee. Suggestions will be conducted accordingly.			

B. Except for the aforementioned matters, other resolutions which were not approved by the Audit Committee but resolved by more than two-thirds of all the Directors: None.

(2)Recusal of Independent Directors due to conflict of interests (the name of the Independent Directors, the content of proposals, reasons for recusal, and participation in voting shall be stated): None.

(3)Communication between Independent Directors, Chief Auditor, and CPAs

A. Communication between Independent Directors and Chief Auditor:

Apart from attending the Board Meetings and the Audit Committee meetings, the Company's Chief Auditor also communicates with Independent Directors individually and fully through interviews in respect of the implementation of internal audit work, including audit content, internal control deficiencies found, and the improvement and follow-up on anomalies. The Internal Audit Office submits audit reports and follow-up reports on anomalies to Independent Directors on a monthly and quarterly basis, and Chief Auditor also directly communicates with Independent Directors via e-mails, phone calls, or meetings in person as needed.

Communication between Independent Directors and Chief Auditor in 2023 is listed as follows:

Date and Session of Audit Committee Meeting	Proposal	Independent Directors' Opinions	Actions in Response to Independent Directors' Opinions
2023.02.22 The 3rd meeting of the Audit Committee of the 18th Board of Directors	The "2022 Statement on Internal Control System" of the Company	Unanimously approved.	Not applicable
Date and Session of Communication with Independent Directors	**Key Points**	**Independent Directors' Opinions**	**Actions in Response to Independent Directors' Opinions**
2023.02.22 The 1st communication between Independent Directors and Chief Auditor in 2023	Audit implementation from October 2022 to January 2023	1. The internal audit office lacks personnel with a financial and accounting background. How to overcome relevant issues encountered during the auditing process? Does it affect audit work, and is there any collaboration with other departments for support? 2. Many of the deficiencies identified in audit operations stem from human factors. After investigation, strict measures must be taken. Is the relevant investigation results communicated to the subsidiary's Chairman and President and reported to the Group's Chairman as a reference for appointing subsidiary chairmen and presidents?	1. Audit personnel with financial and accounting backgrounds pass on auditing experiences and techniques to non-financial professionals and inexperienced personnel. Therefore, there is minimal impact on audit quality and completeness. The internal audit office has not sought support from personnel in other departments for audit work. 2. Following business audits and handling major complaint cases, audit reports are submitted for review and approval by the Chairman, then forwarded to the Vice

			President of the respective divisons of the audited units and the subsidiary's chairman/president for their understanding, facilitating the tracking of internal control improvement effectiveness.
2023.05.03 The 2nd communication between Independent Directors and Chief Auditor in 2023	Audit implementation from February to March 2023	1. The purchasing department has various reasons for specifying certain brands or suppliers, and supervisors should be attentive and make specific requests. 2. At what stage is hedging executed for foreign currency equipment procurement projects?	1. The procurement of specified brands or suppliers is proposed by the on-site requisition unit. The key point of this issue is that appropriate boundaries must be defined on the interaction between the organizing unit and the supplier. 2. In practice, hedging can only be carried out after the contract is signed.
2023.08.02 The 3rd communication between Independent Directors and Chief Auditor in 2023	Audit implementation from April to June 2023	The internal audit office should be reminded to ensure personal safety during the investigation of complaint cases.	Following investigations into complaint cases, there have been no instances of retaliation from implicated parties. Additionally, confidentiality principles are strictly adhered to throughout the investigation process to prevent individuals involved from attempting to influence the outcome through various channels. The Chief Auditor regularly advises colleagues against conducting surveillance or visiting crime scenes alone and emphasizes the need for at least 2 to 3 people present or enlisting the assistance of security personnel.
2023.11.02 The 4th communication between Independent Directors and Chief Auditor in 2023	Audit implementation from July to September 2023	1. Has the China Steel Corporation Information Security Committee ever requested the subsidiary with Cybersecurity vulnerabilities to improve within a specified period? Is the China Steel Corporation internal audit office able to access audit reports of subsidiaries of its subsidiaries?	1. The China Steel Corporation Information Security Committee directly or indirectly oversees the information security situation of subsidiaries.

		Regarding internal control deficiencies in subsidiaries of its subsidiaries, does the China Steel Corporation internal audit office supervise their improvement? 2. If serious fraud or corruption occurs in a subsidiary, are there any relevant procedures for handling or reporting to China Steel Corporation for action?	Additionally, the Information System Department of the Finance Division regularly visits and inventories the implementation of information security measures in each subsidiary. Procedurally, the China Steel Corporation internal audit office does not directly access audit reports issued by subsidiaries of its subsidiaries. However, since the China Steel Corporation internal audit office also reviews audit reports issued by subsidiaries following audits of the operations of their subsidiaries, it indirectly oversees and supervises the internal control management of subsidiaries of its subsidiaries in various operational cycles. 2. After accepting and completing the investigation of major fraud cases, the China Steel Corporation internal audit office prepares comprehensive audit reports for Chairman's approval and notifies division heads or subsidiaries for strict punishment in cases of fraud.

B. Communication between Independent Directors and CPAs:

The CPAs of the Company sit in on quarterly regular meetings of the Audit Committee and Board Meetings to communicate and discuss matters related to financial statements. Based on their professional judgment, the CPAs may request to communicate with the Audit Committee members in regular meeting or with Independent Directors in one-on-one meeting.

Communication between Independent Directors and CPAs in 2023 is listed as follows:

Date and Session of Board Meeting	Proposal	Independent Directors' Opinions	Actions in Response to Independent Directors' Opinions
2023.02.24 The 5th meeting of the 18th Board of Directors	1. Reporting and communication between CPAs and the managements 2. Reporting and communication on the 2022 Consolidated Financial Statements and Standalone Financial Statements	1. No opinion. 2. Unanimously approved the financial statements.	Not applicable
2023.05.05 The 6th meeting of the 18th Board of Directors	Reporting and communication on the 2023 1st quarter Consolidated Financial Statements and Standalone Financial Statements	1. No opinion. 2. Unanimously approved the financial statements.	Not applicable
2023.08.04 The 7th meeting of the 18th Board of Directors	1. Reporting and communication between CPAs and the managements 2. Reporting and communication on the 2023 2nd quarter Consolidated Financial Statements and Standalone Financial Statements	1. No opinion. 2. Unanimously approved the financial statements.	Not applicable
2023.11.03 The 8th meeting of the 18th Board of Directors	Reporting and communication on the 2023 3rd quarter Consolidated Financial Statements and Standalone Financial Statements	1. No opinion. 2. Unanimously approved the financial statements.	Not applicable
Date and Session of Audit Committee Meeting	Proposal	Independent Directors' Opinions	Actions in Response to Independent Directors' Opinions
2023.02.22 The 3rd meeting of the Audit Committee of the 18th Board of Directors	1. Report on communication between the CPAs and those charged with governance 2. Reporting and communication on the 2022 Consolidated Financial Statements and Standalone Financial Statements	1. Raised questions and discussed 2. Unanimously approved the financial statements.	The questions raised by Independent Directors were answered.
2023.05.03 The 4th meeting of the Audit Committee of the 18th Board of Directors	Reporting and communication on the 2023 1st quarter Consolidated Financial Statements and Standalone Financial Statements	1. Raised questions and discussed 2. Unanimously approved the financial statements.	The questions raised by Independent Directors were answered.
2023.08.02 The 5th meeting of the Audit Committee of the 18th Board of Directors	1. Report on communication between the CPAs and those charged with governance 2. Reporting and communication on the 2023 2nd quarter Consolidated Financial Statements and Standalone Financial Statements	1. Raised questions and discussed 2. Unanimously approved the financial statements.	The questions raised by Independent Directors were answered.

2023.11.02 The 6th meeting of the Audit Committee of the 18th Board of Directors	Reporting and communication on the 2023 3rd quarter Consolidated Financial Statements and Standalone Financial Statements	1. Raised questions and discussed 2. Unanimously approved the financial statements.	The questions raised by Independent Directors were answered.
Date and Session of Other Meeting	Key Points	Independent Directors' Opinions	Actions in Response to Independent Directors' Opinions
2023.08.02 Meetings between the CPA and the Audit Committee of the Board of Directors	Summary Report on Non-Assurance Services for the 2nd quarter of 2023	Raised questions and discussed	The questions raised by Independent Directors were answered.
2023.11.02 Meetings between the CPA and the Audit Committee of the Board of Directors	1. Summary report on non-assurance services for the 3rd quarter of 2023 and routine non-assurance services expected for 2024. 2. Report on audit quality indicators of 2022. 3. Deloitte Taiwan Quality Management System	Raised questions and discussed	The questions raised by Independent Directors were answered.
	4. Communication of key audit matters in the 2023 CPAs' audit report	Raised questions and discussed	The Company did not send any representative to participate in this meeting as it was a separate meeting between CPAs and Independent Directors.
2023.11.03 Meeting between the CPA and the Board of Directors	Communication of key audit matters in the 2023 CPAs' audit report	No opinion.	Not applicable

(III) Implementation of corporate governance, its deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	Yes		In March 2017, the Company formulated the Corporate Governance Best-Practice Principles. The third amendment to these principles took effect upon approval by the Board of Directors on February 25, 2022. The Corporate Governance Best-Practice Principles of the Company is currently disclosed on the Market Observation Post System and the corporate website. All the listed subsidiaries of CSC Group have established their own Corporate Governance Best-Practice Principles approved by the Board of Directors and disclosed the Principles on their own corporate websites and the Market Observation Post System.	No significant difference
II. Shareholding Structure and Shareholders' Rights (I) Has the Company formulated internal operating procedures to handle shareholders' recommendations, questions, disputes, and litigations, and implemented these measures accordingly? (II) Does the Company pocess the list of its major shareholders and the beneficial owners of these major shareholders? (III) Has the Company established and executed risk management and firewall system between the Company and its affiliated companies? (IV) Has the Company formulated internal regulations to prohibit insider trading?	(I) Yes (II) Yes (III) Yes (IV) Yes		(I) The Company and the listed subsidiaries of CSC Group have formulated regulations for internal operations such as the spokesperson system so that personnel can carry out their duties accordingly. If shareholders want to convey any recommendation or dispute associated with stock-related affairs, dedicated personnel and stock transfer agents have been appointed to handle related matters. (II) The Company was originally a state-owned enterprise. After undergoing privatization in 1995, the shareholding percentage of the Ministry of Economic Affairs (MOEA) has gradually declined to 20% until today. Besides, the Chairman of the Company has been appointed by MOEA. The Legislative Yuan has decided that the government should maintain its shareholding percentage in the Company at 20% and above; thus, MOEA remains the largest shareholder of the Company. In addition, the Company has the list of remaining major shareholders. Listed subsidiaries of CSC Group also have the list of their major shareholders, while the appointed stock transfer agents help to manage such matters. (III) The Company has formulated regulations for monitoring its subsidiaries in accordance with Chapter IV of the "Regulations Governing Establishment of Internal Control Systems by Public	No significant difference

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			Companies" set forth by the Financial Supervisory Commission (FSC), urged its subsidiaries to establish internal control systems, and regularly analyzed and reviewed the operating performance of its subsidiaries. Moreover, the Company has set up a dedicated department to take charge of the development and management of its investment businesses. This department regularly monitors the operation and financial status of subsidiaries to ensure that the responsible persons of subsidiaries exercise the due care of a good administrator. Furthermore, this department is also responsible for coordinating operations between the Company and affiliates. Listed subsidiaries of CSC Group have formulated regulations for transactions such as loaning of funds and endorsements and guarantees with affiliates, or procedures governing transactions with related parties, specific companies, and companies of the Group. In addition, regulations governing internal control and internal audit of subsidiaries have also been formulated to control risks. China Steel Chemical and CHC Resources have also set up a dedicated unit in charge of managing their investment businesses. (IV) In accordance with Article 10 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, the Company formulated the "Regulations Governing Prevention of Insider Trading" on August 5, 2022. Apart from prohibiting insiders from trading securities based on undisclosed information, the regulations also specify control measures on stock trading. For instance, reminding directors and managements of the Company that they are not permitted to trade the Company's securities in their own name or through others during the closed period prior to the announcement of financial statements. The Company has also formulated the "Procedures for Handling Material Internal Information and Guidelines for Establishment of Spokesperson as well as Deputy Spokespersons" to prevent improper disclosure of information. Furthermore, the "Codes of Ethics for Directors," the "Codes of Ethics for First Echelon	

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			Supervisors and Executives" (refer to page 68-72 in this annual report for more details), and the "Guidelines for Recusal Due to Conflict of Interests" of the Company all stimpulate the regulations prohibiting insider trading. Listed subsidiaries of CSC Group have also established rules and regulations, including the Codes of Ethics for Directors and Senior Executives, the Guidelines for Recusal Due to Conflict of Interests, the Procedures for Handling Material Internal Information and Regulations Governing Prevention of Insider Trading to prohibit any personnel from trading securities through utilizing information not disclosed to the market.	
III. Composition and Responsibilities of the Board of Directors (I) Has the Board of Directors drawn up diversity policy and specific management target, and implement it accordingly? (II) Other than the remuneration committee and audit committee required by the law, has the Company voluntarily established other functional committees? (III) Has the Company formulated rules and methods for evaluating the performance of the Board of Directors, implemented such evaluations every year and reported the results of performance evaluation to the Board of Directors; moreover, taken it as reference in compensation and renomination of individual directors? (IV) Does the Company regularly evaluate the independence of CPAs?	(I) Yes (II) Yes (III) Yes (IV) Yes		(I) According to the Sample Template for Procedures for Election of Directors released by TWSE, the Company has incorporated the concept of diversity into the Rules Governing the Election of Directors. Two major areas, namely basic requirements and values and professional knowledge and skills (e.g., law, accounting, industry, finance, marketing or technology) should be taken into consideration during the election of Directors. Directors shall commonly possess the knowledge, skills, general capacity and disposition required to perform their duties. Furthermore, the Corporate Governance Best-Practice Principles of the Company also stipulate that the number of Directors who concurrently hold a management position at the Company shall not exceed one-third of the total number of Directors. The Board of Directors is set up with the specific aim of appointing Directors of different gender and age and with different professional knowledge and background, consisting of at least 1 Director with finance or accounting background and at least 1 Director with management experience in the steel industry. At present, the Board of Directors is composed of 11 Directors with 3 Independent Directors, including 1 female Director, 1 Director recommended by the labor union of the Company as labor representative, and 3 Directors holding a management position, whose professional knowledge and skills cover different areas, including steel, resource engineering, civil	No significant difference

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			engineering, industrial management, machinery, materials, economics, electrical engineering, aerospace, finance, and accounting. Out of the current Directors, the numbers of those with finance and accounting backgrounds and management experience in the steel industry are 1 and 4 respectively. Hence, the Company fully implements the concept of diversity in the composition of Board of Directors, which is beneficial to its development goals, including succession planning, equipment replacement, research and development of advanced products, promotion of energy saving and carbon reduction, construction of high-value industry chain, creation of smart production and sale, and commitment to the circular economy in the future. With the diversity policy included in the Corporate Governance Best-Practice Principles established by listed subsidiaries of CSC Group, the Board of Directors at each of these subsidiaries is currently composed of a diverse range of members with different professional backgrounds, of different genders or in different areas of work while possessing the knowledge, skills, and qualities required to perform their duties. With a view to enhancing gender diversity in the Board of Directors, listed subsidiaries of CSC Group have set the specific target of either increasing the proportion of female Directors in the Board of Directors or electing at least 1 female Director, which most of these subsidiaries have achieved. (II) The Company and listed subsidiaries of CSC Group have established the Audit Committee and the Remuneration Committee (which are composed by 3 Independent Directors each) as required by the law. In addition, the Company established the "Corporate Governance and Sustainability Committee" in 2019, which is comprised of 5 Directors with 3 Independent Directors to promote corporate governance and implement the sustainable development. Meanwhile, China Steel Chemical has also set up its Corporate Governance and Sustainability Committee under its Board of Directors. CHC Resources, China Steel Structure, and China Ecotek have voluntarily set up the committees regarding sustainable development.	

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			(III) The Company has formulated the Rules Governing the Performance Evaluation of the Board of Directors, and regularly conducts performance evaluation every year. In an effort to enhance the independence and effectiveness of performance evaluation for the Board of Directors, the Rules stipulate that an external performance evaluation of the Board of Directors shall be conducted at least once every three years by external professional and independent institutions or experts. For details on the method and content of evaluation, please refer to page 40-41 of this annual report. In 2022, the Company appointed the Taiwan Corporate Governance Association (TCGA) to conduct an external performance evaluation of the Board of Directors for 2021.The results were reported to the Board of Directors on May, 2022 and disclosed on the corporate website. On the other hand, the internal performance evaluation of the Board of Directors for 2023 was conducted through self-evaluation questionnaires. The evaluation result was compiled by the Secretariat Department of the Company and reported to the Board of Directors on February 29, 2024 as the basis for review and improvement. For more details on the result of the performance evaluation, please refer to page 41-42 of this annual report. The results of the performance evaluation for the Board of Directors shall be used as a reference for the election or nomination of Director; the results of performance evaluation for each Director (excluding Independent Directors) shall be used as a reference for determining the remuneration allocation for Directors. Listed subsidiaries of CSC Group have also formulated the Rules for Evaluating the Performance of the Board of Directors, conducted performance evaluation according thereto, and further reported the results of performance evaluation to the Board of Directors. The results of the performance evaluation will serve as a reference and the basis for the remuneration for Directors and nomination of candidates for the re-election of Directors. Explanations and improvement plans are also	

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			proposed for items requiring improvement. In addition, listed subsidiaries of CSC Group have all appointed TCGA in 2021 or 2022 to conduct an external performance evaluation of the Board of Directors, with the relevant evaluation results, recommendations and improvement plans for the companies disclosed on their websites or in their annual reports. (IV) 1.To ensure the reliability of the Company's financial statements, the CPA independence assessment questionnaire was submitted to the Audit Committee and the Board of Directors for reviews and approvals at the beginning of each year. CPAs were required to provide a declaration of independence to ensure that CPAs do not have other financial interests and business relationships with the Company, other than fees associated with attestation and taxation, and that CPAs and their family members do not violate the independence requirements. For specific evaluation criteria, please refer to page 66 of this annual report. 2.Starting from 2023, the Company has carried out assessments on the independence and suitability of CPAs according to the Audit Quality Indicators (AQIs) issued by the FSC, which encompass 5 scopes, including profession, quality control, independence, monitoring, and creativity, totalling 13 indicators. The content includes information on both the "firm level" and the "audit case level," confirming that both CPAs and accounting firms are above the industry's average standards in indicators such as training hours, turnover rate, review of engagement quality control review (EQCR), and quality control capacity. Furthermore, the CPAs have been continuously introducing cloud-based servies to enure audit quality in recent three years. Meanwhile, according to the International Code of Ethics for Professional Accountants, communication with the Audit Committee is completed before any non-audit service is provided by accounting firms and alliance members starting from 2023 to ensure the independence of audit results	

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			3.In the past two years, the assessment results of the independence and suitability of the CPAs were submitted to the Audit Committee for review on February 22, 2023 and February 24, 2024 respectively. Subsequently, the results were reported to the Board of Directors for discussion and approval on February 24, 2023 and February 29, 2024. 4.Listed subsidiaries of CSC Group assess the independence of CPAs every year, and report the assessment to the Board of Directors for approval to ensure that CPAs do not have other financial interests and business relationships with these subsidiaries, other than fees associated with attestation and taxation, and their spouses and dependent children and relatives do not violate the independence requirement. Also, the assessments on the independence and suitability of CPAs were carried out according to the AQIs from 2023, with the results of the assessments reported to the Board of Directors.	
IV. Does the TWSE/TPEx listed company have an adequate number of corporate governance personnel with appropriate qualifications and appoint a Corporate Governance Officer in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors with legal compliance, handling matters related to Board Meetings and Shareholders' Meetings, and producing minutes of Board Meetings and Shareholders' meetings)?	Yes		The position of Corporate Governance Officer at the Company was concurrently held by Pai-Chien Huang, the Vice President of the Corporate Planning Division (retired at the end of January 2023). On February 24, 2023, the Board of Directors passed the resolution to appoint Chien-Chih Hwang, the Executive Vice President to concurrently serve as the Corporate Governance Officer. The main duties of Corporate Governance Officer is supervising the corporate governance-related matters of the Company. According to the duties and responsibilities of Legal Department, Secretariat Department, and Finance Department, the Company have an adequate number of corporate governance personnel with appropriate qualifications in charge of the execution of corporate governance affairs. The aforementioned affairs include preparing meeting minutes and handling matters related to Board meetings and shareholders' meetings, assisting Directors in onboarding and continuing education, providing Directors with information required for business execution, assisting Directors in legal compliance and other matters stipulated in the Articles of Incorporation or contracts, reporting to the Board of Directors the results of the qualification review of the nominees for Independent Directors and their qualifications during their term of	No significant difference

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			office, and regularly reporting to the Corporate Governance and Sustainability Committee. For more details regarding continuing education of Corporate Governance Officer, please refer to page 65. Listed subsidiaries of CSC Group have set up their Corporate Governance Officer, which is concurrently held by various senior executives, including Vice President and General Manager. The main duties of this position are handling corporate governance affairs, including shareholders' meetings, board meetings, and directors related matters. Additionally, the Corporate Governance Officer of each listed subsidiaries have completed continuing education according to the required training hours, with related details disclosed on the corporate website or in the annual report.	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholders section on corporate website and adequately respond to stakeholders' inquiries on material corporate social responsibility (CSR) issues?	Yes		Respecting the rights and interests of stakeholders, the Company identifies stakeholders and learns about their expectations and needs through appropriate communications and engagements. Besides, the Company responds appropriately to material CSR issues which are of concern to stakeholders. Various divisions are responsible for stakeholder communication, and the Corporate Governance and Sustainability Committee is in charge of reporting annual stakeholder communication results to the Board Meeting. The most recent report was proposed on August 4, 2023: (I) Shareholders 1. Annual General Meeting is convened in the 2nd quarter of each year. Each proposal is voted on a case-by-case basis. Shareholders can exercise their voting rights by electronic means, allowing them to fully participate in the voting process. 2. Publish Chinese and English version of annual report every year for investors' reference. 3. Disclose consolidated revenues, revenues breakdown and preliminary results on MOPS and corporate website monthly. 4. Shareholders can communicate with the Company through our toll-free telephone line and email address for shareholders. 5. Communicate with domestic and foreign institutional	No significant difference

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			investors, and attends investor conferences held by domestic and foreign brokers. (II) Employees Collective agreement (amended every three years); labor-management meeting (every month); regular factory (department) communication meeting (every two to three months); appointment of labor union representatives as Directors; Employee Welfare Committee meeting (every two months); Stock-holding Trustees Committee meeting (every six months); Occupational Safety and Hygiene Committee meeting (every two months); Human Resources Development Committee meetings (every year); Retirement Reserve Fund Supervisory Committee meeting (every three months); Rewards and Punishments Review Committee meeting (aperiodically). (III) Local Communities Visit and negotiate with local communities, legislators, councilors, and opinion leaders through the Public Affairs Department, the Labor Union, the CSC Group Education Foundation, and CSC employee clubs. (IV) Customers 1. Production-sales meeting (every quarter) and customer satisfaction survey (every year). 2. Obtain feedback from customers through customer briefings, R&D alliances, professional training, market surveys, visits and customer interviews. 3. Provide total solution for customers' businesses through electronic supply chain and e-Sales system. 4. Expand customer services through integration of the marketing resources of CSC Group. 5. Enhance technical services, actively engage in technical marketing, respond real-time to customer needs, and provide customized specifications. 6. Understand customers' needs and assist customers with process improvement and materials use, and keep improving the quality of products and services. 7. Hold technical seminars and high-level business	

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			management seminars in order to improve the flexibility of steel supply chain in Taiwan to trends. 8. Conduct surveys on demands for development of new products, and improvement of quality, and trends of materials use of different steel-using industries. In addition to the stakeholder communication channels mentioned above, the Company regularly discloses information on corporate governance, environmental management, and commitment to social harmony in the annual report and corporate website. CSC has set up stakeholders and ESG sections on corporate website, and publishes the sustainability report annually. The Company also publishs the ESG Insight as an important channel to disclose information and respond to issues of concern to stakeholders. Listed subsidiaries of CSC Group maintain smooth communication channels with stakeholders via various business units based on their scope of authority and responsibility. To properly respond to important issues of concern to stakeholders, listed subsidiaries of CSC Group have also set up the stakeholders section on their corporate websites and reported their stakeholder communication results to the Board of Directors.	
VI. Does the Company commission a professional stock transfer agent to handle shareholders' meetings related affairs?	Yes		The Company and listed subsidiaries of CSC Group have entrusted stock transfer agents to assist them in handling matters related to Shareholders' Meetings. The Company have appointed KGI Securities as the stock transfer agent.	No significant difference
VII. Information Disclosure (I) Has the Company established a website to disclose information on financials, business and corporate governance? (II) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)? (III) Does the Company announce and file its annual financial report within two months after the end of the	(I) Yes (II) Yes (III) Yes		(I) The Company and listed subsidiaries of CSC Group have established various sections including "Stockholder Service", "Customer Service" and "Corporate Governance" on their own corporate website to fully disclose information on financials, business and corporate governance. To enhance information disclosure, the Company established an ESG section on the website by the end of 2023. This section consolidates the implementation status of environmental, social, and governance initiatives for external stakeholders to promptly access and understand. (II) The Company and listed subsidiaries of CSC Group have set up websites in both Chinese and English, appointed dedicated	No significant difference

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
fiscal year, and announce and file its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?			personnel to collect and disclose company information, implemented the spokesperson system, and posted information about investor conferences on the corporate websites: 1. The Company has set up multi-language websites (including traditional Chinese, simplified Chinese and English), which are updated simultaneously during any announcements. For example, the Company's revenues breakdown and preliminary results are updated on all the websites simultaneously every month so that domestic and foreign investors can obtain the latest information. 2. The Company and listed subsidiaries of CSC Group have established a public information online filing system in accordance with the Guidelines for Online Filing of Public Information by Public Companies, and has appointed dedicated personnel to carry out the disclosure of various data and material information. In addition, the spokesperson system is adopted, where investors can express their opinions via a variety of channels, such as spokesperson's phone number, e-mail address or fax number, and thus learn about the business status of these companies. (III) In order to enhance the timeliness of information disclosure, the Company and listed subsidiaries of CSC Group announce and file financial reports within two months after the end of the fiscal year, and also announce and file financial reports for the 1st, 2nd, and 3rd quarters, as well as monthly operating status before the specified deadline.	
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, continuing education for directors and supervisors, implementation of risk Management policies and risk measurement standards, implementation of customer policies, and purchase of liability insurance for directors and supervisors)?	Yes		Related information is summarized as follows.	No significant difference

(I) Continuing education for Directors of the 18th Board of Directors

Title	Name	Date of Assumption of Duty	Date of Training		Organizer	Course Title	Training Hours
			From	to			
Director	Chao-Tung Wong	2022/06/17	2023.11.27	2023.11.27	Taiwan Investor Relations Institute	Cross-Border Management Practices for Net Zero Carbon Emissions	3.0
			2023.08.11	2023.08.11	Taiwan Investor Relations Institute	Insights into Company Fraud Risks and Preventive Measures: Lessons from Real-Life Cases	3.0
Director	Wen-Sheng Tseng	2022/06/17	2023.10.24	2023.10.24	Independent Director Association Taiwan	Risk Assessment and Response Strategies for the Latest Post-Pandemic World Economic Trends	3.0
			2023.07.04	2023.07.04	Taiwan Stock Exchange	2023 Cathay Sustainable Finance and Climate Change Summit	3.0
Director	Ming-Jong Liou	2022/06/17	2024.03.27	2024.03.27	Chinese National Association of Industry and Commerce	How Enterprises Can Leverage the Latest AI Application Trends for Innovative Transformation	3.0
			2024.01.25	2024.01.25	Taiwan Institute for Sustainable Energy	The 35th TCCS Board Meeting and CEO Lecture Series	2.0
			2023.07.18	2023.07.18	Chinese National Association of Industry and Commerce	Mission Amidst the Surge: Generative Artificial Intelligence and Responsible Innovation	3.0
			2023.05.05	2023.05.05	Securities and Futures Institute	How to Leverage the Productive Functions of Board Committees	3.0
Director	Shyi-Chin Wang	2022/06/17	2023.11.27	2023.11.27	Taiwan Investor Relations Institute	Cross-Border Management Practices for Net Zero Carbon Emissions	3.0
			2023.08.11	2023.08.11	Taiwan Investor Relations Institute	Insights into Company Fraud Risks and Preventive Measures: Lessons from Real-Life Cases	3.0
Director	Chien-Chih Hwang	2022/06/17	2024.02.29	2024.02.29	Greater China Financial and Economic Development Association	Crisis Management Strategy	3.0
			2023.11.27	2023.11.27	Taiwan Investor Relations Institute	Cross-Border Management Practices for Net Zero Carbon Emissions	3.0
			2023.08.11	2023.08.11	Taiwan Investor Relations Institute	Insights into Company Fraud Risks and Preventive Measures: Lessons from Real-Life Cases	3.0
			2023.07.17	2023.07.17	Greater China Financial and Economic Development Association	Corporate Low-Carbon Transformation Strategies	3.0
Director	Cheng-I Weng	2022/06/17	2023.11.27	2023.11.27	Taiwan Investor Relations Institute	Cross-Border Management Practices for Net Zero Carbon Emissions	3.0
			2023.08.11	2023.08.11	Taiwan Investor Relations Institute	Insights into Company Fraud Risks and Preventive Measures: Lessons from Real-Life Cases	3.0
Director	Shou-Tao Chen	2023/08/04	2023.11.27	2023.11.27	Taiwan Investor Relations Institute	Cross-Border Management Practices for Net Zero Carbon Emissions	3.0

Title	Name	Date of Assumption of Duty	Date of Training		Organizer	Course Title	Training Hours
			From	to			
			2023.10.13	2023.10.13	Securities and Futures Institute	Carbon Credit Trading Mechanisms and their Application in Corporate Management	3.0
			2023.08.11	2023.08.11	Taiwan Investor Relations Institute	Insights into Company Fraud Risks and Preventive Measures: Lessons from Real-Life Cases	3.0
Director	Chun-Sheng Chen	2022/06/17	2023.06.05	2023.06.06	Ministry of Labor	Promotion of Labor Education Seminar 2023 - Trade Union and Labor Director Events	8.0
Independent Director	Shyue-Bin Chang	2022/06/17	2023.11.27	2023.11.27	Taiwan Investor Relations Institute	Cross-Border Management Practices for Net Zero Carbon Emissions	3.0
			2023.04.12	2023.04.12	Taiwan Academy of Banking and Finance	Corporate Governance Lecture	3.0
			2023.02.15	2023.02.15	Taipei Foundation of Finance	Corporate Governance - Sustainable Governance - Trends in Sustainable Development and Sustainable Governance	3.0
Independent Director	Min-Hsiung Hon	2022/06/17	2023.11.27	2023.11.27	Taiwan Investor Relations Institute	Cross-Border Management Practices for Net Zero Carbon Emissions	3.0
			2023.08.11	2023.08.11	Taiwan Investor Relations Institute	Insights into Company Fraud Risks and Preventive Measures: Lessons from Real-Life Cases	3.0
Independent Director	Lan-Feng Kao	2022/06/17	2024.01.12	2024.01.12	Taiwan Corporate Governance Association	After the Passage of Climate Change Adaptation Laws: Corporate Carbon Management Perspectives	3.0
			2023.07.18	2023.07.18	Taiwan Corporate Governance Association	Practical Analysis of Corporate Governance 3.0 - Sustainability Reporting	3.0
			2023.04.14	2023.04.14	Taiwan Corporate Governance Association	Legal Risks and Responses in Corporate Investment and Financing: A Discussion from the Perspective of Corporate Directors' Responsibilities	3.0
The above mentioned only discloses the courses attended by members of the 18th Board of Directors from 2023 to March 31, 2024.							

(II) The Company and listed subsidiaries of CSC Group have formulated the Codes of Ethics for Directors, which clearly specify the Directors' duty of loyalty, and its scope includes: ① transactions with the Company, ② utilization of company assets, information and opportunities, ③ competition with the Company. If Directors wish to be exempted from the applicability of such duty, Directors shall fully disclose, to the Board of Directors, the interested persons or enterprises and the interest of each legal act, and the reasons why this is not detrimental to the Company and it conforms to regular business practice, and shall seek approval from the Board of Directors.

(III) Continuing education and training related to corporate governance participated by managements

1. Course title: Insights into Company Fraud Risks and Preventive Measures: Lessons from Real-Life Cases
   (1) Date: August 11, 2023
   (2) Training hours: 3 hours
   (3) Participants: Personnel designated as directors and supervisors of invested companies, and managers of subsidiaries, including senior executives and vice presidents of the Company.

Information on the participants of this training course is as follows:

Name	Title
Shyi-Chin Wang	President
Chien-Chih Hwang	Executive Vice President/ Chief Information Security Officer/ Corporate Governance Officer
Min-Hsiung Liu	Vice President, Commercial Division (retired on January 31, 2024)
Ming-Yuan Chen	Assistant Vice President, Commercial Division (promoted as Vice President, Commercial Division on February 1, 2024)
Wen-Chou Li	Assistant Vice President, Commercial Division
Yueh-Kun Yang	Vice President, Finance Division
Hung-Tai Chou	Assistant Vice President, Finance Division
Kuan-Fu Chen	Vice President, Corporate Planning Division
Ying-Pin Hsieh	Assistant Vice President, Corporate Planning Division
Jih-Jau Jeng	Vice President, Technology Division
Horng-Yih Liou	Assistant Vice President, Technology Division
Rong-Yuan Hsieh	Assistant Vice President, Technology Division
Jui-Teng Chen	Vice President, Engineering Division
Kuo-Hua Sun	Assistant Vice President, Engineering Division
Chen Yang	Assistant Vice President, Engineering Division
Shou-Tao Chen	Vice President, Production Division
Tse-Wei Hsu	Assistant Vice President, Production Division (retired on March 31, 2024)
Shao-Jung Lu	Assistant Vice President, Production Division (assigned to a subsidiary on November 20, 2023)
Shih-Hsin Chen	General Manager, Finance Department
Pei-Yu Lee	General Manager, Accounting Department

2. Course title: Cross-Border Management Practices for Net Zero Carbon Emissions
   (1) Date: November 27, 2023
   (2) Training hours: 3 hours
   (3) Participants: Personnel designated as directors and supervisors of invested companies, and managers of subsidiaries, including senior executives and vice presidents of the Company.

Information on the participants of this training course is as follows:

Name	Title
Shyi-Chin Wang	President
Chien-Chih Hwang	Executive Vice President/ Chief Information Security Officer/ Corporate Governance Officer
Ming-Yuan Chen	Assistant Vice President, Commercial Division (promoted as Vice President, Commercial Division on February 1, 2024)
Yueh-Kun Yang	Vice President, Finance Division
Hung-Tai Chou	Assistant Vice President, Finance Division
Kuan-Fu Chen	Vice President, Corporate Planning Division

Ying-Pin Hsieh	Assistant Vice President, Corporate Planning Division
Jih-Jau Jeng	Vice President, Technology Division
Horng-Yih Liou	Assistant Vice President, Technology Division
Rong-Yuan Hsieh	Assistant Vice President, Technology Division
Chen Yang	Assistant Vice President, Engineering Division
Shou-Tao Chen	Vice President, Production Division
Tse-Wei Hsu	Assistant Vice President, Production Division (retired on March 31, 2024)
Wen-Hsien Chou	Assistant Vice President, Production Division
Shih-Hsin Chen	General Manager, Finance Department
Pei-Yu Lee	General Manager, Accounting Department

(IV) Continuing education and training for Corporate Governance Officer

Name	Date of Assumption of Duty	Date of Training	Organizer	Course Title	Training Hours
Chien-Chih Hwang	2023/02/24	2024.02.29	Greater China Financial and Economic Development Association	Crisis Management Strategy	3.0
		2023.11.27	Taiwan Investor Relations Institute	Cross-Border Management Practices for Net Zero Carbon Emissions	3.0
		2023.08.11	Taiwan Investor Relations Institute	Insights into Company Fraud Risks and Preventive Measures: Lessons from Real-Life Cases	3.0
		2023.07.17	Greater China Financial and Economic Development ssociation	Corporate Low-Carbon Transformation Strategies	3.0
		2023.05.29	Greater China Financial and Economic Development ssociation	Corporate Circular Economy and Sustainable Development	3.0
		2023.04.10	Greater China Financial and Economic Development ssociation	Technological Innovation and Digital Transformation	3.0
		2023/03/15	Greater China Financial and Economic Development Association	Challenges and Opportunities of AI and Big Data	3.0

The above mentioned only discloses the courses attended by Corporate Governance Officer from 2023 to March 31, 2024.

(V) Succession plan of Directors and significant managements and its execution

1. Directors

The Company adopts the candidate nomination system for Directors; the term of each session shall be three years. Unless otherwise required by laws and regulations or the Articles of Incorporation, the election of Directors shall be in compliance with the Company's Rules Governing the Election of Directors.

The election of the Directors shall take diversity into consideration, such as basic requirements and values (including gender, age, nationality, culture, etc.), professional knowledge and skills (including professional background, professional skills, and industry experiences). Furthermore, to achieve the ideal target for corporate governance, the Directors shall generally be equipped with the knowledge, skills, general capacity and disposition required for performing its duties. The Board of Directors shall

encompass the following abilities: I. Judgment of business operations; II. Accounting and financial analysis; III. Operational management; IV. Crisis management; V. Industrial knowledge; VI. International market outlook; VII. Leadership skills; and VIII.Decision making.

The Company conducts the succession plan of its Directors according to the following approaches: I. Adequate candidates recommended by the current Directors.

II. Director candidates recommended by shareholders. III. Refer to the results of performance evaluation of the Board of Directors for the nomination of the Directors' re-appointment.

To reinforce the efficacy for Directors to exercise their powers and functions, the Company will keep up with the trend and arrange annual training programs with reference to the changes in internal and external environmental conditions and the development demand, so as to improve the professional know-how for our Directors.

2. Significant managements

With a view to meeting the needs of business operations and human resource development and enhancing overall operational efficiency, the Company has set up the Human Resources Development Committee, which regularly convenes meetings to review matters such as the strategic objectives of human resource management, organizational development and manpower utilization, and major human resource management systems.

Furthermore, the Company reviews its succession plan every year. When planning for successors, the Company considers whether the successors are well equipped with professional and management skills, and whether the successors share the same operation concepts as the Company and possess personality traits such as integrity, honesty, and meets the four values of CSC. In order to comprehensively develop decision-making skill in the role of senior management, training for management successors includes not only internal training related to management competencies but also job rotation and assignment to subsidiaries. For training programs, the Company has cooperated with top universities in Taiwan to conduct the business management program, which were attended by 80% of senior management successors in 2023.

(VI) Other important information on corporate governance at listed subsidiaries of CSC Group

1. Continuing education for directors: Please refer to the annual report published by each subsidiary.
2. Implementation of diversity policy for members of the Board of Directors: Please refer to the annual report published by each subsidiary.
3. CPAs' Independence and Suitability Assessment Criteria: Please refer to the annual report published by each subsidiary.
4. Relevant certifications obtained by finance, accounting, and internal audit personnel: Please refer to page 116 of this annual report.

(VII) 2023 CPA Independence Assessment Criteria

Assessment Item	Assessment Result	Does it meet the independence compliance?
(1) Whether the CPA has direct or significant indirect financial interests with the Company.	No	Yes
(2) Whether the CPA has engaged in financing or guarantee activities with the Company or the Company's directors.	No	Yes
(3) Whether the CPA has close business relationships or potential employment relationships with the Company.	No	Yes
(4) Whether the CPA and members of their audit team hold positions as directors, managements, or in roles with significant influence over the audit work during the audit period.	No	Yes
(5) Whether the CPA has provided non-audit services to the Company that may directly impact the audit work.	No	Yes
(6) Whether the CPA has acted as an intermediary for the issuance of the Company's stocks or other securities.	No	Yes
(7) Whether the CPA has served as legal counsel for the Company or represented the Company in resolving conflicts with third parties.	No	Yes
(8) Whether the CPA has any relatives who are directors, managements, or personnel with significant influence over audit matters in the Company.	No	Yes

IX. Improvements made in the most recent year in response to the results of Corporate Governance Evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved:

The status of improvements proposed for the results of the 9th (2022) Corporate Governance Evaluation announced in April 2023 are as follows:

1. The Company:
   #2.24 Is the number of independent directors of the Company more than one-third of the total director seats?
   The Company plans to increase the number of Independent Director during the 2025 re-election year to ensure that the number of independent director seats exceeds one-third of the total director seats.
2. Listed subsidiaries of CSC Group:
   Improvements made on evaluation indicators: 1. Listed subsidiaries of CSC Group have all published the English version of financial statements within two months after the filing period for the Chinese version for the 1st, 2nd, and 3rd quarters; 2. Listed subsidiaries of CSC Group have all established or assigned dedicated units to promote ethical corporate management, responsible for formulating and supervising the implementation of ethical corporate management policies and prevention plans. The operation and execution of the units are explained on the company's website and annual report, and presented to the Board of Directors at least once a year; 3. Listed subsidiaries of CSC Group have all disclosed information on climate-related risks and opportunities based on the framework of the Task Force of Climate-related Financial Disclosures (TCFD). In addition, ongoing improvements will be made as follows: 1. Establish a cybersecurity risk management framework and incorporate the standards of cybersecurity management system. 2. Disclose relevant ESG information according to SASB standards; 3. Upload the English version of the sustainability report to both the Market Observation Post System and company's website.

China Steel Corporation Codes of Ethics for Directors

Established on December 20, 2005
Amended on August 3, 2020

Chapter 1 General Provisions

Article 1 This Code has been especially formulated for Directors to promote honest and ethical conduct and to establish sound corporate governance.

Chapter 2 Standards of Ethical Conduct

Article 2 When performing their duties, Directors shall comply with the following basic principles:

I. Safeguarding the rights and interests of shareholders.
II. Enhancing the authority of the Board of Directors.
III. Respecting the rights and interests of stakeholders.
IV. Improving information transparency.

Article 3 While performing their duties, Directors shall have the pursuit of the Company's overall benefits as their objective, and must not harm the Company's rights and interests for the benefit of a specific individual or specific group. Moreover, when performing their duties they shall treat all shareholders fairly.

Article 4 Directors shall exercise the due care of a good administrator, emphasize the principles of integrity and fairness, maintain a high degree of self-discipline and adhere to the law, the Company's Articles of Incorporation and the resolutions of the Shareholders' Meeting.

Article 5 Directors shall faithfully perform their duties for the best interests of all shareholders. In the event that their own personal interests conflict with the interests of the Company, they shall give priority to interests of the Company, and shall avoid using their authority to enable the following personnel or enterprises to receive improper benefits:

I. The person him/herself, his/her spouse, parents, children or relatives within the third degrees of relationship
II. Enterprises in which the persons in the preceding paragraph who directly or indirectly enjoy significant financial interests.
III. Enterprises in which the person him/herself serves as Chairman, Executive Director or Senior Executive.

The Company shall pay particular attention to lending of funds, material asset transactions, purchase (sales) relationships, or the making of guarantees to the persons or enterprises listed in the preceding paragraph.

Article 6 To maintain the interests of the Company, Directors shall give priority to providing the Company any opportunity regarding procurement, supply, cooperation, strategic alliances, mergers and acquisitions or other business opportunities or profit-making opportunity of which they are aware due to performance of their duties, and must not take advantage of such opportunities to seek personal gains for themselves or the third party.

Article 7 If a Director engages in competition with the Company, he/she shall report to the Shareholders' Meeting in advance and obtain approval in accordance with Paragraph 1, Article 209 of the Company Act.

Article 8 Directors shall assume the obligation to maintain the confidentiality of the Company's classified information except when disclosure is authorized or legally required, and must not use the aforementioned classified information to seek personal gain for themselves or the third party.

Article 9 Directors shall maintain the rights and interests of shareholders, and shall respect the rights and interests of stakeholders including banks with which the Company has business dealings, creditors, employees, consumers, suppliers, subsidiaries and communities.

Article 10 Directors shall comply with the laws concerning the prevention of insider trading and other securities laws concerning equity trading and handling of confidential business information. Directors who are in possession of material undisclosed information must not engage in trading of related securities.

Article 11 If any proposal at a Board Meeting involves a Director him/herself or the interested parties set forth in Articles 5 and 6 where there are concerns about impairing the interests of the Company, the Director shall immediately and voluntarily recuse him/herself, and take no part in voting, nor exercise the voting right as proxy for another Director.

Chapter 3 Supplementary Rules

Article 12 Natural persons appointed by juristic person directors to perform their duties shall comply with this Code.

The provisions of this Code shall apply mutatis mutandis to the juristic person directors represented.

Article 13 If a Director wishes to be exempted from the applicability of Article 5, he/she shall fully disclose, to the Board of Directors, the persons or enterprises listed in Article 5 and the interest of each legal act, and the reasons why this is not detrimental to the Company and it conforms to regular business practice, and shall seek approval from the Board of Directors. However, if such an instance falls under the legal acts between a Director and the Company as stipulated in Article 223 of the Company Act, the convener of the Audit Committee shall serve as the representative of the Company.

If a Director wishes to be exempted from the applicability of Article 6, he/she shall explain, to the Board of Directors, the specific details of such opportunity and the reasons why there are no conflicts with or no effects on the interests of the Company, and shall seek approval from the Board of Directors.

Upon approval by a resolution of the Board of Directors of exemption from applicability as provided in the preceding two paragraphs, the Company shall immediately disclose information including the titles and names of the personnel exempted, the date when the exemption is approved by the Board of Directors, objections or reservations of Independent Directors, the term of exemption from applicability, the reasons for exemption from applicability, and the standard(s) for exemption from applicability on the Market Observation Post System.

Article 14 The Company shall disclose the Code it has adopted, as well as any amendments to it, on its corporate website, in its annual reports and prospectuses and on the Market Observation Post System.

Article 15 The Code, as well as any amendments to it shall enter into force after it has been adopted by the Board of Directors and reported to the Shareholders' Meeting.

China Steel Corporation Codes of Ethics for First Echelon Supervisors and Executives

Established on December 20, 2005

Amended on March 25, 2019

Chapter 1 General Provisions

Article 1 This Code has been specifically formulated to guide the conduct of first echelon supervisors and executives at the Company so that it conforms to ethical standards, to prevent illegal conducts, and to enable the stakeholders of the Company to better understand the Company's ethical standards.

Article 2 First echelon supervisors and executives as referred to in this Code include President, Executive Vice President, Vice Presidents at each division, the Special Assistant to President, Assistant Vice Presidents, first echelon supervisors and salaried advisors at each unit, Sr. Engineering Experts, Sr. Administration Experts, Sr. Fellow and Fellows.

Chapter 2 Standards of Ethical Conduct

Article 3 Honest and Ethical Conduct:

First echelon supervisors and executives shall perform their duties with an honest and non-deceptive attitude and conduct that adheres to professional standards, including the handling of actual or obvious personal conflicts of interest against their duties in an impartial manner.

Article 4 Prevention of Conflicts of Interest:

First echelon supervisors and executives shall engage in businesses in an objective and efficient manner, and avoid using the positions they hold at the Company to enable the following personnel or enterprises to receive improper benefits:

I. The person him/herself, his/her spouse, parents, children or relatives within the third-degree of relationship.

II. Enterprises in which the persons in the preceding paragraph who directly or indirectly enjoy significant financial interests.

III. Enterprises in which the person him/herself serves as Chairman, Executive Director or Senior Executive.

The Company shall pay particular attention to lending of funds, material asset transactions, purchase (sales) relationships, or the making of guarantees to the persons or enterprises listed in the preceding paragraph.

Article 5 Avoidance of Opportunities for Personal Gain:

When the Company has an opportunity to gain profit, first echelon supervisors and executives have the responsibility to preserve and increase the legitimate profit that the Company is able to obtain, and shall avoid the following conduct:

I. Opportunities for seeking personal gain for themselves or the third party through the use of the Company's property or information or by taking advantages of one's position.

II. Use of the company's property or information or taking advantages of one's position to obtain personal gain for themselves or the third party.

III. Engaging in competition with the company.

Article 6 Keeping Business Secrets:

First echelon supervisors and executives shall be bound by the obligation to maintain the

confidentiality of any undisclosed information regarding the Company itself, its suppliers or customers, except when authorized or legally required. Confidential information includes any undisclosed information that might be exploited by competitors or could result in damage to the Company, suppliers or customers once let out.

Article 7 Engagement in Fair Trade:

The Company is dedicated to market competition based on superior management and high-quality products and service, and does not achieve results by illegal or unethical methods. First echelon supervisors and executives shall treat all customers, suppliers, competitors and employees fairly, and must not obtain improper benefits through manipulation, concealment, or abuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

Article 8 Protection and Legitimate Use of Company Assets:

The Company’s assets shall be protected and shall be effectively used only for the Company’s legal commercial purposes. First echelon supervisors and executives have the responsibility to safeguard company assets, to ensure that they can be effectively and legally used for business purposes, and to avoid any theft, negligence in care, or waste of the assets that directly impact the Company's profitability.

Article 9 Compliance with Laws and Regulations:

First echelon supervisors and executives shall observe and promote the Securities and Exchange Act and other laws and regulations which standardize corporate activities, and must not intentionally violate any laws, engage in conduct to intentionally mislead, manipulate or unfairly obtain advantages from the Company’s customers or suppliers, or make untrue statements regarding the Company’s products or services.

Article 10 Compliance with regulations in Prevention of Insider Trading:

First echelon supervisors and executives shall observe laws concerning the prevention of insider trading and other securities laws concerning equity trading and handling of confidential business information. First echelon supervisors and executives who are in possession of important undisclosed information must not engage in trading of related securities. Insider trading is both illegal and unethical, and the Company will resolutely intervene to deal with such incidents.

Article 11 Encouraging the reporting of any conduct that is illegal or that violates the Code of Ethical Conduct:

The Company shall raise awareness of ethics internally and encourage employees to report to the Chief Auditor or other appropriate individual upon suspicion or discovery of any activity in violation of a law, regulation or the Code of Ethical Conduct. The company shall keep informants’ identities confidential and ensure their safety at its best to protect them from reprisals and threat.

Chapter 3 Supplementary Rules

Article 12 Procedures for Exemption from Applicability:

If a first echelon supervisor or executive wishes to be exempted from the applicability of Article 4, he/she shall fully disclose, to the Board of Directors, the persons or enterprises listed in Article 4 and the interest of each legal act, and the reasons why this is not detrimental to the Company

and it conforms to regular business practice, and shall seek approval from the Board of Directors.

If a first echelon supervisor or executive wishes to be exempted from the applicability of Article 5, he/she shall explain, to the Board of Directors, the specific details of the opportunity information or competition with the Company, and the reasons why there are no conflicts with or no effects on the Company's interests, and shall seek approval from the Board of Directors.

Upon approval by a resolution of the Board of Directors of exemption from applicability as provided in the preceding two paragraphs, the Company shall immediately disclose information including the titles and names of the personnel exempted, the date when the exemption is approved by the Board of Directors, the term of exemption from applicability, the reasons for exemption from applicability, and the standard(s) for exemption from applicability on the Market Observation Post System.

Article 13 Disciplinary Measures:

If a first echelon supervisor or executive violates the Code, he/she shall be disciplined directly in accordance with the rewards and punishments set forth in Part 4, Chapter 2 of the Personnel Management System, with the exception of serious cases required be reported to the Board of Directors for deliberation.

If the disciplined personnel in the preceding paragraph considers the Company's disposition to be improper and it infringes on his/her legal interests, he/she may submit an appeal through the administrative system in accordance with the provisions for handling an appeal in Part 7, Chapter 4 of the Personnel Management System, to seek remedy.

Article 14 The Standards of Ethical Conduct which first echelon supervisors and executives shall observe includes the provisions of the Code and other relevant regulations of the Company.

Article 15 The Company shall disclose the Code it has adopted, as well as any amendments to it, in its annual reports and prospectuses and on the Market Observation Post System.

Article 16 The Code, as well as any amendments to it shall enter into force after it has been adopted by the Board of Directors and submitted to the Shareholders' Meeting.

(IV) Remuneration Committee

The Company approved the formulation of the Organization Regulations for Remuneration Committee in the 8th meeting of the 14th Board of Directors held on August 23, 2011 in accordance with Paragraph 1, Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

The Remuneration Committee is mainly responsible for formulating performance evaluation policies for Directors and Management Team, reviewing the performance of each personnel, as well as formulating and regularly assessing the remuneration of Directors and Management Team and the structure and system of remuneration.

1. Information on Remuneration Committee

Title	Criteria / Name	Professional Qualification and Experience	Number of Other Public Companies in Which the Member Concurrently Serves as a Remuneration Committee Member
Independent Director (Convener)	Min-Hsiung Hon	**Date of initial appointment (Years of service):** June 23, 2016 (8 years) **Expertise:** Materials science **Education:** PhD in Materials Science and Engineering, North Carolina State University, U.S.A.	0
Independent Director	Shyue-Bin Chang	**Date of initial appointment (Years of service):** June 23, 2016 (8 years) **Expertise:** Aviation industry; Electrical and mechanical engineering; Board member of other listed companies. **Education:** PhD in Mechanical and Aerospace Engineering, Cornell University, U.S.A.	2
Independent Director	Lan-Feng Kao	**Date of initial appointment (Years of service):** June 23, 2016 (8 years) **Expertise:** Accounting/Finance; Corporate governance. **Education:** PhD in Accounting, National Cheng Kung University	0
For the experience and other current positions of Independent Directors, please refer to page 19-21 Information on Diretors of this annual report.			

Title	Criteria / Name	Independence Criteria			
		Whether the person and the person's spouse as well as relatives within the second degree of relationship are not a director, supervisor, or employee of the Company or any of its affiliates.	Whether the person is not a shareholder who holds shares, together with those held by the person's spouse as well as relatives within the second degree of relationship (or under others' names), in an aggregate amount of 1% or more of total shares issued by the Company or ranking as one of its top ten natural-person shareholders.	Whether the person is not a director, supervisor, or employee of a company or organization that has a specific relationship with the Company.	Whether the person did not receive any remuneration for providing commercial, legal, financial, accounting or related services from the Company or any of its affiliates in the recent 2 years.
Independent Director (Convener)	Min-Hsiung Hon	Yes	Yes The person: 0 shares (0%) Spouse: 5,000 shares (0%) Other relatives within the second degree of relationship: 25,000 shares (0%)	Yes	Yes: No remuneration

Independent Director	Shyue-Bin Chang	Yes	Yes The person: 0 shares (0%) Spouse: 0 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)	Yes	Yes: No remuneration
Independent Director	Lan-Feng Kao	Yes	Yes The person: 4,216 shares (0%) Spouse: 1,000 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)	Yes	Yes: No remuneration
The Independent Directors Min-Hsiung Hon, Shyue-Bin Chang and Lan-Feng Kao meet the independence requirements stipulated in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies in the two years prior to the date of appointment and during term of office.					

2. Operation of Remuneration Committee
   (1) The Remuneration Committee of the Company is composed of three members.
   (2) In 2023, the Remuneration Committee convened a total of 3 meetings. Attendance of members is listed as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Percentage of Attendance in Person (%)	Remarks
Convener	Min-Hsiung Hon	3	0	100%	Scope of Authority: Discuss and resolve on matters related to the performance evaluation and remuneration of the Company's Directors and managements, and submit proposals and recommendations to the Board of Directors.
Committee Members	Shyue-Bin Chang	3	0	100%	
	Lan-Feng Kao	3	0	100%	
Other matters to be noted: I. If the Board of Directors does not adopt or amend the recommendations made by the Remuneration Committee, the date, session, the content of proposals, resolutions of Board Meetings and the Company's action in response to opinions from the Remuneration Committee shall be specified (if the remuneration approved by the Board of Directors is better than that recommended by the Remuneration Committee, the discrepancies and related reasons shall be specified): None. II. If any member of the Remuneration Committee has dissenting opinion or qualified opinion on the resolutions of the Remuneration Committee, where such opinions are documented or issued through written statements, the date, session, the content of proposals, all the members' opinions of the meeting of the Remuneration Committee, and the action in response to these opinions shall be specified: None.					

(V) Implementation of Sustainable Development, its deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations; Climate-related information of TWSE/TPEx Listed Companies

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
I. Has the Company established a sustainable development governance structure supervised by the Board of Directors and an exclusively (or concurrently) dedicated unit under supervision of senior management authorized by the Board of Directors to promote sustainable development?	Yes		1.The Company has established the "Corporate Governance and Sustainability Committee" approved by the Board of Directors on November 11, 2019, which is responsible for promoting sustainable development, implementing sustainable management concepts, and supervising matters related to risk management. This committee shall convene at least two meetings a year. The powers of this committee are listed as follows: (1)Promote and strengthen corporate governance organization and system. (2)Promote and implement ethical corporate management-related work. (3)Promote and fulfill sustainable development policies and matters related to sustainable management. (4)Implement and assist in supervising matters related to risk management. (5)Plan and promote matters related to energy saving & carbon reduction and carbon neutrality. (6)Plan and promote matters related to digital transformation. (7)Implement other matters adopted by resolution of the Board of Directors. In order to ensure the implementation of sustainable management policies and sound risk control, this committee has established four execution teams, including "Corporate Governance and Ethical Corporate Management," "Sustainable Environment Development," "Employee Care and Social Engagement," and "Risk Management," which are led by the Vice Presidents of relevant units. In addition, to reduce the impact on climate and the environment, the Company also established a "Task Force on Energy Saving & Carbon Reduction and Carbon Neutrality," headed by the Chariman, to carry out practical actions against climate change. In February 2023, the Board of Directors passed a resolution to establish the “Task Force on Digital Transformation” under the committee, which is chaired by the President, with the aim of rolling out initiatives to ensure that the Company progresses towards intelligent steel plants. Each team is responsible for the operation and promotion of relevant matters and the implementation of the Committee’s resolutions. The Committee reported the plan for 2024 and the implementation status of each team in 2023 to the Board of Directors on December 29, 2023 and February 29, 2024, respectively. 2.Implementation results in 2023: (1) continued to promote the formulation of	No significant difference

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			ESG goals among listed subsidiaries of CSC Group, (2) maintained zero significant cybersecurity incidents, (3) the ongoing staff caring activities and steel and environmental protection related educational training, (4) set up renewable energy sources and adhering to the request to use renewable energy as per the requirements of major power users, (5) continued to increase the use of recycled water and adopt air pollution reduction measures, (6) established a "Carbon Management Advisory Team" to drive the low-carbon transformation of the steel industry chain, (7) carried out a total of 223 carbon reduction action plans in 2023, which led to a reduction of 358 thousand tons of CO_2e per year, a level exceeding the Company's carbon reduction targets, (8) developed digital innovative technologies such as remote human-machine collaboration, digital twinning, hybrid cloud, generative AI, etc., to enhance production and operational efficiency. The implementation results above have been disclosed in "Committees of the Board - Corporate Governance and Sustainability Committee" under the "Investor Relations" section on the Company's website. 3.In addition to reporting the implementation status to the Board of Directors, the Committee also reports ESG targets set up for short-term (2024), medium-term (2025~2029), and long-term (2030 and beyond) and the communication with stakeholders. The Board of Directors regularly reviews the progress of the Company's strategies and objectives and, where necessary, urges the Company to adjust its direction to meet stakeholders' expectations and align itself with international standards. 4.Listed subsidiaries of CSC Group have established exclusively or concurrently dedicated units in charge of corporate sustainable development and report to the Board on the promotion and implementation results of related work on a regular basis. CSCC established the Corporate Governance and Sustainability Committee under the Board of Directors, which is composed of directors. At CHS, the administration division concurrently promotes sustainable development while the vice president of the administration division reports the implementation of sustainable development to the Board of Directors. Meanwhile, CHC Resources, CSSC, and CEC have established Sustainable Development Committee chaired by the chairman, which regularly convenes meetings and reports the implementation status to the board of directors.	

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
II. Has the Company conducted risk assessment on environmental, social and corporate governance issues related to corporate operations and formulated relevant risk management policies or strategies based on materiality principle?	Yes		Having established the material issues analysis process in compliance with the 2021 edition of the GRI Universal Standards and stakeholder engagement standards, the Company and listed subsidiaries of CSC Group identified major topics in the area of sustainable development and the corresponding risks, as well as formulated relevant management strategies through a series of procedures including collection and review, ranking and identification, and verification. The Company's sustainability report is prepared by the Sustainable Environment Development Team under the Corporate Governance and Sustainability Committee. The report discloses the analysis of risk assessment for material topics and related risk management policies or strategies, and the reporting boundary mainly covers the Company. The key points are summarized as follows: 1.Material environmental issues: The Company has identified the risks of climate change, such as the physical risks of water shortage in the dry season and power rationing in summer caused by climate change, and assessed the relevant response measures against climate change. The Company has also formulated risk management procedures for water and electricity consumption, including rules for water rationing and water supply interruption management, and the operating standards for emergency priority of power supply. In addition, in response to transition risks such as R&D cost incurred by low-carbon technology and increased operating costs caused by carbon fees collected, the Company will continue to develop low-carbon steelmaking technologies through industry-academia collaboration program, and expand the potential sales market for low-carbon steel in the future. 2.Material social issues: The Company has listed “improving occupational safety and health management" as a key item in the social issues. In 2023, the Company has acquired the follow up certification for the ISO 45001 (Occupational Safety and Health Management Systems) and TOSHMS (Taiwan Occupational Safety and Health Management System) certified by the British Standards Institution (BSI). The Company’s management policies related to occupational safety and health include bolstering employees’ attitude, awareness, and skills related to safety and health through training and	No significant difference

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			promotion, as well as carrying out routine inspections on the conduct and working environment of employees and personnel of subcontractors by on-site supervisors at all levels. In 2023, supervisors conducted safety observation and inspection (including patrols) for a total of 87,095 times. 3.Material corporate governance issues: In order to prevent risks arising from the internal operating procedures not responding to external regulation updates immediately, the Company has established a regulation identification management system that can track domestic regulatory changes, and the overseas production sites also follow the Company's management system in order to effectively implement, integrate, and respond to regulatory changes.	
III. Environmental Issues (I) Has the Company established an appropriate environmental management system based on the characteristics of its industry? (II) Is the Company committed to improving energy utilization efficiency and to the use of renewable materials with low environmental impact? (III) Has the Company evaluated the current and future potential risks and opportunities of climate change, and adopted countermeasures? (IV) Has the Company collected statistics of emissions of greenhouse gas (GHG), the usage of water, and the total weight of waste in the past two years; and formulated GHG reduction, water saving, and other waste management policies?	(I) Yes (II) Yes (III) Yes (IV) Yes		(I) Since the establishment of the Environmental Management System (EMS) in 1996, the Company has identified all the environmental impact arising from activities and operations through identification of environmental aspects. In 2023, the Company's ISO 14001:2015 environmental management system was externally audited by the British Standards Institution (BSI) Taiwan Branch and successfully passed the follow up verification to maintain the effectiveness of the system. The scope of ISO 14001 encompasses the R&D and manufacture of plates, bars, wire rods, hot-rolled and cold-rolled coils, commercial slabs, and pig iron. In addition, the Company proposes and implements countermeasures based on the type and degree of environmental impact and risk level from medium to high, and reduces the environmental impact using the PDCA cycle for continuous improvement. Besides, the Company also actively participates in meetings related to the development and amendment of environmental protection regulations, provides opinions on amendments, and masters the trend of regulations, so that the Company can develop countermeasures in advance to effectively control environmental risks. CSC conducted the first GHG inventory operation in accordance with international standards (ISO 14064) in 2006. CSC also commissions a third-party verification agency to verify the Company's GHG inventory data, obtains a declaration of verification, and registers the relevant information on the Mandatory Greenhouse Gas Reporting System on an annual basis.	No significant difference

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			All the listed subsidiaries of CSC Group have not only established dedicated units to assist in the promotion, planning and implementation of environmental protection works, but also set up a sound environmental management system and passed the verification for ISO 14001 Environmental Management Systems. Meanwhile, CHS has established the Environmental and Energy Management Committee, which regularly reports environmental and energy management performance to the President. (II) 1.To maintain energy balance and make the best use of it, CSC implements ISO 50001 energy management system. In response to the new ISO 50001:2018 standard, an external audit was conducted in 2019 and CSC successfully passed the transition. In addition, the Energy Saving Committee has been established across departments and plants to promote energy saving and carbon reduction work at the plants, and regular meetings are held to review the achievement of the energy targets. At present, the Company is in the process of implementing the 4th phase (2021-2025) of energy-saving action plan and have saved a total of 5,435,942 GJs of energy from 2021 to 2023, with a target achievement rate of 206%. Besides, the Company has also set a power saving target and reached an average annual power saving rate of 1.95% from 2015 to 2023, which exceeded the target set by the Energy Bureau of the Ministry of Economic Affairs that "average annual power saving rate for energy users from 2015 to 2024 should be more than 1%." 2.To reduce the load on the environment caused by our operations, the Company is committed to the development of various resourcezation technologies for waste generated in manufacturing processes based on the life cycle of steel and simultaneously integrates the links between internal and external resourcezation in Linhai Industrial Park to implement proper resourcezation of industrial waste. After years of hard work and close cooperation with academia, the Company has achieved significant results in various areas, such as reduction of process residues, on-site recycling, and off-site resourcezation. In 2023, there were 4.449 million tons of by-products (wet basis) from manufacturing processes, where on-site recycling and off-site resourcezation accounted for 11% and 89% of the total amount of by-products generated, respectively.	

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			Besides, in line with the government's circular economy policy, the Company has increased the production capacity of basic oxygen furnace slag powder and mineral fines, and expanded the promotion of basic oxygen furnace slag powder and mineral fines for use as cement raw materials in 2023. The Company has supplied more than 360 thousand tons to cement plants in 2023, achieving the target set at 308 thousand tons. The application can replace limestone and iron slag, thereby reducing load on the environment caused by natural ore mining in the cement industry. With the Company's proactive efforts to engage in the application of BOF slag in land reclamation, 1.746 million tons of BOF slag were used in the logistics and storage area at Port of Taipei in 2023, thereby implementing the circular economy policy while steadily engaging in land development across Taiwan. For the resourcezation of blast furnace slag, it can be water-quenched as raw materials for producing blast furnace slag powder or air cooled as materials for various types of engineering. In 2023, approximately 2.512 million tons of blast furnace slag were used for resourcezation. 3.Listed subsidiaries of CSC Group are also committed to reducing load on the environment and adopt the following methods. For example, strengthening waste management measures, setting power saving target and continuous reducing resource and energy consumption during production, increasing resource reuse ratio, giving priority to the procurement of green mark certified products, producing green products, and developing eco-friendly technologies. Furthermore, CHS, CSCC, CHC Resources, and CSSC acquired ISO 50001 certification. (III) CSC not only follows framework of the TCFD (Task Force on Climate-related Financial Disclosures) reporting to review risks and opportunities related to climate change through cross-departmental discussions, but also referenced 4 scenarios, including Shared Socioeconomic Pathway 5-8.5 (SSP5-8.5) and scenarios with intermediate GHG emissions (SSP2-4.5) proposed by the Intergovernmental Panel on Climate Change (IPCC), as well as Net Zero Emissions (NZE) and Announced Pledges Scenario (APS) studied by the International Energy Agency (IEA), to examine the impact of various climate risks and opportunities under different scenarios, including identifying physical risks due to extreme weather (e.g., water	

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			shortages and damage to assets in low-lying areas caused by rising sea levels), transition risks due to changes in laws and policies, (e.g., increased costs caused by carbon fee collection and low-carbon transition), and opportunities such as providing low-carbon products and materials related to the green energy and electric vehicle industries. Countermeasures have been planned based on the results, including continuously working on GHG reduction measures and developing low-carbon manufacturing processes and low-carbon products. Listed subsidiaries of CSC Group not only identify potential risks and opportunities for companies from climate change at present and in the future by the framework of TCFD, but also plan and formulate response measures for climate-related issues. (IV)1.Statistics on greenhouse gas (GHG) emissions and related management policies: (1) The Company has carried out GHG inventory audit on an annual basis. Scope 1 and 2 inventories cover the Company's domestic factories and overseas offices, and has obtained a declaration from a third-party verification agency accredited by the Ministry of Environment (MOENV). The relevant information has also been registered on the Climate Change Adiministration's Mandatory Greenhouse Gas Reporting System in compliance with the prevailing regulations. In addition, the Company has taken the initiative to conduct scope 3 inventory, and has commissioned a third-party verification agency to verify four categories of its Scope 3 inventory according to the strength of supporting documents, namely "business travel," "waste generated in operations," "upstream transportation and distribution," and "fuel and energy-related activities." The four categories has obtained a verification statement and the content of inventory will be refined continuously. (2) Details of the GHG emissions of the Company in 2022 and 2023 are as follows: ・In 2022, Scope 1 and Scope 2 emissions were 18,249 and 1,374 thousand tons of CO_2e respectively, with a total emission of 19,623 thousand tons of CO_2e and an emission intensity of 2.326 tons of CO_2e /ton of slab; Scope 3 emissions were 11,216 thousand tons of	

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			CO_2e. ・In 2023, Scope 1 and Scope 2 emissions were 16,810 and 1,249 thousand tons of CO_2e respectively, with a total emission of 18,059 thousand tons of CO_2e and an emission intensity of 2.326 tons of CO_2e/ton of slab; Scope 3 emissions were 11,318 thousand tons of CO_2e. (3) CSC is committed to acting against climate change. Short-term, medium-term and long-term GHG reduction targets have been set against 2018 base year emissions (Scope 1: 20,806 thousand tons of CO_2e; Scope 2: 1,295 thousand tons of CO_2e). It is expected to achieve a 7% reduction in carbon emissions by 2025 (short-term) and a 25% reduction in carbon emissions by 2030 (mid-term) respectively as compared to base year, and the ultimate goal of carbon neutrality by 2050 (long-term). Owing to the Company's ongoing efforts to implement carbon reduction action plans such as energy saving plan of ultra-high pressure water pump for rust removal at hot strip mill, refining No. 3 blast furnace operation technology, and replacement of turbine blowers for power house in 2023, the Company recorded an 18% reduction in GHG emissions in 2023 compared to the base year of 2018, which was higher that the set target (i.e., a reduction of 1,105 thousand tons of carbon emissions or 5% in 2023 compared to 2018), indicating that the Company's rollout of carbon reduction initiatives has yielded positive results (where the 2023 data were calculated based on the 2022 electricity carbon emission factor published by the Energy Administration, Ministry of Economic Affairs). 2.Statistics on water consumption and related management policies: The Company determined water consumption strategies for multiple water sources in 2012 and has actively cooperated with the government in developing the urban polluted water recycling policies. With the Construction and Planning Agency under the Ministry of the Interior, as well as the Water Resources Agency and the Industrial Development Bureau under the Ministry of Economic Affairs actively pulling the strings, Taiwan's first public sewage treatment plant for recycling the wastewater, i.e. the Fengshan Creek Reclaimed Water Plant, was born, where CSC and C.S.Aluminium Corporation in Linhai Industrial Park	

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			has incorporated the use of reclaimed water as industrial water in manufacturing processes. Urban Polluted Water Recycling Demonstration Plan: Since August 2018 when Fengshan Creek reclaimed water was adopted, currently 41 thousand tons of reclaimed water is being used every day. On December 9, 2021, Linhai reclaimed water was officially adopted, with 20 thousand tons of reclaimed water used every day. In 2023, a total of 22.339 million tons of reclaimed water were used, accounting for 54.5% of total water consumption. This has reached the goal of reducing 46.9% of raw water used in 2023 (against the base year 2017 when reclaimed water hadn't been adopted. In 2019, after the introduction of reclaimed water and efforts to consume water, the total water usage has decreased to 124 thousand tons per day.) The water consumption data of the Company is mainly based on the premises of the Company's factories, the Hsiao Kang Plant, and is disclosed in the Sustainability Report of the Company. The third-party verification was obtained from British Standards Institution (BSI). Water consumption in 2022 and 2023 were 21.56 and 18.62 million tons respectively, and the reclaimed water usage were 21.514 and 22.339 million tons respectively. The water consumption per ton of slab was 4.86 and 5.04 tons respectively. In 2023, the reclaimed water from Fengshan Creek and Linhai, together with the recovery of water used in manufacturing processes, have significantly reduced raw water consumption by approximately 13.6% compared to the previous year. CSC's daily raw water consumption has declined to approximately 51 thousand tons in 2023. 3.Statistics on waste and management policies: With respect to waste management targets, the Company aims to achieve a resourcezation rate of more than 90% and zero solidification landfill. The waste disposal data of the Company is mainly based on the premises of the Company's factories, the Hsiao Kang Plant, and the data disclosed in the Sustainability Report of the Company is also certified by British Standards Institution (BSI). The amount of waste disposal in 2022 and 2023 were 559,807 and 517,164 tons respectively, with each ton of slab generating 66.35 and 66.6 kg respectively. Among which, the general industrial waste disposal	

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			in 2022 and 2023 were 559,748 and 517,131 tons respectively, with a resourcezation rate of 94.7% and 94.9%; 58 tons and 33 tons of hazardous industrial waste were disposed, with a resourcezation rate of 100%. 4.Listed subsidiaries of CSC Group, such as CHS, CHC Resources, CSCC, and CSSC, have completed the GHG inventory audit and recorded the statistics on water usage and the total weight of waste. These companies have also formulated various management solutions to effectively improve energy performance and achieved resource recycling and waste reduction. The listed subsidiaries of CSC Group have also set short-term, medium-term, and long-term carbon reduction targets and have received verification of GHG emission data.	
IV. Social Issues (I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights? (II) Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, rest and annual leave, and other benefits), and appropriately reflected the operating performance or achievements in the employee remuneration? (III) Does the Company provide a safe and healthy work environment and regularly offer safety and health training to its employees? (IV) Has the Company established effective career development training programs for its employees? (V) Does the Company comply with relevant laws and international standards in issues such as health, safety, and privacy of consumers as well as marketing and	(I) Yes (II) Yes (III) Yes (IV) Yes (V) Yes		(I) Complying with the principles and spirits of the "Universal Declaration of Human Rights," the “International Covenant on Economic, Social and Cultural Rights,” the “International Covenant on Civil and Political Rights,” the "United Nations Global Compact," the "Declaration on Fundamental Principles and Rights at Work" adopted by the International Labor Organization (ILO), and other international codes on human rights, the Company and listed subsidiaries of CSC Group have been treating and respecting all current employees and personnel of business partners equally, as well as eradicating any infringement and violation of human rights. The specific action includes establishing human rights policies or incorporating the policies and specific management solutions for safeguarding human rights into the personnel management system, introducing various rules and regulations such as directions on occupational safety and health management and environmental protection management for subcontractors, and enhancing employees’ understanding of human rights protection through education and training. The relevant policies and their implementation are listed as follows: 1.Formulate labor conditions in accordance with government labor laws and regulations. 2.Provide equal employment opportunities to all job seekers in accordance with the Employment Service Act, where no violation of human rights or discrimination occurred during employee recruitment in 2023. 3.Establish the "Rewards and Punishments Review Committee," with the purpose of reviewing major rewards and punishments for employees, in	No significant difference

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
labeling of its products and services, and establish consumer or client rights protection policies and appeals procedures? (VI) Has the Company established supplier management policies, requesting suppliers to comply with relevant regulations on issues regarding environmental protection, occupational safety and hygiene, or labor rights, and disclosed the implementation?	(VI) Yes		accordance with the "Guidelines for Establishing Rewards and Punishments Review Committee." 4.In order to create a quality workplace and provide a work and service environment free of sexual harassment, the Company establishes channels of appeal for sexual harassment incidents, adopts appropriate measures such as prevention, correction, punishment and remedies, and formulates the "Workplace Sexual Harassment Prevention, Grievance, and Disciplinary Action Regulations" in accordance with Article 13 of the "Gender Equality in Employment Act," Article 2 of the "Regulations for Establishing Measures of Prevention of Sexual Harassment in the Workplace," Article 7 of the "Sexual Harassment Prevention Act," and "Regulations of Sexual Harassment Prevention". The Company has also established complaint channels in accordance with the "Guidelines for Handling Complaints," with the purpose of protecting the human rights of employees and providing employees with the relevant channels when their legal rights have been infringed or improperly handled and such incidents cannot be resolved reasonably. 5.All new employees receive courses on human rights during induction training, and all the senior employees have received the same training as well. In 2023, the Company provided 6,765 hours of training on human rights, while a total of 2,009 employees received the training, and also held meetings for communication and information dissemination, with a total of 10,310 hours. 6.In 2023, a company-wide “Human Rights Due Diligence Survey” was conducted, encompassing five issues, including elimination of unlawful discrimination to ensure employment opportunities, prohibition of child labor, prohibition of forced labor, freedom of association and collective bargaining, and provision of a safe and healthy work environment. Improvement measures were proposed based on the results of this survey in hopes of minimizing the likelihood of human rights risks. (II) 1.The Company has established the "Salary Management" section in the "Personnel Management System," which specifies that employee salary standards is formulated based on duties and responsibilities with reference to the salary market conditions, the Company's financial status and organizational structure.	

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			Pay from the Compnay is determined without gender-based differences, and the basic salary paid to women and men of the same position and level is the same. However, the pay grade of the same position may vary due to difference in seniority because of the link between salary and tenure. For employees of the same position and the same tenure, pay is the same regardless of gender. The Company has been dedicated to creating a diverse workplace, and the percentage of female employees increases year by year. By the end of 2023, the percentage of female employees was 3.73%. The employees from non-production unit, including administration, finance and corporate planning divisions, totaled 370 and 116 of which were female employees, accounting for 31.35%. Female supervisors accounted for 1.82% of the total number of supervisors (including managements). 2.The main items for employee remuneration are basic salary (including three items, such as base pay, food allowance, and special environment allowance/special maintenance allowance/special allowance for operating bridge crane at basic oxygen furnace), year-end bonus, and surplus bonus for production and sales. 3.Furthermore, the Company has established regulations governing employee remuneration, incentives, and bonuses to reflect the Company's operating performance and results in the current year on the salary and compensation of employee, which also links to the performance appraisal for individual employees. 4.The Company has established a working environment with great benefits to enhance the well-being of employees, and has set up welfare facilities such as the cooperative store, restaurant, the CSC Group Hall, single employee dormitories, gymnasium, and kindergarten to meet employees' welfare needs. Besides, the Company organizes activities every year, such as team-building activities and factory celebrations, to maintain relationships between employees and their families and enhance employees' sense of belonging to the Company. In addition, the Company has set up many requirements for leave application that are better than those stipulated in the Labor Standards Act and the Gender Equality in Employment Act, such as marriage leave, maternity leave,and pregnancy checkup leave, accompany for pregnancy checkup leave and paternity	

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			leave, so as to emphasize work-life balance. For more details, please refer to VI. Labor Relations under Chapter V. Operational Highlights in this annual report. 5.Listed subsidiaries of CSC Group have established their own regulations for employee compensation and employee welfare measures, and indicated in their articles of incorporation the percentage of contribution to employee remuneration if there is a profit, so as to appropriately reflect their operating performance or achievements on employee compensation. (III)1.The Company has acquired ISO 45001 certification and passed the verification every year, with the scope covering R&D and manufacture of plates, bars, wire rods, hot-rolled and cold-rolled coils, commercial slabs, and pig iron, and conduct annual follow-up after the renewal of verification every three years. The Company conducts training and education on occupational safety and health to promote workplace safety every year, and have a computerized safety and health training management system in place, which allows instant updates of data and online enquiries. The Company also regularly organizes relevant industrial safety training and invites medical professionals from time to time to give a talk about health-related issues to employees. For detailed information on workplace safety and healthy work environment for employees, please refer to V. Protection Measures for Working Environment and Employees' Personal Safety under Chapter V. Operational Highlights in this annual report. 2.The Company achieved the target of zero major occupational accident in 2023. Specifically, the Company recorded 2 disabling injury accident (i.e., temporary absence from work for more than one day) involving 2 people, which accounted for 0.02% of the total number of employees at the end of 2023, while the disabling injury frequency rate was 0.10, which was lower than the statutory rate of 0.18 and the industry average rate of 2.22 (based on the latest statistics in 2020~2022 provided by the Occupational Safety and Health Administration). The 2 employees involved in the accident was provided with proper health care and support, and has now returned to work. The Company will continue to refine its implementation of workplace safety. After self-inspection and review, the Company proposed various safety and health management	

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			measures, and formulated the three main themes, namely “cognitive ability”, “effective audit” and “due diligence” to strengthen occupational safety, with the hope of continuously strengthening safety and health management, as well as enhancing safety awareness and establishing a sound occupational safety culture to achieve the ultimate goal of zero disaster. 3.There were a total of 5 fire alarm incidents in 2023, all of which were minor fires with no casualties reported. Enhanced fire prevention measures have been implemented across all units. 4.Listed subsidiaries of CSC Group have all acquired ISO 45001 certification and conducted annual follow-up after the renewal of verification every year. The subsidiaries provide employees with a safe and healthy work environment in compliance with or better that the standard set in the Occupational Safety and Health Act by conducting safety and health training and organizing regular health examinations and additional health examination items for employees every year. Additionally, there were no fire incidents reported throughout the year 2023. (IV)The continuous growth and improvement of employees are the fundamental driver for a company’s growth. In order to strengthen employee training, improve career professional skills needed for employees and enhance corporate competitiveness, the Company has designed modular training with 6 major sections and constructed a "CSC talent cultivation and development structure" for actively promoting talent cultivation, including induction training, managements training, expatriate training, general education and training, professional skill training, as well as quality management and EHS training. Total training hours in 2023 were 265,609 hours, while average training hours per employee are 27.6 hours. In addition, the Company reviews each employee's career development plan while conducting employee performance appraisal every six months. All positions are provided with relevant competency training. Through the implementation of training programs, employees can effectively develop professional skills in their current positions and future career paths. Each year, listed subsidiaries of CSC Group formulate training plans according to their needs, and arrange appropriate courses for newcomers,	

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			professional personnel, and supervisors so that employees can acquire the skills required for career development. (V) 1.The Company has established a complete pricing system. After setting domestic prices, the Company will announce the price change in the corporate website, ensuring fairness in acquiring price information through fully disclosure to customers. In addition, the Company sets up the Technical Service Section-Metallurgy to specifically provide technical consultation and quality complaint services before, during, and after sales. Besides, the Marketing Administration Department is in charge of customer service email. Customers can protect their rights thorough the complaint system established by the Company. Furthermore, the Company has expanded customer services by integrating marketing resources in CSC Group. 2.The Company commissions academic institutions to conduct customer satisfaction survey every year and identifies, improves and corrects the unsatisfied items accordingly to maintain excellence service quality. 3.The Company complies with the provisions of the Personal Data Protection Act and strictly requires employees to exercise their duty to protect the trade secrets, and to respect customers' privacy. The Company would like to instill the spirit of compliance through educational trainings and public announcements. 4.The Company provides products and services in accordance with contracts to protect the rights and interests of customers, as well as to avoid leakage of personal information. The control measures are as follows: (1) All computers in the Company are equipped with legal antivirus software to prevent being exploited to spread computer viruses in e-commerce system. (2) Information search and operations in e-commerce must be carried out after logging in to the account with a password. The person who is not a customer or fails to identity verification is not allowed to make a search. At the same time, SSL encryption is employed to ensure the security of information transformation. (3) The Company has established rules for managing digital certificates in e-commerce systems, where expired certificates have to be renewed or extended for furthur use.	

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			5.The major products sold by the Company are plates, bars, wire rods, hot-rolled products, cold-rolled products, electro-galvanized products, hot-dip galvanized products and electrical steel. The Company manufactures, packs, and labels products in compliance with relevant international product standards (such as CNS, JIS, ASTM, EN, etc.) or the specifications agreed by both parties. The steel products sold by the Company also meet the requirements of international environmental regulations such as EU RoHS(Restriction of Hazardous Substances), REACH-SVHCs (Registration, Evaluation, Authorization and Restriction of Chemicals-Substances of Very High Concern), packaging regulations, German AfPS GS PAHs (Polycyclic Aromatic Hydrocarbons), etc, which are also set out in the “Basic Business Rules for the Marketing Department” as the standard operating procedures for sales and marketing. 6.Listed subsidiaries of CSC Group have established procedures to protect consumer rights and customer privacy, such as setting up a specific complaint channel, conducting customer satisfaction surveys regularly, or establishing strict privacy control countermeasures. In addition, the products of subsidiaries in the steel industry under CSC Group also comply with relevant international product specifications and are labeled in accordance with the relevant regulations. (VI)1.The Company requires coal and iron suppliers to comply with the relevant ESG terms and clauses formulated in the procurement contracts. In addition, the Company instituted the “Supplier Code of Conduct” as a guideline for suppliers to comply with issues on ethics, labor and human rights, health and safety, environmental standards, and management systems, in hopes of achieving various sustainability goals together with suppliers, such as practicing environmental sustainability, respecting labor and human rights, and complying with ethical standards. 2.In order to implement the Environmental, Health and Safety (EHS) policies established by the Company, the Company has formulated the "Rules for Safety and Hygiene and Pollution Prevention Management for Procurement, Contracting and Outsourcing" to manage the procurement, contracting and outsourcing of raw materials and equipment that may lead to issues related to safety and hygiene, environmental pollution, energy saving, and carbon reduction. Moreover, in-plant subcontractors	

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			are regularly audited. If any violation of workplace safety, environmental or human rights regulation is found, disciplinary actions, such as fines or termination of contract, will be taken against those involved depending on the circumstance. In addition, pursuant to the "CSC Subcontractor Management Guidelines for the Operation, Construction and Environmental Protection", the subcontractors shall be assessed. If the annual assessment score is lower than 70, the subcontractor will be disqualified for the next term of contract renewal. At the same time, educational training, occupational safety promotion and annual health examination are held from time to time to ensure the safety and health of subcontractor employees. 3.Listed subsidiaries of CSC Group have formulated the relevant supplier management regulations. For instance, CSCC and CHS have established supplier management policies with specific measures such as including environmental protection, labor conditions, human rights, and social issues as core items in supplier assessment to bolster supply chain management. In addition, CHC Resources, CHS, and CEC have termination clauses in procurement contracts, requests for quotation or price lists that allow them to terminate or rescind the contract at any time if suppliers or contractors violate CSR or sustainable development policies and cause significant environmental and social impact. Apart from specifying terms and clauses in contracts, CHC Resources also requires suppliers to sign the CSR Commitment Letter.	
V. Has the Company adopted internationally recognized standards or guidelines to prepare non-financial reports such as sustainability reports? Has the Company obtained a third-party assurance or verification for such reports?	Yes		The 2022 Sustainability Report of the Company published in 2023 was prepared in accordance with the Global Reporting Initiative (GRI) Standards and verified by the third-party, British Standards Institution (BSI), in accordance with Type 1 of AA1000 Assurance Standard v3 (AA1000AS v3), with part of the data in the report (waste resourcezation, air pollutant, water resource, and occupational safety) verified in accordance with Type 2 of AA1000AS v3. The Sustainability reports of listed subsidiaries and main subsidiaries have been prepared in accordance with the GRI Standards. The most recent reports of CEC, CHC Resources, and DSC have passed the verification conducted by BSI, while the reports of CHS and CSAC have passed the verification conducted by Afnor Asia. And the most recent reports of CSE and CSCC have passed the verification conducted by Lloyd's Register Quality Assurance (LRQA) or completed assurance process from Ernst & Young Taiwan respectively.	No significant difference

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	

VI. If the Company has formulated its own Sustainable Development Code of Practice in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe the implementation and its discrepancies between the Principles:

The Company has formulated the Sustainable Development Code of Practice in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and disclosed it on MOPS and the corporate website. All the implementation complies with the Sustainable Development Code of Practice.

VII. Other important information to facilitate a better understanding of the Company's practices of promoting sustainable development:

(I) Environmental protection and energy saving:

The Company is committed to not only the reduction of traditional pollutants, but also reducing the temperature of the Earth and energy saving & carbon reduction. In 1997, the Company obtained ISO 14001 - Environmental Management System (EMS) certification and received registration approval which required renewal every three years. The 14001:2015 version of the Company's environmental management system was externally audited by the British Standards Institute (BSI) Taiwan Branch in 2023, where no deficiencies were found, and successfully passed the follow up certification process. By upholding the spirit of continuous improvement, the Company gradually improved environmental management performance in all operations. Besides, the Company conducts internal and external audits every year to ensure that all the operations comply with the ISO 14001 standard. In 2011, the Company successfully obtained the ISO 50001 - Energy Management System, as the first steel company in Taiwan to obtain this certification. In 2022, the Company successfully passed the reassessment process for migration to the ISO 50001:2018 standard. In 2023, the Company underwent the renewal of this certification conducted by the British Standards Institution (BSI) and successfully passed the follow up verification process. At the same time, the Company also requires companies under CSC Group to pass the verification process for ISO 50001 so as to ensure the energy saving performance of CSC Group.

The Company continues to develop high-grade, high-strength, low-carbon green steel and provide them to steel-using industries to reduce the carbon footprint of steel products. The Company not only continuously reduces water used in production, but also actively recycles industrial and urban wastewater to reduce the use of raw water, thereby decreasing water footprint.

The Company's vision on energy and the environment is "To be a trustworthy steel company of global distinction that pursues growth, environmental protection, energy saving, and value innovation." The Company has established cross-departmental "Energy Conservation Committee" and the "Environmental, Health and Safety (EHS) Management Committee" to enhance communication and coordination, thereby improving the overall effectiveness of environmental protection and energy saving.

CSC Group's investments in energy-saving equipment and the green energy industry in 2023 are listed as follows:

Item	Investment amount (NT$ millions)	Content of investment and specific benefits (Quantitative data)
Replacement of Phase I and II coking ovens	8,596	Upon gradual completion of each stage in this project, the amount of electricity generated can be increased by 273 million kWh every year by turning the recycled waste heat from production processes into electric energy. In addition, this project can reduce volatile organic compounds (VOCs) emissions (percentage) by 73 metric tons (around 65%), reduce particulate matters (PMs) by 41 metric tons (around 56%), reduce energy consumption by 214 million cal/metric ton coke (around 10%), and reduce CO_2e emissions by 139 thousand metric tons per year.
Replacement of boiler turbine generators for No. 1 Power House	2,227	This project involves the replacement of Phase I and II boiler turbine generators at No. 1 Power House as these generators have reached the age for replacement. The enhanced efficiency of turbine generators upon replacement will lead to an increase of 32.8 MW in power generation, which can then increase the proportion of self-generated electricity and boost production stability.

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	

Energy saving projects	3,034	In 2023, the Company completed a total of 358 energy saving projects, which not only conserved 3.264 million GJ of energy and reduced 368 thousand metric tons of CO_2e, but also saved NT$1.81 billion in energy costs. The Company's main energy saving projects including the "Replacement of Turbine Blowers" for power house.
CSC Solar Corporation (A company in which CSC directly and indirectly has a 100% stake)	Capital expenditure on CSC Solar Corporation: 154	CSC Solar Corporation has been tasked with installing solar photovoltaics and energy storage equipment on the rooftop of factories under CSC Group. In 2023, the company added new solar photovoltaics with an installed capacity of 5.5 MW. As of the end of 2023, the installed capacity of solar photovoltaics at CSC Group has reached 97.9 MW, which is capable of generating 110 million kWh of electricity each year.
China Steel Power Corporation (A company in which CSC indirectly has a 51% stake)	Capital expenditure on China Steel Power Corporation: 11,286	China Steel Power Corporation is tasked with the construction of the Zhong Neng Offshore Wind Farm (#29) off Changhua coast, which is scheduled for completion by the end of 2024. Upon completion of construction, this 298 MW wind farm can generate up to 1.1 billion kWh of electricity in total each year.

(II) Community involvement and social welfare:

1. Provides sponsorships to schools in Hsiao Kang District for the renewal of teaching equipment and assist them in greening and landscaping works.
2. Sets up a merit scholarship for schools in Hsiao Kang District and distributes scholarships for schoolchildren and aids at major festivals to low-income families in Hsiao Kang District, as well as organizes the "Award Ceremony for Filial Exemplar Commendation and Scholarships for Outstanding Students" to celebrate Mother's Day and promote the virtue of filial piety in Hsiao Kang District.
3. Organizes the "Steel Journey" field trip for graduating students at elementary schools in Hsiao Kang District to enhance students' environmental and scientific literacy. And assists schools in Hsiao Kang District in organizing various teaching activities.
4. Participates and assists in organizing various local festivals for the elderly, farmers and fishermen, folk festivals during Lunar New Year, Dragon Boat Festival and Mid-Autumn Festival, as well as charity events, charity meetups and outdoor activities.
5. Organizes arts and cultural activities over the long run in collaboration with the city government, with a view to contributing to efforts in expanding the international visibility of port City, Kaohsiung.
6. Donates used notebook computers to schoolchildren in rural areas and from low-income families or disadvantaged groups.

(III) CSC Group Education foundation:

To further fulfill corporate social responsibility and enhance the international image of CSC Group, the Company approved the establishment of the "CSC Group Education Foundation" in the 11th meeting of the 12th Board of Directors in 2006. The Foundation began operations on January 1, 2007, and the operational funds are shared jointly by the Foundation's interest income, CSC Company and subsidiaries of the CSC Group. The Foundation currently has a board of 9 directors, including 3 external expert directors. Its administrative structure comprises 1 executive director who is concurrently assumed by Assistant Vice President of Administration Division of the Company. Additionally, there is 1 vice executive director, 1 executive secretary, and 1 accountant. As a national non-profit organization (NPO), the Foundation's competent authority is the Ministry of Education. The goals of the Foundation are to promote steel-related education and talent cultivation, express concerns about ecology conservation, enhance the spirit of humanity, and pursue sustainable development. The services launched by the Foundation in 2023 are as follows:

1. Engaged in steel talent cultivation by organizing seminars and workshops on steel and environmental technology to enhance the domestic steel industry's technical capabilities; provided the Steel Talent Scholarship and conducted special courses on steel manufacturing process at universities; promoted the development of female talents

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
in the field of natural science and technology; and conducted steel science popularization activities such as CSC “Steel Journey”, workshops for teachers, and circular economy seminars. 2. Promoted environmental education by organizing ecological camps and adopting green lands to promote environmental greening; made the Company’s environmental efforts into teaching tools, using environmental education tour buses, and setting up an environmental classroom to share its achievements with community. 3. Organized a host of charity concerts, such as the Wheelchairs Concert, rural music concerts, the KRTC Charity Concert, and citizen concert; assisted in the preservation of local Taiwanese music and artistic performances by the Kaohsiung Symphony Orchestra and Chinese Orchestra; and offered tickets to employees of CSC Group and their families to enjoy high-quality concerts, with a view to enhancing artistic literacy. 4. Organized humanities lecture series, such as campus lecture sessions, activities of the Literary Salon at Steel City, and CSC citizen lecture sessions. Simultaneously promoted traditional cultural preservation efforts, such as shadow puppetry, silk and bamboo music, workshops on filmmaking in rural areas, and the Hakka farming experience. (IV) Consumer rights: 1. Enhance customer service quality The Company provides multi-phase services for before, during, and after sale and supplies steel products in the right quality and quantity and at the right time. The Company makes proper use of outward service workforce, in-plant technical support, and R&D experts to fulfill customers' needs and assist them in solving product use and technical problems to promote the growth of steel-using industries. With the vision of winning customers' trusts and helping them succeed, the Metallurgical Technical Service Section of Metallurgical Department which is responsible for providing technical services to customers aims to assist customers in technical advancement and promote steel industry upgrade. Customer service engineers are representatives of customers internally to request for development and supply of products, while acting on behalf of CSC externally to provide application knowledge and problem solving in product use. (1) Strengthen and realize customer service: The Technical Service Section-Metallurgy has set clear targets and reviews performances every month. (2) CSC's customer service performance in 2023 is as follows: • Conducted 18 cases of market quality feedback, 107 cases of technical exchange for key customers, as well as 312 cases of process technology improvement, and 20 of which are related to product safety; • Completed 8 cases of industrial material usage trend surveys, and 5 new product demand surveys and quality function deployments; • Expanded the market for automotive steel, completed 7 automotive steel verifications, with accumulated 275 verifications acquired from 27 automobile manufacturers, and obtained the necessary threshold conditions for incorporating the use of such steel products in automobile factories. 2. Customer satisfaction The Company commissions academic institutions to conduct satisfaction survey on domestic and foreign customers every year. The issues of concern, including quantity and billing, product price, R&D, quality, response to customer claim, customer service, communication, delivery period, shipping and e-commerce service, are reviewed as an important reference for developing operational guidelines. Meanwhile, for issues raised by domestic and foreign customers and items with the lowest three satisfaction scores, responsible units are required to propose and implement corrective action plans, specify the status of implementation in the "Improvement Report for Customer Suggestions in Customer Satisfaction Survey," and discuss the implementation at the "Steel Product System Management Review Meeting" to track the effectiveness. After compiling customer suggestions in the satisfaction survey, improvement results of the relevant units, and policy descriptions, the information will be published on the e-commerce system and sent to customers with the survey questionnaire for the following year at the same time. Such a feedback measure demonstrates our utmost respect and attention to customers and eliminates customers'				

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
concerns, thereby enhancing consensus and mutual understanding and trust. In addition, the Company has set up a customer service mailbox for customers to submit their problems immediately. After receiving a customer's problem, dedicated personnel will be assigned to respond to and handle the problem as soon as possible. (V) Build a Healthy and Green Life: 1. Encourage the use of mass transit systems and provide subsidies for transportation vehicles and the Group's metro cards, promoting green living. In 2023, the total number of people who top up the Group's metro cards was 1,007 and the average number of people who commute to and from the KRTC red line R3 station was 6,313 each month. 2. Increase the proportion of rented hybrid vehicles (increases by an average of 17.76% each year) year by year in line with the Company's business policy of "Energy Conservation and Carbon Reduction, Circular Economy and Sustainability," reaching 100% in 2023. 3. Continue to promote tree planting and maintenance to create a diversified ecological environment. In 2023, the amount of regular maintenance of green landscaping was NT$53,431 thousand and that of replanting/removal/fixing was NT$13,765 thousand, totaling NT$67,196 thousand. In addition, a butterfly ecological landscape area of 206.8 square metres was set on the northern side of the second administrative building at Hsiao Kang Plant, maintaining approximately 5,100 host and nectar plants to attract butterflies. 4. Develop a "Green Living Handbook" with the theme "Join CSC for Energy Conservation, Carbon Reduction, and Green Living." The handbook covers various aspects of daily life including food, clothing, housing, transportation, and leisure activities. Additionally, an e-Learning video course has been produced to enhance educational effectiveness, aiming to instill environmental awareness deeply into the minds of employees and integrate it into both work and life. 5. Employees are encouraged to order veggie food box and purchase local ingredients. 245,316 veggie food boxes were ordered by CSC employees in 2023, accounting for 12.36% of total food boxes. (VI) Other Major Performances: Adopt a new pricing system that is innovative, flexible, and closely aligned with market trends: The Company used to adopt a quarterly pricing system. Due to rising volatility in global steel market, the quarterly system can no longer reflect the rapid changes in the market, which in turn posed risks to the orders taken by downstream customers as domestic steel prices are unable to stay aligned with the international market. In an effort to drive the development of the whole industry and connect with the global steel pricing system, the Company is gradually adjusting its pricing system from a quarterly pricing system to a "quarterly-monthly parallel pricing" system, where the Company is temporarily maintaining the quarterly pricing system for specific products such as plates, bar and wire rods in consideration of the stability of material supply for long-term orders and adopting the monthly pricing system for hot- and cold-rolled products that are tightly connected to the international market, so as to quickly reflect market conditions, minimize lead time, optimize product sales, and improve overall services, thereby enhancing customers' competitiveness. In the future, the Company will continue to uphold the belief of "Giving back to society what society gave us," show our utmost care and concern for the society, the community and the disadvantaged, and take practical actions in various aspects such as engaging in environmental protection, community care services, and charity activities. For detailed information on the operation of sustainable development, please refer to the Sustainability Report of the Company or the ESG section on the corporate website. For more details on the operation of CSR at listed subsidiaries of CSC Group as well as DSC, CSE, CSAC, CSMC, ICSC, HIMAG, CSS, TTMC, CSC Steel, CSVC, CSCI, CSGT, and SDMS, please refer to the sustainability reports of these companies and the CSR/sustainability section on their corporate websites.				

Climate-related Information of TWSE/TPEx Listed Companies

1. Implementation of Climate-related Information

Item	Implementation
1. Describe the supervision and governance by the Board of Directors and management on climate-related risks and opportunities.	1. (1)The Board of Directors serves as the highest supervisory unit for climate governance. To assist the Board of Directors in overseeing the Company's management of climate-related issues, the "Corporate Governance and Sustainability Committee" was established under its purview. Under this committee, the "Sustainable Environment Development Team" and the "Risk Management Team" are dedicated to addressing climate change issues relevant to CSC respectively and regularly reporting progress to the Corporate Governance and Sustainability Committee. (2)To address the issue of carbon neutrality, the Corporate Governance and Sustainability Committee has established the "Task Force on Energy Saving & Carbon Reduction and Carbon Neutrality" under its purview. This task force is primarily responsible for carbon management and carbon neutrality issues. It is chaired by the Chairman of the Board of Directors, who oversees climate change issues. The task force regularly reports its implementation plans and outcomes to the Corporate Governance and Sustainability Committee and the Board of Directors. (3)The Company has formed an internal "Energy Conservation Committee" chaired by the Vice President of Production Division. Additionally, working teams were established to promote energy-saving and carbon reduction initiatives within the plants. Regular meetings are conducted to assess the progress made towards achieving energy goals. (4)Listed subsidiaries of CSC Group have their own Board of Directors as the highest supervisory unit for climate governance. Some companies have also established Sustainable Development Committees to oversee climate change risks. Through the establishment of Risk Management or Climate Change Response Execution Teams, regular reports on climate-related risk management are submitted to the Board of Directors.
2. Describe how the identified climate risks and opportunities impact the business, strategies, and finance of the Company (short, medium, and long-term).	2. (1)CSC identifies short, medium, and long-term climate-related risks and opportunities through cross-departmental discussions, and conducts 4 scenario analysis to examine the impact of various climate risks and opportunities on operation, strategies, and finance. Based on these analysis, the Company formulates response strategies. For example, the Company may face transition risks arising from regulatory changes in the medium term, such as carbon fee, leading to increased operating costs. To address the impact of carbon fee, the Company has set short, medium, and long-term carbon reduction goals to achieve carbon neutrality eventually. It continues to invest in research and development of production process emissions reduction and low-carbon iron making technologies to mitigate the impact of carbon fee on the Company and downstream customers. (2)Listed subsidiaries of CSC Group engage in cross-departmental discussions to identify climate-related risks and opportunities, and further assess the impact of these factors on their business, strategies, and finance. Among them, CHS, CHC Resources, CSCC and CSSC identify short, medium, and long-term risks and opportunities, and conduct various scenario analyses to assess potential financial and operational impacts.

Item	Implementation
3. Describe the impacts of extreme weather events and transition actions on finance.	3. (1)CSC has identified physical risks associated with extreme weather events, including water scarcity and supply chain disruptions caused by typhoons, floods, and other natural disasters, which may affect the Company's production and operation. To mitigate the impact of physical risks, the Company has implemented several response measures, including diversifying water sources, increasing the proportion of reclaimed water usage, and selecting locations with less susceptibility to climate impacts as raw material transfer hubs. (2)CSC will continue to develop low-carbon technologies and offer low-carbon products to capitalize on the opportunities arising from the low-carbon transition. For instance, in response to the long-term development trend of the electric vehicle market, the Company has entered the electric vehicle supply chain, and produced and continued to develop ultra thin electrical sheets to enhance operational performance. (3)Listed subsidiaries of CSC Group have identified physical risks caused by extreme weather events, such as typhoons and floods. The increased severity of extreme weather events could lead to damage to plants or equipment. Listed subsidiaries of CSC Group have also identified the risks and opportunities associated with the low-carbon transition. For example, the international trend towards carbon reduction may increase demand for low-carbon products, thereby driving revenue growth.
4. Describe how the identification, assessment, and management process of climate risks are integrated into the overall risk management system.	4. CSC and listed subsidiaries of CSC Group integrate climate-related risks into the overall risk management framework of company, and have established risk identification mechanisms through risk management processes such as identifying and assessing. Through risk and opportunity matrices, we identified material topics and developed response strategies accordingly.
5. If utilizing scenario analysis to assess resilience to climate change risks, it should elucidate the scenario, parameters, assumptions, and analytical factors used, and the primary financial impacts.	5. (1)To analyze the impact of climate-related risks and opportunities on business strategies, CSC references research reports from the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC). After considering transition variables such as the Company's operational characteristics and external market changes, CSC adopt scenarios provided by the IEA, including the Announced Pledges Scenarios (APS) and the Net Zero Emissions (NZE) scenario. Furthermore, for extreme climate variables, we conduct simulation analysis using the IPCC's very high GHG emissions scenario (SSP5-8.5) and intermediate GHG emissions scenario 2-4.5 (SSP2-4.5). (2)The four scenarios are analyzed based on temperature rises of 1.4, 1.7, 2.7, and 4.4℃, respectively, to assess the financial impact of various climate risks and opportunities. For instance, in the scenario with a temperature rise of 2.7 and 4.4℃, there may be an escalation in the frequency and severity of extreme weather events, impacting the stability of raw material supply. This could lead to increased costs and disruptions in production and operation. (3)Listed subsidiaries of CSC Group also consider various scenarios, including the IPCC's stringent mitigation scenario (RCP2.6) and very high GHG emissions scenario (RCP8.5), as well as the IEA's Stated Policies Scenario (STEPS), to analyze the financial impact of climate-related risks and opportunities. Furthermore, CHC Resources uses the Beyond two degree scenario as defined in IEA Energy Technology Perspectives 2017 (IEA ETP 2017 B2DS) in the Science-Based Target

Item	Implementation
	Setting Tool by SBTi (Science-Based Targets initiative), and chooses the cement sector to do the assessment.
6. If there is a transition plan to manage climate-related risks, elucidate the plan's content, as well as the indicators and objectives used to identify and manage physical and transition risks.	6. (1)CSC is committed to taking actions against climate change. Short, medium and long-term GHG reduction targets have been set against the base year, 2018. It is expected to achieve a 7% reduction in carbon emissions by 2025 (short-term) and a 25% reduction in carbon emissions by 2030 (medium-term) respectively as compared to base year, and the ultimate goal of carbon neutrality by 2050 (long-term). CSC has developed a pathway towards carbon neutrality. In the short term, the focus will be on increasing the use of renewable energy and intensifying efforts to improve energy efficiency. In the medium to long term, the Company plans to go low carbon first, and then to zero carbon. In the medium term, the focus will be on achieving the 25% emission reduction target through strategies such as "charging reduced iron into blast furnaces", "injecting hydrogen-rich gas into blast furnaces to replace coal", "co-production of steel and chemicals", and "increase scrap use". Beyond 2030, the Company's long-term plan towards carbon neutrality includes 4 main strategies: "electrification of equipment", "use of carbon-free fuels", "carbon capture, utilization, and storage (CCUS)", and "hydrogen reduction processes". These strategies consist of a total of 10 carbon reduction initiatives aimed at actively and pragmatically reducing carbon emissions. (2)Listed subsidiaries of CSC Group have established short, medium, and long-term GHG reduction targets. Additionally, CHS, CHC Resources, CSCC, and CSSC have set targets for power saving rates or the proportion of renewable energy usage. Listed subsidiaries of CSC Group continue to actively promote energy saving and carbon reduction initiatives through process improvements, replacing old equipment to enhance energy efficiency, and increasing the use of green energy.
7. If internal carbon pricing is used as a planning tool, it should clarify the pricing basis.	7.CSC plans to use external prices such as domestic carbon fees and overseas carbon tariffs as the basis for determining internal carbon pricing. Listed subsidiaries of CSC Group have not yet planned internal carbon pricing due to considerations of industry characteristics and other factors.
8. If climate-related goals are set, it should elucidate the covered activities, scope of greenhouse gas emissions, planning timeframe, annual achievement progress towards the goals, and other relevant information. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related goals, it should specify the source and quantity of offset carbon credits or the number of RECs.	8. (1)CSC and listed subsidiaries of CSC Group have set short, medium, and long-term carbon reduction targets, covering Scope 1 and Scope 2 GHG emissions. For CSC's detailed information such as GHG emissions scope and annual carbon reduction progress, please refer to page 81-82 of this annual report on GHG emissions and reduction policies. (2)In response to the government's green energy policies, CSC Group established CSC Solar Corporation in 2016, installing solar photovoltaic panels on the rooftops of factories at companies of CSC Group. As of the end of 2023, the installed capacity has reached 97.9 MW, with a cumulative power generation of 540 million kWh. This initiative has the potential to obtain 52,425 green energy and renewable energy certificates for CSC Group's use. Among these, CSC has installed a total of 529 kW of solar power generation systems. In 2023, the self-consumed green energy amounted to 58,554 kWh, and we obtained 25 renewable energy certificates. Additionally, since 2023, a total of 28,793 green energy and renewable energy certificates have been obtained through the subsidiary CSC Solar Corporation.
9. Greenhouse gas inventory and verification status.	9. Please refer to 1-1 below.

1-1 Greenhouse Gas Inventory and Assurance in the Most Recent Two Years

1-1-1 Greenhouse Gas Inventory

Description of the greenhouse gas emissions (tons of CO_2e), intensity (tons of CO_2e/NT$ million), and data boundary for the most recent two years:

2023:

Direct GHG emissions (Scope 1)	Total emission (tons of CO_2e)	Intensity (tons of CO_2e/NT$ million)	GHG inventory standard	Data boundary
CSC	16,809,455	85.26	ISO 14064-1	CSC: The sites within organizational boundaries using the Operational Control Approach.
Subsidiaries of CSC Group	Not Applicable			
Total	16,809,455	85.26		
Indirect GHG emissions from imported energy (Scope 2)	**Total emission (tons of CO_2e)**	**Intensity (tons of CO_2e/NT$ million)**	**GHG inventory standard**	**Data boundary**
CSC	1,249,102	6.34	ISO 14064-1	CSC: The sites within organizational boundaries using the Operational Control Approach.
Subsidiaries of CSC Group	Not Applicable			
Total	1,249,102	6.34		
Other indirect GHG emissions (Scope 3)	11,317,609			

2022:

Direct GHG emissions (Scope 1)	Total emission (tons of CO_2e)	Intensity (tons of CO_2e/NT$ million)	GHG inventory standard	Data boundary
CSC	18,248,901	72.82	ISO 14064-1	CSC: The sites within organizational boundaries using the Operational Control Approach.
Subsidiaries of CSC Group	Not Applicable			
Total	18,248,901	72.82		
Indirect GHG emissions from imported energy (Scope 2)	**Total emission (tons of CO_2e)**	**Intensity (tons of CO_2e/NT$ million)**	**GHG inventory standard**	**Data boundary**
CSC	1,373,673	5.48	ISO 14064-1	CSC: The sites within organizational boundaries using the Operational Control Approach.
Subsidiaries of CSC Group	Not Applicable			
Total	1,373,673	5.48		
Other indirect GHG emissions (Scope 3)	11,216,225			

1-1-2 Assurance on Greenhouse Gas Information

Description of assurance for the most recent two years as of the publication date of this annual report, including the scope of verification, verification institution, verification criteria, and verification opinion:

	2023	2022
Scope of verification	CSC	CSC
Verification institution	DNV Business Assurance Co., Ltd.	DNV Business Assurance Co., Ltd.
Verification criteria	ISO 14066:2011, ISO 14065:2020, ISO 14064-3:2019	ISO 14066:2011, ISO 14065:2020, ISO 14064-3:2019
Verification opinion	The Company disclosed the total GHG emissions of Scope 1 and Scope 2 as 18,058,557 tons of CO_2e, covering 100% of the total emissions, and obtained a verification statement of reasonable assurance from DNV.	The Company disclosed the total GHG emissions of Scope 1 and Scope 2 as 19,622,574 tons of CO_2e, covering 100% of the total emissions, and obtained a verification statement of reasonable assurance from DNV.

(VI) Implementation of Ethical Corporate Management, deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations- CSC and Subsidiaries

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
I. Formulation of Ethical Corporate Management Policies and Programs (I) Has the Company formulated ethical corporate management policies approved by the Board of Directors and specified its ethical corporate management policies, measures, and the commitment of Board of Directors and the senior management on active implementation of such policies in its regulations and external documents? (II) Has the Company established a risk assessment mechanism against unethical behavior, periodically analyzed and assessed operating activities with higher risk of unethical behavior within its business scope, and established prevention programs accordingly which at least include precautions against behaviors stipulated in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE /TPEx Listed Companies? (III) Has the Company specified operating procedures, guidelines for conduct, disciplinary and appeal system in its programs to prevent unethical behavior, implemented them accordingly and regularly reviewed those programs?	(I) Yes (II) Yes (III) Yes		(I) 1. The Company's Board of Directors has approved the formulation of the "Ethical Corporate Management Best Practice Principles," and established the "Procedures for Ethical Management and Guidelines for Conduct" accordingly, specifying matters that should be noted by all employees of the Company and companies of CSC Group while performing duties. 2. The Company promotes moral values and ethics, as well as compliance with discipline and company regulations through internal publications, and implements corporate culture concepts and practices focusing on teamwork, entrepreneurial approach, down-to-earthness and pursuit of innovation, thereby encouraging employees to speak and act conscientiously and create an honest and upright atmosphere. When promoting the Taiwan Intellectual Property Management System (TIPS) certification, the Company also requires employees to simultaneously sign the “Statement and Commitment to Employee Code of Conduct” so that they understand and undertake that they shall neither directly nor indirectly provide, accept, promise, or demand any improper benefits, or engage in other behaviors that are in breach of integrity, laws and regulations or fiduciary duty when performing their duties. 3. Ethical corporate management policies are publicized on the Company's website, promotional materials or external activities, so that managements, employees, suppliers, customers or other business-related institutions and personnel can understand the Company's ethical corporate management philosophy and regulations. 4. Regular regulatory assessments are conducted to review the latest amendments to external laws and regulations, identifying any gaps between these regulations and internal policies. The real-time identification rate of regulations for the year 2023 was ≥ 95%. 5. Listed subsidiaries of CSC Group have all formulated the" Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct," and disclosed on corporate websites and MOPS. In addition, policies related to ethical corporate management, such as the Codes of Ethics for Directors and Senior Executives, Integrity and Ethics Directions for Employees have	No Significant Difference

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			been formulated, meanwhile ethical corporate management philosophy or values and ethics have also been regularly promoted through internal website, meetings or education and training. (II) 1. The Company plans internal organization, structure, and functions, and establishes mutual supervised check-and-balance mechanisms for business activities with higher risk of being involoved in an unethical conduct within the business scope. 2. The Company has formulated the "Guidelines on Handling Acceptance of Valued Gifts, Invitations to Banquets and Requests for Making An Intercession" to fulfill good corporate culture and maintain company image, thereby serving as a basis for employees while handling acceptance of valued gifts, invitations to banquets and requests for making an intercession. In the event that an employee receives a valued gift from persons related to his/her position, the employee shall refuse or return the gift, unless otherwise specified. When the gift cannot be returned, the employee shall fill out the "Report on Handling Acceptance of Valued Gifts", and submit the form to a first echelon supervisor for review. The employee shall also deliver the valued gift to the General Affairs Department for subsequent processing. 3. The Company has formulated the "Guidelines on Hosting Business Banquets", where any employee at the Company who has to host banquets to develop business relationships shall comply with these guidelines. 4. Listed subsidiaries of CSC Group have formulated the following regulations: the Employee Code of Ethics, the Codes of Ethics for Directors or Senior Executives, the Guidelines for Recusal Due to Conflict of Interests, and the Guidelines on Handling Acceptance of Valued Gifts, Invitations to Banquets and Requests for Making an Intercession, etc. to prevent unethical behavior from occurring within the Group. Besides, China Steel Chemical, China Ecotek, CHC Resources, and China Steel Structure have successfully obtained the TIPS certification and established relevant management regulations and procedures to bolster the protection of intellectual property rights. (III) 1. The Company has established the Corporate Governance and Ethical Corporate Management Team under the Corporate Governance and	

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			Sustainability Committee. The Team convenes at least two meetings annually to discuss the implementation status of ethical corporate management. For instance, it focuses on high-risk business activities such as research & development and business expansion, which may inadvertently infringe on intellectual property rights or breach fair trade regulations. The Team strengthens due diligence investigations and conducts concept advocacy. It submits semi-annual reports on implementation outcomes and formulates an annual plan to prevent unethical behavior, which is then incorporated into the yearly execution plan. The Committee subsequently presents these reports to the Board of Directors for review and potential adjustments. 2. The company refers to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and has established its own "Ethical Corporate Management Best Practice Principles" to develop the "Procedures for Ethical Management and Guidelines for Conduct." These documents provide specific regulations regarding the conduct of company personnel in the execution of their duties. They explicitly outline that employees must adhere to the "Code of Ethics for Directors," the "Code of Ethics for First Echelon Supervisors and Executives" (refer to page 68-72 of this year's annual report), the "Guidelines for Recusal Due to Conflict of Interests," and the "Guidelines for Confidentiality Maintenance." In addition, the Company has also clearly specified provisions related to eradicating bribery or kickbacks in various engineering, procurement and subcontractor contracts. Furthermore, the Company has set up the Complaint Committee and the Rewards and Punishments Review Committee to ensure that appropriate punishments are given to cases of violation subject to procedural legitimacy. 3. Upon approval of the suggestions for improvement proposed by the Internal Audit Office, the suggestions are keyed into the Company's "Audit Management System," and are controlled and managed electronically to continuously track the progress of related improvements. After completing the improvement measure for each audit item, the result is reported to Independent Directors for review in accordance with applicable regulations. This is an important mechanism for the Board of Directors to supervise the implementation of the Company's ethical corporate management policy.	

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			4. Listed subsidiariess of CSC Group have formulated appropriate management regulations governing operating activities with higher risk of being involved in an unethical conduct within its business scope, as well as regulations governing appeal or punishment for violations in order to prevent unethical conduct. The Internal Audit Office regularly audits the implementation of ethical corporate management and reports to the Board of Directors.	
II. Implementation of Ethical Corporate Management (I) Does the Company evaluate the ethical records of counterparties and specify ethical conduct clauses in business contracts? (II) Does the Company establish an exclusively dedicated unit under the Board of Directors to be in charge of ethical corporate management and report its ethical corporate management policies, programs to prevent unethical behavior, and the supervision of implementation of those policies to the Board of Directors regularly (at least once a year)? (III) Does the Company formulate policies to prevent conflict of interests, provide appropriate reporting channels, and implement it accordingly? (IV) Has the Company established effective accounting and internal control systems for ethical corporate management, developed relevant audit plans based on the results of risk assessment of unethical behavior, and audited the status of compliance with the programs to prevent unethical behavior by the internal audit unit or a CPA? (V) Does the Company regularly hold internal and external trainings on ethical corporate management?	(I) Yes (II) Yes (III) Yes (IV) Yes (V) Yes		(I) The Company assesses the ethical record of counterparties in accordance with the "Guidelines for Handling Business Partners in Violation of Ethical Principles at the Purchasing Department," to enhance the management of business partners. Ethic clauses are included in the terms of transaction stipulated in sales contracts. In case of violations by customers, there are relevant penalties stipulated, including confiscation of guarantee payments and termination of discounts, or even considering temporarily suspension of material supply under severe circumstances. For construction contracts, the Company conducts credit investigation of qualified business partners registered in the most recent 3 years quarterly. For subcontractor agreements, the ethical corporate management related policies are specified in the universal conditions. After the Company successfully obtained the Authorized Economic Operator (AEO) certification in March 2012, all subcontractors, with which the Company has dealings, have been included as audit targets and were audited regularly. The audit content covers a wide range including ethical conduct and the regulation for those who violate is subject to punishment for withdrawal of certification. In 2023, there were no records of penalty imposed on transportation business partners due to violation of ethics clauses at the Company. The Company has also halted business dealings with 1 company that violates ethical principles in 2023. In addition, 1 engineering business partner was suspended and reported to the relevant unit after it was found to have records of dishonored bills upon inspection. If a business partner is involved in any of the following circumstances, the Purchasing Department and the Engineering Management Department may permanently blacklist such partner upon approval by Vice President: 1. The business partner commits breach of contract, causing significant detriment to the rights and interests of the Company.	No Significant Difference

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			2. The business partner intentionally causes an employee of the Company or the Company to receive penal or disciplinary punishment by falsely accusing the employee or the Company to a competent public official. 3. The business partner is found engaging in illegal conducts such as manipulation and collusion upon investigation. 4. The business partner is found offering bribes, gifts, commissions, remuneration, appreciation or other improper benefits to the managements, employees, part-time employees at the Company or their spouses and lineal relatives, or consultants and business partners providing design and planning services, upon investigation; or, the project contracting by a business partner is identified as unqualified in a performance appraisal conducted by the project organizer after a contract project is officially inspected and accepted. Listed subsidiaries of CSC Group have included ethical records as an important condition for screening business partners, which is implemented using the following methods: 1. Specify ethical conduct clauses in contracts. 2. Permanently blacklist or request payment of punitive damages from business partners which are found engaging in unlawful conduct such as breach of contract or violation of ethical principles upon investigation. 3. Formulate regulations such as the "Regulations Governing Evaluation of Contractors and Suppliers" and the "Regulations Governing Customer Credit Management", and conduct regular evaluations. (II) To ensure sound ethical corporate management, the Company has established the "Corporate Governance and Sustainability Committee," under the Board of Directors. One of the main duties of this committee is to promote and carry out ethical corporate management related work. In addition, this committee is responsible for reporting the implementation of ethical corporate management to the Board of Directors every year. The committee has established the "Corporate Governance and Ethical Corporate Management Team," in which the Legal Department and the Human Resources Department are responsible for formulating ethical corporate management policies and prevention plans, as well as promoting and implementing ethical corporate management. On top of that, the annual audit plan submitted by the Internal Audit Office to the Board of Directors	

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			for approval each year has included the status of ethical corporate management and compliance in various operating activities as key inspection items, aimed at reviewing whether precautionary measures for ethical corporate management designed for each business are running effectively and whether the policies and precautionary plans are revised in a timely manner according to changes in both the internal and external environments. The status of ethical corporate management and compliance is also assessed based on the relevant business execution process and results, and reported to the Board of Directors. Listed subsidiariess of CSC Group have all set up the ethical corporate management promotion unit, in which the Administration Division or the Management Division is responsible for formulating ethical corporate management related regulations to ensure the implementation of ethical corporate management. The ethical corporate management promotion units are responsible for reporting the operation and implementation of ethical corporate management to the Board of Directors once a year. (III) 1. The Company has formulated the following regulations: (1) Codes of Ethics for Directors (refer to page 68-69 of this annual report): Directors shall faithfully perform their duties for the best interests of all shareholders. Article 11 of the Codes of Ethics for Directors specifies that "If any proposal at a Board Meeting involves a Director him/herself or the interested parties set forth in Articles 5 and 6 where there are concerns about impairing the interests of the Company, the Director shall immediately and voluntarily recuse him/herself, and take no part in voting, nor exercise the voting right as proxy for another Director." (2) Codes of Ethics for First Echelon Supervisors and Executives (refer to page 70-72 of this annual report): To prevent first echelon supervisors and executives up to the position of President from using their positions at the Company to seek improper gains. Article 4 of the Codes of Ethics for First Echelon Supervisors and Executives specifies provisions related to the prevention of conflict of interests. (3) Directions for Recusal Due to Conflict of Interests in Chapter 6, Part 4 of the Human Resource Management System: To prevent	

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			employees from using their powers or their identities or news they obtain due to their positions at the Company to seek personal gains. (4) Guidelines on Handling Acceptance of Valued Gifts, Invitations to Banquets and Requests for Making An Intercession: To fulfill excellent corporate culture, maintain company image, and serve as a basis for employees while handling acceptance of valued gifts, invitations to banquets and requests for making an intercession. (5) Guidelines on Hosting Business Banquets: Any employee at the Company who has to host banquets to develop business relationships shall comply with these guidelines. 2. The Company plans internal organization, structure, and functions, and establishes mutual supervised check-and-balance mechanisms for business activities with higher risk of being involved in an unethical conduct within the business scope. The Internal Audit Office assists the Board of Directors and the Management Team in examining and assessing whether the implementation of the check-and-balance mechanism is effective. Besides, the Company regularly assesses relevant business processes compliance with the standards, and reports the results to the Board of Directors. 3. For more details on reporting channels, refer to Item 3 - "Implementation of Whistleblowing System" in this form. 4. Article 19 of the Supervision Regulations for Subsidiaries of the Company stipulates: “Each subsidiary shall clearly state the policy of ethical corporate management and the commitment of the Board of Directors and management to actively implement the policy of ethical corporate management in its regulations and external documents, and shall effectively implement it in internal management and external business activities.” Recusal due to conflict of interests is also part of the ethical corporate management policy. Therefore, the Company also requires group companies to implement policies related to recusal due to conflict of interests. In addition, the listed subsidiaries of CSC Group have also formulated regulations including the Employee Code of Ethics, the Codes of Ethics for Directors or Senior Executives, etc, as well as rules and regulations related to handling appeals and reporting ethical violations, with the audit unit tasked with accepting and handling related cases. At the same	

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			time, it is encouraged to report any illegal or unethical conduct. In 2023, both the Company and the listed subsidiaries of CSC group did not receive any internal or external complaints regarding incidents of violation of recusal due to conflict of interests. (IV) Accounting system: 1. The Company formulates our accounting system based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers published by Financial Supervisory Commission (FSC), the Business Entity Accounting Act, the Regulations on Business Entity Accounting Handling and other relevant regulations. Taking into consideration the Company's operating policies, actual business conditions and development, and actual management needs, as well as coordinating with information systems, the Company expects to fully utilize accounting in assisting corporate management, enhance the operating efficiency of the Company, and achieve a fair presentation of the Company's financial status, operating results and cash flows. 2. The Company's accounting system includes procedures for 13 items, including general accounting, cash, notes and financial asset accounting, materials accounting, long-term equity investment accounting under equity method, capital expenditure accounting, fixed asset accounting, long-term and short-term financing and equity accounting, operating income accounting, operating expense accounting, payroll accounting, profit-seeking enterprise income tax accounting, consolidated financial statement accounting, and reconciliation of transactions with affiliates. Besides, the Company has also formulated a cost system. 3. The Company's accounting system mainly governs the Company's accounting standards, procedures, accounting items and accounts, accounting documents, accounting books, as well as the types and methods of preparing and using accounting reports, in order to protect the Company's property security, prevent errors and fraud, clarify work procedures and responsibilities, provide relevant and objective financial accounting information, serve as the basis for establishing a comprehensive information system, and to comply with the International Financial Reporting Standards (IFRSs). In addition, the Company supervises the formulation of subsidiaries' accounting	

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			systems that comply with IFRSs in accordance with Paragraph 2, Article 2 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers stipulates: "The accounting system referred to in the preceding paragraph shall separately provide items based on the nature of the issuer's business operations, and in a way that meets the needs of preparation of the consolidated financial reports and consistency of the accounting policies of the issuer and its subsidiaries". 4. The accounting affairs of each division at the Company are handled in accordance with the provisions of this accounting system, and are reviewed by the responsible managers. Internal control system: 1. Establish an effective internal control system: (1) The Company formulates the "Internal Control System Provisions" as the basis for all units and personnel to implement the internal control system upon approval by the Board of Directors. (2) The Company formulates the "Internal Control System Self-Assessment Procedures" to implement self-assessment of internal control. Before the end of January each year, each first echelon unit shall conduct self-review of its management status, and submit the factory (department) management review report to the Internal Audit Office for review upon approval of the Vice President of its division. 2. Fully implement internal audit: (1) Subordinated to the Board of Directors, the Internal Audit Office assesses whether the Company's various plans, organizations and supervision procedures can effectively achieve the Company's goals, examine whether supervisors at all levels set operating standards to balance the economic nature and effectiveness of various resources, including human resource, equipment and materials, and evaluate whether to analyze the reasons and adopt improvement measures with regard to personnel with low efficiency and equipment and materials with low utilization rates. (2) The Internal Audit Office formulated the "2023 Audit Plan" and conducted the audit work accordingly after the plan was approved by the Board of Directors. In 2023, the Internal Audit Office implemented internal audit and completed a total of 45 audit reports,	

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			including 25 internal operation items at the Company, and 20 field surveys at subsidiaries under CSC Group. In the aforementioned reports, a total of 505 suggestions for improvement were made with regard to deficiencies and abnormal items. (3) After the suggestions for improvement listed in the audit report were approved, the suggestions were keyed into the Company's "Audit Management System," and was controlled and management electronically to continuously track the progress of related improvements till they are completed. The tracking report was prepared and then submitted to each Independent Director for reference at least every quarter in accordance with the regulations. In addition, listed subsidiaries of CSC Group have established appropriate accounting systems in accordance with regulations such as Business Entity Accounting Act and Regulations Governing the Preparation of Financial Reports by Securities Issuers. These companies have also established and implemented an internal control system in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, according to which the internal audit office formulates audit plan and reports the internal control audit result to the Board of Directors. (V) 1. The Company promotes moral values and ethics, as well as compliance with discipline and company regulations through internal publications, and implements corporate culture concepts and practices focusing on teamwork, entrepreneurial approach, down-to-earthness and pursuit of innovation, thereby encouraging employees to speak and act conscientiously and create an honest and upright atmosphere. 2. During induction training for new employees, the Company conducts various courses covering company rules and regulations, corporate culture, information security, and intellectual property while raising awareness of the importance of ethics among employees with contents on various topics, such as “holding concurrent positions,” “accepting improper benefits,” “use of information,” and “trade secrets.” In 2023, the Company held a total of 12 new employee seminars, which were attended by 365 trainees in total. For all current employees, the Company continues to conduct internal training related to ethical corporate management, including courses related to the corporate culture, quality system, intellectual property, internal	

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			auditor training, etc. In 2023, a total of 3,542 people attended (17,695 man-hours) the training, and 2 special lectures on ethical norms and legal compliance (including protection of trade secrets) were conducted for middle and senior-level executives. In addition, for the purpose of enhancing the professional knowledge and legal literacy of Directors and Supervisors of CSC Group companies, the Company regularly holds at least 2 sessions of continuing education and training related to corporate governance every year, which targets not only senior managements of the Company but also related personnel of subsidiaries. 3. Listed subsidiaries of CSC Group regularly organize training courses related to ethical corporate management to ensure that employees fully understand and truly comply with regulations related to ethical corporate management.	
III. Implementation of Whistleblowing System (I) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received? (II) Does the Company establish standard operating procedures for investigating cases reported, follow-up measures to be adopted after investigation, and related confidentiality mechanisms? (III) Does the Company adopt measures to protect whistleblowers?	(I) Yes (II) Yes (III) Yes		(I) 1. The Company's "Employee Work Rules" and the "Integrity and Ethics Directions for Employees of CSC Group" specify the following matters: (1) Employees shall live in harmony, help and care for each other. However, to maintain the overall interests of the Company, employees shall assume the responsibility of reporting any behavior regarding seeking private gains and fraud. (2) Informant shall report the unlawful conduct through a proper channel, at least provide information such as informant's name, contact information and describe specific evidence. It's forbidden to intend somebody being punished by defaming, forging or framing-up. 2. The Internal Audit Office is in charge of accepting appeals regarding improper conduct such as seeking private gains, fraud, impairing the interests of the Company, and violation of company regulations. An appeal reporting system is established to ensure the legal rights and interests of whistleblowers and relevant individuals. Additionally, the following appeals channels are provided: (1) Tel.: 07-8021111 ext 2191 (Xiaogang District); 07-3371111 ext 22191 (Head Office); hotline: 07-3371296; (2) Mailbox: P.O. Box 47-13 Kaohsiung; (3) The Company has set up an appeal reporting system on website.	No Significant Difference

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			3. The Company also clearly specifies the appeals channels above for reporting fraud, bribery, and deception in the quotation notice section of the procurement inquiry form (in the e-commerce system). 4. The Internal Audit Office designates personnel to accept whistleblowing complaints. After accepting a complaint, a case shall be filed and the "Record of Appeals Accepted by the Internal Audit Office" shall be filled. 5. In 2023, the Company handled a total of 26 appeals, which were handled properly by the relevant units upon duly investigation. No non-compliance with operational regulations, such as material corruption, was found in such investigations. 6. Listed subsidiaries of CSC Group have established the whistleblowing system and set up accessible appeals channels, including appeal hotline, email or reporting system on website. Also, audit unit is designated to accept and handle appeals, while some companies further formulate regulation on rewards for whistleblowers. (II) 1. The Company has established an appeal reporting system, and the process for handling appeals is as follows: (1) The personnel at the Internal Audit Office will fill the form of the "Record of Appeals Accepted by the Internal Audit Office" after an appeal is accepted. (2) An appeal will be passed on to relevant unit for further handling after accepted and duly investigated by the Internal Audit Office. The unit will report the result to relevant Vice President and send it to the Internal Audit Office for review. (3) The Internal Audit Office regularly reports the number of appeals to the Board of Directors. (4) If a whistleblowing case shows that a Director or senior management is involved, the Audit Committee shall be notified. (5) When handling a whistleblowing case or an appeal, unless otherwise provided by law, appropriate measures shall be taken in accordance with laws and regulations to not only protect the personal data and privacy of the whistleblower and stakeholders, but also avoid infringing upon the rights and interests of the whistleblower and stakeholders. However, this shall not apply to acts of	

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			whistleblowing aimed at defamation, forgery or framing others. 2. Subsidiaries of CSC Group handle the reporting materials in a confidential manner during the whole process while handling a whistleblowing case. (III) The Company and listed subsidiaries of CSC Group fully maintain the absolute confidentiality of whistleblowers, protecting them from retaliatory action for filing an appeal.	
IV. Strengthening Information Disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on corporate website and MOPS?	Yes		The Company discloses information on ethical corporate management in the "Corporate Governance" section under "Investor Relations" on corporate website, www.csc.com.tw, and on MOPS, including "Codes of Ethics," "Ethical Corporate Management Best Practice Principles," and "Procedures for Ethical Management and Guidelines for Conduct" in the "Corporate Governance Regulations." The Company's "Corporate Governance and Sustainability Committee" regularly reports the results of implementation of ethical corporate management to the Board of Directors, and the relevant operation status will be disclosed in the "Ethical Corporate Management" subsection under the "Corporate Governance" section on the Company's website. Besides, the Internal Audit Office is responsible for monitoring the implementation and regularly reporting the relevant results to the Board of Directors. The implementation is disclosed in the "Internal Auditing" section on the corporate website. The implementation of ethical corporate management for listed subsidiaries of CSC Group is disclosed on their corporate websites, MOPS, annual reports or sustainability reports, respectively.	No Significant Difference
V. If the Company has formulated its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", please describe the implementation and its discrepancies with the Principles: The Company has formulated the Ethical Corporate Management Best Practice Principles. All Directors, managements, employees, mandatories, or persons having substantial control over the Company shall comply with the Principles and related regulations. There is no discrepancies between the implementation of ethical corporate management and the Principles.				
VI. Other important information to facilitate a better understanding of the Company's ethical corporate management practices (e.g. reviews and amends its Ethical Corporate Management Best Practice Principles). 1. The Company's General Penal Provisions for Subcontractors stipulate the following: (1) Subcontractors and personnel related to contracts are executives, employees, part-time employees of the Company or their spouses and lineal relatives, or consultants and business partners providing design and planning services, but the responsible units are not notified in writing. (2) Subcontractors offer bribes, gifts, commissions, remuneration, appreciation or other improper benefits to executives, employees, part-time employees of the Company				

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
or their spouses and lineal relatives, or consultants and business partners providing design and planning services. (3) For the violations mentioned above, the Company may terminate or rescind the relevant contract in part or in whole without notice based on the reason that the subcontractor has violated the warranty, and may seek compensation for all the losses suffered by the Company. In the event of serious violations by a subcontractor, the Company could terminate or rescind other contracts signed with the subcontractor. 2. The Company's domestic procurement agreement stipulates that "The seller may not offer any commission or similar gift to personnel on the buyer side. If the buyer finds that the seller violates the provisions of this paragraph, the commission or similar gift is treated as an equivalent allowance provided to the buyer or deducted an equivalent amount from the payment of goods to be paid by the buyer, while anything illegal regarding such violations shall be handled in accordance with the law. Any seller violation of the provisions above shall be deemed as a breach of contract, the buyer may terminate or rescind the contract from the date when such violations are found and may permanently blacklist the seller. For the items or quantity purchased but yet to be delivered according to the Contract, the buyer may cancel the order, and at the same time unconditionally terminate or rescind other contracts signed with the seller without notice. The Company's foreign procurement agreement stipulates the following content: "TERMS AND CONDITIONS OF CONTRACT(WARRANTY AGAINST CONTINGENT FEES、OFFICIALS AND EMPLOYEES NOT TO BENEFIT)"				

(VII) Access and Search Method of the Corporate Governance Best-Practice Principles and Related Regulations

1. Corporate Governance Principles and Related Regulations:

   (1) Articles of Incorporation, (2) Procedures for Acquisition or Disposal of Assets, (3) Procedures for Endorsements and Guarantees, (4) Procedures for Loaning of Funds, (5) Rules of Procedure for Board of Directors Meetings (it specifies the matters to be performed by the Chairman and Management Team as authorized by the Board of Directors, and stipulates the level of authority for the Board of Directors and Management Team and the delegation of authority between the Board of Directors, Chairman, and President), (6) Organization Regulations for Remuneration Committee, (7) Organization Regulations for Audit Committee, (8) Organization Regulations for Corporate Governance and Sustainability Committee, (9) Risk Management Policies and Procedures, (10) Rules Governing Procedures for Shareholders' Meeting, (11) Code of Ethics for Directors, (12) Code of Ethics for First Echelon Supervisors and Executives, (13) Rules Governing the Election of Directors, (14) Guidelines for Related Party Transactions, (15) Ethical Corporate Management Best Practice Principles, (16) Procedures for Ethical Management and Guidelines for Conduct, (17) Corporate Governance Best-Practice Principles, (18) Procedures for Trading Halt and Suspension, (19) Sustainable Development Code of Practice, (20) Rules Governing the Performance Evaluation of the Board of Directors, (21) Procedures for Handling Material Internal Information and Guidelines for Establishment of Spokesperson as well as Deputy Spokespersons, and (22) Rules Governing the Prevention of Insider Trading.

2. Search methods:

   (1) Listed companies of CSC Group: These rules and regulations can be downloaded from "Rules and Regulations Related to Corporate Governance" under the "Corporate Governance" section on MOPS (https://mops.twse.com.tw/mops/web/index).

   (2) The Company's official website (https://www.csc.com.tw/csc/cg/cg.html#law):

   These rules and regulations can be downloaded from the "Investor Relations" section → "Corporate Governance" → "Corporate Governance Regulations".

(VIII) Other Important Information to Facilitate a Better Understanding of the Implementation of Corporate Governance at the Company:

Domestic and foreign certifications obtained by finance, accounting, internal audit, and information security personnel in companies under CSC Group:

Name of Company	Number of Persons Obtaining Certifications
China Steel Corporation	(1) Domestic certifications: Certified Public Accountant (CPA) - 24 persons; Certified Internal Auditor - 3 persons; Certified Securities Investment Analyst - 4 persons; ISO 27001 Information Security Management Systems Lead Auditor - 7 persons (2) International certifications: U.S. Certified Public Accountant (U.S. CPA) - 4 persons; Chartered Financial Analyst (CFA) - 1 person; Financial Risk Manager (FRM) - 1 person; Certified Practising Accountant (CPA) Australia - 1 person
Dragon Steel Corporation	Domestic certifications: Certified Public Accountant - 5 persons; ISO 27001 Information Security Management Systems Lead Auditor - 2 persons
Chung Hung Steel Corporation	Domestic certifications: ISO 27001 Information Security Management Systems Lead Auditor - 1 person
China Ecotek Corporation	Domestic certifications: Certified Internal Auditor - 1 person; ISO 27001 Information Security Management Systems Lead Auditor - 2 persons
China Steel Chemical Corporation	Domestic certifications: ISO 27001 Information Security Management Systems Lead Auditor - 1 person
CHC Resources Corporation	Domestic certifications: Certified Public Accountant - 4 persons; Certified Internal Auditor - 2 persons; ISO 27001 Information Security Management Systems Lead Auditor - 1 person
China Steel Structure Co., Ltd.	Domestic certifications: ISO 27001 Information Security Management Systems Lead Auditor - 2 persons

(IX) Implementation of Internal Control System

1. Statement on Internal Control System

China Steel Corporation Statement on Internal Control System

Date: February 29, 2024

According to the results of our self-evaluation, the Company shall make the following statements on our internal control system in 2023:

I. The Company's Board of Directors and management are responsible for establishing, implementing, and maintaining adequate internal control system. The objectives of this system are to provide reasonable assurance over the effectiveness and efficiency of operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of reporting and compliance with applicable rulings, laws, and regulations.

II. An internal control system has inherent constraints. No matter how comprehensive its design may be, an effective internal control system is only capable of providing adequate assurance for achieving the abovementioned objectives. In addition, the effectiveness of the internal control system may change with the environment and under different situations. Nevertheless, the Company's internal control systems contain self-monitoring mechanisms, thereby allowing the Company to take immediate remedial actions in response to any identified deficiencies.

III. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component includes a number of items. Refer to the Regulations for more information on the abovementioned items.

IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.

V. Based on the findings of such evaluation, the Company believes that, as of December 31, 2023, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.

VI. The Statement shall become the main content of the Company's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. The Statement was passed by the Board of Directors on February 29, 2024, with none of the eleven attending directors expressing dissenting opinions, and the remainder all approved the content of this Statement.

China Steel Corporation

Chairman Chao-Tung Wong

President Shyi-Chin Wang

Note: The Company has not entrusted CPAs to review our internal control system; therefore, there is no CPA review report.

(X) Specify the Content, Major Deficiencies and Status of Improvements Made on Penalties Imposed on the Company and Its Internal Staff or Penalties Imposed on Its Internal Staff by the Company for Violation of Internal Control Regulations, where Such Penalties May Have Significant Impact on Shareholders' Rights or Securities Price, in the Most Recent Year up to the Publication Date of this Annual Report: None.

(XI) Significant Resolutions Adopted by the Shareholders' Meeting and the Board of Directors in the Most Recent Year up to the Publication Date of this Annual Report:

◎ Material resolutions of the Board of Directors

- Material resolutions in the 10th meeting of the 18th Board of Directors (February 29, 2024):

  The 10th meeting of the 18th Board of Directors of the Company was held in the morning of February 29, 2024. Major resolutions were:

  1. Proposal for Distribution of 2023 Profits

     The meeting proposed to appropriate NT$1.4 per share in cash for the dividend of preferred stocks; NT$0.35 per share in cash for the bonus of common stocks. The above proposal will be submitted to the 2024 Annual General Meeting of Shareholders for adoption.

  2. Revamping of #23 Hot Blast Stove of No.2 Blast Furnace

     In order to ensure the stable operation of the blast furnace and maintain smooth production on the production line, a replacement project for the #23 hot blast stove is approved, with an investment of NT$641 million. This project is scheduled to last for 3 years and 2 months from November 1, 2024 to December 31, 2027.

  3. Revamping of Turbine Rotor of Turbogenerator No. 5 at Power Plant

     An investment of NT$315 million is approved for the Replacement Project for Turbine Rotor of Turbogenerator No. 5 at the power plant. Upon completion of this project, the stable operation of Turbogenerator No. 5 will be ensured, facilitating the smooth production of medium-pressure steam and electricity generation. This project is scheduled to last for 3 years and 4 months from November 1, 2024 to June 30, 2027.

  4. Through the 6th round of collective bargaining with the Labor Union of CSC, it is scheduled to sign the new contract on March 15, 2024

     The Company commenced its 6th round of collective bargaining negotiations with the Labor Union of CSC on July 7, 2023. Guided by the principle of labor-management unity, the two parties come to a consensus after merely 7 meetings spanning over 5 months of negotiation process, and finalize an agreement comprising 80 articles of the Collective Bargaining Agreement. The agreement was respectively ratified at the 14th of 3rd Representative Assembly of the Labor Union of CSC on December 21, 2023 and at the 10th Meeting of the 18th Board of Directors of the Company on Feburary 29, 2024. The execution of the new contract was scheduled on March 15, 2024.

     The main purpose of signing this collective bargaining agreement is to adapt to changes in the temporal and spatial environment and relevant labor laws. The Company and the Labor Union of CSC have updated the content of the agreement to keep pace with the times, ensuring not only the protection of the rights and interests of employees but also taking into account the sustainable development of the Company. The entire negotiation process has fully demonstrated the stable and harmonious labor-management relationship between the two parties, achieving a win-win outcome through constructive interaction and communication.

5. Date and venue for 2024 Annual General Meeting of Shareholders and the time and place for accepting shareholders' proposals
   (1) The Company's 2024 Annual General Meeting of Shareholders:
   Date: 9:00 am, June 19, 2024(Wednesday)
   Venue: No. 1, Chung-Kang Rd., Hsiao Kang Dist., Kaohsiung City, Taiwan
   (2) Time and place for accepting shareholders' proposals:
   Date: April 15, 2024 to April 24, 2024
   Place: CSC Building (No. 88, Cheng Gong 2nd Rd., Qian Zhen Dist., Kaohsiung City, Taiwan)

- Material resolutions in the 9th meeting of the 18th Board of Directors (December 29, 2023):

  The 9th meeting of the 18th Board of Directors of the Company was held in the morning of December 29, 2023, in which the Assistant Vice President of Commercial Division, Mr. Ming-Yuan Chen, would be promoted as the Vice President of Commercial Division with effect from February 1, 2024.

- Material resolutions in the 8th meeting of the 18th Board of Directors (November 3, 2023):

  The 8th meeting of the 18th Board of Directors of the Company was held in the morning of November 3, 2023. Major resolutions were:

  1. CSC will invest over NT$600 million in the "Addition of Neon Gas Production Equipment in the Oxygen Plant Project"

     Neon gas is a crucial raw material for semiconductor industry laser processes, playing a vital role in semiconductor manufacturing. To mitigate geopolitical risks, ensure domestic supply of strategic semiconductor materials, enhance the resilience of Taiwan's semiconductor industry supply chain, and promote the diversification and transformation of the Company's operations, the investment in the "Addition of Neon Gas Production Equipment in the Oxygen Plant Project" was approved. Leveraging the advantage of operating the largest air separation unit in Taiwan, the project aims to increase neon gas production by adding neon gas fractional distillation equipment. Upon successful completion, the project is expected to not only increase the Company's profits and ensure stable long-term non-operating revenue and earnings, but also become an integral part of the semiconductor industry's critical raw material supply chain.
  2. Improvement Plan for Employee Stock Ownership Trust System

     The Company introduced the Employee Stock Ownership Trust (ESOT) system in 1998. Currently, the ESOT holds 2.43% of the Company's shares, making it the second-largest shareholder. This not only aids in stabilizing the Company's equity but also facilitates employees in accumulating supplementary retirement savings, thereby safeguarding their retirement lives. In pursuit of enhancing talent attraction and retention, as well as ensuring the welfare of employees in retirement, the Company continually optimizes the ESOT system. The Company introduced the "30% Stock Trust Incentive Allocation Program" , in addition to the existing allocation rate of 20%, and the "Incentive Bonus Trust Distribution," aimed at increasing employees' sense of participation in the Company and enhancing their cohesion and loyalty, thereby contributing to the stability of the Company's ownership structure.
  3. Repurchase of Common Shares of the Company

     The Board of Directors has approved the execution of a share repurchase program for the

Company's common shares, involving the repurchase of 150 million shares (150,000 units) commencing from November 6, 2023 to January 5, 2024. The repurchase price range is set at NT$16.98 to NT$37.26 per share, with the execution price subject to prevailing market conditions. The purpose of the repurchase is for subsequent transfer to employees.

Over the past two to three years, global economic development has been impacted by factors such as the COVID-19 pandemic, the Russo-Ukrainian conflict, mainland China's containment measures, resulting in suppressed market demand and stock market volatility, which has also affected the steel market demand. During this period, the Company has closely monitored the trends in the steel industry and global economic developments. Recently, the World Steel Association (worldsteel) released forecast for global steel demand in 2024, indicating that negative factors have gradually diminished, with the demand trough already passed and signs of recovery emerging. Global steel demand is expected to grow moderately by 1.9% next year, with the long-term outlook remaining optimistic. The United States announced a 4.9% year-on-year increase in third-quarter gross domestic product (GDP), marking the largest growth rate in nearly two years. Similarly, mainland China's third-quarter GDP grew by 4.9%. Both of the world's two largest economies registered economic growth rates exceeding expectations. The National Development Council of the Executive Yuan announced that the business monitoring indicator for September has shifted to yellow-blue, marking the end of ten consecutive months of blue, and indicating that the upward trend in the economy has been established. Additionally, the Federal Reserve of the United States (Fed) announced on the November 1st that it would maintain interest rates unchanged for the second consecutive time, reflecting a stable and positive trend in global economic recovery. The Company has recognized this economic recovery trend and assessed that the timing is ripe, thus proposing to the Board of Directors for approval the execution of the fourth share repurchase program.

Considering the Company's excellent competitive strength among global steel mills and its long-term stable financial condition, the recent decline in share prices due to global political and economic conditions and the less-than-expected recovery of international steel demand has been deemed as an overreaction to the anticipation of an economic downturn. In the past, the Company implemented share repurchase programs in 2001, 2005, and 2008 to safeguard shareholder interests. This time, after a gap of 15 years, the Company is once again executing a share repurchase program, demonstrating its deep confidence in the future development of the steel market and its determination to safeguard shareholder interests, while also aiming to boost employee morale and strive for outstanding performance.

- Material resolutions in the 7th meeting of the 18th Board of Directors (August 4, 2023):

  The 7th meeting of the 18th Board of Directors of the Company was held in the morning of August 4, 2023, in which the Assistant Vice President of Corporate Planning Division, Mr. Kuan-Fu Chen, would be promoted as the Vice President of Corporate Planning Division with effect from August 4, 2023.

- Material resolutions in the 6th meeting of the 18th Board of Directors (May 5, 2023):

  The 6th meeting of the 18th Board of Directors of the Company was held in the morning of May 5, 2023. Major resolutions were:

  1. Execution Status of Greenhouse Gas Inventory and Assurance Schedule Planning of CSC Group

In alignment with the Sustainable Development Roadmap outlined by the Financial Supervisory Commission, the Taiwan Stock Exchange has mandated all listed companies to complete the inventory and assurance schedule planning for greenhouse gas emissions of their parent companies and groups (including subsidiaries) by the end of the second quarter of 2022 and the end of the first quarter of 2023, respectively. These plans are reported to the Board of Directors, and subsequent progress will be reported quarterly to the Board for oversight.

Since 2012, the Company has been conducting annual greenhouse gas inventory and verification. The schedule planning for greenhouse gas inventory and verification of group subsidiaries was completed and submitted to the Board of Directors in the first quarter of 2023. Future progress will be reported quarterly to the Boards for oversight.

2. Progress in Biodiversity Initiatives

   In commitment to promoting biodiversity, the Company has commissioned the Department of Biological Sciences at National Sun Yat-Sen University to conduct quarterly surveys of ecological diversity at the Hsiao Kang factory area and the Kaohsiung Park (which the Company has adopted for plant care) from November of 2022 to October of 2024. The complete survey results of this project will be used in the future to establish baseline data on ecological species in the factory area, serving as a reference for establishing indicator species. The research team will assist in providing follow-up ecological check items and implementing environmentally friendly measures to maintain ecological balance and achieve the goal of "No Net Loss (NNL)" of biodiversity.

- Material resolutions in the 5th meeting of the 18th Board of Directors (February 24, 2023):

  The 5th meeting of the 18th Board of Directors of the Company was held in the morning of February 24, 2023. Major resolutions were:

  1. Proposal for Distribution of 2022 Profits

     The meeting proposed to appropriate NT$1.4 per share in cash for the dividend of preferred stocks; NT$1 per share in cash for the bonus of common stocks. The above proposal will be submitted to the 2023 Annual General Meeting of Shareholders for adoption.

  2. Date and venue for 2023 Annual General Meeting of Shareholders and the time and place for accepting shareholders' proposals

     (1) The Company's 2023 Annual General Meeting of Shareholders:

     Date: 9:00 am, June 16, 2023(Friday)

     Venue: No. 1, Chung-Kang Rd., Hsiao Kang Dist., Kaohsiung City, Taiwan

     (2) Time and place for accepting shareholders' proposals:

     Date: April 10, 2023 to April 19, 2023

     Place: CSC Building (No. 88, Cheng Gong 2nd Rd., Qian Zhen Dist., Kaohsiung City, Taiwan)

  3. Appointment of Corporate Governance Officer

     The appointment of Executive Vice President, Mr. Chien-Chih Hwang to concurrently serve as Corporate Governance Officer was approved, and the appointment would take effect on February 24, 2023.

◎ Material resolutions in the Annual General Meeting of Shareholders

- Material resolutions in the 2023 Annual General Meeting of Shareholders (June 16, 2023):
  1. Vote to adopt 2022 Business Report and Financial Statements
  2. Vote to adopt distribution of 2022 profits:
     (1) The Company's earnings distribution of 2022 is proposed in accordance with the provisions in Article 6 of the Articles of Incorporation of the Company.
     (2) The proposed dividend appropriation for preferred shares totaled NT$1.4 per share in cash. The proposed dividend appropriation for common shares totaled NT$1 per share in cash.
     (3) Upon approval of this earnings distribution plan by resolution of the Shareholders' Meeting, the Chairman would be authorized to set the record date for cash dividend distribution. When distributing cash dividends, the total amount paid to each Shareholder shall be in whole NT dollars and any fractional amount less than NT$1 dollar shall be rounded up to the next NT dollar. The resulting difference shall be recognized as a Company expense.

(XII) Implementation of Resolutions in the 2023 Annual General Meeting of Shareholders

1. 2022 Business Report and Financial Statements was adpoted.
2. Distribution of 2022 profit was adopted, the record date for cash dividend was set on August 1, 2023, while the payment date was set on August 25, 2023 (where a dividend of NT$1.4 per preferred share and a dividend of NT$1 per common share were distributed).

(XIII) Dissenting Opinions or Qualified Opinions on Resolutions Passed by the Board of Directors Which are Made by Directors and are Documented or Issued through Written Statements, in the Most Recent Year up to the Publication Date of This Annual Report: None

(XIV) Summary of Resignation and Dismissal of Related Personnel

January 1, 2023 to March 31, 2024

Title	Name	Date of Assumption of Duty	Date of Dismissal	Reasons for Resignation or Discharge
Vice President, Corporate Planning Division / Corporate Governance Officer	Pai-Chien Huang	2018.11.12	2023.01.31	Mandatory Retirement Age
General Manager, Accounting Department	Kai-Ching Huang	2018.01.01	2023.03.01	Transfer to Dragon Steel Corporation
Vice President, Commercial Division	Min-Hsiung Liu	2019.09.30	2024.01.31	Mandatory Retirement Age
Chief Auditor	Shih-Chung Chang	2019.02.28	2024.02.29	Mandatory Retirement Age

V. Information on CPA Fees

Unit: NT$ thousands

Name of Accounting Firm	Name of CPA		CPA Audit Period	Audit Fees	Non-Audit Fees	Total	Remark
Deloitte Taiwan	Jui-Hsuan Hsu	Jr-Shian Ke	2023.01~ 2023.12	21,198	4,538	25,736	None

Non-Audit Service Items:

1. Transfer pricing documentation report	3,386
2. Tax attestation	1,002
3. Others	150
Total	4,538

Note: This year, there were no circumstances listed in Subparagraph 1, Paragraph 5, Article 10 of the "Regulations Governing Information to be Published in Annual Reports of Public Companies."

VI. Replacement of Certified Public Accountants

(I) Regarding the Former CPA

Replacement Date	Approved by the Board of Directors on February 25, 2022		
Replacement Reasons and Explanations	The original CPAs of the Company were Jui-Hsuan Hsu and Cheng-Hung Kuo from Deloitte Taiwan. Due to internal transfer at Deloitte Taiwan, the CPAs of the Company were changed to Jui-Hsuan Hsu and Jr-Shian Ke, beginning the first quarter of 2022.		
Describe whether the Company Terminated or the CPA Did Not Accept the Appointment	Status \ Parties	CPA	The Company
	Termination of appointment	Not applicable	
	No longer accepted (continued) appointment		
Other Issues (Except for Unqualified Issues) in the Audit Reports within the Last Two Years	Not applicable		
Differences with the Company	Yes		Accounting principles or practices
			Disclosure of Financial Statements
			Audit scope or steps
			Others
	None	✓	
	Remarks	Not applicable	
Other Disclosed Matters	None		

(II) Regarding the Successor CPA

Name of Accounting Firm	Deloitte Taiwan
Name of CPA	Jr-Shian Ke
Date of Appointment	Approved by the Board of Directors on February 25, 2022
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	Not applicable
Successor CPA's written opinion of disagreement toward the former CPA	Not applicable

(III) The reply letter from the former CPA regarding matters specified in Item 1 and Item 2-3, Subparagraph 6, Article 10 of Regulations Governing Information to be Published in Annual Reports of Public Companies: None.

VII. Information on the Company's Chairman, President or Managements Having Served in a CPA's Accounting Firm or Its Affiliated Companies in the Most Recent Year: None.

VIII. Shareholding Information of Directors, Managements and Major Shareholders

(I) Changes in equity of directors, managements and major shareholders

Title	Name	Change in Equity in 2023		As of March 31, 2024		Remark
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	
Juristic-person Director	Ministry of Economic Affairs	0	0	0	0	None
Juristic-person Director	Chiun Yu Investment Corporation	0	0	0	0	None
Juristic-person Director	Ever Wealthy International Corporation	0	0	0	0	None
Juristic-person Director	Hung Kao Investment Corporation	0	0	0	0	None
Juristic-person Director	Gau Ruei Investment Corporation	0	0	0	0	None
Juristic-person Director	Labor Union of China Steel Corporation, Kaohsiung City	0	0	0	0	None
Director	Chao-Tung Wong	0	0	0	0	None
Director	Wen-Sheng Tseng	0	0	0	0	None
Director	Ming-Jong Liou	0	0	0	0	None
Director	Shyi-Chin Wang	0	0	0	0	None
Director	Chien-Chih Hwang	0	0	0	0	None
Director	Cheng-I Weng	0	0	0	0	None
Director	Yueh-Kun Yang	0	0	Not applicable	Not applicable	Dismissed on August 4, 2023
Director	Shou-Tao Chen	0	0	0	0	Newly appointed on August 4, 2023
Director	Chun-Sheng Chen	(20,000)	0	0	0	None
Independent Director	Shyue-Bin Chang	0	0	0	0	None
Independent Director	Min-Hsiung Hon	0	0	0	0	None
Independent Director	Lan-Feng Kao	0	0	0	0	None
Manager	Shyi-Chin Wang	0	0	0	0	None
Manager	Chien-Chih Hwang	0	0	0	0	None
Manager	I-Chung Huang	0	0	0	0	None
Manager	Min-Hsiung Liu	0	0	0	0	Dismissed on January 31, 2024
Manager	Ming-Yuan Chen	Not applicable	Not applicable	0	0	Newly appointed on February 1, 2024
Manager	Yueh-Kun Yang	0	0	0	0	None
Manager	Pai-Chien Huang	0	0	Not applicable	Not applicable	Dismissed on January 31, 2023
Manager	Kuan-Fu Chen	0	0	0	0	Newly appointed on August 4, 2023
Manager	Jih-Jau Jeng	0	0	0	0	None
Manager	Jui-Teng Chen	0	0	0	0	None
Manager	Shou-Tao Chen	0	0	0	0	None
Manager	Shih-Hsin Chen	0	0	0	0	None
Manager	Kai-Ching Huang	0	0	Not applicable	Not applicable	Dismissed on March 1, 2023
Manager	Pei-Yu Lee	0	0	0	0	Newly appointed on March 1, 2023
Major shareholder	Ministry of Economic Affairs	0	0	0	0	None

Note 1: The shareholding of dismissed directors and managers at the end of the period refers to the shareholding thereof during the month when they were dismissed. The shareholding of newly appointed directors and managers at the beginning of the period refers to the shareholding thereof during the month when they were appointed.

Note 2: The information above listed the changes in common stock, while transferee and transferor involved are all non-related parties. No shares are pledged.

IX. Relationship Information Between the Top 10 Shareholders in Terms of Shareholding Ratio

As of December 31, 2023

Unit: shares; %

Name	Current Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within the Second Degree of Relationship		Remark
	Shares	%	Shares	%	Shares	%	Title (or Name)	Relationship	
Ministry of Economic Affairs	3,154,709,357	20.00%	Not applicable	Not applicable	0	0%	None	None	None
Employee's Stock Trust of China Steel Corporation under the custody of Mega International Commercial Bank Co., Ltd.	381,457,535	2.42%	Not applicable	Not applicable	0	0%	None	None	None
Transglory Investment Corporation	256,765,331	1.63%	Not applicable	Not applicable	0	0%	None	None	None
Representative of Transglory Investment Corporation: Chien-Chih Hwang	33,233	0.00%	0	0%	0	0%	None	None	None
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF under the custody of Taishin International Bank Co., Ltd.	217,199,000	1.38%	Not applicable	Not applicable	0	0%	None	None	None
Fubon Life Insurance Co., Ltd.	214,601,000	1.36%	Not applicable	Not applicable	0	0%	None	None	None
Representative of Fubon Life Insurance Co., Ltd.: Howard Lin	0	0.00%	0	0%	0	0%	None	None	None
Chunghua Post Co., Ltd.	183,434,000	1.16%	Not applicable	Not applicable	0	0%	None	None	None
Representative of Chunghua Post Co., Ltd.: Hong-Mo Wu	0	0.00%	0	0%	0	0%	None	None	None
Labor Retirement Fund	175,248,134	1.11%	Not applicable	Not applicable	0	0%	None	None	None
Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch	170,396,308	1.08%	Not applicable	Not applicable	0	0%	None	None	None
Vanguard Total International Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch	165,032,247	1.05%	Not applicable	Not applicable	0	0%	None	None	None
Labor Pension Fund	162,936,279	1.03%	Not applicable	Not applicable	0	0%	None	None	None

X. Ownership of Shares in Affiliated Companies

As of December 31, 2023
Unit: shares; %

Affiliated Companies	Ownership by the Company		Ownership by Directors, Supervisors, Managers, and Directly/ Indirectly Controlled Entities		Total Ownership	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Chung Hung Steel Corporation	582,673,153	40.59%	0	0.00%	582,673,153	40.59%
China Steel Chemical Corporation	68,787,183	29.04%	948,440	0.40%	69,735,623	29.44%
China Steel Structure Co., Ltd.	66,487,844	33.24%	9,621,861	4.81%	76,109,705	38.05%
CHC Resources Corporation	49,289,597	19.83%	39,227,299	15.78%	88,516,896	35.61%
China Ecotek Corporation	55,393,138	44.76%	1,302,521	1.06%	56,695,659	45.82%
Dragon Steel Corporation	8,612,586,123	100.00%	0	0.00%	8,612,586,123	100.00%
CSC Steel Australia Holdings Pty Ltd	594,638	100.00%	0	0.00%	594,638	100.00%
China Steel Express Corporation	422,545,250	100.00%	0	0.00%	422,545,250	100.00%
Gains Investment Corporation	596,992,650	100.00%	0	0.00%	596,992,650	100.00%
C.S.Aluminium Corporation	840,122,049	99.98%	0	0.00%	840,122,049	99.98%
China Steel and Nippon Steel Vietnam Joint Stock Company	514,304,000	56.00%	0	0.00%	514,304,000	56.00%
China Steel Asia Pacific Holdings Pte Ltd	154,157,447	100.00%	0	0.00%	154,157,447	100.00%
China Prosperity Development Corporation	509,802,912	100.00%	0	0.00%	509,802,912	100.00%
China Steel Power Holding Corporation	419,220,000	51.00%	0	0.00%	419,220,000	51.00%
China Steel Global Trading Corporation	78,827,362	100.00%	0	0.00%	78,827,362	100.00%
CSCI Steel Corporation India Pvt. Ltd.	253,567,202	100.00%	0	0.00%	253,567,202	100.00%
Kaohsiung Rapid Transit Corporation	120,799,811	43.36%	21,443,595	7.70%	142,243,406	51.06%
CSC Solar Corporation	95,920,000	55.00%	78,480,000	45.00%	174,400,000	100.00%
China Steel Resources Corporation	98,112,000	100.00%	0	0.00%	98,112,000	100.00%
China Steel Machinery Corporation	100,066,400	73.97%	35,204,170	26.02%	135,270,570	99.99%
China Steel Security Corporation	25,036,986	99.96%	0	0.00%	25,036,986	99.96%
InfoChamp Systems Corporation	41,465,634	99.99%	0	0.00%	41,465,634	99.99%
Sing Da Marine Structure Corporation	122,695,000	46.71%	40,000,000	15.22%	162,695,000	61.93%
HIMAG Magnetic Corporation	19,183,286	69.49%	5,010,203	18.15%	24,193,489	87.64%
ChinaSteel Management Consulting Corporaion	999,993	100.00%	0	0.00%	999,993	100.00%
China Steel Power Corporation	10	0.00%	821,399,990	100.00%	821,400,000	100.00%
Taiwan Rolling Stock Co., Ltd.	95,527,811	47.76%	0	0.00%	95,527,811	47.76%
Kaohsiung Arena Development Corporation	45,000,000	18.00%	27,500,000	11.00%	72,500,000	29.00%
Hsin Hsin Cement Enterprise Corporation	28,658,729	30.80%	9,298,583	10.00%	37,957,312	40.80%
Eminent II Venture Capital Corporation	19,500,000	46.25%	0	0.00%	19,500,000	46.25%
Honley Auto. Parts Co., Ltd.	35,751,427	35.14%	14,911,983	14.66%	50,663,410	49.80%
Overseas Investment & Development Corporation	5,000,000	5.56%	14,000,000	15.56%	19,000,000	21.12%
TaiAn Technologies Corporation	1,666,700	16.67%	499,998	5.00%	2,166,698	21.67%

Chapter IV. Capital Overview

I. Capital and Shares

(I) Sources of Share Capital

As of March 31, 2024

Type of Shares	Authorized Share Capital			Remarks
	Outstanding Shares (Note 1)	Unissued Shares	Total	
Preferred Shares	38,267,999	None	38,267,999	None
Common shares	15,734,860,997	1,226,871,004	16,961,732,001	Note 2

Note 1: Shares issued by the Company are publicly traded on TWSE.

Note 2: Outstanding common shares include 150,000,000 shares that the Company has repurchased and has not yet transferred to its employees.

Year / Month	Issue Price	Authorized Share Capital		Paid-In Capital		Remarks		
		Number of Shares (thousand shares)	Amount (NT$ thousands)	Number of Shares (thousand shares)	Amount (NT$ thousands)	Source of Share Capital	Capital Increase by Assets Other than Cash	Others
1998.1	10	9,500,000	95,000,000	8,197,099	81,970,995	Capital increase of 750,425,410 shares by retained earnings	None	None
1999.6	10	9,900,000	99,000,000	8,610,902	86,109,028	Capital increase of 413,803,375 shares by retained earnings	None	None
2000.9	10	9,900,000	99,000,000	8,796,140	87,961,396	Capital increase of 185,236,697 shares by retained earnings	None	None
2001.7	10	10,600,000	106,000,000	9,108,936	91,089,364	Capital increase of 312,796,806 shares by retained earnings	None	None
2002.7	10	10,600,000	106,000,000	9,315,761	93,157,609	Capital increase of 206,824,544 shares by retained earnings	None	None
2003.7	10	10,600,000	106,000,000	9,500,086	95,000,858	Capital increase of 184,324,830 shares by retained earnings	None	None
2004.7	10	10,600,000	106,000,000	9,931,114	99,311,138	Capital increase of 431,028,007 shares by retained earnings	None	None
2005.8	10	10,600,000	106,000,000	10,586,672	105,866,716	Capital increase of 655,557,824 shares by retained earnings	None	None
2006.8	10	12,000,000	120,000,000	11,094,452	110,944,516	Capital increase of 507,779,985 shares by retained earnings	None	None

Year / Month	Issue Price	Authorized Share Capital		Paid-In Capital		Remarks		
		Number of Shares (thousand shares)	Amount (NT$ thousands)	Number of Shares (thousand shares)	Amount (NT$ thousands)	Source of Share Capital	Capital Increase by Assets Other than Cash	Others
2007.8	10	12,000,000	120,000,000	11,535,291	115,352,910	Capital increase of 440,839,437 shares by retained earnings	None	None
2008.8	10	14,000,000	140,000,000	12,019,820	120,198,200	Capital increase of 484,528,973 shares by retained earnings	None	None
2008.10	10	14,000,000	140,000,000	12,595,811	125,958,111	Capital increase of 575,991,075 shares from conversion of shares by Dragon Steel Corporation	None	None
2009.8	10	14,000,000	140,000,000	13,132,787	131,327,869	Capital increase of 536,975,875 shares by retained earnings	None	None
2010.8	10	14,000,000	140,000,000	13,566,169	135,661,689	Capital increase of 433,381,968 shares by retained earnings	None	None
2011.7	10	17,000,000	170,000,000	14,244,477	142,444,774	Capital increase of 678,308,445 shares by retained earnings	None	None
2011.8	10	17,000,000	170,000,000	15,084,477	150,844,774	Capital increase of 840,000,000 shares by cash	None	None
2012.8	10	17,000,000	170,000,000	15,310,745	153,107,445	Capital increase of 226,267,160 shares by retained earnings	None	None
2013.8	10	17,000,000	170,000,000	15,463,852	154,638,520	Capital increase of 153,107,445 shares by retained earnings	None	None
2014.8	10	17,000,000	170,000,000	15,773,129	157,731,290	Capital increase of 309,277,039 shares by retained earnings	None	None

Information on shelf registration for the issuance of securities: Not applicable

(II) Shareholder Structure

As of December 31, 2023

Shareholder Structure / Amount	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions and Natural Persons	Total
Number of Shareholders	15	42	1,985	1,223,033	1,814	1,226,889
Number of Shares Held	3,170,936,550	824,623,041	2,792,735,258	6,132,438,427	2,852,395,720	15,773,128,996
Shareholding Percentage	20.10%	5.23%	17.71%	38.88%	18.08%	100%

Note: The Company is not a foreign issuer; therefore disclosing shares held by Chinese investors is not required.

(III) Distribution of Equity Ownership

1. Common Shares

As of December 31, 2023

Range of Shares Held	Number of Shareholders	Percentage (%)	Number of Shares Held	Shareholding Percentage (%)
1 to 999	369,261	30.14%	60,021,799	0.38%
1,000 to 5,000	628,850	51.33%	1,259,078,484	8.00%
5,001 to 10,000	113,819	9.29%	836,637,265	5.32%
10,001 to 15,000	41,682	3.40%	506,328,280	3.22%
15,001 to 20,000	22,255	1.82%	398,667,510	2.53%
20,001 to 30,000	19,315	1.58%	473,604,985	3.01%
30,001 to 40,000	8,832	0.72%	305,940,798	1.95%
40,001 to 50,000	5,059	0.41%	229,547,790	1.46%
50,001 to 100,000	8,823	0.72%	612,296,327	3.89%
100,001 to 200,000	3,971	0.32%	545,673,917	3.47%
200,001 to 400,000	2,044	0.17%	560,840,944	3.56%
400,001 to 600,000	526	0.04%	252,414,586	1.60%
600,001 to 800,000	152	0.01%	103,389,973	0.66%
800,001 to 1,000,000	96	0.01%	85,357,487	0.54%
1,000,001 and above	472	0.04%	9,505,060,852	60.41%
Total	1,225,157	100.00%	15,734,860,997	100.00%

2. Preferred Shares

As of December 31, 2023

Range of Shares Held	Number of Shareholders	Percentage (%)	Number of Shares Held	Shareholding Percentage (%)
1 to 999	492	8.81%	79,963	0.21%
1,000 to 5,000	4,325	77.40%	7,718,418	20.17%
5,001 to 10,000	366	6.55%	2,929,897	7.66%
10,001 to 15,000	119	2.13%	1,525,595	3.99%
15,001 to 20,000	69	1.24%	1,279,290	3.34%
20,001 to 30,000	60	1.07%	1,515,123	3.96%
30,001 to 40,000	36	0.64%	1,278,000	3.34%
40,001 to 50,000	22	0.39%	1,047,094	2.73%
50,001 to 100,000	55	0.98%	4,007,394	10.47%
100,001 to 200,000	26	0.47%	3,856,225	10.08%
200,001 to 400,000	8	0.14%	2,132,000	5.57%
400,001 to 600,000	3	0.05%	1,547,000	4.04%
600,001 to 800,000	2	0.04%	1,346,000	3.52%
800,001 to 1,000,000	1	0.02%	977,000	2.55%
1,000,001 and above	4	0.07%	7,029,000	18.37%
Total	5,588	100.00%	38,267,999	100.00%

(IV) List of Major Shareholders

As of December 31, 2023

Rank	Name of Shareholders	Number of Shares Held	Shareholding Percentage
1	Ministry of Economic Affairs (MOEA)	3,154,709,357	20.00%
2	Employee's Stock Ownership Trust of China Steel Corporation under the custody of Mega International Commercial Bank Co., Ltd.	381,457,535	2.42%
3	Transglory Investment Corporation	256,765,331	1.63%
4	Cathay Sustainability High Dividend ETF under the custody of Taishin International Bank	217,199,000	1.38%
5	Fubon Life Insurance Co., Ltd.	214,601,000	1.36%
6	Chunghwa Post Co., Ltd.	183,434,000	1.16%
7	Labor Retirement Fund	175,248,134	1.11%
8	Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch	170,396,308	1.08%
9	Vanguard Total International Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch	165,032,247	1.05%
10	Labor Pension Fund	162,936,279	1.03%

Major Shareholders of Corporate Shareholders

As of December 31, 2023

Name of Corporate Shareholder	Major Shareholders of Corporate Shareholder
Transglory Investment Corporation	China Steel Express Corporation 48.28%; Chung Hung Steel Corporation 39.59%; China Steel Chemical Corporation 8.90%; United Steel Engineering & Construction Corporation 3.23%
Fubon Life Insurance Co., Ltd.	Fubon Financial Holding Co., Ltd. 100%
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communications (MOTC) 100%

Note 1: (II) to (IV) are all data on the ex-dividend date of August 1, 2023.

Note 2: Other than the companies listed above, the remaining institutional shareholders are government agencies, funds and trusts.

(V) Market price, Net Worth, Earnings, Dividends per share

Item \ Year			2022	2023	Current Year up to March 31, 2024 (Note 8)
Market Price Per Share (Note 1)	Highest		40.25	32.30	27.00
	Lowest		26.20	23.50	23.50
	Average (Trading value/Trading volume)		32.80	27.78	24.74
	Average Closing Price (A)		31.94	28.32	24.84
Net Worth per Share (Note 2)	Before Distribution		20.31	19.58	19.78
	After Distribution		19.30	19.23 (Note 9)	N/A
Earnings Per Share	Weighted Average Shares (thousand shares)		15,414,702	15,395,916	15,257,048
	Earnings Per Share (Note 3) (B)		1.15	0.11	0.04
Dividends per Share	Cash Dividends (C)		1.40(Preferred shares) 1.00(Common shares)	1.40(Preferred shares) 0.35(Common shares)	N/A
	Stock Dividends	From Retained Earnings	0	0	N/A
		From Capital Surplus	0	0	N/A
	Accumulated Unpaid Dividend (Note 4)		0	0	N/A
Return on Investment	Price/Earnings Ratio (A/B) (Note 5)		27.77	257.45	N/A
	Price/Dividend Ratio (A/C) (Note 6)		31.94	80.91	N/A
	Cash Dividend Yield (C/A) (Note 7)		0.0313	0.0124	N/A

* If retained earnings or capital surplus are used for capital increase, market prices and cash dividends retroactively adjusted based on the number of shares after distribution shall be disclosed.

Note 1: Please list the market share prices, including the highest, lowest and average of common stock for the year, and the average market price should be calculated based on trading value and volume for each year.

Note 2: Please use the number of the issuing shares in the year end as the base with the distribution resolved by the Board of Directors or shareholders' meeting held in the following year.

Note 3: For retroactive adjustment made for stock dividends, both before and adjustments earnings per share should be disclosed.

Note 4: For securities issued with terms that entitle the holder to accumulate the unpaid dividend during the current year, for receiving in an earning-generating fiscal year, the accumulated unpaid amount shall also be disclosed.

Note 5: Price/earnings Ratio = Average closing price per share /Earnings per share.

Note 6: Price/dividend ratio = Average closing price per share /Cash dividend per share.

Note 7: Cash dividend yield = Cash dividend per share/Average closing price per share.

Note 8: Net worth and earnings per share shall be disclosed based on latest audited quarterly results up to the publication date of this annual report. For all other columns, Please fill the information as of the publication date of this annual report.

Note 9: The amounts after distribution were calculated based on the distribution resolved by the Board of Directors, while the distribution of profits is subject to the approval of Shareholders' Meeting.

(VI) Dividend Policy and Implementation

1. Dividend Policy

In case of any earnings earned in any given fiscal year being reported from the Company's final annual accounting, the Company shall appropriate or reverse a special reserve firstly after taxes, losses and legal reserves have been paid, made up and set aside respectively. Secondly, a preferred share dividend shall be distributed at 14% of the par value, and a common share bonus shall be distributed at no more than 14% of the par value. In case the account still remains any distributable earnings, additional bonuses shall be distributed according to the percentage of shares held by each shareholder of preferred and common shares. When necessary, the Company may, upon a resolution by a shareholders' meeting, set aside special reserved earnings surplus or retained earnings first after distribution of dividends for preferred shares. In case of no earnings in a given year or in the event that the earnings are insufficient to cover the distribution of dividends for preferred shares, the outstanding dividends for distributable preferred shares shall accrue and be made up firstly when there are earnings in any subsequent year.

When distributing the annual earnings, the Company may first consider the financial status and other operational factors of the Company, and may allocate partial or all of the reserves in accordance with laws and regulations.

The Company's business life cycle is in the stage of steady growth. Pursuant to the distribution of the dividends and shareholders' bonuses provided in the preceding paragraph, cash distributed shall be no less than 75% and shares distributed no more than 25%.

The priority and proportions for distributing the remaining company properties for preferred shares shall be the same as those for common shares.

Shareholders of preferred shares shall have no right to vote for members of the Boards of Directors, and their other rights and obligations shall be the same as those of shareholders of common shares.

Preferred shares issued by the Company may be redeemable.

Shareholders of preferred shares may request a conversion of preferred shares into common shares.

Dividend policy for the coming year will follow the dividend policy mentioned above.

2. Distribution of dividend proposed in the current shareholders' meeting

(1) The Company's 2023 earnings distribution, as shown below, is proposed in accordance with the provisions in Article 6 of the Articles of Incorporation of the Company.

(2) The proposed dividend appropriation for preferred shares totaled NT$1.4 per share in cash. The proposed dividend appropriation for common shares totaled NT$0.35 per share in cash.

(3) Upon approval of this earnings appropriation plan by resolution of Shareholders' Meeting, Chairman of the Board will be authorized to set the record date for cash dividend distribution. When distributing cash dividends, the total amount paid to each shareholder shall be in whole NT dollars and any fractional amount less than a NT dollar shall be rounded up to the next NT dollar. The resulting difference shall be recognized as a Company expense.

China Steel Corporation		
2023		
Earnings Distribution Table		Unit: NT$

Item		Amount
Undistributed earnings at the beginning of the period		18,002,966,222.09
After-tax earnings of 2023	1,681,678,668.39	
Reverse of special reserve: disposal of fixed assets	1,021,750.00	
Actuarial gains (losses) from defined benefit pension plans (included in retained earnings)	(40,507,915.00)	
Effects resulting from changes in long-term equity investment	(2,645,279.00)	
Amount to be included in undistributed earnings by adding up after-tax earnings of 2023 and other items (A)		1,639,547,224.39
Deduct : Legal reserve=(A)* 10%		(163,954,722.00)
Subtotal of distributable earnings		19,478,558,724.48
Distribution of preferred dividends - 38,267,999 preferred shares at NT$1.4 per share (NT$1.4 in cash)	53,575,199.00	
Distribution of ordinary dividends - 15,584,860,997 common shares at NT$0.35 per share (NT$0.35 in cash)	5,454,701,349.00	
Subtotal of distribution items		(5,508,276,548.00)
Undistributed earnings at the end of the period		13,970,282,176.48

Chairman: Manager: President: Vice President, Finance Division: Accounting Manager:

(VII) Impact on Business Performance and EPS Due to Stock Dividend Distribution Proposed in the Current Shareholders' Meeting: Not applicable.

(VIII) Remuneration of Employees and Directors

1. Percentage or range of remuneration to employees and directors as stipulated in the Company's Articles of Incorporation:
   If there is profit in any given fiscal year, the Company shall set aside no less than 0.1% as the remuneration in stock or cash for employees, and no more than 0.15% as the remuneration for Directors under the resolution of the Meeting of the Board of Directors and shall be reported in the shareholders' meeting. Nevertheless, accumulated losses shall be offset in advance.
2. Basis for estimating the amount of employee and director remuneration, and accounting treatment for discrepancies between the actual and estimated distributed amount for the period:
   The Company shall distribute remuneration of employees and directors at the rates no less than 0.1% and no higher than 0.15%, respectively, of the pre-tax profit prior to deducting remuneration of employees and directors. The Board of Directors shall decide to distribute the remuneration either in the form of shares or cash. The estimated remunerations of employees and directors for 2023 have been estimated based on this principle.
   If there is a change in the proposed amounts after the annual standalone financial statements are authorized for issue, the difference is recorded as a change in accounting estimate and will be recognized in the following year.
3. Information on proposal of remunerations distribution of employees and directors

approved by the Board of Directors (February 29, 2024):

(1) Amount of employees' remunerations: NT$117,131,900.

(2) Amount of directors' remunerations: NT2,196,223.

(3) All the amounts above shall be paid in cash.

4. Actual Distribution of 2022 Earnings in 2023

Unit: NT$

	Actual Distribution in 2023	Amount Recognized in 2022	Difference
Remuneration for Employees	1,265,029,602	1,265,029,602	0
Remuneration for Directors	23,719,305	23,719,305	0

(IX) Buyback of the Treasury Shares

1. Buyback of the Treasury Shares (Executed)

As of March 31, 2024

Implementation of Buybacks	1	2	3	4
Purpose of Buyback	Transfer to employees	Transfer to employees	Transfer to employees	Transfer to employees
Buyback Period	2001.09.03~2001.11.02	2005.12.21~2006.02.20	2008.10.08~2008.12.07	2023.11.06~2024.01.05
Price Range of Buyback	NT$8.4 ~ NT$19	NT$16.8 ~ NT$37.9	NT$21.18 ~ NT$52.67	NT$16.98 ~ NT$37.26
Class and Quantity of Shares Bought Back	150,000,000 common shares	1,600,000 common shares	108,000,000 common shares	150,000,000 common shares
Amount of Shares Bought Back	NT$1,904,383,700	NT$39,525,000	NT$2,509,544,050	NT$3,898,319,552
Percentage of Actual to Planned Number of Shares Bought Back (%)	100	0.8	36	100
Shares Retired and Transferred	150,000,000 common shares	1,600,000 common shares	108,000,000 common shares	0 common shares
Accumulated Number of Company Shares Held	0 share	0 share	0 share	150,000,000 shares
Percentage of Accumulated Number of Company Shares Held to Total Number of Shares Issued (%)	0	0	0	0.95

2. Buyback of the Treasury Shares (Executing): None.

II. Status of Issuance of Corporate Bonds, Preferred Shares, Global Depository Receipts, Employee Stock Warrants, New Restricted Employee Shares, Merger and Acquisition Activities (including mergers, acquisitions, and splits), and Implementation of Capital Utilization Plans

(I) Issuance of Corporate Bonds

1. Corporate Bonds

As of March 31, 2024

Type of Corporate Bonds		1st Unsecured Corporate Bond B in 2013	1st Unsecured Corporate Bond C in 2013	1st Unsecured Corporate Bond B in 2014	1st Unsecured Corporate Bond C in 2014
Issue Date		July 12, 2013 to July 12, 2023	July 12, 2013 to July 12, 2028	January 23, 2014 to January 23, 2024	January 23, 2014 to January 23, 2029
Par Value		NT$1 million	NT$1 million	NT$1 million	NT$1 million
Issue Price		At par value	At par value	At par value	At par value
Total Amount		NT$9.7 billion	NT$3.6 billion	NT$7.0 billion	NT$9.0 billion
Coupon Rate		1.60% per annum	1.88% per annum	1.95% per annum	2.15% per annum
Maturity		10 years	15 years	10 years	15 years
Trustee		Trust Department, Mega International Commercial Bank	Trust Department, Mega International Commercial Bank	Trust Department, Taipei Fubon Commercial Bank	Trust Department, Taipei Fubon Commercial Bank
Underwriter		None	None	None	None
Certified Lawyer		Chien Yeh Law Offices	Chien Yeh Law Offices	Chien Yeh Law Offices	Chien Yeh Law Offices
Certified Public Accountant		Deloitte & Touche Taiwan	Deloitte & Touche Taiwan	Deloitte & Touche Taiwan	Deloitte & Touche Taiwan
Repayment		From the issue date, interest will be paid once a year based on the coupon rate, while 50% of the principal will be paid at the end of the ninth and tenth years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 30%, 30% and 40% of the principal will be paid at the end of the 13th, 14th and 15th years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 50% of the principal will be paid at the end of the ninth and tenth years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 30%, 30% and 40% of the principal will be paid at the end of the 13th, 14th and 15th years, respectively.
Outstanding Principal Balance		NT$0 billion	NT$3.6 billion	NT$0 billion	NT$9.0 billion
Terms of Redemption or Early Repayment		None	None	None	None
Restrictive Terms		None	None	None	None
Name of Credit Rating Agency, Rating Date and the results of Corporate Bond Ratings		twAA-given by Taiwan Ratings Corporation on April 30, 2013	twAA- given by Taiwan Ratings Corporation on April 30, 2013	twAA- given by Taiwan Ratings Corporation on August 27, 2013 (Note 1)	twAA- given by Taiwan Ratings Corporation on August 27, 2013 (Note 1)
Other Rights Attached	Amount of Converted or Exchanged Common Shares, GDR or Other Securities	None	None	None	None
	Terms of Issuance and Conversion or Option of Shares	None	None	None	None
The Impact of Issuance & Conversion, Swap or Subscription and Issuance Terms on the Possible Dilution of Equities and the Equities of Current Shareholders		None	None	None	None
Custodian		None	None	None	None

Note 1: The latest issuer rating obtained when the Company issued the corporate bonds. Due to the amendment and cancellation of certain provisions about credit rating requirements in the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the Company does not have to provide bond rating report in accordance with the new regulation.

Note 2: The ratings obtained as of the issuance of corporate bonds were listed. For the latest bond ratings, please visit the website:
https://www.taiwanratings.com/portal/front/listCorporate or
https://www.fitchratings.com/entity/china-steel-corporation-96577857

Type of Corporate Bonds		1st Unsecured Corporate Bond in 2018	2nd Unsecured Corporate Bond in 2018	3rd Unsecured Corporate Bond A in 2018	3rd Unsecured Corporate Bond B in 2018
Issue Date		May 28, 2018 to May 28, 2025	August 8, 2018 to August 8, 2028	October 9, 2018 to October 9, 2025	October 9, 2018 to October 9, 2028
Par Value		NT$1 million	NT$1 million	NT$1 million	NT$1 million
Issue Price		At par value	At par value	At par value	At par value
Total Amount		NT$6.0 billion	NT$5.6 billion	NT$4.15 billion	NT$2.25 billion
Coupon Rate		0.95% per annum	1.10% per annum	0.90% per annum	1.05% per annum
Maturity		7 years	10 years	7 years	10 years
Trustee		Hua Nan Bank Co., Ltd.	Trust Department, Taipei Fubon Commercial Bank	Trust Department, Taipei Fubon Commercial Bank	Trust Department, Taipei Fubon Commercial Bank
Underwriter		8 underwriters, like Capital Securities Corporation, etc.	12 underwriters, like KGI securities Corporation, etc.	11 underwriters, like Capital Securities Corporation, etc.	8 underwriters, like Capital Securities Corporation, etc.
Certified Lawyer		Chien Yeh Law Offices	Chien Yeh Law Offices	Chien Yeh Law Offices	Chien Yeh Law Offices
Certified Public Accountant		Deloitte & Touche Taiwan	Deloitte & Touche Taiwan	Deloitte & Touche Taiwan	Deloitte & Touche Taiwan
Repayment		From the issue date, interest will be paid once a year based on the coupon rate, while 50% of the principal will be paid at the end of the sixth and seventh years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 50% of the principal will be paid at the end of the ninth and tenth years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 25% and 75% of the principal will be paid at the end of the sixth and seventh years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 50% of the principal will be paid at the end of the ninth and tenth years, respectively.
Outstanding Principal Balance		NT$6.0 billion	NT$5.6 billion	NT$4.15 billion	NT$2.25 billion
Terms of Redemption or Early Repayment		None	None	None	None
Restrictive Covenants		None	None	None	None
Name of Credit Rating Agency, Rating Date and Corporate Bond Ratings		twAA- given by Taiwan Ratings Corporation on April 26, 2018 AA-(twn) given by Fitch Ratings Inc. on December 18, 2017 (Note1, Note2)	twAA- given by Taiwan Ratings Corporation on April 26, 2018 AA-(twn) given by Fitch Ratings Inc. on December 18, 2017 (Note1, Note2)	twAA- given by Taiwan Ratings Corporation on April 26, 2018 AA-(twn) given by Fitch Ratings Inc. on December 18, 2017 (Note1, Note2)	twAA- given by Taiwan Ratings Corporation on April 26, 2018 AA-(twn) given by Fitch Ratings Inc. on December 18, 2017 (Note1, Note2)
Other Rights Attached	Amount of Converted or Exchanged Common Shares, GDR or Other Securities	None	None	None	None
	Terms of Issuance and Conversion or Option of Shares	None	None	None	None
The Impact of Issuance & Conversion, Swap or Subscription and Issuance Terms on the Possible Dilution of Equities and the Equities of Current Shareholders		None	None	None	None
Custodian		None	None	None	None

Note 1: The latest issuer rating obtained when the Company issued the corporate bonds. Due to the amendment and cancellation of certain provisions about credit rating requirements in the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the Company does not have to provide bond rating report in accordance with the new regulation.

Note 2: The ratings obtained as of the issuance of corporate bonds were listed. For the latest bond ratings, please visit the website:
https://www.taiwanratings.com/portal/front/listCorporate or
https://www.fitchratings.com/entity/china-steel-corporation-96577857

Type of Corporate Bonds		1st Unsecured Corporate Bond A in 2020	1st Unsecured Corporate Bond B in 2020	1st Unsecured Corporate Bond A in 2023	1st Unsecured Corporate Bond B in 2023
Issue Date		December 28, 2020 to December 28, 2025	December 28, 2020 to December 28, 2027	July 5, 2023 to July 5, 2026	July 5, 2023 to July 5, 2028
Par Value		NT$1 million	NT$1 million	NT$1 million	NT$1 million
Issue Price		At par value	At par value	At par value	At par value
Total Amount		NT$1.6 billion	NT$4.2 billion	NT$7.2 billion	NT$3.8 billion
Coupon Rate		0.39% per annum	0.43% per annum	1.50% per annum	1.57% per annum
Maturity		5 years	7 years	3 years	5 years
Trustee		Mega International Commercial Bank	Mega International Commercial Bank	Taipei Fubon Commercial Bank	Taipei Fubon Commercial Bank
Underwriter		4 underwriters, like Yuanta Securities Co., Ltd., etc.	6 underwriters, like Yuanta Securities Co., Ltd., etc.	13 underwriters, like KGI securities Corporation, etc.	13 underwriters, like KGI securities Corporation, etc.
Certified Lawyer		Chien Yeh Law Offices	Chien Yeh Law Offices	Chien Yeh Law Offices	Chien Yeh Law Offices
Certified Public Accountant		Deloitte & Touche Taiwan	Deloitte & Touche Taiwan	Deloitte & Touche Taiwan	Deloitte & Touche Taiwan
Repayment		From the issue date, interest will be paid once a year based on the coupon rate, while 50% of the principal will be paid at the end of the fourth and fifth years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 70% and 30% of the principal will be paid at the end of the sixth and seventh years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 100% of the principal will be paid at the end of the third year.	From the issue date, interest will be paid once a year based on the coupon rate, while 50% of the principal will be paid at the end of the fourth and fifth years.
Outstanding Principal Balance		NT$1.6 billion	NT$4.2 billion	NT$7.2 billion	NT$3.8 billion
Terms of Redemption or Early Repayment		None	None	None	None
Restrictive Covenants		None	None	None	None
Name of Credit Rating Agency, Rating Date and Corporate Bond Ratings		twAA- given by Taiwan Ratings Corporation on April 16, 2020 AA-(twn) given by Fitch Ratings Inc. on December 5, 2019 (Note1, Note2)	twAA- given by Taiwan Ratings Corporation on April 16, 2020 AA-(twn) given by Fitch Ratings Inc. on December 5, 2019 (Note1, Note2)	twAA- given by Taiwan Ratings Corporation on April 28, 2023 AA(twn) given by Fitch Ratings Inc. on December 7, 2022 (Note1)	twAA- given by Taiwan Ratings Corporation on April 28, 2023 AA(twn) given by Fitch Ratings Inc. on December 7, 2022 (Note1)
Other Rights Attached	Amount of Converted or Exchanged Common Shares, GDR or Other Securities	None	None	None	None
	Terms of Issuance and Conversion or Option of Shares	None	None	None	None
The Impact of Issuance & Conversion, Swap or Subscription and Issuance Terms on the Possible Dilution of Equities and the Equities of Current Shareholders		None	None	None	None
Custodian		None	None	None	None

Note 1: The latest issuer rating obtained when the Company issued the corporate bonds. Due to the amendment and cancellation of certain provisions about credit rating requirements in the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the Company does not have to provide bond rating report in accordance with the new regulation.

Note 2: The ratings obtained as of the issuance of corporate bonds were listed. For the latest bond ratings, please visit the website:
https://www.taiwanratings.com/portal/front/listCorporate or
https://www.fitchratings.com/entity/china-steel-corporation-96577857

2. Corporate bonds that are convertible bonds, exchangeable bonds, shelf registered for issuing bonds, or corporate bonds with warrants: None.

(II) Preferred Shares

Item \ Issue Date		November 18, 1974	January 31, 1980	November 30, 1980	December 31, 1981
Par Value		NT$10	NT$10	NT$10	NT$10
Issue Price		NT$10	NT$10	NT$10	NT$10
Number of Shares		50,000,000 shares	21,887,000 shares	797,000 shares	4,006,000 shares
Total Amount		NT$500,000,000	NT$218,870,000	NT$7,970,000	NT$40,060,000
Rights and Obligations	Distribution of Dividends and Bonuses	In case of any earnings earned in any given fiscal year being reported from the Company's final annual accounting, the Company shall appropriate or reverse a special reserve firstly after taxes, losses and legal reserves have been paid, made up and set aside respectively. Secondly, a preferred share dividend shall be distributed at 14% of the par value, and a common share bonus shall be distributed at no more than 14% of the par value. In case the account still remains any distributable earnings, additional bonuses shall be distributed according to the percentage of shares held by each shareholder of preferred and common shares. In case of no earnings in a given year or in the event that the earnings are insufficient to cover the distribution of dividends for preferred shares, the outstanding dividends for distributable preferred shares shall accrue and be made up firstly when there are earnings in any subsequent year.			
	Distribution of Residual Property	Same as common shares			
	Exercise of voting rights	No right to elect directors			
	Others	Same as other rights and obligations for common shares			
Outstanding Preferred Shares	Number of Shares Recovered or Converted	0 share (2023 and up to March 31, 2024)			
	Number of Shares not Recovered or Converted	38,267,999 shares (as of March 31, 2024)			
	Terms for Recovery or Conversion	Preferred shares issued by the Company may be redeemable. Preferred shareholders may request to convert their preferred shares to common shares.			
Market Price per Preferred Share	2020	Highest	55.50		
		Lowest	47.35		
		Average	52.92		
	2021	Highest	53.10		
		Lowest	50.40		
		Average	51.61		
	2022	Highest	53.40		
		Lowest	44.10		
		Average	49.67		
	2023	Highest	46.80		
		Lowest	43.45		
		Average	44.99		
	As of March 31, 2024	Highest	44.00		
		Lowest	43.25		
		Average	43.67		
Other Rights Attached	Amount of Shares Converted or Subscribed as of March 31, 2024	NT$0			
	Terms of Issuance and Conversion or Option of Shares	Preferred shares issued by the Company may be redeemable. Preferred shareholders may request to convert their preferred shares to ordinary shares.			
The Impact of Issuance Terms on the Equities of Preferred Shareholders, the Possible Dilution of Equities, and Equities of Current Shareholders		None			

(III) Global Depository Receipts (GDR)

Item \ Issue Date			May 28, 1992	February 10, 1997	October 22, 2003	August 1, 2011
Issuance and Listing Location			Major regions in Europe, America and Asia	Major regions in Europe, America and Asia	Major regions in Europe, America and Asia	Major regions in Europe, America and Asia
Total Amount Issued			US$327,600,000	US$186,607,572.50	US$936,086,488	US$751,067,478
Issue Price per unit			US$18.2/1 unit	US$18.35/1 unit	US$15.56/1 unit	US$19.67/1 unit
Total Number of Units Issued			18,000,000 units	10,169,350 units	60,159,800 units	38,183,400 units
Source of Securities Represented			Common shares of China Steel Corporation	Common shares of China Steel Corporation	Common shares of China Steel Corporation	Common shares of China Steel Corporation
Amount of Securities Represented			360,000,000	203,387,000	1,203,196,000	763,668,000
Rights and Obligations of Depository Receipt Holders			Dividend distribution for depository receipts is the same as that of the Company's common shares, while other rights and obligations shall follow the content of the depository contract.			
Trustee			None	None	None	None
Depository Institution			Citibank, New York Branch	Citibank, New York Branch	Citibank, New York Branch	Citibank, New York Branch
Custodian			Citibank, Taipei Branch	Citibank, Taipei Branch	Citibank, Taipei Branch	Citibank, Taipei Branch
Outstanding Balance			12,595,010 shares (as of March 31, 2024)			
Apportionment of Expenses for Issuance and Maintenance			Issuance costs were borne by the Ministry of Economic Affairs	Issuance costs were borne by the Ministry of Economic Affairs	Issuance costs were borne by the Ministry of Economic Affairs	Issuance costs were borne by the Company
Terms and Conditions in the Deposit Agreement & Custody Agreement			Omitted	Omitted	Omitted	Omitted
Market Price per Unit	2023	Highest	US$ 21.51			
		Lowest	US$ 14.62			
		Average	US$ 18.29			
	Current year up to March 31, 2024	Highest	US$ 17.52			
		Lowest	US$ 14.74			
		Average	US$ 15.78			

(IV) Issurance of Employee Stock Warrants and New Restricted Employee Shares: None.

(V) Issurance of New Shares for Merger or Acquisition of Other Companies: None.

(VI) Implementation of Capital Utilization Plan: The Company does not have any security issuance that was incomplete or completed over the past three years but not fully yielded the planned benefits.

Chapter V Operational Highlights

I. Business Activities

(I) Business Scope

1. CA01010 Iron and Steel Refining
2. CA01030 Steel Casting
3. CA01020 Iron and Steel Rolls over Extends and Crowding
4. CA01050 Iron and Steel Rolling, Drawing, and Extruding
5. CA02080 Metal Forging Industry
6. CA03010 Metal Heat Treating
7. CA04010 Metal Surface Treating
8. E103101 Environmental Protection Construction
9. E602011 Refrigeration and Air Conditioning Engineering
10. CB01010 Machinery and Equipment Manufacturing
11. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
12. E604010 Machinery Installation Construction
13. ZZ99999 Any other businesses that are not prohibited or restricted by law, except for businesses requiring special approvals.

Please refer to page 153-154 for more details on the Company's current products. Please refer to page 205-211 for more details on new products to be developed.

Main business scope of CSC Group:

1. Steel industry - includes China Steel Corporation, Dragon Steel Corporation, Chung Hung Steel Corporation, CSC Steel Sdn. Bhd., China Steel and Nippon Steel Vietnam Joint Stock Company, and China Steel Corporation India Pvt. Ltd., which mainly engages in the manufacture and sales of steel products.
2. The remaining business scope of CSC Group includes the following: Manufacture of coal chemistry and specialty chemicals as well as production and sale of anode materials and carbon materials; environmental electromechanical engineering and agent; production and sales of granulated blast furnace slag (GBFS) powder and cement, reutilization of resources; manufacture and sales of steel structure; raw material shipping services and ship leasing; manufacture and sales of aluminum, titanium, nickel and non-ferrous metals; ERP systems automation control systems service; general investment; sales agent and trading of steel products; contracting and management of civil engineering project; manufacture and sales of sputtering targets, magnetic materials, electronic ceramics and mechanical equipments; real estate development and leasing; mass rapid transit system operations; solar energy generation; manufacture of offshore wind power substructure; offshore wind power generation, etc.

(II) Revenue Breakdown

Standalone

Unit: NT$ thousands

Item	2023		2022	
	Amount	%	Amount	%
Revenue from sales of goods	191,708,554	97.24	244,865,758	97.71
Revenue from construction contracts, rendering of services, and others	5,440,604	2.76	5,734,871	2.29
Operating revenues	197,149,158	100.00	250,600,629	100.00

Consolidated

Unit: NT$ thousands

Item	2023		2022	
	Amount	%	Amount	%
Revenue from sales of goods	335,681,275	92.39	419,868,253	93.39
Revenue from construction contracts, rendering of services, and others	27,645,223	7.61	29,699,235	6.61
Operating revenues	363,326,498	100.00	449,567,488	100.00

(III) Industry Overview

In 2023, revenues from steel products account for nearly 80% of the consolidated operating revenues of CSC Group. Therefore, the following industry overview mainly revolves around the steel industry:

1. Current situation and development of the industry

In 2023, the global economy was affected by bearish factors such as high inflation, high interest rates, geopolitical conflicts, and a slower-than-expected recovery in Mainland China after its reopening, resulting in weakened performance in end-demand and a contraction in global manufacturing activity, with trade momentum being hampered. In the latter half of the year, as international inflation moderated and the Federal Reserve (Fed) temporarily halted interest rate hikes, the US dollar weakened, prompting capital inflows into financial and trade markets, leading to a cessation of the decline and a rebound in international commodity prices. Moreover, Mainland China continued its loose monetary policy and implemented various measures to stabilize the housing market and stimulate consumption. Major economies also vigorously promoted economic stimulus measures and expanded infrastructure investment, contributing to an accelerated recovery in the global economy and manufacturing sector.

Looking ahead, the steel market has experienced several quarters of production cuts and destocking adjustments; in 2024, driven by high prices of raw materials: coal and iron ore and the replenishment of terminal inventories, demand momentum is expected to be bolstered. In 2024, Taiwan's public construction expenditure is estimated to reach nearly NT$780 billion. Moreover, measures such as tax reductions

on commodities, subsidies for energy-efficient appliances, and the replacement of automobiles and motocycles will continue. The Directorate-General of Budget, Accounting and Statistics (DGBAS) forecasts Taiwan's economic growth rate to reach 3.43% in 2024, indicating a potential improvement in economic conditions. The International Monetary Fund (IMF) estimates global economic growth to be 3.2% for both of 2024 and 2025, and anticipates a continuation of moderate global economic growth.

2. Relevance between the upstream, midstream, and downstream sectors of the industry

The structure of the steel industry in Taiwan is well developed and comprised of complete upstream, midstream, and downstream systems. Ironmaking raw materials (e.g., coking coal, iron ore, and scrap) mainly rely on imports. The midstream steel rolling industry is mainly composed of re-rollers, so semi-finished products such as billets and slabs rely on imports. The downstream is finely divided and comprised of numerous metal processing industries that are distributed throughout the country.

Upstream manufacturers can be divided, according to crude steel production method, into steel making by blast furnace and electric arc furnace. The Company and Dragon Steel Corporation, as integrated steel mills with total of 6 blast furnaces, use main raw materials, such as coking coal and iron ore. The raw materials are processed through iron making in blast furnaces to steel making in basic oxygen furnaces, and are eventually rolled into various types of steel materials (e.g., plates, hot-rolled and cold-rolled coils, coated products, and bar and wire rods). Major electric arc furnace operators, Feng Hsin Steel Co., Ltd. and Dragon Steel Corporation (with one electric arc furnace), use steel scrap as main raw material and produce steel mainly for construction application.

Midstream manufacturers refer to re-rollers and coil centers, which purchase billets, slabs or hot-rolled products from upstream manufacturers, and process them into various types of cold-rolled or long products.

Major downstream steel-using industries include construction, steel structure, transportation (ships, automobiles, motorcycles and bicycles), metal products (bolts and nuts, hand tools, hardware and furniture), industrial machinery and equipment, electrical and electronic machinery (home appliances, motors, personal computers, and electronic components), petrochemical pipeline engineering, telecommunication servers and other industries.

3. Product development trends and competition

The steel market in Taiwan exhibits limited absorptive capacity, characterized as a shallow dish-shaped market. Additionally, due to high import freedom, although there are few upstream manufacturers and only a small number of specialty steel products that cannot be supplied domestically, the majority of steel products face an oversupply situation, leading to intense market competition with numerous industry players vying for market share.

Despite having an export advantage due to its superior geographical location in the center of East Asia, Taiwan is susceptible to the export competition pressure from major steel-producing countries such as Mainland China, Japan, South Korea, Vietnam, and India. In the face of fierce competition in the global common-grade steel market, it is an inevitable trend for Taiwan's steel industry progresses toward the development of high-end and high value-added steel products.

(IV) Technology and Research & Development Overview

Research and development (R&D) expenditure in 2023 and the 1st quarter of 2024 are listed as follows:

Unit: NT$ thousands	Standalone	Consolidated
2023	2,033,249	2,132,186
First Quarter of 2024	561,523	569,076

R&D status in 2023:

The Company enjoyed a fruitful year in the area of R&D with a total of 30 new product development projects completed in 2023, 14 of which were classified as Advanced Premium Steel (APS). The proportion of orders for APS and high-end steel reached 8% and 50% respectively. The Company will continue the efforts towards enhancing competitive advantage through product differentiation.

Based on the Company's new vision "We aspire to be a sustainable growth enterprise that distinguishes itself through a firm commitment to smart innovation, green energy, carbon reduction, and value co-creation," we have initiated the "Dual cores and three transformations strategies," which actively promote two major focuses: "High value-Added Steel Mill" and "Development of Green Energy Industry." Additionally, we are driving three transformational initiatives: "Digital Transformation, Low-carbon Transformation, and Supply Chain Transformation." The current R&D strategy of the Company is to enhance core capabilities, including developing APS and establishing intelligent manufacturing technologies as well as energy saving, carbon reduction, and environmental protection technologies. R&D resources are mainly invested in key research projects, in the hope of cultivating technologies and achieving sustainable development.

In 2023, the Company accomplished outstanding R&D results in various areas, including products, manufacturing processes, as well as energy saving, carbon reduction and environmental protection technologies. The major R&D outcomes are listed as follows:

1. Development of Advanced Premium Steel
   (1) Superior Hand Tool Steels: In response to the upgrading demands of domestic customers, we have successfully developed BT9885V steel for screwdriver heads with high hardness, high torsion strength, and high fatigue life by employing unique components such as high silicon and high nickel. The hardness of the produced screwdriver heads reaches 62HRC, with a fatigue life exceeding 150,000 cycles, surpassing the traditional S2-1 product with 58HRC and a life expectancy of 15,000 cycles. The outstanding performance of the product facilitates the advancement of the screwdriver head industry towards cutting-edge product development.
   (2) High Performance Structural Steels: In response to the trend towards "high piers, large spans, deep foundations" in bridge design, we have successively developed SBHS400, SBHS500, and weather-resistant type A709 Gr. HPS 70W high performance steel for bridge construction. These steels feature not only higher

strength and toughness compared to traditional steel materials, facilitating lightweight bridge design, but also excellent weldability benefited from low-carbon composition design. This ensures reliable welding quality, making bridge construction more efficient and enhancing industrial competitiveness.

(3) Steel for Green Energy & Home Appliance: With the rise of global environmental awareness and the trend towards carbon neutrality, hot-dip galvanized steel users from computer and server chassis industries have requested the supply of high recycled content material. Through advancements in steel making technology and breakthroughs in critical bottlenecks, we have established a revolutionary steel making method to use more scrap in basic oxygen furnace, successfully producing high-grade low-carbon steel SGCC RC20 with a high proportion of scrap used. The product's properties have been assessed to be comparable to those of general non-recycled materials, and it has obtained UL 2809 certification.

(4) Advanced Alloy Steels: In response to the demand of high-quality products for mechanical hardware and automotive parts, the Company has increased the carbon content of steels and added hardening alloy elements such as chromium and molybdenum with the aim of enhancing its heat treatment property and hardenability. To meet the demand of customers for materials that are easy to process, the Company also actively engaged in the development of differentiated products with low hardness, high spheroidization rates, and high dimensional accuracy, such as high-carbon tool steel, chromium-molybdenum steel, chromium-vanadium steel, manganese-boron steel, steel for link plate, and precision stamping materials. We are moving towards the development of thicker and more customized products to continually lead industrial upgrading and expand business opportunities.

(5) Cross-Generational Automotive Steels: To meet lightweight and safety requirements, automotive bodies are continuously developed towards high-strength, thin, and lightweight. Advanced high-strength steel has become the most important technology development trend of vehicle structural components. Aside from developing a series of advanced ultra-high strength automotive steels with excellent functions for automotive application, such as ultra-high strength cold-rolled CSC CR1400T cold working auto steel, hot-rolled 80 kg hole-expansion steel, and complex-phase steel, the Company also endeavors to develop steel products with higher strength, hole-expansion, and ductility to fill the gap in the industry's supply chain by supplying domestic and overseas automobile brands.

(6) Ultra-High Efficiency Electrical steels: In response to demand for drive motors in electric vehicles, the Company keeps developing ultra-thin sheets with low iron loss and high strength to meet high-efficiency motor operations with low

loss and high speed. Through the establishment of key technologies, the Company has developed ultra-thin electrical sheets, such as 25CS1200FY, 25CS1200AFY, and 20CS1100AFY, which are characterized by lower iron loss, higher magnetic flux and higher strength. The Company has successfully made such products sourced by major electric vehicle manufacturers and has become a critical supplier of electrical sheets.

2. Intelligent manufacturing technologies
   (1) The development of intelligent steel strip offset monitoring technology has been completed, enhancing the precision of dimensional measurements between finishing mills, improving image measurement techniques, and establishing a steel strip offset monitoring system in the down coiler area. With the new functionality online, it has the potential to reduce the rolling failure rate in the finishing mill area, decrease the proportion of head-end collision damage to steel strips, and minimize the delay time in addressing production anomalies in the down coiler area. Moreover, related visualization and statistical analysis functions have been developed, which will accelerate problem-solving and process improvement.
   (2) The development and application of steel strip intelligent plate shape dynamic control system at No.3 Hot Dip Galvanizing Line have been completed. This system integrates AI dynamic roll bending force prediction model, which incorporates laser plate shape measurement technology and experience of operators, with automatic control logic developed for the temper mill. This system enables real-time measurement of the steel strip and dynamic control of edge waves. Since the system went online, the average rejection rate due to edge wave has decreased from 0.143% to 0.053%. Subsequently, the application will be expanded to other hot-dip galvanizing production lines.
   (3) The development and on-site application of the AI-based detection system for surface defects in billets have been completed. This system not only enhances the detection efficiency and real-time warning capability for surface cracks in billets but also provides functionalities such as defect quantity and location information, as well as historical data retrieval. Apart from preventing defective products from being delivered to customers and avoiding potential compensation claims, this system also saves costs associated with outsourcing equipment. Furthermore, it contributes to ensuring product quality, marketing efforts, and boosting customer confidence in using products from CSC. The application of this technology will continue to be expanded.
3. Energy saving, carbon reduction and environmental protection technologies
   (1) On the “Development of Blast Furnace Low-Carbon Iron Making Technology” project, the Company successfully completed the test of charging 6,000 tons of hot briquetted iron (HBI) into blast furnace in 2023, through appropriate slagging

and burden charging operations. The consumption of carbon-based fuel decreased significantly from 485 kilograms to 419 kilograms per ton of hot metal. To expand the variety of low-carbon burden materials and reduce raw material costs, ongoing evaluations of the high-temperature softening and melting properties of pellet and slagging are being conducted. These evaluations serve as the basis for adding pellet of different specifications. Furthermore, the technology of injecting hydrogen-rich gas into blast furnace is being developed to achieve the goal of reducing CO_2 emissions by substituting coal with hydrogen. Collaboration with professors through industry-academia projects is ongoing to evaluate the combustion characteristics of hydrogen-rich gas injection and finalize the specifications for the technology. These research will serve as references for testing in blast furnace.

(2) Ongoing development of "By-Product Gas Carbon Capture and High-Value Utilization Technology" includes establishing optimal operating conditions for the pilot line of co-production of steel and chemicals to ensure CO product quality meets the specifications of acetic acid plants and establishing product quality prediction model to assist the production process operation; developing alternative desulfurization and deoxygenation adsorbent formulations with performance similar to commercial products; and collaborating with petrochemical industry partners to assess the feasibility of constructing acetic acid plant with 600,000 tons annual capacity.

(3) To reduce carbon capture process energy consumption and costs, the innovative forward-looking IP project "Low Energy Consumption Carbon Capture and Utilization Technology Development" has been established. Additionally, the development of a low-temperature sensible heat recovery system for the No. 2 sinter plant has been completed, along with the development of a long-lasting carbon capture absorbent.

(4) To maximize the power generation efficiency per unit of fuel gas, neural network algorithms have been utilized to establish models for boiler steam production and generator power generation. Additionally, with the integration of differential evolution algorithms, the "Optimal Allocation Technology for Boiler Fuel Consumption and Generator Load" has been developed. This assists power plant in effectively increasing self-generated power while reducing expenditures on purchased electricity under the same fuel gas consumption.

(5) The "Biological Filtration Water Treatment Technology" has been successfully established, which alleviates the impact of organic matter and ammonia nitrogen in the inlet water of industrial wastewater treatment plant on RO membranes, thereby increasing the recovery rate of industrial wastewater. Since the implementation of the biological filtration system in February 2023, the quality of inlet water at the industrial wastewater treatment plant has significantly

improved. As a result, the frequency of RO membrane cleaning per month has been greatly reduced, extending the lifespan of RO membranes and reducing consumables and chemical costs. Additionally, it has enhanced the flexibility of water production at the industrial wastewater treatment plant.

(6) CSC adheres to the concept of circular economy with a focus on beginning with the end in mind, dedicating efforts to the recycling and reuse of used refractories. This strategy achieves comprehensive energy saving and carbon reduction effects, while enhancing import substitution through the implementation of domestically produced refractories and self-supply modes. The Group has completed the construction of two mass production lines for unshaped refractories, two for tap hole clay, and one for ramming mass, as part of its self-supply development for refractories. Various efforts in refractory development and mass production are underway to assist in stabilizing the Group's refractory supply and quality.

In the face of business challenges, the Company will continue to enhance our differentiation advantage in terms of cost, product, energy saving and environmental protection, and customer service to improve the Company's overall competitiveness. To achieve the goal of continuous growth, we combine the research capabilities of the industry, the government and the academia in developing products, low-carbon processes and technology for downstream applications.

(V) Short-Term and Long-Term Business Development Plans

"Being customer service oriented, we truly understand customers' needs, and supply steel materials with appropriate quality in appropriate quantities at appropriate times through multi-stage and multi-level of services before, during and after sales. In addition, we assist customers in solving problems related to material use and technologies to improve service quality, turning quality assurance into usage assurance." Based on these principles, the Company's short-term and long-term business development plans can be divided into the following:

1. Short-term business development plans

(1) Enhance manufacturing process technology capabilities, improve the competitiveness of production lines, and increase the production of high-end and high value-added steel.

(2) Strengthen the marketing capabilities of overseas production bases, coil centers, and sales bases, and master the changes in sales channels and the international market.

(3) Actively participate in important meetings of international organizations and grasp the dynamic and strategic thinking of major global steel mills.

(4) Integrate the Group's and invested resources, for example, the Company, Chung Hung Steel Corporation, Dragon Steel Corporation, etc. can provide mutual support with their hot-rolled products and slabs to expand the regional sales foundation in Southeast Asia, Europe, America, and Japan.

(5) Promote environmental protection and energy-saving, accelerate the implementation of equipment replacement, and uplift production and energy efficiency of the equipment.

(6) Guide downstream customers towards carbon neutrality and assist Taiwan's steel-using industries in building up their ability to cope with carbon control using the existing Industry Service Team based on the idea of "large companies leading small companies in carbon reduction."

(7) Develop green steel that can be declared carbon neutral in collaboration with the downstream sector and engage in active pursuit of international certifications for such products.

2. Long-term business development plans

(1) Develop peripheral businesses around the steel industry, and participate in industries relevant to the steel industry in terms of sales, technology and process.

(2) Use extensive experience and capabilities in business management, plant construction and engineering, and information integration to provide technology consulting services for steel-using industries.

(3) Develop target products with high added value and high competitiveness to enhance the competitiveness of the steel-using industry.

(4) Strengthen environmental protection and social services aimed at green energy and carbon reduction in line with international trends.

(5) Improve talent cultivation, technology and experience inheritance, and achieve the long-term goal of sustainable development.

(6) Promote intelligent production and sales and smart manufacturing through artificial AI innovation with a view to realizing the Company's operational and developmental cores of becoming a high value-added steel mill and developing the green energy industry, and actively execute digital, low-carbon, and supply chain transformations.

(7) Make timely adjustments to the Company's strategic layout of overseas production and sales locations in response to the consolidation of economic and trade blocks around the world.

(8) In response to the trend towards carbon neutrality, develop next-generation low-carbon ironmaking technologies that are suitable for Taiwan, with the ultimate goal of carbon neutrality by 2050.

II. Market, Production and Sales Overview

(I) Domestic and Export Sales Breakdown for Steel Products

2023 Domestic and Export Sales Breakdown by Region - Standalone

Sales Target	Amount (metric ton)	Percentage (%)
Taiwan	4,058,853	52.38%
Southeast Asia	993,311	12.82%
Europe	978,087	12.62%
Japan	582,582	7.52%
Mainland China (including Hong Kong)	374,636	4.83%
Others	761,837	9.83%
Total	7,749,306	100.00%

2023 Domestic and Export Sales Breakdown by Region- Consolidated

Sales Target	Amount (metric ton)	Percentage (%)
Taiwan	6,366,018	52.49%
Southeast Asia	1,719,197	14.17%
Europe	1,451,341	11.97%
Japan	843,954	6.96%
Mainland China (including Hong Kong)	403,565	3.33%
Others	1,343,955	11.08%
Total	12,128,030	100.00%

(II) Market Supply and Demand Outlook

Looking ahead to market conditions in 2024, the World Steel Association (worldsteel) projected in April 2024 that global steel demand will grow 30.1 million tons at 1.7% to 1,793 million tons in 2024 compared to 2023, and grow 22.1 million tons at 1.2% to 1,815 million tons in 2025 compared to 2024, indicating a stable upward trend of steel using demand.

On the supply side, major steel mills in Europe, the U.S., and Asia continued to reduce production in the second half of 2023, where steel mills in Europe gradually shutting down 7 blast furnaces and Mainland China implementing its policy on cutting the crude steel output. As economies outside of Mainland China gradually recover, World Steel Dynamics (WSD) forecasts global crude steel production to be 1.908 billion tons in 2024, an increase of 1.1% compared to 2023, indicating a shift towards expansion in global steel supply.

In 2023, the domestic market share of the Company's main steel products were 63% for plates, 53% for bar and wire rods, 21% for hot-rolled coils, 38% for cold-rolled coils, 64% for electrical sheets, 25% for hot-dip galvanized steels and 60% for electrogalvanized steels, respectively. (The joint market share of hot-rolled coils produced by the Company, Dragon Steel Corporation and Chung Hung Steel Corporation was 80%, while the market share of cold-rolled coils produced by the Company and Chung Hung Steel Corporation was 49%)

(III) Business Objectives

In 2024, the Company plans to sell a total of 8.16 million tons of steel products, including domestic sales of 4.77 million tons and export sales of 3.39 million tons. The Steel Division of CSC Group is targeting sales of 13.50 million tons, including domestic sales of 8.05 million tons and export sales of 5.45 million tons.

In the future, the Company will continue to optimize the production and marketing mechanism of monthly pricing and establish effective flexible measures to quickly acquire orders and maintain smooth shipments; to enhance customer relationship management, play well the role of a high value-added steel mill, and promote the supply of high-end and strategic steel products; to actively establish marketing channels and expand overseas business opportunities to build a solid supply chain for domestic and international sales and achieve the goal of sales growth.

(IV) Development Prospects and Favorable and Unfavorable Factors Thereof

1. Development prospects

Benefiting from stronger-than-expected economic performance in Europe, America, and some emerging countries, as well as continued fiscal support from Mainland China, the International Monetary Fund (IMF) revised upwards the global economic growth forecast for 2024 to 3.2% this April. On the other hand, the Directorate-General of Budget, Accounting and Statistics (DGBAS), Executive Yuan revised upward Taiwan's 2024 economic growth rate to 3.43% in February. It is expected that overall exports, investments, and private consumption will maintain a growth trajectory in 2024, with the economic situation progressing steadily.

As far as the international steel market is concerned, the World Steel Association (worldsteel) projected in April 2024 that global steel demand will reach 1.793 billion metric tons in 2024, up by 1.7% from 2023. It is anticipated that with the gradual recovery of manufacturing industries in Mainland China and Europe, warming of the Indian economy, and steady consumer performance in the U.S., global steel demand will experience moderate growth.

In the wake of the aforesaid trends in both internal and external environments, the Company aims to develop steel products with high technical content and high value based on its operational and developmental cores of "becoming a high value-added steel mill" and "developing the green energy industry." In line with the trend of Industry 4.0, the Company strives to boost production efficiency, reduce costs, and shorten delivery lead time with the help of various techniques, including smart factory, smart manufacturing, cloud computing, and big data. At the same time, the Company endeavors to optimize transportation scheduling to reduce logistics costs using AI technology and improve overall customer services to create a niche. In addition, the Company also keeps abreast of global trends and developments in carbon reduction to develop green steel products with external energy saving and carbon reduction benefits on an ongoing basis. With the goal of improving customer services experience, the Company will try our best to meet customers' potential needs and pay more attention to the overall long-term development of the steel industry.

2. Favorable and unfavorable factors

Favorable factors:

(1) Governments in Europe, the U.S., India, and Southeast Asia continue to promote infrastructure projects, coupled with the anticipated strong global automotive sales, thereby driving international steel demand.

(2) Mainland China's production restriction policy directions remain unchanged. The stabilized steel production capacity, and continuing to stimulate consumption through measures such as reserve requirement ratio cuts and interest rate reductions, are conducive for stable sales and prices in the Asian steel market.

(3) The Taiwanese government continues to strengthen the policies of investing in public construction and stimulating domestic demand, which, coupled with the return of overseas Taiwanese businesses and the effect of transfer orders from US-China trade war, will drive the steel industry to rise steadily.

(4) The industrial chain moves toward high-end applications and the downstream industries have strong international competitiveness, high industry intensity, division of labor based on specialization, and rapid responsiveness, which are beneficial to the expansion of overseas markets.

(5) The ongoing cooling of inflation in major countries facilitates timely easing cycles by their central banks. Monetary policies are shifting towards looseness, which is expected to boost private investment and consumption. Consequently, this will contribute to increased demand for steel materials.

Unfavorable factors:

(1) Protectionism in global trade still exists and restricts the export market expansion. The efforts of Taiwan to join relevant regional economic cooperation organizations are subject to international political and economic objective conditions, leading to higher tariff barriers than competing countries.

(2) The continuation or escalation of the ongoing Russo-Ukrainian War and the Israel-Palestine conflict, while their impact is gradually diminishing, still pose challenges to regional economic development, which in turn will drag down global economic and trade momentum.

(3) Considering the volatile geopolitics in Southeast Asia and other regions, it is important to monitor the spillover effects of steel materials, few steel mills may undersell steel when the steel market faces an adjusted period, which may cause short-term regional steel market fluctuations and operational risks.

(4) The operating costs may increase because of the need to pay carbon fee in line with new laws and regulations related to carbon neutrality (e.g., the Carbon Border Adjustment Mechanism (CBAM) in the European Union and the Clean Competition Act (CCA) in the U.S.) and the need for upgrading the energy and resource efficiency of various assets (e.g., replacing equipment with higher-efficiency).

(5) Since 2021, several real estate companies in mainland China have faced financial crises, and the cooling of the real estate market has impacted steel demand. In 2023, mainland China's steel exports reached a near seven-year high, affecting steel markets in Asia. It is still necessary to continue monitoring the effectiveness of the government's measures to boost the real estate market in that country.

3. The Company's countermeasures

The Company's countermeasures in response to problems and challenges in the steel industry are as follows: (1) Consolidate the market: File anti-dumping charges against the unfair competition caused by low-priced imports; grasp development trends of related industries to expand the scope of product supply; for tariffs imposed by various countries, strive for tariff exemption or quota with help from the government or develop cooperation with downstream enterprises in response; (2) Enhance the added value of products: Actively develop high value-added new products such as advanced premium steel (APS) and high-end steel, increase the their percentage, and develop green steel with benefit of carbon reduction in line with the international trend towards carbon neutrality; (3) Improve process flexibility: Develop dynamic metallurgical process models to improve product quality, shorten

delivery time, and reduce costs; (4) Improve productivity: Reduce production costs by running lean organizations, lowering costs of raw material, saving energy, simplifying production processes, and improving yield rate and production efficiency; (5) Strengthen supply chain services: Provide customers and suppliers with a more efficient production and sales mechanism, such as optimizing the management efficiency of monthly pricing system to improve flexibility and adaptability; (6) Adopt flexible sales strategies: Stay in line with market needs in real time, obtain orders quickly through diversified sales strategies, and maintain operational momentum while the steel market is undergoing structural changes.

(V) Uses and Production Process of Major Products

Plates: Shipbuilding, bridges, steel structures, oil country tubular goods (OCTGs), storage tanks, boilers, pressure vessels, truck chassis, wind power, general structural components, etc.

Bars: Bolts and nuts, hand tools, loudspeaker parts, automobile and motorcycle parts, machinery parts, etc.

Wire rods: Bolts and nuts, steel wires and ropes, hand tools, welding electrodes, tire cords, umbrella ribs, chains, etc.

Hot-rolled steels: Steel pipes and tubes, vehicle parts, containers, pressure vessels, jacks, cold-rolled and galvanized steels, light steel frame and formed processed products, etc.

Cold-rolled steels: Steel pipes and tubes, steel furniture, home appliances, drum material, automobile panels, galvanized steels, general hardware, etc.

Electro-galvanized steels: Computer cases/parts and accessories, home appliance panels/parts and accessories, server cases /parts and accessories, automobile panels, construction materials, furniture hardware, etc.

Hot-dip galvanized steels: Automobile and home appliance parts and components, computer server cases/parts and accessories, PPGI, construction materials, etc.

Electrical steels: Motors, transformers, ballasts, etc.

The main manufacturing processes for the Company's products comprise raw material processing, ironmaking, steelmaking, rolling and surface treatment:

Raw material processing: Imported coking coal, iron ore and limestone are unloaded to the raw material storage yard. Coking coal is then transported to coke oven plants to produce coke, while iron ore and limestone are transferred to the sinter plants to produce sinter.

Ironmaking: Iron ore, sinter, pellet, coke and flux are charged to blast furnaces to produce molten iron (hot metal), which is then transported by torpedo cars to basic oxygen furnaces for steelmaking.

Steelmaking: Hot metal and steel scrap are poured into basic oxygen furnaces to be processed into liquid steel, most of which are further processed at secondary refining stations before being cast into blooms and slabs.

Rolling: Blooms are fed into the billet mill to be shaped into billets and further processed into bars or wire rod products in the bar or rod mills. Slabs are fed into the plate mill to be rolled into plates or processed into hot rolled bands in the hot strip mills. Hot rolled bands can be further processed into hot rolled products in the finishing mill or to produce cold rolled products in the cold rolling mills.

Surface treatment: To enhance the special functions of cold-rolled coils, special treatment is made on the surface of these products, such as applying a thin insulating coating on electrical sheet to improve its electromagnetic performance. Galvanized steel sheets are made through coating cold-rolled coils with a layer of zinc by hot-dipped galvanizing or electrogalvanizing to achieve aesthetic and anti-corrosion effects. The surface of galvanized steel sheet is even applied with anti-fingerprint coating to improve its corrosion resistance and painting properties.

(VI) Supply of Major Raw Materials

1. Sources of Coking Coal (January 1, 2023 to December 31, 2023)

China Steel Corporation		
Country	Amount (ten thousand tons)	Percentage (%)
Australia	369	86.62%
Canada	52	12.21%
Others	5	1.17%
Total	426	100.00%

Dragon Steel Corporation		
Country	Amount (ten thousand tons)	Percentage (%)
Australia	237	90.81%
Canada	20	7.66%
Others	4	1.53%
Total	261	100.00%

2. Sources of Iron Ore (January 1, 2023 to December 31, 2023)

China Steel Corporation		
Country	Amount (ten thousand tons)	Percentage (%)
Australia	974	79.19%
Brazil	202	16.42%
Canada	54	4.39%
Total	1,230	100.00%

Dragon Steel Corporation		
Country	Amount (ten thousand tons)	Percentage (%)
Australia	508	73.95%
Brazil	177	25.76%
Canada	2	0.29%
Total	687	100.00%

3. Sources of Limestone (January 1, 2023 to December 31, 2023)

China Steel Corporation		
Country	Amount (ten thousand tons)	Percentage (%)
Japan	127	50.00%
Taiwan	43	16.93%
Vietnam	34	13.39%
Thailand	27	10.63%
Philippines	20	7.87%
Others	3	1.18%
Total	254	100.00%

Dragon Steel Corporation		
Country	Amount (ten thousand tons)	Percentage (%)
Japan	75	52.82%
Vietnam	26	18.31%
Taiwan	16	11.27%
Philippines	14	9.86%
Thailand	10	7.04%
Others	1	0.70%
Total	142	100.00%

Note: CSC Group mainly engages in the steel industry and only the Company and Dragon Steel Corporation are integrated steel manufacturers, so here we only provide the sources of main raw materials, namely coking coal, iron ore and limestone.

(VII) Information on suppliers/customers accounting for more than 10 percent of the total purchases (sales) of goods in any of the most recent two years:

1. The Company does not have any customers accounting for more than 10 percent of the total standalone sales of goods.

2. Information on suppliers accounting for more than 10 percent of the total purchases of goods at the Company:

Year	Name	Amount (NT$ thousands)	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer
2022	Dragon Steel Corporation	20,842,445	12.66	Wholly-owned subsidiary
	Others	143,777,069	87.34	N/A
	Net purchases	164,619,514	100.00	N/A
2023	Company A	15,547,041	12.79	Supplier
	Others	106,038,743	87.21	N/A
	Net purchases	121,585,784	100.00	N/A
As of the previous quarter in 2024	Information for the previous quarter prior to the publication date of this annual report is the information for 2023. Hence, the information is as above.			

Note on increase or decrease: The increased purchase amount of Company A in 2023 was mainly due to the consolidation of suppliers; the decreased purchase amount of Dragon Steel Corporation in 2023 was mainly due to the decrease in unit price and volume of products purchased.

3. The Company and our subsidiaries do not have any customers accounting for more than 10 percent of the total consolidated sales of goods.

4. Information on suppliers accounting for more than 10 percent of the total purchases of goods at the Company and our subsidiaries:

Year	Name	Amount (NT$ thousands)	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer
2022	Company A	31,132,701	10.37	Supplier
	Others	268,967,897	89.63	N/A
	Net purchases	300,100,598	100.00	N/A
2023	Company A	24,748,361	10.78	Supplier
	Others	204,751,341	89.22	N/A
	Net purchases	229,499,702	100.00	N/A
As of the previous quarter in 2024	Information for the previous quarter prior to the publication date of this annual report is the information for 2023. Hence, the information is as above.			

Note on increase or decrease: The decreased purchase amount of Company A in 2023 was mainly due to the decrease in unit price and volume of products purchased.

(VIII) Breakdown of production and sales volume and value of steel products in the most recent two years

Standalone - Breakdown of production volume and value

Unit: Production capacity/volume - metric ton; Production value - NT$ thousands

Year / Production Volume and Value / Major Product	2023			2022		
	Production Capacity (Note 1)	Production Volume	Production Value	Production Capacity (Note 1)	Production Volume	Production Value
Plates	1,000,000	813,185	19,034,165	1,000,000	921,432	23,809,240
Bars and wire rods	2,005,000	1,267,693	30,797,798	2,005,000	1,664,864	43,944,994
Hot-rolled products	2,360,000	2,219,787	45,437,364	2,360,000	2,153,086	49,156,082
Cold-rolled products	3,395,000	2,582,755	67,435,474	3,395,000	2,828,060	81,423,439
Other steel products	-	440,371	7,844,982	-	393,669	7,661,559
Total (Steel products)	8,760,000	7,323,791	170,549,783	8,760,000	7,961,111	205,995,314
Others (Non-steel products and by-products)	NA	NA	3,621,073	NA	NA	3,960,852
Total	NA	NA	174,170,856	NA	NA	209,956,166

Note: 1.In order to promote the advanced premium steels (APS), the Company has adjusted the allocation of production capacity of each production line accordingly.

2.Other steel products refer to pig iron, commercial slabs, commercial billets, etc.

Standalone - Breakdown of sales volume and value

Unit: Sales volume - metric ton; Sales value - NT$ thousands

Year / Sales Volume and Value / Major Product	2023				2022			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Plates	744,014	20,761,852	60,997	1,667,969	861,928	25,031,448	49,374	1,428,846
Bars and wire rods	1,236,073	32,361,464	135,530	3,473,180	1,727,506	51,195,650	177,764	4,981,224
Hot-rolled products	869,805	18,352,844	1,624,135	32,885,625	1,016,049	24,682,590	1,554,674	36,656,888
Cold-rolled products	820,896	23,357,937	1,806,321	46,435,262	1,106,513	34,399,033	1,749,354	52,535,957
Other steel products	388,065	6,654,738	63,470	1,004,931	346,400	6,848,841	-	-
Others (Non-steel products and by-products)	NA	4,752,752	NA	-	NA	7,105,281	NA	-
Total	4,058,853	106,241,587	3,690,453	85,466,967	5,058,396	149,262,843	3,531,166	95,602,915

Consolidated – Breakdown of production volume and value

Unit: Production capacity/volume - metric ton; Production value - NT$ thousands

Year / Production Volume and Value / Major Product	2023			2022		
	Production Capacity (Note 1)	Production Volume	Production Value	Production Capacity (Note 1)	Production Volume	Production Value
Plates	1,000,000	813,185	19,034,165	1,000,000	921,432	23,809,240
Bars and wire rods	2,005,000	1,267,694	30,797,798	2,005,000	1,664,864	43,944,994
Hot-rolled products	8,560,000	6,737,931	146,997,401	8,560,000	6,817,965	154,492,748
Cold-rolled products	5,435,000	3,735,604	96,737,105	5,435,000	4,011,585	117,919,544
Steel pipes	90,667	24,095	718,708	90,667	80,074	2,480,139
H-beams	600,000	433,230	10,449,036	600,000	424,924	11,077,845
Narrow plates		45,419	1,168,732		23,323	652,431
Other steel products	NA	1,571,319	29,698,034	NA	1,985,426	40,855,527
Total (Steel products)	17,690,667	14,628,477	335,600,979	17,690,667	15,929,593	395,232,468
Others (Non-steel products and by-products)	NA	NA	28,561,140	NA	NA	38,322,818
Total	NA	NA	364,162,119	NA	NA	433,555,286

Note: 1.In order to promote the advanced premium steels (APS), the Company has adjusted the allocation of production capacity of each production line accordingly.
2.Other steel products refer to pig iron, commercial slabs, commercial billets, etc.

Consolidated – Breakdown of sales volume and value

Unit: Sales volume - metric ton; Sales value - NT$ thousands

Year / Sales Volume and Value / Major Product	2023				2022			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Plates	683,974	18,841,865	60,739	1,660,550	788,661	22,858,767	49,271	1,425,680
Bars and wire rods	1,235,943	32,358,891	135,530	3,473,179	1,725,465	51,156,618	177,764	4,981,208
Hot-rolled products	2,956,403	60,050,039	2,756,149	54,711,174	2,913,119	70,117,803	2,751,882	63,000,587
Cold-rolled products	957,375	26,440,432	2,714,750	70,622,707	1,262,623	38,776,119	2,648,665	82,304,598
Steel pipes	4,668	135,954	20,476	677,448	7,802	272,551	77,185	2,930,072
H-beams	385,044	10,334,254	10,898	256,166	341,124	9,752,311	52,718	1,348,375
Narrow plates	42,755	1,206,442	-	-	19,374	584,637	-	-
Other steel products	99,856	1,868,897	63,470	1,004,931	127,418	2,097,898	28,063	360,928
Others (Non-steel products and by-products)	NA	1,819,295	NA	228,272	NA	1,471,997	NA	64,556
Total	6,366,018	153,056,069	5,762,012	132,634,427	7,185,586	197,088,701	5,785,548	156,416,004

III. Human Resources Overview

(I) Number of employees, average age, years of service and distribution of academic qualification at the Company in the most recent two years up to the publication date of this annual report (March 31, 2024):

Year		2022	2023	2024.03.31
Number of Employees		9,677	9,629	9,646
Average Age		42.52	42.44	42.45
Average Years of Service		12.74	12.87	12.91
Distribution of Academic Qualifications (%)	PhD	2.05	2.18	2.17
	Master's degree	20.43	21.18	21.28
	Bachelor's degree	57.48	58.51	58.55
	High school	19.89	18.10	17.97
	Below high school	0.15	0.03	0.03

Note: Years of service were recalculated when the Company was privatized on April 12, 1995.

(II) Number of employees, average age, years of service and distribution of academic qualification at CSC Group in the most recent two years up to the publication date of this annual report (March 31, 2024):

Year		2022	2023	2024.03.31
Number of Employees		27,771	27,518	27,360
Average Age		41.31	41.78	41.92
Average Years of Service		11.47	11.89	12.05
Distribution of Academic Qualifications (%)	PhD	0.89	0.95	0.95
	Master's degree	15.71	16.21	16.31
	Bachelor's degree	56.93	57.45	57.70
	High school	22.57	21.92	21.80
	Below high school	3.90	3.47	3.24

2023	CSC	CSC and DSC
Crude steel production (metric ton)	8,099,163	12,578,408
Revenues (NT$ thousands)	197,149,158	286,723,325
Average number of workers (persons)	9,630	12,894
Average annual crude steel production per capita (metric ton)	841	976
Average annual revenues per capita (NT$ thousands)	20,472	22,237
Working hours per ton of crude steel (hour/ton)	2.38	2.09

Note: In CSC Group, only China Steel Corporation and Dragon Steel Corporation are integrated steel manufacturers. Therefore, the information above is provided as CSC's and DSC's standalone data.

IV. Information on Environmental Management and Environmental Protection Expenditure

In 1997, the Company obtained ISO 14001 - Environmental Management System (EMS) certification and received registration approval which required renewal every three years. In 2023, the Company was externally audited by the British Standards Institution (BSI) Taiwan Branch for the 2015 edition of the certification, where no deficiencies were found, and successfully passed the certification. By upholding the spirit of continuous improvement demonstrated by ISO 14001 - Environmental Management System, the Company gradually improved environmental management performance in all operations. Besides, the Company conducts internal and external audits every year to ensure that all the operations comply with the ISO 14001 standard. The Company also continues to promote works related to environmental protection with a computerized Environmental, Health and Safety (EHS) Management System.

In terms of environmental ecology, the Company continues to enhance greening of the entire factory based on the concept of "environmental greening." With regard to environmental impact assessment (EIA), the Company handles various EIA documents and submits declaration based on company needs, as well as conducts environmental load analysis, in order to fully keep track of the change of pollutions from the Company's planned capital expenditure.

As regards toxic and concerned chemical substance control, the Company reports the monthly handling quantity and annual release quantity in accordance with the law. Besides, in order to prevent and respond to the toxic chemical disaster, the Company has formulated the "Toxic Chemical Substance Emergency Response, Detection and Alarm Equipment Plan" and the "Toxic Chemical Substance Hazard Prevention and Emergency Response Plan," and regularly conducts toxic chemical disaster drills. For the manufacturing and input of new chemical substances and existing chemical substances, the Company registers the information according to applicable laws and reports the amount of the previous year every year.

According to the ISO 14001 environmental management system, the Company promotes air pollutant reduction goals, incorporates the best available control technology (BACT) and conducts rolling review year by year, as well as promote reduction plans to reduce air pollution emissions and air pollution fees, aiming to realize low-pollution, green, and sustainable steel mills.

In terms of air pollution management, the Company strengthen the management of air pollution-related laws and regulations to comply with the requirements of various laws and regulations and reduce abnormal situations related to air pollution, meanwhile plan response measures for poor air quality in autumn and winter, as well as medium- and long-term air pollution improvement plans in line with the government's air quality improvement policy.

While ensuring the normal operation of various environmental monitoring equipment (Continuous Emission Monitoring System (CEMS), environmental condition monitoring system (CCTV), Ambient Air Quality Monitoring System (AAQMS)), the Company has completed the inspection and declaration of pollutants including particles (Par.), sulfur oxides (SOx), nitrogen oxides (NOx), volatile organic compounds (VOCs), and dioxins (DXNs), etc. in all chimneys, and has applied for stationary pollution source installation, modification, alteration and extension permits in accordance with the law. The

Company continuously strengthens in-plant inspections, reviews the implementation of pollution prevention, and plans reduction and improvement measures in line with the "Air Pollution Prevention and Control Plan" formulated by the Executive Yuan and the Air Pollution Control Act set forth by the Ministry of Environment.

With regard to greenhouse gas management, in order to properly manage and reduce greenhouse gas emissions, the Company completed the 2022 organizational-level inventory audit (scope 1:18,248,901 tons CO_2e, scope 2:1, 373,673 tons CO_2e, total emission:19,622,574 tons CO_2e), and 2023 organizational-level inventory audit (scope 1:16,809,455 tons CO_2e, scope 2:1,249,102 tons CO_2e, total emission:18,058,557 tons CO_2e), passed the verification process conducted by third-party verification agencies for both years, and registered the Company's emission data annually in line with the regulation on Mandatory Greenhouse Gas Reporting System. In addition, the Company continues to manage the amount of greenhouse gas reduction, including reduction credit earned from GHG Early Action Project, GHG Offset Project, etc., where a balance of 4,501,660 tons CO_2e was recorded at the end of March 2024. The Climate Change Response Act, which was officially promulgated by the Office of the President of the Republic of China (Taiwan) on February 15, 2023, consisted of key amendments such as the inclusion of the 2050 net-zero emission target, carbon fee collection, and performance standards. With the Ministry of Environment proposed a draft of important sub-laws at the end of 2023, the Company will continuously work with various parties such as the Ministry of Economic Affairs, and the Taiwan Steel & Iron Industries Association to learn about the direction of the Climate Change Administration's amendments to sub-laws and participate in such amendments, so as to ensure the reasonableness and feasibility of the policy and thus mitigate the impact of carbon control on the Company.

The Company recycles, processes, and reuses rainwater to reduce the contaminant level of discharge and decreases load to adjacent water bodies though interception stations and runoff wastewater treatment facilities set up in material yards and rainwater drainage systems. In 2023, the amount of wastewater discharged at the Company averaged approximately 39.9 thousand tons/day, while the contaminant concentration discharged fully complied with standards for discharged water.

Complying with the government's "zero waste" policy, the Company continues to uphold the principles of "100 percent resourcezation" and "zero solidification landfill." Pursuing appropriate technologies with existing equipment in its factory, the Company converts waste into raw materials that can be used in its factory with excellent management techniques based on the principle of making the best of materials and improving their value.

As regards the application of by-products, the Company has completed the manuals related to the application of basic oxygen furnace slag and desulfurization slag according to the principle of gradual and orderly promotion instructed by the Executive Yuan, as well as audited and approved by third-party organizations since 2017. The desulfurization slag can be used in cement raw materials in cement mills. In addition to on-site recycling, basic oxygen furnace slag can also be used in asphalt concrete for roads, land reclamation and cement raw materials in cement mills. Following the new milestone marked by the successful land reclamation works at Taipei Port using the Company's first shipment of BOF slag in 2020,

the approved annual amount of BOF slag to be used in land reclamation works grows from 1.3 million tons to 2.2 million tons in 2023, significantly improving the efficiency of the resourcezation of BOF slag.

Moreover, to assist the companies of CSC Group in resourcezation of industrial wastes, the Company continues to reutilize sludge from China Steel Chemical Corporation, waste oil from China Steel Express Corporation, sludge from Chung Hung Steel Corporation, oily wastewater from C.S.Aluminium Corporation, calcium carbonate crystals from China Ecotek Corporation, as well as waste acid from the production processes at companies such as China Steel Machinery Corporation and Chung Hung Steel Corporation.

Based on the off-site resources chain established in the past, the Company has expanded the industrial ecology network within and outside Kaohsiung Linhai Industrial Park in cooperation with the Ministry of Environment and the Industrial Development Administration under the Ministry of Economic Affairs, so that waste between industries can be effectively reused. In 2023, the industrial ecology network centered on the Company comprised 27 enterprises mainly from traditional industries, and links resources including water-quenched blast furnace slag, air-cooled blast furnace slag, desulfurization slag, basic oxygen furnace slag, sludge mixture, coal tar, waste pickling liquor and spent refractory.

To fully understand the quality of soil and groundwater and to implement soil and groundwater pollution prevention work, the Company has set up 13 groundwater monitoring wells in the entire factory to regularly carry out sampling and testing. Furthermore, the Company also investigates soil and groundwater pollution before leasing or purchasing lands to clarify the liability for land contamination of related parties, ensuring no pollution disputes and preventing subsequent risks of pollution remediation and damage liability, thus protecting the Company's interests.

(I) Losses caused by environmental pollution in the most recent year up to the publication date of this annual report (March 31, 2024)

1. The Company and listed subsidiaries of CSC Group, Chung Hung Steel Corporation, China Ecotek Corporation, and China Steel Structure Co., Ltd., did not receive any penalty due to environmental pollution in 2023 up to the publication date of this annual report (March 31, 2024).
2. Other subsidiaries of CSC Group, i.e. China Steel Chemical Corporation (CSCC), CHC Resources Corporation (CHC Resources) and the major subsidiary, i.e. Dragon Steel Corporation (DSC)

		2023	January to March 2024
CSCC	Date of Punishment (Date of Violation)	2023.01.06 (2022.07.20)	None
	Punishment Letter No.	Fine Notification No.20-112-010010	None
	Regulations Violated	Paragraph 4, Article 34 of the Air Pollution Control Act	None

		2023	January to March 2024	
	Content of Regulations Violated	Personnel at the unit in charge of air pollution control concurrently served as occupational safety and health management personnel	None	
	Content of Punishment	A fine of NT$200,000, improvement within the given period, and 2-hour environmental seminar	None	
CHC Resources	Date of Punishment (Date of Violation)	2023.08.08(2023.06.14)	2024.02.16(2023.12.27)	2024.02.16(2024.01.02)
	Punishment Letter No.	Fine Notification No. 30-112-080007 from Environmental Protection Bureau, Kaohsiung City	Fine Notification No. 30-113-020004 from Environmental Protection Bureau, Kaohsiung City	Fine Notification No. 30-113-020003 from Environmental Protection Bureau, Kaohsiung City
	Regulations Violated	Paragraph 1, Article 7 and Paragraph 1, Article 28 of the Water Pollution Control Act	Article 18 of the Water Pollution Control Act and Article 4, and Paragraph 1, Article 12 of the Water Pollution Control Measures and Test Reporting Management Regulations	Article 18 of the Water Pollution Control Act and Article 4 of the Water Pollution Control Measures and Test Reporting Management Regulations
	Content of Regulations Violated	The storage area for BOF slag inside the plant was eroded by continuous rainfall, resulting in wastewater flowing into the internal wastewater collection channel, then overflowing into the rainwater drain and being discharged outside the plant, causing pollution. No emergency response measures were taken, and the incident was not reported within 3 hours after its occurrence.	The dosing machine, blower, and discharge pump of the wastewater treatment facility for process T01 at the Kaohsiung plant are all indicated as being in a stopped state, and there is no sulfuric acid in the sulfuric acid dosing tank. The water pollution control measure plan did not include the existence of a slope washing platform and a sedimentation tank in the slag storage area, and failed to install a separate dedicated cumulative water flow metering device on the inlet side of the wastewater treatment facility.	The content of the Linhai plant's water pollution control measure plan did not include the collection of wastewater from the underground duct for water-quenched slag feed. The sedimentation tank and the pH adjustment tank were inconsistent with the water pollution prevention and control measures plan. In 2022, the amount of recycled water used for pollution control exceeded the approved amount specified in the water pollution control measure plan.
	Content of Punishment	A fine of NT$561,600 and 2-hour environmental seminar	A fine of NT$10,500, improvement within the given period, and 2-hour environmental seminar	A fine of NT$10,000, improvement within the given period, and 1-hour environmental seminar

		2023	January to March 2024
DSC	Date of Punishment (Date of Violation)	2023.07.24(2023.04.29)	2024.01.10(2023.10.27)
	Punishment Letter No.	Fine Notification No. 20-112-070019	Fine Notification No. 20-113-010025
	Regulations Violated	Paragraph 1, Article 23 of the Air Pollution Control Act	Paragraph 1, Article 23 of the Air Pollution Control Act
	Content of Regulations Violated	Some air pollutants generated during certain steelmaking processes were not effectively collected, and the air pollution control facilities were not functioning properly. There was also no record of malfunction reporting within one hour of the incident.	Large amounts of dust emission was generated at the connection part between the main scrubbers of some steelmaking processes and other flares, indicating ineffective collection of air pollutants.
	Content of Punishment	A fine of NT$450,000 improvement within the given period, and 2-hour environmental seminar	A fine of NT$450,000 and 4-hour environmental seminar

(II) Countermeasures

1. Improvements proposed

(1) Improvement plans

Over the years, CSC Group has devoted a great deal of manpower, material, and financial resources on environmental protection works, in hopes of achieving international benchmark levels. To properly prevent pollution incidents, the Company not only requires all factories (departments) to enhance self-management to prevent human errors and implement economically feasible environmental management solutions, but also assists all factories (departments) in enhancing self-administration through internal audit. In addition, the Company inflicts punishment for human errors that cause major pollution and rewards units with outstanding performance in accordance with the "Directions Governing Reward and Punishment in Environmental Management."

Besides, China Steel Chemical Corporation, CHC Resources Corporation, and Dragon Steel Corporation have taken various immediate improvement measures, such as purchasing new equipment, upgrading and replacing existing equipment, increasing the frequency of inspection, adjusting the list of responsible personnel and planning for reserve manpower, developing relevant work standards and implementing related management systems, and conducting training on environmental protection-related laws and regulations in response to the aforesaid deficiencies.

(2) Expected environmental investments in the next two years

To reduce air pollution emissions, the projects including “Revamping Plan of Coke Ovens” are expected to be invested in the next two years, with an investment amount of NT$12,331,471 thousand and NT$5,922,944 thousand in 2024 and 2025 respectively.

(3) Effects after improvement

Profitability: Improve environmental protection, reduce CO_2 and PM emissions, avoid penalties for violations of environmental protection regulations and reduce the impact of the increase in operating costs caused by carbon fee collected in the future.

Competitiveness: Follow the international trend of energy saving and carbon reduction and maintain the Company's green competitiveness among its peers in the global steel industry.

V. Protection Measures for Working Environment and Employees' Personal Safety

The Company adopts the Plan–Do–Check & Correction–Act (PDCA) management cycle to continuously improve and implement comprehensive safety and health management, so as to create a healthy work environment. To realize effective discussion and solution to practical issues, the Company has set up the Occupational Safety & Hygiene Committee, in which the President and the Executive Vice President concurrently serve as the Chairman and the Vice Chairman of the committee, respectively. At the same time, the committee also comprises 15 labor union representatives (where labor union representatives exceeds one-third of the total committee members). The Occupational Safety & Hygiene Committee meets once every two months and reports the Company's annual safety and health management performance in the annual report for public inspection.

(I) Important Tasks in Safety and Hygiene Management

1. Workplace safety and risk control

As the occupational safety and hygiene management system is operated based on risk management, the Company successfully obtained verification for the ISO 45001 (Occupational Health and Safety Management Systems) and TOSHMS (Taiwan Occupational Safety and Health Management Systems) certifications conducted by the British Standards Institution (BSI) in 2022, and passed the follow-up verification in 2023. Meanwhile, the Company carries out hazard identification and risk assessment on all processes and engineering construction projects, and classifies assessment results into five risk levels, namely negligible, low, moderate, high, and significant. For moderate risks and above, subsequent measures should be taken to reduce risks. Furthermore, the Company regularly conducts emergency response drills and personnel training to bolster emergency response capabilities with a view to preventing personal injuries, property losses, and environmental impacts arising from accidents.

2. Safety and health education and training

Training, as the foundation of safety, enables personnel to acquire safety-related knowledge and develop safety-related awareness to avoid accidents arising from negligence. In 2023, the Company conducted 11 types of courses related to on-the-job licensing training regarding safety and hygiene regulations for 74 batches of personnel, with up to 2,706 employees trained in total, as well as 4 types of courses related to physical safety training for 83 batches of personnel, with up to 923 employees trained in total. In an effort to enhance safety knowledge among employees, the Company organized a series of workplace safety training courses and seminars in line with existing laws and regulations as well as current trends, including "Briefing Session on Explosion-proof Safety Practices", "Training on the Application of Personal Protective Equipment", and "Workshops on Preventing and Communicating Workplace Hazards and Infringements", etc.

3. Health care

(1) In order to keep track of employees' actual working environment and assess employees' exposure situation, employees are required to undergo general and special health examinations on a regular basis, and carry out health management and protection according to examination results. In addition, the Company implements tiered management and hosts on-site visits from occupational

medicine specialists.

For the special health examination for employees working in special work-sites, test items cover high temperature, noise, radioactivity, lead, dust, as well as organic and special chemicals. A total of 3,721 examinations were conducted among these employees in 2023. Specifically, a total of 3 employees working in noisy environments were listed under Level 4 management, the noise exposure levels of whose workplaces have been confirmed to comply with the relevant laws and regulations. The Company has stepped up efforts on the training of wearing hearing protection devices and keep track of these employees' hearing status regularly; thus, no work adjustment was required. The remaining personnel working in special worksites were not listed in Level 4 health management.

(2) In 2023, the Company organized 12 health promotion activities (health lecture, weight management programs, nutrition consultation, physical fitness guidance, influenza vaccination, self-paid advanced health screening, mammography, papanicolaou test, female breast ultrasound examination, gynecological ultrasound examination, body fat test and physical fitness test) with a total of 4,590 counts of attendance.

(3) In 2023, the Company's maternity protection program comprised a total of 26 maternal health promotion cases, which were all classified as Level 1 management upon assessment by occupational medicine specialists; thus, no work adjustment was required. All high-risk individuals in the overload prevention program completed the assessment interview conducted by these doctors, and were regularly tracked by the health management system.

4. Workplace safety enhancement measures

(1) On-site safety observation

The Company regularly organizes workplace safety observation activities, with the Vice President of the Production Division in charge of convening these activities and leading the members of the Occupational Safety & Hygiene Committee, factory (department) supervisors, and labor union representatives to conduct the observations and discussions. Through safety observation, employees are encouraged to produce cases of workplace safety highlights, where employees whose cases are adopted will be rewarded, while other employees are also encouraged to read the winning cases. This initiative is aimed at boosting employees' positive attitude towards workplace safety management, establishing a shared database for workplace safety highlights and shaping the atmosphere of "workplace safety equals disaster prevention." In 2023, a total of 5 observation activities were carried out while 10 second echelon units were selected as "Outstanding Units in Workplace Safety Management."

(2) Enhance workplace safety awareness among safety and hygiene supervisory personnel from contractors

The Company has launched a program for supervisory and management personnel in high-risk operations (including a two-day physical safety training course) to improve their capabilities of on-site workplace safety supervision.

(3) Introduction of virtual reality (VR) traffic safety module

The Company uses VR teaching aids to simulate possible traffic conditions in its plants and determine whether the trainees' driving behavior is appropriate according to their operation, with the aim of improving compliance with traffic rules and inculcating the concept of defensive driving among all road users.

(II) Labor and Equipment Management Audit

1. Inspections of dangerous machinery, equipment, and workplace

Dangerous machinery and equipment have passed periodic inspections in accordance with the law. At the same time, all the operators have obtained professional licenses, and also receive on-the-job training on a regular basis. In 2023, the Company carried out and completed a total of 1,054 regular inspections of dangerous machinery and equipment, as well as a total of 14 modifications and final inspections on dangerous machinery and equipment. Moreover, the Company conducted workplace hazard risk assessment on 25 Class C dangerous workplaces, whose process safety is reassessed every five years in accordance with the law, aimed at ensuring safe operations in these workplaces.

2. Safety and hygiene audit

With a view to establishing an effective project for improving patrols and inspections, the Industrial Safety & Hygiene Department has formed an audit team with workplace safety auditing personnel from other departments. The team, split into several groups, conducts daily inspection at key venues in the factories (departments) while the supervisor of the Industrial Safety & Hygiene Department reviews the inspection results. These efforts contribute positively to the maintenance of operation safety at the Company's factories.

VI. Labor Relations

(I) Employee benefit plans, continuing education & training, retirement systems, important labor-management agreements and measures for preserving employees' rights and interests

1. Employee welfare measures

To take care of the daily life of our people, the Company not only provides a safe and healthy working environment, but also launches various types of benefits and welfare, and organizes various types of activities so that employees can relieve stress, relax their body and mind, and lead a more fulfilling life, thereby promoting harmonious labor relations.

Employee benefits of the Company include the following:

(1) Offers cash allowance for four major festivals, including Chinese New Year, Dragon Boat Festival, Mid-Autumn Festival and Labor Day; club activities; education subsidies for members' children; emergency and disaster relief; marriage subsidies; domestic and overseas trips; flexible welfare points; new born congratulation cash gifts; birthday cash gifts, etc.

(2) Established a cafeteria, providing meal boxes and group meals; set up convenience stores, food court and gymnasium in CSC Group Hall, providing complete amenities for daily living.

(3) Regularly organizes large-scale self-improvement activities for employees and family members, as well as various events including CSC Group marriage event, year-end lottery, and factory celebrations.

(4) Provides movies watching for the neighborhood, rental subsidies for transport bus, as well as book and newspaper borrowing and reading in the reading room.

(5) Offers comprehensive group insurance under the employee welfare committee.

(6) Sets up single employee dormitories, gymnasium, the CSC Group Hall and kindergarten.

(7) Accepts applications for consumer loans, interest-free emergency loans, as well as marriage, funeral and festive supplies.

2. Retirement system

According to the Company's personnel management system, an employee, who is involved in any of the following situation, should be required to retire immediately:

(1) Those who aged 65 years old and above

(2) Those with mental disorders or physical disabilities that prevent them from working.

With the implementation of the Labor Pension Act starting from July 1, 2005, employees are required to choose between the previous and new labor pension systems within five years from the date above. However, the new labor pension system applies to all employees who joined the Company starting from July 1, 2005. As of December 2023, a total of 7,787 employees applies to the new labor pension system, while a total of 1,834 employees remained with the previous labor pension system.

Based on the labor pension system under the "Labor Pension Act" applicable to the Company and domestic subsidiaries, employers shall contribute 6 percent of

employees' monthly salaries as labor pension to individual accounts of labor pension at the Bureau of Labor Insurance. In addition, overseas subsidiaries shall contribute labor pensions in accordance with local laws and regulations.

Based on the labor pension system under the "Labor Standard Act" applicable to the Company and domestic subsidiaries, employees' labor pension shall be calculated based on years of service and average salary for the 6 months before the approved retirement date. The Company and domestic subsidiaries contribute a certain percentage of employees' monthly salaries to an employee pension fund, which is deposited into a special account in Bank of Taiwan by the Labor Retirement Reserve Fund Supervisory Committee in the name of the committee.

The Company and some subsidiaries have also established the Pension Fund Management Committee, which is responsible for reviewing, supervising and inspecting pension fund-related contributions, deposits and expenditures for appointed management personnel. This pension fund is deposited in the name of the management committee.

3. Other important agreements

To promote harmonious labor relations, the Company signed a three-year collective agreement starting from April 2, 1997 with labor union on February 14, 1997 according to the Collective Agreement Act. The current collective agreement is the sixth edition, the negotiation of which was initiated on July 7, 2023, and concluded on December 14, 2023, following 7 rounds of collective agreement negotiation meetings. It was signed on March 15, 2024 and took effect on the next day, appling to all employees. The agreement totaled 80 articles and comprises ten chapters, including general principles, labor union activities, human resources, working hours, rest and annual leave, compensation and bonuses, human resource development, benefits and welfare, occupational safety and hygiene, labor-management meetings, collective bargaining and handing of labor disputes, and supplementary provisions.

To enhance employees' sense of belonging to the Company and increase business partners awareness that employees are also shareholders, the Company implemented the Employee Stock Ownership Trust system in July 1998 in hopes of connecting employees' work performance with company growth and providing better protection for employees after retirement. In this system, each participant can freely choose the monthly contribution amount within the 10% limit of his/her basic salary; however, it is limited to 12 bases only, where each base is NT$1,000. Meanwhile, the Company contributes additional 20% of participating employees' monthly deposit amount as incentives. The Company has commissioned a financial institution to manage this trust and to purchase shares of the Company using all deposits in the name of a special account. Participating employees will receive shares from the trust upon leaving the Company. To enhance the attractiveness of recruiting and retaining talent, the Company has continuously optimized the employee stock ownership trust system. Starting from 2024, the Company introduced the “30% Stock Trust Incentive Allocation Program” and the “Incentive Bonus Trust Distribution,” aimed at increasing employees’ sense of participation in the Company and enhancing their cohesion and loyalty.

4. Employee communication

Labor-management meetings must be held once every three months as required by law. As the Company attaches great importance to labor relations, the Company convenes labor-management meetings on a monthly basis (a total of 12 meetings convened in 2023). Besides, according to the implementation directions for communication forums for plants (and departments), each plant (and department) shall conduct a forum every two to three months to communicate with employees, as well as strengthen exchange of opinions internally, so as to enhance employees' sense of belonging. A total of 224 communication forums (participated by approximately 4,299 people) were held across all plants (and departments) in 2023. In addition to labor-management meetings and communication forums held in plants (and departments), employees can express their opinions through the following channels:

(1) Labor Union: Employees who are members of the labor union can submit their appeals to the labor union through proper channels.
(2) Employee Welfare Committee: This committee handles employees' welfare-related matters.
(3) Occupational Safety & Hygiene Committee: This committee handles matters related to safety, hygiene, and environmental protection.
(4) Labor Retirement Reserve Fund Supervisory Committee: This committee handles matters related to depositing, using, and managing the retirement reserve fund.
(5) Appeals system/appeals hotline: Employees, who suffer from infringement of legal rights, improper treatment, or difficulties at work, and is unable to resolve reasonably after raising them through the administrative system, may lodge complaints.
(6) Sexual Harassment Complaint Committee: The committee is responsible for handling appeals related to sexual harassment in the workplace, in order to provide a work and service environment free of sexual harassment.

5. Employee code of conduct and ethics

In order to promote an honest and upright atmosphere, ensuring that employees become self-driven and self-motivated and implement four major spirits that is teamwork, entrepreneurial approach, down-to-earthness and pursuit of innovation while performing duties, the CSC Group Employee Code of Ethics was formulated in accordance with the "Ethics Guidelines for Civil Servants" and related regulations. All employees shall fully comply with this code to pass down the Company's excellent corporate culture.

In addition, the "Service Rules" chapter in the Company's work rules and the Company's "Guidelines for Recusal Due to Conflict of Interests" also specify employee code of conduct and ethics.

While celebrating the Company’s 50th anniversary in 2021, a consulting firm was engaged to carry out the “Corporate Culture Revamp” project. In this project, a consensus was reached by the management team on the Company’s corporate culture via interviews with top executives and vice presidents of each division to not only reshape the definition of the Company’s four corporate values, namely teamwork, entrepreneurial approach, down-to-earthness, and pursuit of innovation, but also identify the elements that represent each of the aforesaid values. Furthermore,

employee conduct and behavior were also described in detail to ensure that all employees share a common concept and understanding of the Company's culture and specifically demonstrate them in daily work. With a view to assisting supervisors at all levels understand the definition of values and behaviors after the corporate culture revamp exercise, identify whether employees have demonstrated behaviors corresponding to the aforesaid four corporate values, and carry out appropriate performance evaluation. This is to ensure that these values are truly inculcating in employees' behavior and shaping the Company's common values. In March 2023, the Company launched the corporate culture implementation project by organizing a seed instructor training program for the Cultural Consensus Camp and the Cultural Consensus Camp for senior supervisors.

6. Employee training and talent development

Enhancing training and talent management, promoting excellent corporate culture, and advancing leadership skills and passing down of technologies have always been the Company's annual business policies and benchmarks. In the face of current wave of retirement, the Company not only has actively recruited outstanding talents to join the CSC team in recent years, but also focuses on efforts to effectively pass down our extensive experience in steel production, operations and management over these years. Therefore, talent development, knowledge management, corporate culture and succession plans are currently the key tasks that have to be undertaken immediately by CSC Group.

The Company has established the Manpower Development Section subordinated to the Human Resources Department. This team is responsible for the formulation of rules and regulations governing human resources development, mapping out and implementing training plans and budgets, and planning and promoting management skills development, knowledge management and e-Learning.

To nurture talents required for the development of the Company's businesses, the Company has established the "Education and Training Manual", and the Regulations Governing Training and Continuing Education, in order to specify the education and training system as well as the training and development framework for talents of CSC Group. The Company maps out annual training plans based on business conditions, and conducts training based on these plans in order to enhance employees' knowledge and skills. Through the talent development system, the Company enhances management skills development and technical know-how, develops future management and professional talents, and encourages all employees to pursue continuing education to improve themselves.

Education and training courses held by the Company in 2023 primarily covered AI training, management, languages, specialized training (e.g., technology and quality management), computer, environment safety and hygiene, induction training for new employees, management training for supervisors, as well as general education and training. In 2023, the Company spent NT$46,161 thousand in education and training, with an average 27.6 hours training per employee throughout the year. Digital transformation is currently one of the key policies at the Company. In an effort to bolster the development of AI talents, the Company has set up a Task Force on Digital Transformation and five subgroups under the Task Force in 2023.

The education and training group is one of the aforementioned five subgroups, and is in charge of conducting a series of training courses for AI talents for the purpose of cultivating key AI skills among them. A total of 722 people attended training courses for AI talents in 2023.

(II) Losses caused by labor disputes in the most recent year up to the publication date of this annual report:

No losses caused by labor disputes were reported at China Steel Corporation and listed subsidiaries of CSC Group (i.e., Chung Hung Steel Corporation, China Ecotek Corporation, China Steel Chemical Corporation, CHC Resources Corporation, and China Steel Structure Co., Ltd.) and important subsidiary (i.e., Dragon Steel Corporation) in 2023 up to the publication date of this annual report (March 31, 2024).

VII. Cybersecurity Management

(I) Cybersecurity Risk Management Framework

1. Information Security Governance Organization

The Company established the Information Security Committee in December 2020. The Executive Vice President Chien-Chih Hwang serves as Chief Information Security Officer and convener of the committee, the Assistant Vice Presidents of the Finance Division and Production Division serve as deputy conveners, and experts from the Information System Department, the Electrical & Control Department, the Human Resources Department, the Legal Department, the Green Energy & System Integration Research & Development Department, and the Utilities Department serve as committee members. The Committee has established three task forces, namely Information Security Technology and Monitoring Task Force, Information Security Audit and Education Training Task Force, Risk assessment and Compliance Task Force, and Executive Secretary Task Force, where meetings were convened on a quarterly basis. The committee is tasked with overseeing the formulation and implementation of information security-related policies, risk management, and compliance inspection, as well as reviewing and approving information security and information protection approaches and policies to realize the effectiveness of information security management measures. In order to strengthen the risk management of cybersecurity, the overall implementation of information security is reported to the Board of Directors through the Corporate Governance and Sustainability Committee every year to ensure the suitability and effectiveness of the operation and implement the supervision of information security.

2. Structure and Reporting Process of the Information Security Committee

(II) Cybersecurity Policy

1. Information Security Goals

(1) Ensure the confidentiality, integrity, and availability of the Company's business-related information to safeguard information security at the Company.

(2) Improve information security protection capabilities to achieve the goal of business continuity.

2. Information Security Strategies

For the purpose of effectively implementing information security management, the Information Security Committee reviews the applicability of the Company's information security policies and related protection measures based on the Plan–Do–Check–Act (PDCA) management cycle, and introduces a number of information security strategies as listed below:

(1) Assess requirements for information operations security to draw up related procedures and develop strategies, management framework, and standards, with the aim of ensuring the confidentiality, integrity, and availability of information assets.

(2) Establish the Company's information security organization and delegation of duties and responsibilities to facilitate the implementation of information security operations.

(3) Formulate guidelines for assessing the level of information security incidents at the Company to facilitate the implementation of various related tasks.

(4) Set up the information security incident reporting and response mechanism to ensure that information security incidents are properly responded to, controlled, and dealt with as soon as possible, and reduce the scope of impact and losses caused by such incidents.

(5) Enhance information security awareness among employees on a regular basis to minimize man-made information security disasters.

3. Information Security Framework

4. Information Security Risk Management and Continuous Improvement Framework

(III) Specific Management Solutions

Multi-layer Information Security Protection	
Network Security	● Incorporate advanced technology to perform computer scans as well as system and software updates. ● Enhance network firewall and control to prevent the spread of computer viruses.
Device Security	● Establish endpoint antivirus measures according to computer and business type to reinforce detection of malware behavior. ● All new computers must be installed with protection software and undergo virus scans in the quarantine zone before they can be deployed.
Application Security	● Establish a web application firewall to block network threats and protect website security. ● Build an application security testing mechanism and integrate it into the development process and platform.
Data Security	● USB storage media control ● E-mail control
Review and Continuous Improvement	
Education and Training	● Raise employees' vigilance against e-mail social engineering attacks and perform defense and detection of phishing e-mails. ● Conduct information security training for employees on a regular basis to enhance employees' information security awareness.

(IV) Resources for Cybersecurity Management

Achievements in promoting and implementing information security measures in 2023 are as follows:

Policy	Certification
Maintained 27 information security management regulations and operational standards and revised 14 items.	Passed the ISO/IEC 27001 Information Security Management System review in 2022 and remained the validity of the certification in 2023.
Training/Awareness	
1. Conducted information security training for new employees of 2023, with a total of 365 people trained, all of whom have completed the training and passed the examination. 2. Completed EC-Council Certified Incident Handler (ECIH) training in 2023, with a total of 9 people trained.	Organized 1 information security awareness session each month (12 sessions in total), covering updates on information security, vulnerability remediation, and important lessons on information security.
Information Security Testing	
Conducted penetration testing and vulnerability scanning testing at 138 stations.	
Organized 2 e-mail social engineering and phishing e-mail drill each year, with a total of 2,000 people being sampled for the drill.	

(V) Information Technology Security Risk and Management Measures

CSC has drawn up five major information security management measures based on the U.S. National Institute of Standards and Technology (NIST) Cybersecurity Framework.

1. Identify

   Review the information environment, key resources, systems, and services, develop risk management strategies in line with daily operations, including information asset inventory and risk assessment, and conduct internal and external audits to identify potential risks and make improvements.

2. Protect

   Establish corresponding defensive measures, including identity and access management, endpoint/antivirus protection, and firewall, aimed at ensuring that key resources, systems, and services are not affected by information security incidents.

3. Detect

   Build a real-time detection and warning mechanism for information security incident, including spam management system, intrusion detection system, and security operations center (SOC), cybersecurity war room.

4. Respond

   Set up the reporting and response management for cybersecurity incident to quickly complete the damage control, recovery operations or disclosure of material information, minimizing the impact of information security incidents on the Company when an incident occurs.

5. Recover

   Build a high availability architecture and draw up a data backup plan, so that normal operations can be resumed in the shortest possible time when an information security incident occurs.

(VI) Losses caused by major information security incidents, their possible effects, and relevant response measures in the most recent year up to the publication date of this annual report:

No losses caused by major information security incidents were reported at China Steel Corporation, listed subsidiaries of CSC Group (Chung Hung Steel Corporation, China Ecotek Corporation, China Steel Chemical Corporation, CHC Resources Corporation, and China Steel Structure Co., Ltd.), and the important subsidiary (Dragon Steel Corporation) in 2023 up to the publication date of this annual report (March 31, 2024).

VIII.Important Contracts

1. CSC

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Procurement contract	Vale S.A. (Brazil)	2020.04.01~ 2023.03.31	Iron ore	None
		2023.04.01~ 2026.03.31		
Procurement contract	BHP Billiton Marketing AG (Australia)	2021.04.01~ 2024.03.31	Iron ore	None
Procurement contract	Hamersley Iron Pty. Ltd. (Australia)	2022.04.01~ 2025.03.31	Iron ore	None
Procurement contract	Teck Coal Limited (Canada)	2021.04.01~ 2024.03.31	Coking coal	None
Procurement contract	BM Alliance Coal Marketing Pty Ltd (Australia)	2022.04.01~ 2023.03.31	Coking coal	None
		2023.04.01~ 2024.03.31		
Procurement contract	Nippon Steel Corporation	2020.04.01~ 2025.06.30	Supply of slabs	None
Procurement contract	Paul Wurth Italia S.p.A. (Italy)	2020.11.24~ 2024.06.30	New Phase I and II coke ovens, coke transport cars, and coal chemical equipment	None
Procurement contract	Fuji Electric Co., Ltd. (Japan)	2021.10.19~ 2025.03.15	Turbine generator and ancillary equipment at No. 1 Power House	None
Procurement contract	Mitsubishi Power, Ltd. (Japan)	2022.06.20~ 2025.01.28	Installation of No. 13 and No. 14 Boilers and other ancillary equipment at No. 1 Power House	None
Procurement contract	Primetals Technologies Japan Ltd. (Japan)	2023.01.12~ 2025.04.30	Plant Equipment Upgrading and Enhancement of Rolling Capacity for No. 2 Pickling and Cold Mill for Rolling Mill Department III	None
Long-term borrowing	Bank of Taiwan	2022.08~ 2025.08	New Taiwan dollar loan with a revolving credit line	Credit utilization rate
Long-term borrowing	MUFG Bank	2023.10~ 2026.09	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Mizuho Bank	2022.10~ 2024.10	Comprehensive loan with a revolving credit line	None
Long-term borrowing	CTBC Bank	2020.04~ 2024.04	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Cathay United Bank	2022.12~ 2026.12	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Long-term borrowing	Taishin International Bank	2023.01~ 2026.01	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	China Bills Finance Corporation	2023.03~ 2026.03	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	China Bills Finance Corporation	2023.06~ 2026.06	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	China Bills Finance Corporation	2024.03~ 2027.03	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Union Bills Finance Co., Ltd.	2024.03~ 2027.03	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Mega Bills Finance Co., Ltd.	2024.03~ 2027.03	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Engineering contract	China Ecotek Corporation	2022.05~ 2024.12	Construction of coking ovens in replacement project of Phase I and II coking ovens	None
Engineering contract	China Ecotek Corporation	2022.10~ 2026.03	Miscellaneous procurement and full-site fabrication in the expansion of TG-9/10 for Power House	None
Contracting agreement	Mass Rapid Transit Bureau, Kaohsiung City	2016.10~ 2025.12	Turnkey project for the (Phase 2) construction of Kaohsiung Circular Light Rail	None
Contracting agreement	Department of Rapid Transit Systems, New Taipei City	2017.05~ 2024.03	Turnkey project for the electromechanical system of Ankeng LRT Transportation System Project	None

2. DSC

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Procurement contract	Port of Taichung, Taiwan International Ports Corporation, Ltd. Taichung City Government	To expire 15 years from the date of commencement of operation	Contract for effluent recycling and reuse at Futian Water Resource Recycling Center in Taichung City	Annual guaranteed water consumption: Dragon Steel's daily water consumption multiplied by 350 calendar days (20.3 million cubic meters per year)

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Procurement contract	ShinChang Natural Gas Co., Ltd.	2022.11.01~ 2025.10.31	Natural gas procurement contract	None
Engineering contract	China Steel Structure Co., Ltd.	2016.03~ 2023.12	Construction of steel structure for the efficiency enhancing project for windproof and dustproof walls of Raw Material Storage Yard at Dragon Steel Corporation	None
Engineering contract	China Ecotek Corporation	2023.06~ 2025.12	Construction of the reclaimed water plant	None
Long-term borrowing	Mizuho Bank	2022.12~ 2025.12	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Sumitomo Mitsui Banking Corporation	2023.06~ 2025.06	New Taiwan dollar loan with a revolving credit line	Shareholding ratio
Long-term borrowing	Taiwan Cooperative Bank	2023.07~ 2025.07	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Bank of Taiwan	2023.09~ 2025.09	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Mizuho Bank	2023.09~ 2025.09	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Cathay United Bank	2022.08~ 2026.08	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Mega Bills Finance Co., Ltd.	2022.12~ 2025.06	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Mega Bills Finance Co., Ltd.	2023.10~ 2027.10	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate

3. CHS

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Procurement contract	Nippon Steel Corporation	2020.04.01~ 2025.06.30	Supply of slabs	None
Procurement contract	Shinhsiung Natural Gas Inc.	2015.01.01~ 2024.12.31	Supply of fuel for the production of heating stoves at hot rolling mills	None
Long-term borrowing	9 banks including E.SUN Bank	2024.03.15~ 2029.03.15	Syndicated Loan	During the term of the contract, borrower

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
				provide annual consolidated financial statements and commit to maintaining the agreed-upon financial ratios

4. CEC

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Engineering contract	Polyplastics Taiwan Co., Ltd.	2022.04~ 2024.04	Construction of liquid-crystal polymer (LCP) plant for Polyplastics Taiwan Co., Ltd.	None
Engineering contract	China Steel Corporation	2022.05~ 2024.12	Construction of coking ovens in replacement project of Phase I and II coking ovens	None
Engineering contract	China Steel Corporation	2022.10~ 2026.03	Miscellaneous procurement and full-site fabrication in the expansion of TG-9/10 for Power House	None
Engineering contract	Dragon Steel Corporation	2023.06~ 2025.12	Construction of the reclaimed water plant	None

5. CSCC

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Sales contract	Koppers Carbon Materials & Chemicals Pty Ltd (Australia)	2018.01.01~ 2027.12.31	85°C Soft pitch sales contract	None
Sales contract	Dalian Shengyuan Chemical Co., Ltd.	2023.01.01~ 2023.12.31	Creosote oil sales contract	None
		2024.01.01~ 2024.12.31		
Sales contract	Linyuan Advanced Materials Technology Co., Ltd.	2023.01.01~ 2023.12.31	Creosote oil sales contract	None
		2024.01.01~ 2024.12.31		

6. CHC Resources

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Engineering contract	China Steel Express Corporation	2020.11.01~ 2023.12.31	Cooperation project on maritime transportation	None
		2024.02.01~ 2029.09.30		
Engineering contract	Earth Power Construction Co., Ltd.	2020.11.02~ 2023.12.31	Cooperation project on Transportation and reclamation for Port of Taipei	None
		2024.01.01~ 2029.09.30		

7. CSSC

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Engineering contract	Dragon Steel Corporation	2016.03~ 2023.12	Construction of steel structure for the efficiency enhancing project for windproof and dustproof walls of Raw Material Storage Yard at Dragon Steel Corporation	None
Engineering contract	Taiwan Semiconductor Manufacturing Co., Ltd.	2023.03~ 2023.05	Construction of F22P1-FAB-A for Taiwan Semiconductor Manufacturing Co., Ltd.	None
Engineering contract	Taiwan Semiconductor Manufacturing Co., Ltd.	2023.05~ 2023.07	Construction of F22P1-FAB-B for Taiwan Semiconductor Manufacturing Co., Ltd.	None
Engineering contract	Samsung C&T Corporation (Korea), Formosa Builders Inc.	2023.09~ 2025.12	Fubon Aozihdi development project (upper structure)	None
Engineering contract	Taipei Twin Towers Limited	2023.11~ 2027.03	Construction project of the land development of Taipei Main Station designated zone C1/D1 for the Taipei western district gateway project	None
Engineering contract	Chengyo Construction Co., Ltd.	2023.12~ 2024.10	Construction of New Taipei City second administration building	None
Engineering contract	Shao Hua Construction Co., Ltd.	2024.01~ 2025.02	Building construction for Eastern Broadcasting Co., Ltd.	None
Engineering contract	Reiju Construction Co., Ltd.	2024.05~ 2025.04	Construction of the Tatung Grand Manor phase III	None
Engineering contract	Rian Construction Co., Ltd.	2024.06~ 2026.07	Construction of Kuma Tower	None

Chapter VI. Financial Overview

I. Five-Year Condensed Balance Sheet, Statement of Comprehensive Income and CPA's Audit Opinion

(I) Condensed Balance Sheet and Statement of Comprehensive Income

1. Condensed Balance Sheet - Consolidated

Unit: NT$ thousands

Year / Item		Five-Year Financial Information (Note 1)				
		End of 2023 (Note 2 & 3)	End of 2022 (Note 4)	End of 2021	End of 2020	End of 2019
Current assets		197,360,430	211,198,563	210,015,348	141,337,884	164,629,375
Property, plant and equipment		375,609,342	370,248,034	370,663,701	384,332,644	390,063,303
Intangible assets		1,223,326	1,343,993	1,478,279	1,654,972	1,677,536
Other assets		104,564,233	100,978,807	105,837,641	108,757,197	110,261,767
Total assets		678,757,331	683,769,397	687,994,969	636,082,697	666,631,981
Current liabilities	Before distribution	167,724,439	166,446,346	161,930,745	135,326,553	152,276,308
	After distribution	173,232,715	182,234,782	210,827,445	140,100,586	160,197,313
Noncurrent liabilities		168,781,394	160,477,607	139,109,204	177,649,163	182,141,163
Total liabilities	Before distribution	336,505,833	326,923,953	301,039,949	312,975,716	334,417,471
	After distribution	342,014,109	342,712,389	349,936,649	317,749,749	342,338,476
Equity attributable to owners of the Company		305,766,490	319,902,227	349,028,765	293,298,945	302,558,533
Share capital		157,731,290	157,731,290	157,731,290	157,731,290	157,731,290
Capital surplus		40,688,818	40,275,115	39,238,636	39,077,456	38,877,269
Retained earnings	Before distribution	121,239,452	135,389,363	165,114,212	108,342,066	115,476,131
	After distribution	115,731,176	119,600,927	116,217,512	103,568,033	107,555,126
Other equity		(1,498,330)	(4,844,120)	(4,405,952)	(3,187,669)	(861,959)
Treasury shares		(12,394,740)	(8,649,421)	(8,649,421)	(8,664,198)	(8,664,198)
Non-controlling interests		36,485,008	36,943,217	37,926,255	29,808,036	29,655,977
Total equity	Before distribution	342,251,498	356,845,444	386,955,020	323,106,981	332,214,510
	After distribution	336,743,222	341,057,008	338,058,320	318,332,948	324,293,505

Note 1: Financial information from 2019 to 2023 was audited by CPA.

Note 2: As the Company's annual report was published on March 31, 2024, the most recent financial information audited or reviewed by CPA is the financial information at the end of 2023.

Note 3: The amounts after distribution in 2023 were calculated based on the distribution resolved by the Board of Directors, while the distribution of profits is subject to the approval of Shareholders' Meeting.

Note 4: The management of the Company and its subsidiaries considers that the restrictions on the use of repatriated funds in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act have not changed the nature of the deposit. Therefore, part of the other financial assets were reclassified to cash and cash equivalents.

2. Condensed Balance Sheet – Standalone

Unit: NT$ thousands

Item \ Year		Five-Year Financial Information (Note 1)				
		End of 2023 (Note 2 & 3)	End of 2022 (Note 4)	End of 2021	End of 2020	End of 2019
Current assets		84,364,908	92,342,583	97,729,725	61,576,209	82,799,286
Property, plant and equipment		147,681,864	144,919,933	147,119,445	148,160,443	146,141,153
Intangible assets		107	-	4,978	14,934	24,890
Other assets		240,244,976	241,859,891	255,126,238	233,166,821	237,113,859
Total assets		472,291,855	479,122,407	499,980,386	442,918,407	466,079,188
Current liabilities	Before distribution	86,377,162	78,161,983	77,901,128	56,431,956	68,415,109
	After distribution	91,885,438	93,950,419	126,797,828	61,205,989	76,336,114
Noncurrent liabilities		80,148,203	81,058,197	73,050,493	93,187,506	95,105,546
Total liabilities	Before distribution	166,525,365	159,220,180	150,951,621	149,619,462	163,520,655
	After distribution	172,033,641	175,008,616	199,848,321	154,393,495	171,441,660
Share capital		157,731,290	157,731,290	157,731,290	157,731,290	157,731,290
Capital surplus		40,688,818	40,275,115	39,238,636	39,077,456	38,877,269
Retained earnings	Before distribution	121,239,452	135,389,363	165,114,212	108,342,066	115,476,131
	After distribution	115,731,176	119,600,927	116,217,512	103,568,033	107,555,126
Other equity		(1,498,330)	(4,844,120)	(4,405,952)	(3,187,669)	(861,959)
Treasury shares		(12,394,740)	(8,649,421)	(8,649,421)	(8,664,198)	(8,664,198)
Total equity	Before distribution	305,766,490	319,902,227	349,028,765	293,298,945	302,558,533
	After distribution	300,258,214	304,113,791	300,132,065	288,524,912	294,637,528

Note 1: Financial information from 2019 to 2023 was audited by CPA.

Note 2: As the Company's annual report was published on March 31, 2024, the most recent financial information audited or reviewed by CPA is the financial information at the end of 2023.

Note 3: The amounts after distribution in 2023 were calculated based on the distribution resolved by the Board of Directors, while the distribution of profits is subject to the approval of Shareholders' Meeting.

Note 4: The management of the Company considers that the restrictions on the use of repatriated funds in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act have not changed the nature of the deposit. Therefore, part of the other financial assets were reclassified to cash and cash equivalents.

3. Condensed Statement of Comprehensive Income - Consolidated

Unit: NT$ thousands

Item \ Year	Five-Year Financial Information (Note 1)				
	2023 (Note 2)	2022	2021	2020	2019
Operating revenues	363,326,498	449,567,488	468,327,501	314,783,301	366,240,735
Gross profit	16,772,745	31,902,463	95,314,611	15,117,520	27,827,888
Profit (loss) from operations	3,585,942	18,265,353	79,757,273	2,296,237	12,578,230
Non-operating income and expenses	1,004,152	4,993,243	4,656,375	471,925	223,325
Profit before income tax	4,590,094	23,258,596	84,413,648	2,768,162	12,801,555
Net profit from continuing operations	3,531,205	17,995,059	68,906,072	2,257,833	10,330,458
Loss from discontinued operations	-	-	-	-	-
Net profit	3,531,205	17,995,059	68,906,072	2,257,833	10,330,458
Other comprehensive income (net of income tax)	3,600,775	2,779,778	(1,972,283)	(2,893,683)	(3,589,807)
Total comprehensive income for the period	7,131,980	20,774,837	66,933,789	(635,850)	6,740,651
Net profit attributable to owners of the Company	1,681,679	17,783,775	62,053,033	885,865	8,809,555
Net profit attributable to non-controlling interests	1,849,526	211,284	6,853,039	1,371,968	1,520,903
Total comprehensive income attributable to owners of the Company	5,126,953	18,802,851	60,327,896	(1,538,770)	5,125,045
Total comprehensive income attributable to non-controlling interests	2,005,027	1,971,986	6,605,893	902,920	1,615,606
Basic earnings per share (NT$) (Note 3)	0.11	1.15	4.02	0.05	0.57
Retrospective basic earnings per share (NT$) (Note 4)	-	1.15	4.02	0.05	0.57

Note 1: Financial information from 2019 to 2023 was audited by CPA.

Note 2: As the Company's annual report was published on March 31, 2024, the most recent financial information audited or reviewed by CPA is the financial information at the end of 2023.

Note 3: Basic earnings per share is calculated based on the weighted average of shares outstanding.

Note 4: Retrospective basic earnings per share is calculated based on retrospective adjustment of earnings, the number of common shares after capital increase transferred from employees' remuneration and convertible preferred shares.

4. Condensed Statement of Comprehensive Income - Standalone

Unit: NT$ thousands

Item \ Year	Five-Year Financial Information (Note 1)				
	2023 (Note 2)	2022	2021	2020	2019
Operating revenues	197,149,158	250,600,629	259,782,471	183,841,526	207,297,533
Gross profit	7,055,285	18,256,491	50,216,234	8,226,737	12,706,144
Profit (loss) from operations	(238,709)	10,881,622	40,404,273	597,227	4,586,901
Non-operating income and expenses	2,345,935	9,484,947	30,647,074	410,149	5,448,207
Profit before income tax	2,107,226	20,366,569	71,051,347	1,007,376	10,035,108
Net profit from continuing operations	1,681,679	17,783,775	62,053,033	885,865	8,809,555
Loss from discontinued operations	-	-	-	-	-
Net profit	1,681,679	17,783,775	62,053,033	885,865	8,809,555
Other comprehensive income (net of income tax)	3,445,274	1,019,076	(1,725,137)	(2,424,635)	(3,684,510)
Total comprehensive income for the period	5,126,953	18,802,851	60,327,896	(1,538,770)	5,125,045
Basic earnings per share (NT$) (Note 3)	0.11	1.15	4.02	0.05	0.57
Retrospective basic earnings per share (NT$) (Note 4)	-	1.15	4.02	0.05	0.57

Note 1: Financial information from 2019 to 2023 was audited by CPA.

Note 2: As the Company's annual report was published on March 31, 2024, the most recent financial information audited or reviewed by CPA is the financial information at the end of 2023.

Note 3: Basic earnings per share is calculated based on the weighted average of shares outstanding.

Note 4: Retrospective basic earnings per share is calculated based on retrospective adjustment of earnings, the number of common shares after capital increase transferred from employees' remuneration and convertible preferred shares.

(II) Names and opinions of CPAs for the most recent five years

Item \ Year	2023	2022	2021	2020	2019
Name of CPAs	Jui-Hsuan Hsu Jr-Shian Ke	Jui-Hsuan Hsu Jr-Shian Ke	Jui-Hsuan Hsu Cheng-Hung Kuo	Jui-Hsuan Hsu Cheng-Hung Kuo	Jui-Hsuan Hsu Cheng-Hung Kuo
Audit Opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion

II. Five-Year Financial Analysis

(I) Financial Analysis - Consolidated

Item	Year	Five-Year Financial Analysis (Note 1)					Difference(%) Comparison between 2023 and 2022	Difference Analysis > 20%
		2023 (Note 2)	2022 (Note 3)	2021	2020	2019		
Capital Structure	Debt-to-asset ratio (%)	50	48	44	49	50	4	
	Long-term fund to property, plant and equipment ratio (%)	136	140	142	130	132	(3)	
Solvency	Current ratio (%)	118	127	130	104	108	(7)	
	Quick ratio (%)	34	35	36	33	29	(3)	
	Interest coverage ratio	2	10	49	2	5	(80)	1
Operating Ability	Accounts receivable turnover (times)	25	26	28	22	21	(4)	
	Average collection days	14	14	13	17	17	-	
	Inventory turnover (times)	2	3	3	3	3	(33)	2
	Accounts payable turnover (times)	17	18	15	15	15	(6)	
	Average inventory turnover days	169	144	129	137	128	17	
	Property, plant and equipment turnover (times)	1	1	1	1	1	-	
	Total asset turnover (times)	0.49	0.61	0.67	0.44	0.49	(20)	3
Profitability	Return on assets (%)	1	3	11	1	2	(67)	4
	Return on equity (%)	1	5	19	1	3	(80)	5
	Pre-tax income to paid-in capital ratio (%)	3	15	54	2	8	(80)	6
	Net margin (%)	1	4	16	1	3	(75)	7
	Basic earnings per share (NT$) (Note 4)	0.11	1.15	4.02	0.05	0.57	(90)	8
	Retrospective basic earnings per share (NT$) (Note 5)	-	1.15	4.02	0.05	0.57	-	
Cash Flow	Cash flow ratio (%)	23	15	44	47	26	53	9
	Cash flow adequacy ratio (%)	79	89	116	135	124	(11)	
	Cash flow reinvestment ratio (%)	2	(2)	6	5	2	200	10
Leverage	Operating leverage	20	5	2	30	7	300	11
	Financial leverage	(95)	1	1	(14)	1	(9,600)	12

Reasons for differences in financial ratios in the most recent two years (comparison between 2023 and 2022):

1. Interest coverage ratio decreased by 80% from the previous year, mainly due to the decrease in income tax and earnings before interests.
2. Inventory turnover decreased by 33% from the previous year, mainly due to the decreased in cost of goods sold.
3. Total asset turnover decreased by 20% from the previous year, mainly due to the decreased in revenue from sale of goods.

4. Return on assets decreased by 67% from the previous year, mainly due to the decrease in net profit.
5. Return on equity decreased by 80% from the previous year, mainly due to the decrease in net profit.
6. Pre-tax income to paid-in capital ratio decreased by 80% from the previous year, mainly due to the decrease in profit before income tax.
7. Net margin decreased by 75% from the previous year, mainly due to the decrease in net profit.
8. Basic earnings per share decreased by 90% from the previous year, mainly due to the decrease in net profit.
9. Cash flow ratio increased by 53% from the previous year, mainly due to the increase in net cash generated from operating activities.
10. Cash flow reinvestment ratio increased by 200% from the previous year, mainly due to the increase in net cash generated from operating activities and the decrease in cash dividends paid.
11. Operating leverage increased by 300% from the previous year, mainly due to the decrease in profit from operations.
12. Financial leverage decreased by 9600% from the previous year, mainly due to the decrease in profit from operations and the fact that profit from operations is also less than financial costs.

Note 1: Financial information from 2019 to 2023 was audited by CPA.

Note 2: As the Company's annual report was published on March 31, 2024, the most recent financial information audited or reviewed by CPA is the financial information at the end of 2023.

Note 3: The management of the Company and its subsidiaries considers that the restrictions on the use of repatriated funds in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act have not changed the nature of the deposit. Therefore, part of the other financial assets were reclassified to cash and cash equivalents.

Note 4: Basic earnings per share is calculated based on the weighted average number of shares outstanding.

Note 5: Retrospective basic earnings per share is calculated based on retrospective adjustment of earnings, the number of common shares after capital increase transferred from employees' remuneration, and convertible preferred shares.

The formulas for financial analysis are listed as follows:

1. Capital Structure
   (1) Debt-to-asset ratio = Total liabilities/Total assets.
   (2) Long-term fund to property, plant and equipment ratio = (Total equity + Non-current liabilities) / Net property, plant and equipment.
2. Solvency
   (1) Current ratio = Current assets / Current liabilities.
   (2) Quick ratio = (Current assets – Inventory – Prepaid expense) / Current liabilities.
   (3) Interest coverage ratio = Earnings before interest and taxes / Interest expense.
3. Operating Ability
   (1) Accounts receivable turnover = Net sales / Average accounts receivable
   (2) Average collection days = 365 / Receivables turnover.
   (3) Inventory turnover = Cost of goods sold / Average inventory.
   (4) Accounts payable turnover = Cost of goods sold / Average accounts payables.
   (5) Average inventory turnover days = 365 / Inventory turnover.
   (6) Property, plant, and equipment turnover = Net sales / Average net property, plant, and equipment.
   (7) Total asset turnover = Net sales / Average total assets.
4. Profitability
   (1) Return on assets ＝ [Net profit + Interest expense (1 – Tax rate)] / Average total assets.
   (2) Return on equity = Net profit / Average total equity.
   (3) Net margin = Net profit / Net sales.
   (4) Earnings per share = (Net profit (loss) attributable to owners of the Company – Preferred share dividends) / Weighted average of shares outstanding.
5. Cash Flow
   (1) Cash flow ratio = Net cash generated from operating activities / Current liabilities.
   (2) Cash flow adequacy ratio = Five-year sum of net cash generated from operating activities / Five-year sum of capital expenditure, inventory additions and cash dividends).
   (3) Cash flow reinvestment ratio = (Net cash generated from operating activities – Cash dividends) / (Gross property, plant, and equipment + Long-term investments + Other non-current assets + Working capital).
6. Leverage
   (1) Operating leverage = (Net sales – Variable expenses) / Profit from operations.
   (2) Financial leverage = Profit from operations / (Profit from operations - Interest expenses).

(II) Financial Analysis - Standalone

Item	Year	Financial Analysis in the Most Recent Five Years (Note 1)					Difference(%) Comparison between 2023 and 2022	Difference Analysis > 20%
		2023 (Note 2)	2022 (Note 3)	2021	2020	2019		
Capital Structure	Debt-to-asset ratio (%)	35	33	30	34	35	6	
	Long-term fund to property, plant and equipment ratio (%)	261	277	287	261	272	(6)	
Solvency	Current ratio (%)	98	118	125	109	121	(17)	
	Quick ratio (%)	17	22	27	26	30	(23)	1
	Interest coverage ratio	3	21	90	2	9	(86)	2
Operating Ability	Accounts receivable turnover (times)	51	44	42	40	42	16	
	Average collection days	7	8	9	9	9	(13)	
	Inventory turnover (times)	3	3	4	3	3	0	
	Accounts payable turnover (times)	31	30	27	29	24	3	
	Average inventory turnover days	137	117	104	111	112	17	
	Property, plant and equipment turnover (times)	1	2	2	1	1	(50)	3
	Total asset turnover (times)	0.40	0.50	0.54	0.39	0.43	(20)	4
Profitability	Return on assets (%)	1	4	13	0.4	2	(75)	5
	Return on equity (%)	1	5	19	0.3	3	(80)	6
	Pre-tax income to paid-in capital ratio (%)	1	13	45	1	6	(92)	7
	Net margin (%)	1	7	24	1	4	(86)	8
	Basic earnings per share (NT$) (Note 4)	0.11	1.15	4.02	0.05	0.57	(90)	9
	Retrospective basic earnings per share (NT$) (Note 5)	-	1.15	4.02	0.05	0.57	-	
Cash Flow	Cash flow ratio (%)	18	13	49	57	10	38	10
	Cash flow adequacy ratio (%)	51	65	86	100	93	(22)	11
	Cash flow reinvestment ratio (%)	(0.03)	(5)	4	3	(1)	99	12
Leverage	Operating leverage	(125)	4	2	55	9	(3,225)	13
	Financial leverage	0	1	1	(1)	1	(100)	14

Reasons for differences in financial ratios in the most recent two years (comparison between 2023 and 2022):

1. Quick ratio decreased by 23% from the previous year, mainly due to the decrease in the total number of highly liquidable current assets and the increase in current liabilities.
2. Interest coverage ratio decreased by 86% from the previous year, mainly due to the decrease in income tax and earnings before interests.
3. Property, plant and equipment turnover decreased by 50% from the previous year, mainly due to the decreased in revenue from sale of goods.
4. Total asset turnover decreased by 20% from the previous year, mainly due to the decreased in revenue from sale of goods.
5. Return on assets decreased by 75% from the previous year, mainly due to the decrease in net profit.
6. Return on equity decreased by 80% from the previous year, mainly due to the decrease in net profit.
7. Pre-tax income to paid-in capital ratio decreased by 92% from the previous year, mainly due to the decrease in profit before income tax.
8. Net margin decreased by 86% from the previous year, mainly due to the decrease in net profit.
9. Basic earnings per share decreased by 90% from the previous year, mainly due to the decrease in net profit.
10. Cash flow ratio increased by 38% from the previous year, mainly due to the increase in net cash generated from operating activities.
11. Cash flow adequacy ratio decreased by 22% from the previous year, mainly due to the decrease in recent five-year sum of net cash generated from operating activities.
12. Cash flow reinvestment ratio increased by 99% from the previous year, mainly due to the increase in net cash generated from operating activities and the decrease in cash dividends paid.
13. Operating leverage decreased by 3225% from the previous year, mainly due to the decrease in profit from operations.
14. Financial leverage decreased by 100% from the previous year, mainly due to the decrease in profit from operations.

Note 1: Financial information from 2019 to 2023 was audited by CPA.

Note 2: As the Company's annual report was published on March 31, 2024, the most recent financial information audited or reviewed by CPA is the financial information at the end of 2023.

Note 3: The management of the Company considers that the restrictions on the use of repatriated funds in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act have not changed the nature of the deposit. Therefore, part of the other financial assets were reclassified to cash and cash equivalents.

Note 4: Basic earnings per share is calculated based on the weighted average number of shares outstanding.

Note 5: Retrospective basic earnings per share is calculated based on retrospective adjustment of earnings, the number of common shares after capital increase transferred from employees' remuneration, and convertible preferred shares.

Refer to page 188 for the formulas used in financial analysis.

III. 2023 Audit Committee's Audit Report

China Steel Corporation

Audit Committee's Audit Report

The Board of Directors has prepared the Company's 2023 Financial Statements audited by Deloitte & Touche Taiwan, earnings distribution plan and business report. The Audit Committee has reviewed the aforementioned financial statements and documents, and concluded all information is presented fairly. We hereby submit this report pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:
2024 Annual General Shareholders' Meeting

China Steel Corporation
Convener of the Audit Committee:

Lan-Feng Kao

February 29, 2024

IV. 2023 Consolidated Financial Statements
Please refer to page 2-152 of the Annex: Financial Statements.

V. 2023 Standalone Financial Statements
Please refer to page 153-225 of the Annex: Financial Statements.

VI. Impact on the Financial Status of the Company Due to Financial Difficulties Experienced by the Company and Its Affiliated Companies in the Most Recent Year up to the Publication Date of this Annual Report: None

Chapter VII. Analysis of Financial Status and Financial Performance and Risk Management

I. Financial Status

(I) Comparative Analysis of Financial Status - Consolidated

Unit: NT$ thousands

Item \ Year	End of 2023	End of 2022 (Note 3)	Difference		
			Amount	%	
Current assets	197,360,430	211,198,563	(13,838,133)	(7)	
Property, plant and equipment	375,609,342	370,248,034	5,361,308	1	
Other noncurrent assets	105,787,559	102,322,800	3,464,759	3	
Total assets	678,757,331	683,769,397	(5,012,066)	(1)	
Current liabilities	167,724,439	166,446,346	1,278,093	1	
Noncurrent liabilities	168,781,394	160,477,607	8,303,787	5	
Total liabilities	336,505,833	326,923,953	9,581,880	3	
Share capital	157,731,290	157,731,290	-	-	
Capital surplus	40,688,818	40,275,115	413,703	1	
Retained earnings	121,239,452	135,389,363	(14,149,911)	(10)	
Other equity	(1,498,330)	(4,844,120)	3,345,790	69	Note 1
Treasury shares	(12,394,740)	(8,649,421)	(3,745,319)	(43)	Note 2
Non-controlling interests	36,485,008	36,943,217	(458,209)	(1)	
Total equity	342,251,498	356,845,444	(14,593,946)	(4)	

Note:

1. Other equity increased by NT$3,345,790 thousand from the previous year, mainly due to the increase in the unrealized gains on financial assets at fair value through other comprehensive income.
2. Treasury shares increased by NT$3,745,319 thousand from the previous year, mainly due to the repurchase of the Company's common shares from the centralized securities exchange market this year.
3. The management of the Company and its subsidiaries considers that the restrictions on the use of repatriated funds in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act have not changed the nature of the deposit. Therefore, part of the other financial assets were reclassified to cash and cash equivalents.

(II) Comparative Analysis of Financial Status – Standalone

Unit: NT$ thousands

Item \ Year	End of 2023	End of 2022 (Note 3)	Difference		
			Amount	%	
Current assets	84,364,908	92,342,583	(7,977,675)	(9)	
Property, plant and equipment	147,681,864	144,919,933	2,761,931	2	
Other noncurrent assets	240,245,083	241,859,891	(1,614,808)	(1)	
Total assets	472,291,855	479,122,407	(6,830,552)	(1)	
Current liabilities	86,377,162	78,161,983	8,215,179	11	
Noncurrent liabilities	80,148,203	81,058,197	(909,994)	(1)	
Total liabilities	166,525,365	159,220,180	7,305,185	5	
Share capital	157,731,290	157,731,290	-	-	
Capital surplus	40,688,818	40,275,115	413,703	1	
Retained earnings	121,239,452	135,389,363	(14,149,911)	(10)	
Other equity	(1,498,330)	(4,844,120)	3,345,790	69	Note 1
Treasury shares	(12,394,740)	(8,649,421)	(3,745,319)	(43)	Note 2
Total equity	305,766,490	319,902,227	(14,135,737)	(4)	

Note:

1. Other equity increased by NT$3,345,790 thousand from the previous year, mainly due to the increase in the unrealized gains on financial assets at fair value through other comprehensive income.
2. Treasury shares increased by NT$3,745,319 thousand from the previous year, mainly due to the repurchase of the Company's common shares from the centralized securities exchange market this year.
3. The management of the Company considers that the restrictions on the use of repatriated funds in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act have not changed the nature of the deposit. Therefore, part of the other financial assets were reclassified to cash and cash equivalents.

II. Financial Performance

(I) Comparative Analysis of Financial Performance - Consolidated

Unit: NT$ thousands

Item \ Year	2023	2022	Increase (Decrease)	Percentage Change (%)	
Operating revenues	363,326,498	449,567,488	(86,240,990)	(19)	
Operating costs	346,553,753	417,665,025	(71,111,272)	(17)	
Gross profit	16,772,745	31,902,463	(15,129,718)	(47)	Note 1
Operating expenses	13,186,803	13,637,110	(450,307)	(3)	
Profit from operations	3,585,942	18,265,353	(14,679,411)	(80)	Note 2
Non-operating income and expenses	1,004,152	4,993,243	(3,989,091)	(80)	Note 3
Profit before income tax	4,590,094	23,258,596	(18,668,502)	(80)	Note 4
Income tax	1,058,889	5,263,537	(4,204,648)	(80)	Note 5
Net profit	3,531,205	17,995,059	(14,463,854)	(80)	Note 6
Other comprehensive income (net of income tax)	3,600,775	2,779,778	820,997	30	Note 7
Total comprehensive income	7,131,980	20,774,837	(13,642,857)	(66)	Note 8

Note:

1. Gross profit decreased by NT$15,129,718 thousand from the previous year, mainly because the decrease in the unit price of steel products was greater than the decrease in the unit cost of goods sold, as well as the decline in the sales volume.
2. Profit from operations decreased by NT$14,679,411 thousand from the previous year due to reasons provided in Note 1.
3. Non-operating income and expenses decreased by NT$3,989,091 thousand from the previous year, mainly due to the decrease in share of the profit of associates and the unfavorable result of fianacial costs
4. Profit before income tax decreased by NT$18,668,502 thousand from the previous year due to reasons provided in Note 2 and 3.
5. Income tax decreased by NT$4,204,648 thousand from the previous year, mainly due to the decrease in profit before income tax.
6. Net profit decreased by NT$14,463,854 thousand from the previous year due to reasons provided in Notes 4 and 5.
7. Other comprehensive income (net of income tax) increased by NT$820,997 thousand from the previous year, mainly due to the favorable result of unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income compared to that of the previous year.
8. Total comprehensive income decreased by NT$13,642,857 thousand from the previous year due to reasons provided in Notes 6 and 7.

(II) Comparative Analysis of Financial Performance – Standalone

Unit: NT$ thousands

Item \ Year	2023	2022	Increase (Decrease)	Percentage Change (%)	
Operating revenues	197,149,158	250,600,629	(53,451,471)	(21)	Note 1
Operating costs	190,093,873	232,344,138	(42,250,265)	(18)	
Gross profit	7,055,285	18,256,491	(11,201,206)	(61)	Note 2
Realized (unrealized) gain on sales	(34,951)	583,055	(618,006)	(106)	Note 3
Operating expenses	7,259,043	7,957,924	(698,881)	(9)	
Profit (loss) from operations	(238,709)	10,881,622	(11,120,331)	(102)	Note 4
Non-operating income and expenses	2,345,935	9,484,947	(7,139,012)	(75)	Note 5
Profit before income tax	2,107,226	20,366,569	(18,259,343)	(90)	Note 6
Income tax	425,547	2,582,794	(2,157,247)	(84)	Note 7
Net profit	1,681,679	17,783,775	(16,102,096)	(91)	Note 8
Other comprehensive income (net of income tax)	3,445,274	1,019,076	2,426,198	238	Note 9
Total comprehensive income	5,126,953	18,802,851	(13,675,898)	(73)	Note 10

Note:

1. Operating revenues decreased by NT$53,451,471 thousand from the previous year, mainly due to the decrease in the unit price of steel products and the decline in the sales volume.
2. Gross profit decreased by NT$11,201,206 thousand from the previous year, mainly because the decrease in the unit price of steel products was greater than the decrease in the unit cost of goods sold, as well as the decline in the sales volume.
3. Realized (unrealized) gain on sales decreased by NT$618,006 thousand, mainly due to the decrease in realized gross profit from steel products sold to subsidiaries in the current year compared to that of the previous year.
4. Profit (loss) from operations decreased by NT$11,120,331 thousand from the previous year due to reasons provided in Notes 1, 2 and 3.
5. Non-operating income and expenses decreased by NT$7,139,012 thousand from the previous year, mainly due to the decrease in share of profit or loss of subsidiaries and associates this year.
6. Profit before income tax decreased by NT$18,259,343 thousand from the previous year due to reasons provided in Notes 4 and 5.
7. Income tax decreased by NT$2,157,247 thousand from the previous year, mainly due to the decrease in profit before income tax.
8. Net profit decreased by NT$16,102,096 thousand from the previous year due to reasons provided in Notes 6 and 7.
9. Other comprehensive income (net of income tax) increased by NT$2,426,198 thousand from the previous year, mainly due to the favorable result of share of the other comprehensive income of subsidiaries and associates compared to that of the previous year.
10. Total comprehensive income decreased by NT$13,675,898 thousand from the previous year due to reasons provided in Notes 8 and 9.

(III) Expected Sales Volume in the Coming Year and Its Basis

Please refer to Business Objectives in V. Operational Highlights in this annual report (Page 150).

III. Cash Flow

1. Analysis of Changes in Cash Flow for the Year – Consolidated

The net amount of cash and cash equivalents of the Company and its subsidiaries in 2023 decreased by NT$15,503,904 thousand (Note), where changes in various types of cash flows are described as follows:

(1) Operating activities: Net cash generated from operating activities totaled NT$38,689,790 thousand, mainly due to the profit before income tax of NT$4,590,094 thousand, the add-back of depreciation of NT$32,043,661 thousand and decrease in inventory of NT$15,895,113 thousand, the deduction of reversal of inventory of NT$4,723,294 thousand, decrease in other payables of NT$4,790,148 thousand, as well as income tax paid of NT$4,175,916 thousand.

(2) Investing activities: Net cash used in investing activities totaled NT$41,268,797 thousand, mainly due to the acquisition of property, plant and equipment of NT$37,595,610 thousand, increase in other financial assets of NT$7,840,036 thousand, as well as dividends received of NT$3,142,135 thousand.

(3) Financing activities: Net cash used in financing activities totaled NT$12,922,370 thousand, mainly due to a net increase in long-term and short-term financing of NT$15,099,212 thousand, dividends paid to owners of the Company of NT$15,759,055 thousand, interest paid of NT$4,569,955 thousand, payments for buy-back of ordinary shares of NT$3,564,348 thousand, as well as cash outflow arising from changes in non-controlling interests of NT$2,281,830 thousand.

Note: Changes in the balance of cash and cash equivalents include bank overdraft.

Cash Flow Analysis for the Coming Year

Unit: NT$ millions

Year	Cash balance at the beginning of the period ①	Estimated net cash generated from operating activities for the year ②	Estimated net cash used in investing activities for the year ③	Estimated net cash generated from financing activities for the year ④	Estimated cash surplus (deficit) ①+②-③+④	Remedial measures for cash deficit: Financing plan
2024	10,920	41,820	42,198	8,837	19,379	-

Analysis of changes in cash flows in 2024:

1. Net cash generated from operating activities is mainly resulted from the estimated profit from operations, depreciation and amortization.
2. Net cash used in investing activities is mainly resulted from the estimated acquisition of property, plant and equipment.
3. Net cash generated from financing activities is mainly resulted from changes in long-term borrowings.

2. Analysis of Changes in Cash Flow for the Year – Standalone

The net amount of cash and cash equivalents of the Company in 2023 decreased by NT$3,851,496 thousand (Note), where changes in various types of cash flows are described as follows:

(1) Operating activities: Net cash generated from operating activities totaled NT$15,510,209 thousand, mainly due to the profit before income tax of NT$2,107,226 thousand, the add-back of depreciation of NT$13,516,027 thousand and decrease in inventory of NT$7,184,772 thousand, the deduction of increase in financial assets for hedging of NT$2,391,052 thousand, the decrease in other payables of NT$2,162,108 thousand, as well as income tax paid of NT$2,103,658 thousand.

(2) Investing activities: Net cash used in investing activities totaled NT$8,747,334 thousand, mainly due to the acquisition of property, plant and equipment of NT$17,486,149 thousand, the decrease in other receivables － loans to related parties of NT$1,460,000 thousand, as well as dividends received of NT$6,455,116 thousand.

(3) Financing activities: Net cash used in financing activities totaled NT$10,614,371 thousand, mainly due to a net increase in long-term and short-term financing of NT$10,681,588 thousand, dividends paid of NT$15,759,055 thousand, as well as payments for buy-back of ordinary shares of NT$3,564,348 thousand.

Note: Changes in the balance of cash and cash equivalents include bank overdraft.

Cash Flow Analysis for the Coming Year

Unit: NT$ millions

Year	Cash balance at the beginning of the period ①	Estimated net cash generated from operating activities for the year ②	Estimated net cash used in investing activities for the year ③	Estimated net cash generated from financing activities for the year ④	Estimated cash surplus (deficit) ①+②-③+④	Remedial measures for cash deficit: Financing plan
2024	(2,966)	17,607	12,538	2,780	4,883	-

Analysis of changes in cash flows in 2024:

1. Net cash generated from operating activities is mainly resulted from the estimated cash generated from operation.
2. Net cash used in investing activities is mainly resulted from the estimated acquisition of property, plant and equipment.
3. Net cash generated from financing activities is mainly resulted from estimated issuance of corporate bonds.

IV. Impact of Major Capital Expenditure on the Company's Finance and Business in 2023

The Company's fixed asset investment plan included new production lines, equipment upgrades, production capacity increase or quality improvement, energy saving & environmental protection, resource recycling, and other general items. A total of NT$37.6 billion and NT$17.5 billion have been paid for the acquisition of property, plant and equipment in the consolidated and standalone financial reports of the Company for 2023. Major projects of the CSC Group with an investment amount of over NT$2 billion, which are currently in progress, are listed as follows:

(I) Uses of major capital expenditure and sources of funds

Unit: NT$ million

Project	With Carbon Reduction Benefits (Tick ✓)	Source of Funds	Actual or Scheduled Completion Date	Investment Amount	Funds for Each Year				
					2020	2021	2022	2023	2024
Stage 1 Construction of Coke Ovens and Coke Dry Quenching Facility		Equity 70.48% Long-term borrowings 29.52%	February 2025	9,429	761	1,519	1,707	2,631	2,282
Stage 1 Replacement of Boiler Turbine Generators for No. 1 Power House (BTG-9/10)	✓	Equity 70.48% Long-term borrowings 29.52%	March 2026	5,909	195	526	699	1,548	1,199
Stage 2 Construction of Coke Ovens and Coke Dry Quenching Facility		Equity 70.48% Long-term borrowings 29.52%	October 2025	8,202	-	1,656	1,679	2,444	2,301
Stage 2 Construction of the New Enclosed Building in Coking Coal Storage Yard		Equity 70.48% Long-term borrowings 29.52%	December 2023	3,799	-	496	1,459	1,844	-
Stage 3 Construction of Coke Ovens and Coke Dry Quenching Facility		Equity 70.48% Long-term borrowings 29.52%	June 2027	8,032	-	2,205	2,085	1,677	1,125
Stage 2 Replacement of Boiler Turbine Generators for No. 1 Power House (BTG-9/10)	✓	Equity 70.48% Long-term borrowings 29.52%	March 2026	3,277	-	-	294	679	604
Installation of Straight Bar Finishing Line (Phase-C)		Equity 70.48% Long-term borrowings 29.52%	October 2025	3,244	-	-	330	812	1,043
Equipment Upgrading and Enhancement of Rolling Capacity for No. 2 Pickling and Cold Mill (2PLCM)	✓	Equity 70.48% Long-term borrowings 29.52%	December 2025	5,489	-	-	36	770	2,558
Dragon Steel Corporation - Construction of Indoor Material Storage Yard		Equity 52.59% Long-term borrowings 47.41%	December 2024	10,388	1,275	1,002	1,418	1,046	1,007
Dragon Steel Corporation - Construction Works Related to Reclaimed Water Plant		Equity 56.90% Long-term borrowings 43.10%	December 2025	2,146	-	-	-	3	1,615
Dragon Steel Corporation - Revamping of No. 1 Blast Furnace	✓	Equity 56.90% Long-term borrowings 43.10%	December 2025	7,785	-	-	-	209	2,593
China Steel Power Corporation - Construction of Zhong Neng Offshore Wind Farm	✓	Equity 25.00% Long-term borrowings 75.00%	December 2024	56,127	1,404	2,110	11,834	14,110	15,940

(II) Expected Benefits

1. Replacement of Phase I and II Coke Ovens

   This project, which involves the construction of the new enclosed building in coking coal storage yard, the replacement of Phase I and II coke ovens, and the construction of coke dry quenching facility, is scheduled to be implemented in eight stages. The purpose of this project is to accelerate the reduction of CO_2 and PM emissions by upgrading equipment and improving environmental protection, where Stage 1 and Stage 2 of construction of the new enclosed building in coking coal storage yard have been completed at the end of 2021 and 2023, respectively. Stage 1 of the replacement of Phase I and II coke ovens was completed in 2022.

   Upon gradual completion of each stage in this project, the amount of electricity generated can be increased by 273 million kWh every year by turning the recycled waste heat from production processes into electric energy. In addition, this project can reduce volatile organic compounds (VOCs) emissions (percentage) by 73 metric tons (around 65%), reduce particulate matters (PMs) by 41 metric tons (around 56%), reduce energy consumption by 214 million cal/metric ton coke (around 10%), and reduce CO_2 emissions by 139 thousand metric tons per year, thereby increasing tangible and intangible benefits for the Company.

2. Replacement of Boiler Turbine Generators for No. 1 Power House (BTG-9/10)

   Since Phase I and II boiler turbine generators at No. 1 Power House have reached the age for replacement, replacing the turbine generators at this stage can reduce the risk of electric power and medium-pressure steam supply interruption at the Company due to the failure of turbine generators in the future. The enhanced efficiency of turbine generators upon replacement will lead to an increase of 32.8 MW in power generation, which can then increase the proportion of self-generated electricity and boost production stability.

3. Installation of Straight Bar Finishing Line (Phase-C)

   In line with the strategic goal of becoming a steel mill that produces premium products with high value and driving the upgrade of downstream industries such as precision fasteners, machinery, and automobiles, the Company has initiated a project to install a straight bar finishing line on the vacant land behind the rolling line at No. 2 Bar Mill.

4. Equipment Upgrading and Enhancement of Rolling Capacity for No. 2 Pickling and Cold Mill (2PLCM)

   The upgrading of equipment at No. 2 Pickling and Cold Mill (2PLCM) enables the Company to not only produce thin gauge electrical sheets, but also expand its production capacity for medium and high carbon steel sheets and ultra-high strength automotive steel. Upon completion of this project, the Company will be able realize energy saving, carbon reduction, and cost reduction while boosting its capacity to take sales orders, thereby maintaining leading position in the area of thin gauge electrical sheets for electric vehicles.

5. Dragon Steel Corporation - Construction of Indoor Material Storage Yard

   The purpose of this project is to maintain smooth production of the integrated steel mill and ensure compliance with regulatory requirements, in hopes of reducing air pollution sources, air pollutant emissions, sewage discharge, and noise from equipment and machinery with dust-proof, rain-proof, and noise-proof functions.

6. Dragon Steel Corporation - Construction Works Related to Reclaimed Water Plant

   Dragon Steel Corporation replaces tap water with reclaimed water from Futian Water Resource Recycling Center, with the aim of diversifying water resources, reducing the risk of water shortages, and thus fulfilling CSR through efforts to reserve increasingly precious and scarce tap water for the needs of the general public.

7. Dragon Steel Corporation - Revamping of No. 1 Blast Furnace

   The first campaign of No. 1 Blast Furnace at Dragon Steel Corporation, which has

been in operation since February 2010, is scheduled to end its production mission in February 2025. In order to restore and improve the function of the original equipment, revamp works have to be carried out on this blast furnace so that it can meet the production competitiveness of the second-generation blast furnaces.

8. China Steel Power Corporation - Construction of Zhong Neng Offshore Wind Farm
   China Steel Power Corporation has signed a 20-year power purchase agreement with Taiwan Power Company. Zhong Neng Offshore Wind Farm is expected to generate 1.1 billion kWh of electricity each year upon completion of 298MW capacity as scheduled in 2024, which can not only generate steady revenues from power generation, but also provide clean energy for approximately 300,000 households with a carbon reduction potential of 560,000 metric tons. Following the Company's solar photovoltaic project, the Zhong Neng Offshore Wind Farm Project will be another important phased achievement in the Company's strategy to engage in the development of the green energy industry.

(III) Investments with amount exceeding 5% of paid-in capital in the most recent year: None.

V. Investment Policies, Major Causes for Profit or Loss and Improvement Plans in the Most Recent Year and Investment Plans for the Coming Year

The Company's investment policy mainly revolves around its business strategies of further consolidating the steel business, obtaining coking coal and iron ore sources, and expanding export markets. The Company focus on enhancing industrial competitiveness with professional cooperation among associates, in hopes of creating synergy and eventually increasing investment income to enhance shareholders' interests.

The share of profit of subsidiaries and associates indicated in the Company's 2023 standalone financial statements was NT$2.058 billion, a decrease of NT$$6.163 billion from 2022. This decrease was primarily resulted from weaker-than-expected recovery of the international steel market in 2023, which resulted in a decline in the operating results of steel subsidiaries. Specifically, steel related subsidiaries including Dragon Steel Corporation and CSCI Steel Corporation India Pvt. Ltd. experienced a decline in operating performance compared to the previous year, while the same trend was also observed among logistics investment and industrial materials related subsidiaries. As a result, there was a drop in the share of profit of subsidiaries and associates compared to 2022.

The share of the profit of associates indicated in the Company's 2023 consolidated financial statements was NT$567 million, a decrease of NT$1.012 billion from 2022, mainly due to the impact of losses on two investments, 9404-5515 Québec Inc, an investment by CSC Australia Holdings Pty Ltd, and CSCD SA, an investment by CSGT (Singapore) Pte. Ltd.

In the future, the Company will continue to improve investment management, to implement performance appraisal system, and to drive investee companies to improve operating performance so as to increase the Company's investment income, and create synergy from all businesses to enhance competitiveness, thereby becoming the global leading steel company.

In the future, the Company's investment plan will continue to be focused on the steel business as the core, with business, technology and manufacturing process interconnections as the main axes, and will target emerging Asian countries with higher growth in steel demand. Based on the differences in demand for steel in various regions and the Company's product with market advantages, the Company plans to expand the business territory of the overall steel business from the Group's overall production and sales layout along with the mutual support of production lines. On the other hand, in the face of the critical era of energy transition, the

Company will also review its participation in the development of green industrial chains such as offshore wind power and utilize the Group's strengths in operational integration to enhance the operational efficiency of our non-steel businesses, thereby realizing the sustainable development of the CSC Group.

VI. Risk Management

(I) Organization and Operation of Risk Management

1. Risk control at the Company is divided into three levels (mechanisms): The organizing unit, which serves as the "first mechanism", is required to take charge of initial detection, designing of the assessment and control and prevention of risks in operations. The second mechanism comprises various functional committees, monthly and weekly management meetings hosted by the Vice Presidents or the President, which includes the feasibility assessment as well as various types of risk assessments and legal advice and setting of control points provided by the Legal Department and the Internal Audit Office. The third mechanism involves the review and approval from the Corporate Governance and Sustainability Committee, the Audit Committee and the Board of Directors. The Risk Management Execution Team under the Corporate Governance and Sustainability Committee regularly reports the implementation of risk management and the Internal Audit Office regularly or irregularly carries out random checks and assessment on various risk and reports to the Board of Directors. The Company adopts comprehensive risk control over all employees, which is implemented from level to level in normal times, instead of being controlled by a single person. This is the most practical approach for risk control.
2. To ensure stable operation and sustainable development, the Company has formulated the "Risk Management Policy and Procedure" approved by the Board of Directors as the highest guiding principle for risk management. The Risk Management Policy and Procedure stipulates the scope of risks, which covers operational risks, financial risks, information security risks, environmental risks, compliance risks, etc. Business execution units are responsible for identifying the sources of risks, carrying out risk analysis and assessment, and formulating response strategies or measures. Relevant risks are properly monitored and controlled through regular reporting to each level of responsible management, functional committees, and the Board of Directors.
3. The 10-year operation and development strategy of the Company are led by the Secretariat Department, while annual management policy is led by the Industrial Engineering Department. Risk assessment at each operation level is included by the Industrial Engineering Department in the establishment and tracking of annual management policy and objectives at all first echelon units. Matters to be implemented will also be reviewed at each level, while cross-unit task forces have to be formed to implement risk detection, assessment and prevention if needed. During normal times, the Internal Audit Office regularly carries out the examination of all items in each operating cycle, in hopes of early detection, correction and prevention of possible risks.
4. At the beginning of each year, all first echelon units, from bottom to top, carry out risk assessment on various operating items based on the implementation of the previous year and prepare management review (self-assessment) reports, which are then reviewed by the Internal Audit Office. Each division also performs overall risk

assessment in each operating cycle, and prepares self-assessment reports based on the five major components of internal control, which are then submitted to the President for review. These reports and the written reports prepared by the Internal Audit Office, which are listed as the main basis for the Company to issue the Statement on Internal Control System, are submitted to the Audit Committee and the Board of Directors for review. In summary, the Company's approach is extremely stringent to minimize possible risks and appropriately implemented.

(II) Impact on profit and loss of the Company due to interest rate and exchange rate fluctuation and inflation and response measures thereof

1. Impact on profit and loss of the Company

Unit: NT$ thousands; %

Item	2023
Net interest expense	1,135,649
Net foreign exchange gain	570,870
Ratio of net interest expense to net revenue	0.58%
Ratio of net interest expense to profit before income tax	53.89%
Ratio of net foreign exchange gain to net revenue	0.29%
Ratio of net foreign exchange gain to profit before income tax	27.09%

(1) Changes in interest rate

The Company sources funds through both fixed and floating interest rates borrowings, thereby resulting in exposure to interest rate risk. Hence, the Company manages interest rate risks by maintaining a suitable combination of fixed and floating interest rates, so as to lower cost of capital and thus mitigate the impact of future interest rate fluctuations. If interest rate increases or decreases by 1%, the Company’s profit before income tax in 2023 will decrease or increase by NT$360 million assuming all other variables remain unchanged. Looking ahead to 2024, inflation in the U.S. continues to slow, and the market expects the U.S. Federal Reserve to begin cutting interest rates as the cycle of rate hikes comes to an end. In Taiwan, due to the increase in electricity prices, the central bank unexpectedly raised interest rates by 0.125% in order to curb inflation expectations. However, the possibility of subsequent interest rate hikes is expected to be limited, and the overall interest rate risk is still within a manageable range.

(2) Changes in exchange rates

As regards the daily operations of import and export business, the Company primarily adopts natural hedge that partially offsets income and expenditure in connection with foreign currency positions derived from these operations while purchasing or selling foreign currency in line with exchange rate trends with respect to net gaps or positions in due course. All in all, the risk of exchange rate fluctuations arising from daily operations remains within a controllable range.

(3) Inflation

According to the information released by the Directorate-General of Budget, Accounting and Statistics of Executive Yuan, the annual growth rate of Taiwan’s

consumer price index (CPI) in 2023 was 2.50%, indicating mild growth in domestic prices throughout the year. In addition, the steel product pricing strategy of the Company enables it to flexibly reflect market changes. Hence, inflation poses little risk on the Company's earnings.

2. Future response measures

(1) Response measures for changes in interest rates

For existing liabilities with floating interest rates, the Company sets a strict range of interest rate risk tolerance and regularly assesses the best time to issue medium and long-term corporate bonds. Moreover, the Company also uses line of credit and various financial instruments in due course to lower interest expenses.

(2) Response measures for changes in exchange rates

In order to reduce the risk of exchange rate fluctuations for equipment or engineering procurement involving large foreign currency payment amounts and long payment periods, the Company hedges against risks by purchasing forward foreign exchange contracts in batches when opportunities arise, so as to lock in the cost of foreign currency purchases required for procurement cases and avoid rising New Taiwan dollar-denominated procurement costs due to exchange rate fluctuations in future payments. As of the end of 2023, the balance of unexpired forward foreign exchange contracts purchased by the Company for imported equipment were US$40,877 thousand, whereas the total unrealized gain based on fair value assessment was approximately NT$78,583 thousand.

(3) Response measures for inflation

Inflation poses little risk on the Company's earnings.

(III) Since the Company's policies focus on our main businesses, the Company does not engage in high-risk or high-leverage trading activities. The purpose of derivatives trading is limited to hedging against risks. Forward foreign exchange contracts, which were yet to expire at the end of 2023, were purchased for the procurement of imported equipment in order to hedge against risks. In addition, the Company provides endorsements or guarantees only to our subsidiaries or invested companies which is guaranteed by all joint shareholders according to the shareholding ratio. Meanwhile, the Company extends loans only to our subsidiaries with short term financing necessity, where the term of each loan extended shall not exceed one year. All the endorsements, guarantees and loaning of funds are strictly controlled through careful evaluation procedures to minimize possible risks.

(IV) Impact on profit and loss of the Group due to interest rate and exchange rate fluctuation and inflation and future response measures thereof

1. Impact on profit and loss of CSC Group

Unit: NT$ thousands; %

Item	2023
Net interest expense	2,717,448
Net foreign exchange gain	867,948
Ratio of net interest expense to net revenue	0.75%
Ratio of net interest expense to profit before income tax	59.20%
Ratio of net foreign exchange gain to net revenue	0.24%
Ratio of net foreign exchange gain to profit before income tax	18.91%

(1) Changes in interest rates

The Company and our subsidiaries sources funds through both fixed and floating interest rates borrowings, thereby resulting in exposure to interest rate risk. Hence, the Company and our subsidiaries manage interest rate risks by maintaining a suitable combination of fixed and floating interest rates, so as to lower cost of capital and thus mitigate the impact of future interest rate fluctuations. If interest rate increases or decreases by 1%, the Company's consolidated profit before income tax in 2023 will decrease or increase by NT$1,171 million assuming all other variables remain unchanged. Looking ahead to 2024, inflation in the U.S. continues to slow, and the market expects the U.S. Federal Reserve to begin cutting interest rates as the cycle of rate hikes comes to an end. In Taiwan, due to the increase in electricity prices, the central bank unexpectedly raised interest rates by 0.125% in order to curb inflation expectations. However, the possibility of subsequent interest rate hikes is expected to be limited, and the overall interest rate risk is still within a manageable range.

(2) Changes in exchange rates

As regards the daily operations of import and export business, the companies of CSC Group primarily adopt natural hedge that partially offset income and expenditure in connection with foreign currency positions derived from these operations while purchasing or selling foreign currency in line with exchange rate trends with respect to net gaps or positions in due course. All in all, the risk of exchange rate fluctuations arising from daily operations remains within a controllable range.

(3) Inflation

According to the information released by the Directorate-General of Budget, Accounting and Statistics of Executive Yuan, the annual growth rate of Taiwan's consumer price index (CPI) in 2023 was 2.50%, indicating mild growth in domestic prices throughout the year. Hence, inflation poses little risk to the profits of companies of CSC Group.

2. Future response measures

(1) Response measures for changes in interest rates

For existing liabilities with floating interest rates, the Company and our subsidiaries sets a strict range of interest rate risk tolerance and regularly assesses the best time to issue medium and long-term corporate bonds. Moreover, the Company and our subsidiaries also use line of credit and various financial instruments in due course to lower interest expenses.

(2) Response measures for changes in exchange rates

The Company and our subsidiaries manage exposure to exchange rate risks by engaging in forward foreign exchange contracts, purchasing or borrowing foreign currency within the scope permitted by policies.

(3) Response measures for inflation

Inflation poses little risk to the earnings of the Company and our subsidiaries.

(V) Future R&D Projects and Expected R&D Expenditure

1. CSC

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Development of cold-rolled ultra-high strength martensitic steel	1.Utilizing low alloys with high hardenability design, full transformation into martensite phase with self-tempering control is achieved to develop products with tensile strength ranging from 1300 to 1500 megapascals (MPa). 2.Cold-rolled steel have been developed, including the CR1300T with Economical thickness ranging from 1.0 to 1.8 mm, and the CT1400T with a thickness of 1.0 mm.	1,000	2024.12	1.Identify the optimal annealing heat treatment parameters, optimize the cooling paths, and achieve control over the desired martensitic microstructure to meet product performance specifications. 2.Make effort to accelerate product development speed to meet customers' certification schedules.
Development of electrical sheets with ultra-low iron loss for electric vehicle motors	1.Optimization experiments of reducing hysteresis losses have been conducted to control precipitate distribution and residual stress during annealing, effectively reducing total iron losses. 2.In response to auto makers' demands, development of annealed core products has been undertaken. After integrating metallurgical compositions and annealing parameters, successful trial production has been achieved and the product is being promoted.	1,000	2024.12	1.Through the optimization studies of metallurgical key factor and process, properties of the steel product can be tailored to meet auto makers' requirements. 2.Key metallurgical research includes controlling factors influencing hysteresis and eddy current losses, thereby optimizing the performance characteristics of electrical steel products for electric vehicle motor applications.
Development of low-carbon steelmaking process technology	1.Electric arc furnace (EAF) steelmaking has proven effective in reducing carbon dioxide emissions per ton of steel produced. To use low-carbon iron sources such as scrap and direct reduced iron, efficient EAF steelmaking process technology has been developed. 2.Following the development path outlined for low-carbon basic oxygen furnace (BOF) steelmaking processes, the scrap use in the No.2 BOF continuous casting plant has increased from an average of 14% to over 20% for ordinary steel, and from 10% to over 14% for high-grade steel. A mass and energy analysis system for BOF has been developed to serve as the goal for BOF steelmaking technology with low carbon emissions and high efficiency.	1,000	2024.12	1.Utilize the EAF process of the Group Company to develop and enhance EAF smelting efficiency, while also expanding intelligent EAF steelmaking technology. 2.Establish a BOF steelmaking computer simulator to compare with on-site test data, obtaining key technologies for BOF processes for further refinement and improvement.

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Test of hydrogen-rich gas injection into blast furnace	1. Completed the cold commissioning of the gas valve station. 2. Completed the construction and test of the safety control software for hydrogen-rich gas injection. 3. Hydrogen-rich gas injection test was conducted in March 2024.	2,500	2025.03	1. Establishment of a dual-fuel injection safety interlock control system. 2. Monitoring of abnormal increase in heat load of the tuyere, and temperature measurements and cooling of the lance. 3. Monitoring and analysis of pressure fluctuations in the hot blast pressure at tuyere.
Development of precise temperature control technology for wire rods	1. Completion of the establishment of rolling and cooling temperature models, with ongoing parameter adjustments utilizing big data. 2. Design of improvements in average temperatures at cooling section is designed and planned to test. 3. Development of a temperature setting program control system to regulate the flow rates of the rolling mill water tanks and the fans in the air cooling zone, in accordance with metallurgical temperature requirements, aimed at enhancing product stability.	1,000	2024.12	1. Establishment of fluid numerical models to simulate temperature variations in actual processes, followed by design optimization and laboratory validation. 2. Utilization of optimization algorithm techniques to adjust temperature model parameters based on actual production data, thereby improving model accuracy.
Promotion of Hot Stamping Door Ring made by AO (Anti-Oxidation) coated Steel	1. The hot stamping integrated door ring prototype using AO material has been successfully produced utilizing trial molds. 2. The mechanical properties and dimensional accuracy of the integrated door ring are to be improved. Currently, efforts are directed towards assisting domestic manufacturers in establishing appropriate laser welding parameters and evaluating suitable mass production mold development partners.	600	2024.12	1. Identify the key welding parameters to optimize welding bead quality, ensuring that the mechanical performance meets auto makers' requirements after hot stamping. 2. Mass production molds need to be developed by manufacturers with experience in integrated door ring development, ensuring that the dimensional accuracy of the door ring meets the requirements of vehicle body assembly.
Development of technology of refractory for liquid steel distributor	Magnesia-based trowellable refractories with both dry and wet gunning materials and trowelling materials have been developed, with the dry and wet gunning materials having passed the three-stage trial at CSC. Meanwhile, wet gunning materials and forsterite bulkheads for high temperature state are currently under development at DSC. This year, the development will expand to include magnesia-	800	2025.08	1. Keep reduce formulation costs and control the particle size and composition of raw materials, ensuring that the products offer high price-to performance ratio. 2. Develop the key techniques for the formulation of refractory materials for injection and pre-injection technology for components of critical flow field, along with

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT$ ten thousands)	Completion Time	Key Success Factors for R&D Project
	based flow control bricks and back lining castables.			assistance in setting up pre-injection production lines. 3. Implement quality control during mass production and feedback from trial use to ensure that the products consistently meet the requirements for on-site usage.
Development of silicon-based powder for lithium battery anodes	Two types of silicon-based powder for lithium battery have been developed. The improved silicon-carbon composite anode powder exhibits high energy density and high first-cycle Coulombic efficiency. It is currently undergoing comprehensive battery testing by domestic cell manufacturers. The silicon oxide-based anode powder has been successfully developed with a spray granulation carbon-coating technique, significantly enhancing its cycle life (achieving 90% of benchmark performance). Further optimization of its characteristics will be pursued, and samples will be provided to downstream manufacturers for testing.	1,642	2025.12	1. Enhance the carbon coating of the silicon-carbon composite anode powder to alleviate the stress cracking induced by silicon powder during charge-discharge cycles, thereby extending its cycle life. Validation of its performance will be conducted through full battery testing. 2. Improvement of the conductivity of silicon oxide-based anode powder and reduction of its specific surface area aim to increase energy density and first-cycle Coulombic efficiency. Validation of its performance will also be carried out through full battery testing.
Development of high-efficiency process of aluminum plates for shipbuilding	The development of a high-efficiency process of aluminum plates for shipbuilding has achieved significant milestones. Parameters for a coil-to-sheet process for thicknesses below 12mm have been successfully established, with on-site mass production and quality testing completed, ensuring stable supply to customers. For thicknesses above 12mm, a high-efficiency rolling process for shipbuilding plates has been developed, reducing production time.	2,700	2025.01	1. Establish techniques for appropriately controlling the micro-nanoprecipitates in aluminum slabs to meet product mechanical property standards. 2. Market intelligence is closely monitored to align with customer demands, enabling the evaluation and development of appropriate materials for shipbuilding aluminum plates. 3. A database of relevant application properties of shipbuilding plates in corrosive environments has been established.
Development of medium-low temperature selective catalytic reduction (SCR) DeNOx catalysts	Significant progress has been made in the development of medium-low temperature SCR DeNOx catalysts. Small-sized plate-shaped catalysts measuring 15 cm x 15 cm have been successfully produced and applied in the No.1 Coke Oven Plant for actual flue gas DeNOx testing. The results have been	1,200	2026.04	1. Establishment of technology for mass production of 850 L middle-low SCR catalyst and the connection to plate type catalyst production lines. 2. Efforts are underway to manufacture larger plate type medium-low temperature SCR DeNOx catalysts measuring

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT$ ten thousands)	Completion Time	Key Success Factors for R&D Project
	promising (with efficiency exceeding 95% at temperatures ranging from 200 to 220°C, and an operational duration exceeding 300 hours).			110 cm x 46 cm, ensuring compliance with performance and compressive strength quality standards. 3. The development of middle-low deNOx and deDioxin SCR catalyst formulations and the establishment of mass production techniques. 4. To facilitate the adoption of these catalysts in coke oven and sinter plants, reducing energy consumption during DeNOx processes to assist in enhancing energy saving and carbon reduction benefits at industrial sites.
Development of refractories for blast furnace lining	The formulation development of tap hole clays for blast furnace lining at Dragon Steel has been completed, along with a small-scale trial of 10 tons. Adjustments to the formulation have been made based on the trial results.	2,064	2025.11	1. The Company has accumulated extensive experience in refractory formulation development over the years and has incorporated Design of Experiments (DOE) methodology to expedite formulation screening. 2. Contribute active cooperation with on-site trials and feedback to improve the precision of formulation adjustments.
Development of low-carbon circular aluminum metallurgical processes	1. A plan has been initiated for the development of low-carbon circular aluminum metallurgical processes, to be applied in materials for construction, aluminum foil, and 3C. 2. Efforts are underway in the development of a 5000 series low-temperature recrystallization full annealing technique, analyzing the effects of impurities such as iron and manganese content and homogenization conditions on metallurgical annealing.	1,900	2025.12	1. Carbon reduction in raw materials: Establishment of laboratory production lines and related equipment to concurrently develop pre-treatment and purification techniques for recycled aluminum materials. 2. Low-carbon metallurgical processes: Development of environmentally friendly alloy designs coupled with metallurgical treatment conditions, such as techniques of full recrystallization annealing at low temperature, allowing for higher impurity levels, thus facilitating relaxation of composition constraints. 3. Product certification: Collaboration with customers to gradually initiate low-carbon product certification and technical marketing efforts.

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Establishment of applied technology for self-bonding core processing and development of demonstration plans	1. Continued development of self-bonding electrical sheet processing technologies, with a plan in place to develop an inside-the-die processing solution for the inner stator of drones. 2. Ongoing optimization of process conditions for outside-the-die self-bonding cores, establishing guidelines for fixture design, and expanding and enriching the database for self-bonding core processing. 3. A demonstration facility for the automated stacking and forming of self-bonding core sheets is planned. Upon completion, it will be available for potential downstream manufacturers to visit and learn from.	412	2024.12	1. Continuing collaboration with the academia to incorporate finite element analysis simulations, saving time and costs associated with continual experimentation and accelerating the establishment of a process database for various application conditions. 2. Collaborate with leading domestic partners in automation and die industries, to develop innovative and feasible key process modules, equipment, or research platforms. 3. Closely work with stamping factories and motor factories domestically and abroad to seek technical implementation solutions and to enhance the acceptance and competitiveness of the industry.
Development of operational maintenance technologies for pilot plant of co-production of steel and chemicals	1. Established technology for co-production of steel and chemicals, successfully completing 1,000 hours of operation verification. The average concentration of carbon monoxide in the product gas reached 98.9% with a recovery rate of 86.6%, ensuring stable quality output that meets the requirements of acetic acid customers and demonstrating technical feasibility. 2. Optimized operational parameters have been established, reducing the production pressure from 7 bar to 5.5 bar, which decreased the energy consumption for per square meter carbon monoxide produced from 0.75 degrees to 0.67 degrees, achieving an energy saving of 10%. 3. Plans are in place to establish energy-saving operational techniques and modify the pilot line to develop combined carbon monoxide/carbon dioxide production technology, aiming for greater carbon reduction benefits.	5,200	2025.12	1. Facilities including a laboratory and a pilot line are available to support the required platform for technological development. 2. Collaboration with external technical resources has been initiated to increase the chances of successful technological development.
Construction of pilot plant for flue gas carbon capture and developement	1. The basic and detailed designs of the pilot plant for flue gas carbon capture have been completed, along with the engineering procurement, fabrication, and	11,600	2025.12	1. Ongoing monitoring of the construction progress and status of the pilot plant is being conducted, coordinating the implementation processes

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT$ ten thousands)	Completion Time	Key Success Factors for R&D Project
of operation and maintenance technology	purchasing of equipment, and civil construction. Currently, the assembly of the equipment is underway, with completion expected by the end of the year 2024. 2. Pilot Plant Specifications: The plant is designed to capture 500 tons of carbon dioxide annually, achieving a carbon dioxide capture efficiency of at least 90% with an inlet CO_2 concentration of 28%, and producing a CO_2 product gas with a concentration of at least 99%. The regenerative energy consumption is less than 3.0 GJ/tCO_2. 3. Operation and Maintenance Technology Goals: Establish a baseline for regenerative energy consumption for CO_2 concentrations ranging from 8% to 30%, ensuring operational efficiency for over 1,000 hours.			across different units to ensure the project is completed on schedule. 2. Initiate collaboration with the academia to study the characteristics of the flue gas carbon capture process and to develop high-efficiency operational technologies that meet the design specifications of the pilot plant. 3. Development of predictive models for analyzing optimal operating parameters at varying CO_2 concentrations has been undertaken to establish a baseline for regenerative energy consumption. This, combined with long-term operational experience, will enable stable and efficient operation of the pilot plant.
Human machine collaboration system for remote cranes	1. Completed the 5G feature test. 2. Completed the electric control equipment plan for two cranes. 3. Established a highly resilient 5G network plan. 4. Implemented crane collision avoidance solutions.	1,028	2024.12	1. Successfully developed an indoor human-machine collaboration system for crane in 2023, allowing for rapid replication of development experience. 2. With existing 5G development expertise and partnerships, we can facilitate swift integration of 5G remote control capabilities. 3. Simplified modifications to electrical controls and implemented modular wireless transmission interfaces.
Development of bacterial agent for coking wastewater biological treatment	1. The liquid phenol-removing mixed bacterial agent has undergone on-site trial use. This product has also been listed as a pharmaceutical agent for anomalies in biological wastewater treatment plants at CSC and Dragon Steel Corporation, while a long-term supply contract has also been signed with China Ecotek Corporation. 2. Refining the preservation techniques for powdered phenol-degrading mixed bacteria formulations in an effort to extend its shelf life. Currently, the shelf life has reached one month.	795	2024.12	1. Continue to develop the optimal formulation and standard process for the mass production of pure bacteria in collaboration with the academic/research community. 2. Complete the development of pure bacteria mass production and powder bacteria preservation technologies in collaboration with Taiwan's academic/research community which study in the fermentation of bacterial strains. 3. Establish the strategy of adding pharmaceutical/ bacterial agents for anomalies

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT$ ten thousands)	Completion Time	Key Success Factors for R&D Project
	3. The formulation-type phenol-degrading pure bacteria product has been developed, with a current shelf life of two months. 4. The SOP for the pilot-scale cultivation of two strains of the phenol-degrading pure bacteria, totaling a volume of 120 liters, has been established. This will facilitate the mass production and effectiveness confirmation for five formulated bacteria strains.			in biological wastewater treatment plants using a pilot site, test and promote them to other wastewater treatment systems across CSC Group.

2. CSCC

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Development of high-capacity, fast-charging composite materials	Key techniques such as material miniaturization, polygonalization, and surface treatment have been established, leading to the development of mesophase/artificial graphite composite technologies.	1,000	2024.Q4	Applications in power battery used by electric vehicles and electric tools.
Pilot production and promotion to customers of artificial graphite	Grinding and surface treatment technologies for coke-based materials have been established. Key mass production equipment is currently being set up and promotion to customer has been doing continuously.	2,500	2025.Q3	Applications in fast-charging and high-energy-density energy storage systems.
Pilot production and promotion to customers of ultra-high-power materials with small particle size	Miniaturization and surface treatment techniques have been developed. Currently conducting validation tests for optimization of mass production conditions.	1,500	2024.Q4	Applications in ultra-high-rate batteries.
Development of advanced carbon materials with high voltage for supercapacitor application and corresponding mass production techniques	The surface modification technique for advanced carbon materials has been developed, while related products are gradually being introduced to customers. Plans are underway to establish mass production lines and develops raw material modification techniques to reduce production costs.	3,800	2024.Q4	Applications in wind energy storage, automobile start-stop systems, electric buses, light rail vehicles, lead carbon batteries, and lithium batteries.
Development of high-purity and large-size graphite crucible	The development of six to eight-inch crucibles, the production of isotropic graphite forming, carbonization, graphitization, and	5,150	2024.Q4	High-purity graphite crucible for growth of silicon carbide crystal, high-purity graphite,

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT$ ten thousands)	Completion Time	Key Success Factors for R&D Project
for growth of silicon carbide crystal	purification equipment, and the construction of mechanical processing equipment have been completed.			molds, and graphite heating elements.

3. CHC Resources

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Upgrade of steel slag resourcezation technology	Continue to carry out R&D (including technology development and effectiveness verification) by referencing the applications in a variety of areas domestically and abroad as follows: 1. Asphalt concrete (AC) 2. Steam curing 3. Marine engineering 4. Slag powder 5.Research on carbon adsorption using BOF slag 6.Advancements in slag residual steel recovery technology	1,750	2024.12	1. Eliminate concerns regarding the use of basic oxygen furnace slag raised by all sectors of society, and encourage the inclusion of basic oxygen furnace slag in the construction specifications of various city and county governments. 2. Achieve relevant performance. 3.In response to the global trend towards net-zero emissions, research and evaluation are being conducted on the carbon reduction benefits of steelmaking by-products, aiming to enhance their added value.
Application of basic oxygen furnace slags in cement raw materials	In January 2019, the project for promoting the use of BOF slag in cement raw materials was launched. The manual for using BOF slag in cement raw materials was completed in July 2019, and officially published in January 2020 after passing the third-party audit by the Industrial Development Bureau in January 2020. In 2023, 89,853 tons of BOF slag were used as cement raw materials at cement plants, effectively replacing cement raw materials and thus realizing the benefits of energy conservation and carbon reduction. Furthermore, research on process optimization is being conducted in response to the expansion of production capacity and for continuously improving quality.	30	2024.12	1. Control quality stability. 2. Engage external parties for testing regularly. 3. Contact customers to perform product technical services.

4. CHS

Project in the Most Recent Year	Project Category	Further R&D Expenditure (NT$ ten thousands)
Hot rolling - Addition of AI image recognition system for steel coils edge detection on hot-rolling line	R&D and Improvement Plan in 2024	2,432
Pickling and galvanizing - Replacement of old No.2 Fu Sheng air compressor at Pickling & Galvanizing Mill		
Steel pipes and tubes - Overhaul of centrifugal pumps at Da Fa Plant Area		
Steel pipes and tubes - Improvement of automatic pipe marking equipment at Da Fa Plant Area		
Steel pipes and tubes - Modification of drift tester for pipe production line No. 4 at Lukang Plant Area		
Steel pipes and tubes - Modification of pipe surface moisture drying equipment at Lukang Plant Area		
Hot rolling - Replacement of automated surface inspection system (ASIS) in hot-rolling lines	Unfinished projects in 2023 to be continued in 2024	29,576
Hot rolling - Replacement of F1, F4, F5, and F6 main motor		
Hot rolling - Replacement of flatness gauge equipment at hot rolling lines		
Hot rolling - Replacement of 300HP double-suction pumps in the utility area		
Hot rolling - Addition of intelligent image recognition system for slab receiving		
Pickling and galvanizing - Addition of facility online monitoring and diagnosis system (FOMOS) to pickling and oiling line		
Pickling and galvanizing - Replacement plan for separation tower No.2 and washing tower at acid regeneration plant		
Pickling and galvanizing - Expansion project of raw material storage area at roll mill		
Steel pipes and tubes - Improvement Project for T2, Q2, and C2 Gates at Lukang Plant Area		
Steel pipes and tubes - Leak improvement project at Lukang Plant Area Facilities		

5. CSSC

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT$ ten thousands)	Completion Time	Key Success Factors for R&D Project
National Center for Research on Earthquake Engineering - Phase II development of automated welding technology for internal partitions of steel box columns	Utilizing the established welding database to observe and learn the behaviors of welding machines. Implementing artificial intelligence techniques to establish a causal model of the geometric shape differences before and after welding and the corresponding welding control parameters, such as current, voltage, speed, oscillation, and tip of the weld line.	150	2024.12	1. Selection of welding methods. 2. Establishment of welding procedure. 3. On-site education and training for welding operators.
Research on addition of Long Stick-Out (LSO) function to waveform-controlled submerged arc welding machine	The hardware upgrade for the LSO submerged arc welding has been completed, and the applicable welding materials and initial welding conditions are currently being confirmed. Once the stability of LSO meets the standards, further tests for optimizing welding conditions will be conducted.	30	2024.12	1. The welding materials are suitable for use in the LSO process. 2. Consistency between trial and production welding parameters. 3. Establishment of welding procedure.

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Research and implementation of collaborative robot (Cobot) functionality	Collection of technical data and specifications for Cobot technology, followed by discussions with various equipment manufacturers to identify Cobots suitable for steel structure production. Once specifications and functionalities are finalized, the project will proceed to the procurement and installation phase, with the first phase of testing scheduled accordingly.	200	2024.12	1. Establishment of robotic arm welding parameters and models. 2. Optimization of robotic arm specifications for use in production lines. 3. Establishment of robotic arm welding procedures.

6. CEC

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Research and development of carbon capture using the reaction between calcium ions in water and carbon dioxide in flue gas	Utilizing the calcium ions contained in the wastewater from steel mills to capture carbon dioxide from flue gases, this process aims to reduce carbon emissions. Testing is expected to commence in the pilot plant in the fourth quarter of 2024.	300	2025.12	Reduce carbon and GHGs emissions.
Research and development of carbon reduction technology	Carbon dioxide in flue gas, which is captured and purified with a target purity of 99% and above, can be commercially sold as industrial gas raw materials. With the planning of a pilot line already completed, the construction will commence soon and the facility is scheduled for operation at the end of 2024.	200	2024.12	Reduce carbon and GHGs emissions.
Development of acid gas and smog desulfurization technology	Research on acid gas/smog desulfurization (e.g., SO_2, HCL, HF, SO_3, and PM2.5), the test was conducted by using Honeycomb Wet Scrubber (HWS) and Wet Electrostatic Precipitator (WEP). Analysis of experimental data showed that operating at low to medium airflow and at a pH range of 6 to 6.5, a desulfurization efficiency of 90% was achieved. The next phase of the research is planned to be moved to sintering site to further explore acid removal technologies.	300	2024.12	Field planning for sintering desulfurization is scheduled for 2026.

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Medium- and low-temperature denitrification catalyst - Coke oven flue gas pilot plant test	The test has shown a denitrification efficiency of ≧ 80%. The relevant parameters and data have been sent to China Ecotek Corporation for computational fluid dynamics (CFD) analysis, and also to HIMAG Magnetic Corporation for mass production evaluation.	350	2024.12	Field planning for sintering denitrification and coke oven denitrification is scheduled for 2026.

Looking into the future, the Company and companies of CSC Group will continuously devote itself to developing premium steel products with high technical content, high profitability, and high industrial benefits while creating independent core technology and promoting the devepolment of low-carbon green manufacturing and energy saving & carbon reduction technology. At the same time, we have formed R&D alliances with domestic steel-using industries to run a more diverse range of industrial upgrading programs to meet the material quality requirements of downstream industries and facilitate the development of high value-added end products, thereby enhancing the international competitiveness of upstream and downstream steel industries. The Company also integrates CSC Group's marketing resources to improve sales and technical services for customers.

(VI) Impact on the Company's finance and business due to changes in important domestic/foreign policies and laws and response measures thereof

1. “Climate Change Response Act”

Taiwan implemented the “Climate Change Response Act” in the beginning of 2023, introducing a carbon fee collection mechanism. However, details regarding the Regulations for Charging of Carbon Fees and the fee rates have yet to be announced. The Company continues to closely monitor the legislative progress of the amendments to the supplementary regulations of the “Climate Change Response Act”, and actively participates in discussions through channels such as the Ministry of Economic Affairs and the Taiwan Steel & Iron Industries Association, providing specific suggestions to ensure the industry’s international competitiveness. The Company has also conducted analysis on carbon fees in different scenarios and developed corresponding measures.

2. International carbon control measures

Over the past few years, countries around the world have been implementing carbon control mechanisms. For example, the EU has officially commenced the Carbon Border Adjustment Mechanism (CBAM) transition period, which is from October 2023 to December 2025. During this period, importers need to declare the emissions embedded in their imports, but do not need to purchase CBAM certificates. In response to the relevant regulatory requirements, the Company has established inventory capabilities for the carbon content of products, and can benchmark it to the EU tax number (CN code) to provide customers with the information required for the declaration.

The carbon content of most of the Company’s products is lower than the carbon content default values announced by the EU CBAM in October 2023, indicating that the carbon content of the Company’s products is competitive. In the future, the EU plans to use benchmark values as a comparison standard. If imported products have a higher carbon intensity than the benchmark value, then CBAM certificates must be purchased to offset the excess emissions. The Company will continue to monitor this progress.

Moreover, the Company continues to develop and incorporate low-carbon and zero-carbon technologies, as well as adopt feasible carbon reduction solutions, in order to gradually meet its short-, medium-, and long-term carbon reduction targets, thereby minimizing the impact of international carbon control measures on the Company and ultimately achieving its sustainable development vision.

3. The Major Emitters Clause under the “Rates of Air Pollution Control Fee of Stationary Sources”

To reduce the emissions of air pollutants from stationary sources, the Ministry of Environment revised the “Rates of Air Pollution Control Fee of Stationary Sources” in June and October of the 2023. The revisions mainly involved increasing the seasonal rates for the first and fourth quarters, as well as adding rates for major emitters, which will result in an increase in air pollution fees. In addition, the fees for particulate pollutants will be adjusted based on preferential and reduction coefficients, and the application conditions for reduction coefficients of sulfur oxides, nitrogen oxides, and volatile organic compounds were revised, which is conducive to the reduction of air pollution charges.

When the emission volume is high, the adverse impact of the emission fee rates for major emitters will be greater than the reduction in the preferential coefficient and reduction coefficient. The Company will continue to plan relevant air pollution reduction schemes to effectively reduce air pollutant emissions and decrease air pollution fee expenses.

(VII) Impact on the Company's finance and business due to technological (including cybersecurity risk) and industrial changes and response measures thereof

With the rapid development of technology, the Company faces cross-industry competition globally, frequent geopolitical conflicts, obstacles from regional trade agreements, and the trend of low-carbon economy. In order to steadily and effectively support the ever-expanding business landscape, as well as the demand for flexible and massive capital management, the Company must improve the visibility of capital flow and financial forecasts and develop support tools for rapid financial decision-making.

The Company organizes its sustainable development roadmap using resources from industries and education institutes, as well as the latest intelligent technology in an automated, smart, and collectivized manner to conduct a revolution in system and operation process. The Company creates a common and highly integrated and compliant financial, accounting and cost system so as to integrate resources and realize synergy from group management. Furthermore, the Company enhances partnerships in the supply chain, improves product and service value, pursues production and sales intelligent collaboration, and satisfies customer needs with minimum costs and effective methods, in order to create a win-win situation through interaction and cooperation with related industries and eventually drive the transformation of the steel industry in Taiwan, thereby becoming a trustworthy steel company of global distinction.

In view of the growing attention to information security, the Company has actively cultivated information security talents, introduced more comprehensive and complete security protection from the network to the endpoint, strengthened the information security incident detection, monitoring and reporting mechanism, and incorporated assistance provided by external professional information security consultants. The Company’s information security dashboard is built with performance, risk and target indicators for senior managements to understand the current situation and to serve as a basis for decision-making. The Company’s Information Security Committee convenes meetings quarterly to discuss and address important information security issues. Additionally, the Company passed the audit of ISO 27001 Information Security Management Systems certification and maintained the validity of the ISO 27001 in 2023. In an effort to enhance information security awareness among employees, the Company carries out regular information security and anti-virus reporting, announces information security guidance, as well as holds information security joint defense meetings, social engineering drills, and information security educational training on a regular basis. With the adoption of multiple strategies including strengthening internal protection, minimizing external attacks, and enhancing information security awareness, the Company is able to build a resilient corporate information security system amid the growing prevalence of severe cyber threats.

(VIII) Impact on the Company's corporate crisis management due to changes in corporate image and response measures thereof

With a longstanding commitment to the ESG environmental sustainability, social engagement, and corporate governance, the Company has earned great recognition from all sectors of society both in Taiwan and abroad for its outstanding achievements. The Company received domestic and overseas awards in 2023, including: 1. Receiving 10 awards, including the “Top 100 Most Prestigious Sustainability Awards”, the “Corporate Sustainability Report Awards - Platinum Award in Traditional Manufacturing Sector”, and excellent case awards such as the “Talent Development Leadership Award,” the “Workplace Welfare Leadership Award,” the “Climate Leadership Award,” the “Water Resources Leadership Award,” the “Circular Economy Leadership Award,” the “Innovation Growth Leadership Award,” and the “Sustainable Supply

Chain Leadership Award." from Taiwan Corporate Sustainability Awards (TCSA), as well as the "Sustainability Report Awards - Bronze Award" by Global Corporate Sustainability Awards (GCSA) 2. Receiving the "Outstanding Corporate Group in Sustainability Resilience Award" from British Standards Institution (BSI) for the 4th consecutive years. 3. Being ranked among the Top 50 Large Enterprises in the Excellence in Corporate Social Responsibility Award by CommonWealth Magazine for the 11th consecutive year. 4. Receiving the gold awards for "Peace, Justice and Strong Institutions", the silver award for "Industry, Innovation and Infrastructure," and the bronze award for "Reduced Inequalities" in the Taiwan Sustainability Action Awards (TSAA). 5. Selecting as one of the 2023 Outstanding Manufacturers in Voluntary Reduction of Industrial Greenhouse Gas Emissions by the Industrial Development Administration under the Ministry of Economic Affairs. 6. Receiving the gold award of the "Resource Circulation Outstanding Enterprise Award" from the Ministry of Environment. 7. Receiving the 'Net Zero Industry Competitiveness Excellence Award' from the 21st Century Foundation. 8. Being recognized with the gold medal in the "2022 Let's Go Green Competition" and conducts annual green living evaluations for the companies within the Group, sparking green ideas and actions within the Group. 9. Obtaining the CE Marking certification from the EU and UKCA verification from the UK, which ensures that our products can be sold continuously to the Europe, providing significant benefits for consolidating orders and expanding the market. 10. Passing UL 2809 verification for the Company's galvanized steel product SGCC RC40, marking a new milestone in the certification of high-quality steel products with recycled materials. 11. Being ranked in the top 5% among the listed companies in the 10th Corporate Governance Evaluation for the 5th consecutive year.

In the face of global steel market competition and the big challenge of carbon neutrality by 2050, the Company, guided by the vision of "We aspire to be a sustainable growth enterprise that distinguishes itself through a firm commitment to smart innovation, green energy, carbon reduction, and value co-creation", has formulated a ten-year business development strategy. CSC actively promoting dual cores: promote to "high value-added steel mill" and "developing the green energy industry", as well as three transformation strategies: "digital transformation, low carbon transformation, and supply chain transformation." These efforts will enable CSC to continue to blossom, grow sustainably, and move towards becoming a specialized, refined, and strong intelligent high value-added steel mill. At the same time, the Company uphold the concept of coexistence and mutual prosperity in the steel industry. By providing low-carbon steel materials and adopting the mode of leading the small enterprises, we collaborate with upstream and downstream steel industry partners to build Taiwan's low-carbon steel supply chain. Through innovative business models and collaboration across industries, we aim to create value for the downstream steel industry and explore opportunities in other fields and industries.

(IX) Expected benefits and potential risks related to mergers and acquisitions

In the 16th meeting of the 8th Board of Directors on May 5th, 2023, ThinTech Materials Technology Co., Ltd. agreed to acquire 70% shares of Changzhou China Steel Precision Materials Co., Ltd. from China Steel Asia Pacific Holdings Pte Ltd. This case is an adjustment of the Group's investment structure, which will strengthen the Group's upstream and downstream linkage in targets and special alloys, and also expand the application areas of its products, thereby enhancing its overall operational performance and long-term competitiveness.

(X) Expected benefits and potential risks related to plant expansion

In assessing plant expansions, the Company and companies of CSC Group have taken into account investment benefits and potential risks, and have conducted evaluations through a complete, cautious, and professional process. Significant capital expenditures must also be reported to the Audit Committee for review, and to the Board of Directors for approval. To reduce risks arising from market changes, risk sensitivity analysis has been enhanced, while benefit performance assessment has been implemented.

(XI) Risks related to concentration of purchases and sales

1. Risk related to concentration of purchases

(1) Equipment

In order to avoid over concentrated sources of procurement, the Company has always invited well-known manufacturers from all over the world to bid for equipment procurement after carrying out extensive investigations on potential suppliers. However, the steel production equipment is a highly specialized industry, and the number of manufacturers in this industry is quite limited. In recent years, equipment suppliers in various countries has achieved business integration through mergers, acquisitions, and strategic alliances; therefore, only a handful of manufacturers are able to provide quotations. Reduced competitiveness may prompt manufacturers to raise the quoted price, thereby increasing equipment investment costs.

(2) Raw materials

The Company and Dragon Steel Corporation are the only integrated steel mills in the CSC Group. Coking coal is mainly sourced from Australia, with a small amount from Canada. Meanwhile, iron ore is primarily sourced from Australia and Brazil, with a small amount from Canada. The Company takes the following response measures:

1) Develop new material sources in other regions.
2) Spot purchase a few amount of raw materials required in order to respond flexibly to changing circumstances.

2. Risk related to concentration of sales

In order to disperse risks arising from concentration of sales while maintaining the mindset of global development strategy, the Company and steel companies in CSC Group adopt the sales channel strategy of "focusing on domestic sales, supplemented with export sales," which is adjusted according to changes in market conditions. The specific measures taken include: increasing the promotion of new products to create new value; mastering developments in related industries to expand the scope of product supply; actively seeking investment opportunities in downstream steel manufacturers or steel-using industries; and establishing coil centers in overseas markets with development potential to rapidly respond to customer needs and establish steady long-term strategic partnerships. At present, the Company has established 10 coil centers in various regions, including Mainland China, Southeast Asia, and Italy, in order to disperse risks arising from recession in individual regional economy.

(XII) Impact of major transfers or changes in shareholdings of directors, supervisors or major shareholders with over 10% shareholding on the Company

No such circumstance was found from 2023 up to the publication date of this annual report (March 31, 2024).

(XIII) Impact and risks of changes in management rights on the Company

No such circumstance was found from 2023 up to the publication date of this annual report (March 31, 2024).

(XIV) Litigious or non-litigious matters: List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any of its director, supervisor, president, person with actual responsibility for the company, major shareholder with over 10% shareholding, and/or any affiliated companies; and (2) have been concluded with a final judgment, or are still under litigation. Where such a dispute could materially affect shareholders' rights or share prices, the annual report shall provide the facts in issue, amount of money at issue, commencement date, litigants, and current status of the case as of the publication date of this annual report.

Name of Affiliates	Litigant	Fact in Issue	Amount of Money at Issue	Commencement Date	Case Status as of the Publication Date of this Annual Report
Dragon Steel Corporation	Plaintiff: Tao-Yuan Ruan; Mu-Lan Lu; Ding-Yong Jiang Defendant: Environmental Protection Bureau of Taichung City Government Intervener: Dragon Steel Corporation	1. As citizens in an environmental protection group, including Tao-Yuan Ruan, were not satisfied with the resolution made at the 47th meeting of the Environment Impact Assessment Audit Committee on July 24, 2017, in the Letter of Chung-shi-huan-zhong No. 1060083497 issued by Environmental Protection Bureau of Taichung City Government on July 31, 2017, the citizens filed an appeal according to the law to rescind the administrative disposition. Taichung City Government determined to reject the appeal. The plaintiffs were unsatisfied with the result of the appeal and filed the administrative litigation according to the law. 2. As the results of the judgment for the litigation may compromise Dragon Steel's rights or legal interests, Dragon Steel attended the proceeding as an independent intervener on November 16, 2018.	None	July 26, 2018	1. The sentence made by Taichung High Administrative Court on March 25, 2020 is as follows: "1. The Appeal Decision Fu-shou-fa-su-tzu No. 1070140424 made by Taichung City Government and the original administrative disposition were discharged. 2. Reject the appeals made by plaintiffs Tao-Yuan Ruan and Mu-Lan Lu. 3. 50% of the litigation expenses shall be borne by Tao-Yuan Ruan and Mu-Lan Lu, and the remaining shall be born by the defendant." 2. The Supreme Administrative Court issued Judgment 2020 Shang-Tzu No. 576, stating that "The original judgment, except for the confirmed portion and the litigation costs of it, is vacated and remanded to the Taichung High Administrative Court." 3. The Taichung High Administrative Court issued the 2022 Su-Geng-Yi-Tzu Judgment No. 10, stating that "1. The Appeal Decision and the original administrative disposition were both discharged. 2. Except for the determined portion of the first-instance and the appeal costs prior to remand, all costs shall be borne by the defendant." 4. The case is currently being heard by the Supreme Administrative Court, pending under 2023 Shang-Tzu No. 869.
C.S.Aluminium Corporation	Far East Steel Enterprise Corporation	On March 30, 2020, C.S.Aluminium Corporation received a notice from the Civil Court under Taiwan	NT$130 million	March 30, 2020	The legal team of C.S.Aluminium Corporation submitted a statement of defense on March 15, 2024, advocating the dismissal of the plaintiff's current appraisal request on the grounds of legal delay in the litigation

		Kaohsiung District Court, attached with a civil complaint filed by Far East Steel Enterprise Corporation (hereinafter called Far East Steel), which claimed that C.S.Aluminium Corporation violated the commissioned aluminium coil slitting contracts (Contract No. 101M210001 and 106-L7-A-0002) signed by both parties, and requested C.S.Aluminium Corporation to pay a compensation of NT$130,347,384 based on the reason that the commissioned slitting volume between 2013 and 2019 failed to meet the guaranteed volume indicated in the contract.			process. The legal team maintained a consistent stance to invoke the statute of limitations and absence of penalties as defenses against the plaintiff's claims related to the contract A (contract period: 2012-2016), asserting the unnecessary nature of the appraisal. Additionally, The legal team explained their objection to the request for access to the data due to commercial confidentiality, inconsistencies between processing and export times, as well as the absence of data regarding the width of the mother coil on the customs export declarations, which they argued would not assist in clarifying the facts.
United Steel Engineering & Construction Corporation	Han Huang Co., Ltd., Po-Cheng International Hospital, Lan-Ting Juan, and Hsing-Hua Juan	On July 1 and 18, 2019, United Steel Engineering & Construction Corporation undertook mechanical, electrical, and renovation works at Po-Cheng International Hospital. Thereafter, Po-Cheng International Hospital issued a letter on June 5, 2020, stating that it shall re-apply for a GUI number and requested that Han Huang Co., Ltd. undertook the contract, with Po-Cheng International Hospital and Lan-Ting Juan serving as the joint guarantors of Han Huang Co., Ltd. Despite the completion and acceptance of the projects for a long period of time, Han Huang Co., Ltd. has yet to settle the project payments and additional project payments totaling NT$201,694,848. After issuing multiple reminders without success, United Steel Engineering & Construction Corporation filed a civil lawsuit, requesting the defendants to settle the project payments. After filing the lawsuit, Hsing-Hua Juan, the person in charge of Han Huang Co., Ltd., was included as a defendant in this case according to Paragraph 2, Article 99 of the Company Act which stipulates that "If a shareholder abuses the company's status as a legal entity and thus	NT$202 million	On January 27, 2021, the plaintiff submitted the civil complaint to Taiwan Kaohsiung District Court.	1. Litigation proceedings continued as a result of failure to reach a resolution via mediation. Therefore, the judge ordered the case to be sent for appraisal, where preliminary appraisal was carried out on September 7, 2022. 2. The appraisal process is ongoing, with the 6th on-site inspection conducted on March 5, 2024, and the 7th on-site inspection conducted on March 28, 2024.

		causes the company to bear specific debts and to be apparently difficult for the company to pay such debts, and if such abuse is of a severe nature, the shareholder shall, if necessary, be liable for the debts." This action is currently pending in the Taiwan Kaohsiung District Court with the First Instance Case No.: 2021 Chien-tzu No. 27.			
United Steel Engineering & Construction Corporation	Department of Rapid Transit Systems, New Taipei City Government	Union Steel Engineering & Construction Corporation was contracted by the Department of Rapid Transit Systems of New Taipei City Government on November 24, 2014, for the civil engineering portion of the "First Phase Comprehensive Engineering of the Danhai Light Rail Transit Project." Subsequently, on October 28, 2015, a contract change inspection was carried out for adjustments to the machinery plant area, including reducing the land area and canceling the land development for the machinery plant. Despite several years passing since the contract change was initiated, both parties have yet to reach an agreement. Nevertheless, the Department of Rapid Transit Systems of New Taipei City Government unilaterally approved the deduction in contract value, resulting in an improper deduction amounting to NT$487,442,674. Despite the completion and acceptance of the project for a long period of time, the Department of Rapid Transit Systems of New Taipei City Government has yet to return the deducted project amounts from the contract change. After issuing multiple reminders without success, United Steel	NT$487 million	On November 4, 2022, the plaintiff submitted the civil complaint to Taiwan New Taipei District Court.	On June 29, 2023, the first hearing took place. On August 29, 2023, United Steel Engineering & Construction Corporation filed a motion to submit receipts for actual expenses related to the machinery plant. As of now, the Department of Rapid Transit Systems of New Taipei City Government has not expressed any opinion on the matter. The court has notified the second hearing scheduled for April 11, 2024.

		Engineering & Construction Corporation filed a civil lawsuit, requesting the defendants to settle the project payments. This action is currently pending in the Taiwan New Taipei District Court, awaiting assignment of a case number for the first instance.			
China Steel Machinery Corporation	Armroc International Corporation	1. After the schedule delay of Armroc International Corporation, as interpellated by China Steel Machinery Corporation repeatedly, the performance has still not reached the progress and has even fallen seriously behind. As Armroc International Corporation has no integrity in fulfilling the contract, on June 3, 2019, China Steel Machinery Corporation terminated the contract with Armroc International Corporation and directly signed a contract with its downstream contractor, Safran, to complete the work. 2. However, Armroc International Corporation still considered that the remaining 50% of the third installment should be paid by China Steel Machinery Corporation. Since Armroc International Corporation has not completed the works as promised in the meeting, China Steel Machinery Corporation refused to pay. 3. China Steel Machinery Corporation terminated the	NT$101 million	The first court session was held on November 20, 2019. Then the first instance was closed on December 10, 2021, followed by the second instance to be held on April 14, 2022. The second-instance judgment was pronounced on November 29, 2023, followed by the final judgment being received on March 1, 2024.	1. The argument of the Armroc International Corporation Case (Case No.: Taiwan Kaohsiung District Court 2019 Zon-Su-Tzu No. 219) was concluded on November 10, 2021, and the first instance was closed on December 10, 2021. The summary was as follows: (1) The appeal (Armroc sued China Steel Machinery): Armroc failed. (2) The countercharge (China Steel Machinery sued Armroc): China Steel Machinery won partially, and lost partial cases. (3) China Steel Machinery could initiate provisional execution by providing NT$23.61 million to the court as security. 2. Armroc International Corporation filed an appeal with the court of second instance, and the court ruled in favor of China Steel Machinery Corporation in its entirety in the second-instance judgment pronounced on November 29, 2023. 3. On March 1, 2024, China Steel Machinery Corporation received the certificate to the effect that the judgment has become final and binding from the Taiwan High Court Kaohsiung Branch Court. On March 7, China Steel Machinery Corporation conducted an inquiry into the assets and income information of Armroc International Corporation but found no assets, and has applied to the Taiwan Taipei District Court for the issuance of a certificate of the obligatory claim.

		contract with Armroc International Corporation on June 3, 2019, and filed a countercharge for return of installments (the 1st, 2nd, and 1/2 of 3rd installments) paid by China Steel Machinery Corporation based on the principle of contract termination, and compensation to the damages of China Steel Machinery (Delay penalty and some punitive penalty for the integrated maintenance station of power system)			

(XV) Other significant risks: None.

VII. Other Significant Matters: None.

Chapter VIII. Special Disclosures

I. Information on Affiliated Companies

(I) 2023 Consolidated Financial Statements of Affiliated Companies: None.

(II) 2023 Consolidated Business Report of Affiliated Companies

1. Organization Chart of Affiliated Companies (2024.03.31)

2. Basic Information on Affiliated Companies

(As of March 31, 2024) Unit: $ thousands

Name of Subsidiary	Date of Incorporation	Address	Currency	Paid-in Capital	Main Business
Chung Hung Steel Corporation	1983.09.29	No. 317, Yuliao Rd., Qiaotou Dist., Kaohsiung City, Taiwan	NT$	14,355,444	Manufacture and sale of steel products
Hung Kao Investment Corporation	2006.09.26	28F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	26,000	General investment
China Steel Chemical Corporation	1989.02.03	25F, No. 88, Chengong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	2,369,044	Manufacture of coal chemicals and specialty chemicals, and production and sale of anode materials and carbon materials
Ever Wealthy International Corporation	1999.08.30	25F, No. 88, Chengong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	1,045,750	General investment
Changzhou China Steel New Materials Technology Co., Ltd.	2013.12.19	No. 18, Changyang Rd., Wujin Economic Development Zone, Changzhou, Jiangsu Prov., China	CNY$	39,950	Processing and sale of green mesophase powder
China Ecotek Corporation	1993.03.15	8F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	1,237,426	Environmental and electromechanical engineering, Operation & Maintenance (O&M)
CEC International Corporation	2002.10.08	Portcullis Chambers, P.O. Box 1225, Apia, Samoa	US$	1,000	General investment
China Ecotek India Private Limited	2012.08.17	B-33, 2F, Janki Residency, Undera-Koyali Rd., Undera, Vadodara, Gujarat, India	INR$	50,000	Construction engineering
CEC Development Corporation	2017.05.16	Level 2, Lotemau Centre Building, Vaea Street, Apia, Samoa	US$	16,000	General investment
China Ecotek Vietnam Company Limited	2010.06.09	Phuoc Lap Zone, My Xuan Ward, Phu My Town, Ba Ria Vung Tau Prov., Vietnam	US$	10,000	Construction engineering
Xiamen Ecotek PRC Company Limited	2011.11.09	Rm. 2205-3, Lin Shinn Plaza, No. 90 Hubin South Rd., Siming Dist., Xiamen City, Fujian Prov., China	US$	6,000	Sales agency for import and export of equipment and materials
China Steel Structure Co., Ltd.	1978.02.24	No. 500, Zhongxing Rd., Yanchao Dist, Kaohsiung City, Taiwan	NT$	2,000,000	Manufacture and sale of steel structures
United Steel Engineering & Construction Corporation	1985.01.10	8F-1 to 8F-4, No. 88, Zhongzheng 3rd Rd., Xinxing Dist., Kaohsiung City, Taiwan	NT$	800,000	Contracting and management of civil engineering construction, etc
China Steel Structure Holding Co., Ltd.	2003.11.03	Portcullis Chambers, P.O. Box 1225, Apia, Samoa	US$	0.01	Holding and investment
CHC Resources Corporation	1991.05.25	22F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	2,485,404	Manufacture and sale of GBFS powder and GBFS cement, air-cooled BFS and BOFS, recycling of resources
Yu Cheng Lime Corporation	1969.04.16	No.1, Youcheng Ln., Yanhai 3rd Rd., Xiaogang Dist., Kaohsiung City, Taiwan	NT$	12,000	Real estate leasing and tally service of raw materials
Union Steel Development Corporation	1995.06.20	11F-2, No. 243, Yixin 1st Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	50,000	Manufacture and sale of iron powder, contract manufacturing and sale of refractory materials, trading and labor dispatching
Pao Good Industrial Co., Ltd.	1996.08.29	11F-1, No. 241, Yixin 1st Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	106,050	Trading of fly ash, production and sale of dry-mix mortar and trading business

Name of Subsidiary	Date of Incorporation	Address	Currency	Paid-in Capital	Main Business
CHC Resources Vietnam Co., Ltd	2016.03.17	Complex of Formosa Ha Tinh Steel Corporation Administration Area, Vung Ang Economic Zone, Ky Long Ward, Ky Anh Town, Ha Tinh Prov., Vietnam	US$	25,000	Manufacture and sales of ground granulated BFS and sale of water-quenched slag
China Steel Security Corporation	1997.11.27	17F-1, No. 247, Minsheng 1st Rd., Xinxing Dist., Kaohsiung City, Taiwan	NT$	250,470	On-site guarding and system security
Steel Castle Technology Corporation	1999.04.20	17F-2, No. 247, Minsheng 1st Rd., Xinxing Dist., Kaohsiung City, Taiwan	NT$	130,000	Installation of fire protection equipment
China Steel Management And Maintenance For Buildings Corporation	2012.01.02	17F-2, No. 247, Minsheng 1st Rd., Xinxing Dist., Kaohsiung City, Taiwan	NT$	10,000	Management and maintenance for buildings
China Steel Management Consulting Corporation	1998.11.30	No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	10,000	Corporate business management consulting
China Prosperity Development Corporation	1998.08.18	23F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	5,098,095	Development of real estate
China Prosperity Construction Corporation	2008.10.28	24F-6, No.31, Hai Bian Rd., Ling Yea Dist., Kaohsiung City, Taiwan	NT$	133,875	Development of real estate
CK Japan Co., Ltd.	2012.01.06	2-4-7, Uchihommachi, Osaka Shi Chuo Ku, Osaka Fu, 540-0026, Japan	JP$	480,000	Leasing of real estate
HIMAG Magnetic Corporation	1991.01.10	No. 24-1, Chienkuo Rd., Fengtien Vill., Neipu Township, Pingtung County, Taiwan	NT$	276,055	Manufacture and trading of magnetic materials, specialty chemicals and iron oxide
MagnPower Corporation	2014.09.30	No. 36, Jingjian Rd., Pingtung City, Pingtung Country, Taiwan	NT$	400,000	Powder metallurgy
Eminent Venture Capital Corporation	2005.03.25	28F, No. 7, Sec.5, Xinyi Rd., Xinyi Dist., Taipei City, Taiwan	NT$	67,507	General investment
Sing Da Marine Structure Corporation	2018.04.19	No. 201, Sec. 1, Dongfang Rd., Qieding Dist., Kaohsiung City, Taiwan	NT$	2,626,950	Manufacture of offshore wind power substructure
China Steel Power Holding Corporation	2018.06.28	15F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	8,583,000	General investment
China Steel Power Corporation	2019.12.11	10F-1, No. 369, Zhonghua W. Rd., Changhua City, Changhua County, Taiwan	NT$	8,577,000	Offshore Wind Power Generation
CSC Solar Corporation	2016.10.11	9F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	1,744,000	Solar power generation
China Steel Resources Corporation	2014.02.18	No. 38, Yanhai 3rd Rd., Xiaogang Dist., Kaohsiung City, Taiwan	NT$	981,120	Manufacture of other non-metallic mineral products
InfoChamp Systems Corporation	2000.03.27	19F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City,Taiwan	NT$	414,706	ERP system integration services
Info-Champ System (B.V.I) Corporation	2000.04.28	Portcullis Chambers, 4F, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, B.V.I	US$	201	Holding and investment
Wuhan InfoChamp I.T. Co., Ltd.	2002.04.22	15F, Quanta Building, No. 1 Friendship Ave., Wuchang Dist., Wuhan, China	US$	200	ERP system integration services
Kaohsiung Rapid Transit Corporation	2000.12.28	No. 1, Jungan Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	2,786,064	Mass rapid transit system operations

Name of Subsidiary	Date of Incorporation	Address	Currency	Paid-in Capital	Main Business
Taiwan Intelligent Transportation Co., Ltd.	2018.10.01	2F, No.1, Jungan Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	26,000	Technical services
China Steel Machinery Corporation	2001.09.20	No. 3, Taichi Rd., Xiaogang Dist., Kaohsiung City, Taiwan	NT$	1,352,824	Manufacture and sale of mechanical equipments, including steel making equipment, rolling stock, transportation equipment, power plant equipment, etc.
Dragon Steel Corporation	1993.11.18	No. 100, Longchang Rd., Longjing Dist., Taichung City, Taiwan	NT$	86,125,861	Hot-rolled coils, H beams, billets, flat steels
C.S.Aluminium Corporation	1996.01.16	No. 17, Donglin Rd., Xiaogang Dist., Kaohsiung City, Taiwan	NT$	8,402,512	Production and trading of aluminum products and other non-ferrous metal products
China Steel Express Corporation	1996.02.13	24F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	4,225,453	Raw material shipping services and ship leasing
Kaoport Stevedoring Corporation	1997.11.08	33F-1, No. 8, Minquan 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	50,000	Ship stevedoring
Transglory Investment Corporation	2005.05.13	26F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	8,330,015	General investment
CSE Transport Corporation	1996.10.04	BICSA Financial Center, 60th Floor, Balboa Avenue, Panama City, Republic of Panama	US$	10	Dry bulk shipping business
Gains Investment Corporation	1996.04.01	26F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	5,970,000	General investment
ThinTech Materials Technology Co., Ltd.	2000.03.29	8F-4, No. 140, Zhongshan N. Rd., Gangshan Dist., Kaohsiung City, Taiwan	NT$	735,012	Manufacture and sale of sputtering targets
Thintech Global Limited	2011.02.23	Portcullis Chambers, P.O. Box 1225, Apia, Samoa	US$	6,800	Holding and investment
Taicang Thintech Materials Co., Ltd.	2011.07.28	No. 98, Beitaowan Rd. , Shaxi Town, Taicang City, Jiangsu Prov., China	US$	6,800	Manufacture and sale of sputtering targets
Winning Investment Corporation	1997.04.25	26F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	2,300,000	General investment
Betacera Inc.	1987.11.06	No. 105, Yongchang St., Yingge Dist., New Taipei City, Taiwan	NT$	427,803	Manufacture and trading of electronic ceramics
Lefkara Ltd.	1992.04.01	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, B.V.I	US$	13,623	Holding and investment
Betacera (Su Zhou) Co., Ltd.	2000.08.18	No. 1219, Yunli Rd., Economic Develop Zone, Wujiang City, Jiangsu Prov., China	US$	4,400	Manufacture and trading of electronic ceramics
Suzhou Betacera Technology Co., Ltd.	2007.06.04	No. 500, Ganquan West Rd., Economic Develop Zone, Wujiang City, Jiangsu Prov., China	US$	15,000	Manufacture and trading of life-saving equipment for shipping and aviation
Shanghai Xike Ceramic Electronic Co., Ltd.	1992.08.11	No. 600, Xiaomuqiao Rd., Xuhui Dist., Shanghai, China	US$	1,200	Manufacture and trading of electronic ceramics
Universal Exchange Inc.	2000.01.21	6F, No. 20, Nanhai Rd., Zhongzheng Dist., Taipei City, Taiwan	NT$	165,450	Wholesale, service of IT software and electronic information services supply
Pro-Ascentek Investment Corporation	2021.01.21	26F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	1,200,000	General investment

Name of Subsidiary	Date of Incorporation	Address	Currency	Paid-in Capital	Main Business
Mentor Consulting Corporation	1996.06.05	26F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	10,000	Management consulting business
Eminence Investment Corporation	1996.06.06	26F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	1,500,000	General investment
Shin Mau Investment Corporation	1997.05.21	26F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	29,900	General investment
Hung-Chuan Investment Corporation	1999.09.27	26F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	20,000	General investment
Chi-Yi Investment Corporation	1999.10.04	26F, No. 88 Chenggong 2nd Rd., Qianzhen Dist, Kaohsiung City, Taiwan	NT$	20,000	General investment
Ding Da Investment Corporation	1997.05.21	26F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	29,900	General investment
Jiing-Cherng-Fa Investment Corporation	1999.09.27	26F, No. 88 Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	23,000	General investment
Gau Ruei Investment Corporation	1997.05.21	26F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	29,900	General investment
Li-Ching-Long Investment Corporation	1999.09.27	26F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	20,000	General investment
Sheng Lih Dar Investment Corporation	1999.09.27	26F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	24,000	General investment
Chiun Yu Investment Corporation	1997.05.21	26F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan	NT$	29,900	General investment
OmniGains Investment Corporation	2023.03.10	Portcullis Chambers, P.O. Box 1225, Apia, Samoa	US$	23,168	Holding and investment
China Steel Global Trading Corporation	1996.04.02	10F, No. 88, Chenggong 2nd Rd., QianZhen Dist., Kaohsiung City, Taiwan	NT$	788,298	Sales agent and trading of steel products
Wabo Global Trading Corporation	1997.11.24	9F, No. 88, Chenggong 2nd Rd., Quianzhen Dist., Kaohsiung City, Taiwan	NT$	119,000	Sales agent and trading of steel products
CSGT Japan Co., Ltd.	1998.03.17	2F, Osaka U2 Building, 4-7 Uchihonmachi 2-Chome, Chuoku, Osaka 540-0026, Japan	JP$	40,000	Sales agent and trading of steel products
Chung Mao Trading (Samoa) Corporation	2002.07.04	Portcullis Chambers, P.O. Box 1225, Apia, Samoa	US$	8,800	Holding and investment
CSGT (Shanghai) Co., Ltd.	2002.09.23	Rm. 1907, No. 501, Daming Rd., Hongkou Dist., Shanghai, China	US$	600	Sales agent and trading of steel products
CSGT International Corporation	2007.08.07	Portcullis Chambers, P.O. Box 1225, Apia, Samoa	US$	20,740	Holding and investment
CSGT Metals Vietnam Joint Stock Company	2007.10.31	Lot VI-1A, The 6th Rd., Ho Nai Industrial Zone, Trang Bom Dist., Dong Nai Prov., Vietnam	US$	13,800	Cutting and processing of steel products
CSGT Trading India Private Limited	2014.09.10	Office No. 204, 2F, Iscon Atria, Tower-2, Gotri Rd., Vadodara Gujarat, India	INR$	48,000	Sales agent and trading of steel products
CSGT (Singapore) Pte. Ltd.	2001.02.03	1 Raffles Place #23-02 One Raffles Place Singapore 048616, Singapore	SG$	6,100	Sales agent and trading of steel products
China Steel Precision Metals Qingdao Co., Ltd.	2012.11.06	Building No. 3, No. 500, Fenjin Rd., Economic & Technological Dist., Qingdao, Shandong, China	US$	20,000	Cutting and processing of steel products
CSGT (Shenzhen) Co., Ltd.	2020.06.02	No. 01A, 02 & 03C, 38F, Building 1, Huanggang Business Center, Jintian Rd., Futian Dist., Shenzhen City, China	US$	800	Sales agent and trading of steel products

Name of Subsidiary	Date of Incorporation	Address	Currency	Paid-in Capital	Main Business
China Steel Precision Metals Kunshan Co., Ltd.	2004.06.10	No. 168, ShuangHua Rd., HuaQiao Kunshan Jiangsu Prov., China	US$	15,000	Cutting and processing of steel products
China Steel and Nippon Steel Vietnam Joint Stock Company	2009.06.09	My Xuan A2 Industrial Zone, My Xuan Ward, Phu My Town, Ba Ria-Vung Tau Prov., Vietnam	US$	574,000	Manufacture and sale of steel products
CSC Steel Australia Holdings Pty Ltd	2007.02.05	Level 23, 240 Queen St., Brisbane, QLD 4000, Australia	AU$	594,638	General investment
CSC Sonoma Pty Ltd	2007.02.05	Level 23, 240 Queen St., Brisbane, QLD 4000, Australia	AU$	16,440	Mining investment
CSCI Steel Corporation India Pvt. Ltd.	2011.10.20	Office No. 204, 2F, Iscon Atria, Tower-2, Gotri Rd., Vadodara Gujarat, India	INR$	2,535,672	Electrical sheets
China Steel Asia Pacific Holdings Pte Ltd	2000.11.01	160 Robinson Rd., SBF Center #15-06, Singapore	SG$	154,157	Holding and investment
CSC Steel Holdings Berhad	2004.01.20	180, Kawasan Industri Ayer Keroh, 75450 Melaka, Malaysia	RM$	413,163	General investment
CSC Steel Sdn. Bhd.	1991.11.14	180, Kawasan Industri Ayer Keroh, 75450 Melaka, Malaysia	RM$	359,000	Manufacture and sale of steel products
Constant Mode Sdn. Bhd.	2010.11.19	180, Kawasan Industri Ayer Keroh, 75450 Melaka, Malaysia	RM$	750	General investment
Changzhou China Steel Precision Materials Co., Ltd.	2008.09.17	No. 18, Changyang Rd., Wujin Economic Development Zone, Changzhou, Jiangsu Prov., China	US$	50,880	Manufacture and trading of titanium alloys, nickel alloys, non-ferrous forged products

3. Information on common shareholders of companies with control or subordinate relationship: None

4. Business Scope and Relationships of Affiliated Companies

(As of March 31, 2024)

Industry	Name of Affiliated Company	Business Relationship with Other Affiliated Companies
Steel industry	Chung Hung Steel Corporation	Purchasing slabs from China Steel Corporation and Dragon Steel Corporation
	Dragon Steel Corporation	Supplying hot-rolled coils and slabs to China Steel Corporation and Chung Hung Steel Corporation
	China Steel and Nippon Steel Vietnam Joint Stock Company	Purchasing hot-rolled coils from China Steel Corporation, Dragon Steel Corporation and Chung Hung Steel Corporation
	CSCI Steel Corporation India Pvt. Ltd.	Purchasing cold-rolled coils from China Steel Corporation and China Steel and Nippon Steel Vietnam Joint Stock Company
	CSC Steel Sdn. Bhd.	Purchasing hot-rolled coils from China Steel Corporation and Chung Hung Steel Corporation
Steel cutting and processing	CSGT Metals Vietnam Joint Stock Company	Purchasing steel coils from China Steel Corporation, Chung Hung Steel Corporation and China Steel and Nippon Steel Vietnam Joint Stock Company
	China Steel Precision Metals Qingdao Co., Ltd.	Purchasing hot-rolled and cold-rolled coils from China Steel Corporation
	China Steel Precision Metals Kunshan Co., Ltd.	Purchasing hot-rolled and cold-rolled coils from China Steel Corporation
Non-ferrous industrial materials	China Steel Chemical Corporation	Purchasing coal tar, light oil and other raw materials from China Steel Corporation
	Changzhou China Steel New Materials Technology Co., Ltd.	Purchasing mesophase graphite from China Steel Chemical Corporation
	CHC Resources Corporation	Purchasing water-quenched slag from China Steel Corporation and processing BOFS and air-cooled BFS from China Steel Corporation
	Yu Cheng Lime Corporation	Providing storages for BFS material and finished products from CHC Resources Corporation
	Pao Good Industrial Co., Ltd.	Supplying fly ash to CHC Resources Corporation
	CHC Resources Vietnam Co., Ltd	Supplying water-quenched slag to CHC Resources Corporation
	HIMAG Magnetic Corporation	Purchasing iron oxides from CSC Group and providing specialty chemicals to CSC Group
	MagnPower Corporation	A subsidiary of HIMAG Magnetic Corporation
	China Steel Resources Corporation	Processing of desulfurized slag from China Steel Corporation
	C.S.Aluminium Corporation	Supplying aluminum bars, wires and drops to China Steel Corporation
	ThinTech Materials Technology Co., Ltd.	Purchasing titanium from Changzhou China Steel Precision Materials Co., Ltd. and supplying sputtering targets to Taicang Thintech Materials Co., Ltd.
	Taicang Thintech Materials Co., Ltd.	Purchasing sputtering targets from ThinTech Materials Technology Co., Ltd.
	Betacera Inc.	Supplying materials of electronic ceramics to Betacera (Su Zhou) Co., Ltd. and Shanghai Xike Ceramic Electronic Co., Ltd; supplying refractory materials to China Steel Corporation and Dragon Steel Corporation
	Betacera (Su Zhou) Co., Ltd.	Purchasing materials of electronic ceramics from Betacera Inc. and supplying electronic ceramics products to Betacera Inc.
	Suzhou Betacera Technology Co., Ltd.	Selling lifesaving products to Betacera Inc.
	Shanghai Xike Ceramic Electronic Co., Ltd.	Purchasing materials of electronic ceramics from Betacera Inc.
	Changzhou China Steel Precision Materials Co., Ltd.	Selling titanium and nickel alloys toThinTech Materials Technology Co., Ltd. and Taicang Thintech Materials Co., Ltd.

Industry	Name of Affiliated Company	Business Relationship with Other Affiliated Companies
Ocean freight forwarding and stevedoring	China Steel Express Corporation	Providing shipping services for CSC Group
	Kaoport Stevedoring Corporation	Providing shipping cargo stevedoring services for CSC Group
	CSE Transport Corporation	Providing shipping services for CSC Group
International trade	Xiamen Ecotek PRC Company Limited	A subsidiary of CEC Development Corporation
	China Steel Global Trading Corporation	Sales agent for CSC Group steel and aluminum products
	Wabo Global Trading Corporation	Sales agent for CSC Group steel and aluminum products
	CSGT Japan Co., Ltd.	Sales agent for CSC Group steel and aluminum products
	CSGT (Shanghai) Co., Ltd.	Sales agent for CSC Group steel and aluminum products
	CSGT Trading India Private Limited	Sales agent for CSC Group steel and aluminum products
	CSGT (Singapore) Pte. Ltd.	Sales agent for CSC Group steel and aluminum products
	CSGT (Shenzhen) Co., Ltd.	Sales agent for CSC Group steel and aluminum products
Investment holding companies	Hung Kao Investment Corporation	A subsidiary of Chung Hung Steel Corporation
	Ever Wealthy International Corporation	A subsidiary of China Steel Chemical Corporation
	CEC International Corporation	A subsidiary of China Ecotek Corporation
	CEC Development Corporation	A subsidiary of China Ecotek Corporation
	China Steel Structure Holding Co., Ltd.	A subsidiary of China Steel Structure Co., Ltd.
	Eminent Venture Capital Corporation	A subsidiary of Gains Investment Corporation and China Steel Chemical Corporation
	China Steel Power Holding Corporation	A subsidiary of China Steel Corporation
	Info-Champ System (B.V.I) Corporation	A subsidiary of InfoChamp Systems Corporation
	Transglory Investment Corporation	A joint-company invested by China Steel Express Corporation, Chung Hung Steel Corporation, China Steel Chemical Corporation and United Steel Engineering & Construction Corporation
	Gains Investment Corporation	A subsidiary of China Steel Corporation
	Thintech Global Limited	A subsidiary of ThinTech Materials Technology Co., Ltd.
	Winning Investment Corporation	A joint-company invested by Gains Investment Corporation and Transglory Investment Corporation
	Lefkara Ltd.	A subsidiary of Betacera Inc.
	Pro-Ascentek Investment Corporation	A joint-company invested by Chung Hung Steel Corporation, Dragon Steel Corporation, China Steel Chemical Corporation, China Ecotek Corporation, Gains Investment Corporation, etc
	Eminence Investment Corporation	A subsidiary of Gains Investment Corporation
	Shin Mau Investment Corporation	A joint-company invested by Eminence Investment Corporation, CHC Resources Corporation and United Steel Engineering & Construction Corporation
	Hung-Chuan Investment Corporation	A joint-company invested by Eminence Investment Corporation, China Ecotek Corporation and Ever Wealthy International Corporation
	Chi-Yi Investment Corporation	A joint-company invested by Eminence Investment Corporation, China Ecotek Corporation and China Steel Structure Co., Ltd.

Industry	Name of Affiliated Company	Business Relationship with Other Affiliated Companies
Investment holding companies	Ding Da Investment Corporation	A joint-company invested by Eminence Investment Corporation, CHC Resources Corporation and Ever Wealthy International Corporation
	Jiing-Cherng-Fa Investment Corporation	A joint-company invested by Eminence Investment Corporation, China Ecotek Corporation and CHC Resources Corporation
	Gau Ruei Investment Corporation	A joint-company invested by Eminence Investment Corporation, CHC Resources Corporation and China Steel Chemical Corporation
	Li-Ching-Long Investment Corporation	A joint-company invested by Eminence Investment Corporation, China Steel Chemical Corporation and China Steel Structure Co., Ltd.
	Sheng Lih Dar Investment Corporation	A joint-company invested by Eminence Investment Corporation, CHC Resources Corporation and Ever Wealthy International Corporation
	Chiun Yu Investment Corporation	A joint-company invested by Eminence Investment Corporation, China Ecotek Corporation and China Steel Structure Co., Ltd.
	OmniGains Investment Corporation	A subsidiary of Gains Investment Corporation
	Chung Mao Trading (Samoa) Corporation	A subsidiary of China Steel Global Trading Corporation
	CSGT International Corporation	A subsidiary of China Steel Global Trading Corporation
	CSC Steel Australia Holdings Pty Ltd	A subsidiary of China Steel Corporation
	CSC Sonoma Pty Ltd	A subsidiary of CSC Steel Australia Holdings Pty Ltd
	China Steel Asia Pacific Holdings Pte Ltd	A subsidiary of China Steel Corporation
	CSC Steel Holdings Berhad	A subsidiary of China Steel Asia Pacific Holdings Pte Ltd
Management consulting companies	China Steel Management Consulting Corporation	Providing business management and consulting services management for CSC Group
	Mentor Consulting Corporation	A subsidiary of Gains Investment Corporation
Other metal products manufacturing	Union Steel Development Corporation	Processing used refractory from China Steel Corporation
Fire protection, security and business management services	China Steel Security Corporation	Providing services of on-site security and systematic security for CSC Group
	Steel Castle Technology Corporation	Providing services of firefighting engineering, mechatronic engineering and professional technical operation for CSC Group
	China Steel Management And Maintenance For Buildings Corporation	Providing services of management and maintenance of office building for CSC Group
Machinery manufacturing and assembly	China Steel Machinery Corporation	Purchasing plate from China Steel Corporation
Real estate development	China Prosperity Development Corporation	Providing real estate development services for CSC Group
	China Prosperity Construction Corporation	A subsidiary of China Prosperity Development Corporation
	CK Japan Co., Ltd.	Providing real estate leasing services for CSC Group
	Constant Mode Sdn. Bhd.	A subsidiary of CSC Steel Sdn. Bhd.
Construction engineering	China Steel Structure Co., Ltd.	Providing plant design and construction services for CSC Group
	United Steel Engineering & Construction Corporation	Providing civil engineering services of plant construction for CSC Group

Industry	Name of Affiliated Company	Business Relationship with Other Affiliated Companies
Engineering services	China Ecotek Corporation	Providing environmental engineering and plant construction services for CSC Group
	China Ecotek India Private Limited	Providing plant construction services for CSC Group
	China Ecotek Vietnam Company Limited	Providing plant construction services for CSC Group
Information services	InfoChamp Systems Corporation	Providing ERP establishment services for CSC Group
	Wuhan InfoChamp I.T. Co., Ltd.	A subsidiary of Info-Champ System (B.V.I) Corporation
Green energy	Sing Da Marine Structure Corporation	Purchasing plate from China Steel Corporation; providing offshore wind power substructure for China Steel Power Corporation
	China Steel Power Corporation	A subsidiary of China Steel Power Holding Corporation
	CSC Solar Corporation	Renting the roof of the factory buildings of CSC Group to implement the solar photovoltaic business
E-commerce	Universal Exchange Inc.	Providing the Electronic Letter of Credit service for CSC Group
Mass transit system operation	Kaohsiung Rapid Transit Corporation	A subsidiary of China Steel Corporation
	Taiwan Intelligent Transportation Co., Ltd.	A subsidiary of Kaohsiung Rapid Transit Corporation

5. Directors, Supervisors and Presidents of Affiliated Companies

(As of March 31, 2024) Unit: shares, %

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
Chung Hung Steel Corporation	Chairman	China Steel Corporation (Representative: Kuei-Sung Tseng)	582,673,153	40.59%
	Director	China Steel Corporation (Representative: Chao-Tung Wong)	582,673,153	40.59%
	Director	China Steel Corporation (Representative: Wen-Chou Li)	582,673,153	40.59%
	Director	China Steel Corporation (Representative: Kun-Pin Huang)	582,673,153	40.59%
	Independent Director	Lin-Lin Lee	0	0.00%
	Independent Director	Juh-Shan Chiou	0	0.00%
	Independent Director	Hsien-Tang Tsai	0	0.00%
	President	Min Chu	0	0.00%
Hung Kao Investment Corporation	Chairman	Chung Hung Steel Corporation (Representative: Chien-Hui Lee)	2,600,000	100.00%
China Steel Chemical Corporation	Chairman	China Steel Corporation (Representative: Wen-Jung Hsieh)	68,787,183	29.04%
	Director	China Steel Corporation (Representative: Chao-Tung Wong)	68,787,183	29.04%
	Director	China Steel Corporation (Representative: Shyi-Chin Wang)	68,787,183	29.04%
	Director	International CSRC Investment Holdings Co., Ltd. (Representative: Gong-Yi Gu)	11,759,096	4.96%
	Director	International CSRC Investment Holdings Co., Ltd. (Representative: Tien-Fu Chao)	11,759,096	4.96%
	Independent Director	Hsin-Shu Hsieh	0	0.00%
	Independent Director	Yuan-Hong Wang	0	0.00%
	Independent Director	Tsun-Tzu Hsu	0	0.00%
	Director and President	China Steel Corporation (Representative: Ming-Da Fang)	68,787,183	29.04%
Ever Wealthy International Corporation	Chairman	China Steel Chemical Corporation (Representative: Ming-Da Fang)	104,574,982	100.00%
	President	Yi-Hung Chen	0	0.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
Changzhou China Steel New Materials Technology Co., Ltd.	Chairman	Ever Wealthy International Corporation (Representative: Ming-Da Fang)	CNY$ 39,950,000	100.00%
	Director	Ever Wealthy International Corporation (Representative: Wen-Jung Hsieh)	CNY$ 39,950,000	100.00%
	Supervisor	Ever Wealthy International Corporation (Representative: Yi-Hung Chen)	CNY$ 39,950,000	100.00%
	Director and President	Ever Wealthy International Corporation (Representative: Wen-Da Hong)	CNY$ 39,950,000	100.00%
China Ecotek Corporation	Chairman	China Steel Corporation (Representative: Cheng-Chiang Chen)	55,393,138	44.76%
	Director	China Steel Corporation (Representative: Chao-Tung Wong)	55,393,138	44.76%
	Director	China Steel Corporation (Representative: Shyi-Chin Wang)	55,393,138	44.76%
	Director	China Steel Corporation (Representative: Chen Yang)	55,393,138	44.76%
	Director	Hua Eng Wire And Cable Co., Ltd. (Representative: Hsiu-Mei Liu)	11,843,730	9.57%
	Director	Great Grandeul Steel Co., Ltd. (Representative: Yu-Lun Kuo)	3,964,000	3.20%
	Director	Bai Chien Investment Corporation (Representative: Po-Nien Lin)	3,005,000	2.43%
	Independent Director	Chia-Jung Chen	0	0.00%
	Independent Director	Po-Han Wang	0	0.00%
	Independent Director	Tai-Guang Peng	0	0.00%
	Director and President	China Steel Corporation (Representative: Chih-Feng Lee)	55,393,138	44.76%
CEC International Corporation	Director	China Ecotek Corporation (Representative: Li-Ming Hu)	10,000,000	100.00%
China Ecotek India Private Limited	Director	CEC International Corporation (Representative: Li-Ming Hu)	4,995,000	99.90%
	Director	Yao-Pin Chen	0	0.00%
CEC Development Corporation	Director	China Ecotek Corporation (Representative: Li-Ming Hu)	17,000,000	100.00%
China Ecotek Vietnam Company Limited	Director	CEC Development Corporation (Representative: Li-Ming Hu)	USD$ 10,000,000	100.00%
	President	Ming-Fang Liang	USD$ 0	0.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
Xiamen Ecotek PRC Company Limited	Director and President	CEC Development Corporation (Representative: Li-Ming Hu)	USD$ 6,000,000	100.00%
	Supervisor	Ya-Min Chuang	USD$ 0	0.00%
China Steel Structure Co., Ltd.	Chairman	China Steel Corporation (Representative: Jui-Teng Chen)	66,487,844	33.24%
	Director	China Steel Corporation (Representative: Chien-Chih Hwang)	66,487,844	33.24%
	Director	IHI Corporation (Representative: Tao-Peng Lin)	11,061,690	5.53%
	Director	Dragon Steel Corporation (Representative: Shao-Jung Lu)	4,217,000	2.11%
	Director	Great Grandeul Steel Co., Ltd (Representative: Chih-Hao Kuo)	3,899,000	1.95%
	Director	China Steel Chemical Corporation (Representative: Wen-Jung Hsieh)	600,069	0.30%
	Director	Grace Investment Co., Ltd. (Representative: Che-Sheng Chen)	496,000	0.25%
	Independent Director	Hsiu-Ling Lee	0	0.00%
	Independent Director	Hwa-Teng Lee	0	0.00%
	Independent Director	Wei Lo	0	0.00%
	Director and President	China Steel Corporation (Representative: Yuan-Chang Huang)	66,487,844	33.24%
United Steel Engineering & Construction Corporation	Chairman	China Steel Structure Co., Ltd. (Representative: Yuan-Chang Huang)	80,000,000	100.00%
	Director	China Steel Structure Co., Ltd. (Representative: Jui-Teng Chen)	80,000,000	100.00%
	Director	China Steel Structure Co., Ltd. (Representative: Ping-Hao Li)	80,000,000	100.00%
	Director	China Steel Structure Co., Ltd. (Representative: Sheng-Yi Chen)	80,000,000	100.00%
	Director and President	China Steel Structure Co., Ltd. (Representative: I-Fang Kao)	80,000,000	100.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
China Steel Structure Holding Co., Ltd.	Director	China Steel Structure Co., Ltd. (Representative: Jui-Teng Chen)	10	100.00%
CHC Resources Corporation	Chairman	China Steel Corporation (Representative: Hung-Ta Lin)	49,289,597	19.83%
	Director	China Steel Corporation (Representative: Chih-Hong Lin)	49,289,597	19.83%
	Director	China Steel Corporation (Representative: Shui-Sheng Hung)	49,289,597	19.83%
	Director	Taiwan Cement Corporation (Representative: Chien-Chiang Huang)	30,196,163	12.15%
	Director	Taiwan Cement Corporation (Representative: Yun-De Wu)	30,196,163	12.15%
	Director	China Steel Structure Co., Ltd. (Representative: Jui-Teng Chen)	23,182,738	9.33%
	Director	Asia Cement Corporation (Representative: Jhih-Sian Chen)	22,801,185	9.17%
	Director	Asia Cement Corporation (Representative: Chen-Ho Chung)	22,801,185	9.17%
	Director	Universal Cement Corporation (Representative: Chih-Yuan Hou)	17,020,254	6.85%
	Director	China Steel Chemical Corporation (Representative: Yi-Hung Chen)	15,019,341	6.04%
	Director	Southeast Cement Corporation (Representative: Rong-Tzong Tang)	13,083,801	5.26%
	Independent Director	Jung-Shien Wang	0	0.00%
	Independent Director	Chung-Chia Yang	0	0.00%
	Independent Director	Fu-Tien Cheng	0	0.00%
	Director and President	China Steel Corporation (Representative: Hsiang-Ya Huang)	49,289,597	19.83%
Yu Cheng Lime Corporation	Chairman and President	CHC Resources Corporation (Representative: Hung-Shu Chung)	108,000	90.00%
	Supervisor	Chih-Yuan Chou	0	0.00%
Union Steel Development Corporation	Chairman	CHC Resources Corporation (Representative: Hsiang-Ya Huang)	4,668,333	93.37%
	Supervisor	Chih-Yuan Chou	0	0.00%
	President	Chia-Hao Chang	0	0.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
Pao Good Industrial Co., Ltd.	Chairman	CHC Resources Corporation (Representative: Ming-Chang Chiu)	5,408,550	51.00%
	Director	CHC Resources Corporation (Representative: Hsiang-Ya Huang)	5,408,550	51.00%
	Director	CHC Resources Corporation (Representative: Hung-Shu Chung)	5,408,550	51.00%
	Director	Nan Hwa Cement Corporation (Representative: Chen-Ho Chung)	3,287,550	31.00%
	Director	Nan Hwa Cement Corporation (Representative: Wen-Hua Yeh)	3,287,550	31.00%
	Supervisor	Yuen Shwei Enterprise Co., Ltd. (Representative: Hsin-Lu Liu)	1,060,500	10.00%
	President	Zong-Rong Lin	0	0.00%
CHC Resources Vietnam Co., Ltd	Chairman	CHC Resources Corporation (Representative: Hung-Shu Chung)	USD$ 21,250,000	85.00%
	Director	CHC Resources Corporation (Representative: Hung-Ta Lin)	USD$ 21,250,000	85.00%
	Director	CHC Resources Corporation (Representative: Hsiang-Ya Huang)	USD$ 21,250,000	85.00%
	Director	Formosa Ha Tinh Steel Corporation (Representative: Chun-Liang Chen)	USD$ 3,750,000	15.00%
	Director	Formosa Ha Tinh Steel Corporation (Representative: Chung-Yao Hung)	USD$ 3,750,000	15.00%
	President	Hong-An Yin	USD$ 0	0.00%
China Steel Security Corporation	Chairman	China Steel Corporation (Representative: Hsi-Chou Chung)	25,036,986	99.96%
	Director	China Steel Corporation (Representative: Chien-Chih Hwang)	25,036,986	99.96%
	Director	China Steel Corporation (Representative: I-Chung Huang)	25,036,986	99.96%
	Supervisor	Yu-Huei Su	0	0.00%
	President	Chang-Chin Yu	0	0.00%
Steel Castle Technology Corporation	Chairman	China Steel Security Corporation (Representative: Jen-Wei Chang)	13,000,000	100.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
Steel Castle Technology Corporation	Director	China Steel Security Corporation (Representative: Chang-Chin Yu)	13,000,000	100.00%
	Director	China Steel Security Corporation (Representative: Chien-Cheng Huang)	13,000,000	100.00%
	President	Chun-Chieh Wu	0	0.00%
China Steel Management And Maintenance For Buildings Corporation	Chairman and President	China Steel Security Corporation (Representative: Chang-Chin Yu)	1,000,000	100.00%
China Steel Management Consulting Corporation	Chairman	China Steel Corporation (Representative: Mao-Yuan Huang)	999,993	100.00%
	Supervisor	Jheng-Hong Chen	0	0.00%
	President	Chen-Wei Li	0	0.00%
China Prosperity Development Corporation	Chairman	China Steel Corporation (Representative: Hsi-Ju Tseng)	509,802,912	100.00%
	Director	China Steel Corporation (Representative: Chao-Tung Wong)	509,802,912	100.00%
	Director	China Steel Corporation (Representative: Hung-Tai Chou)	509,802,912	100.00%
	Supervisor	Jheng-Hong Chen	0	0.00%
	President	Shao-Yong Lu	0	0.00%
China Prosperity Construction Corporation	Chairman and President	China Prosperity Development Corporation (Representative: Shao-Yong Lu)	8,032,500	60.00%
	Director	China Prosperity Development Corporation (Representative: Hou-Chih Pan)	8,032,500	60.00%
	Director	United Steel Engineering & Construction Corporation (Representative: Yuan-Chang Huang)	5,355,000	40.00%
	Supervisor	I-Fang Kao	0	0.00%
CK Japan Co., Ltd.	Chairman	Wabo Global Trading Corporation (Representative: Sheng-Feng Tsai)	960	20.00%
	Director	China Prosperity Development Corporation (Representative: Fu-Chang Huang)	3,840	80.00%
	Director	China Prosperity Development Corporation (Representative: Shao-Yong Lu)	3,840	80.00%
	Supervisor	China Prosperity Development Corporation (Representative: Hui-Ju Chang)	3,840	80.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
HIMAG Magnetic Corporation	Chairman	China Steel Corporation (Representative: Jung-Fa Li)	19,183,286	69.49%
	Director	China Steel Corporation (Representative: Ting-Han Lai)	19,183,286	69.49%
	Director	China Steel Corporation (Representative: Pei-Yu Lee)	19,183,286	69.49%
	Supervisor	Ever Wealthy International Corporation (Representative: Wen-Liang Tseng)	1,584,731	5.74%
	President	Fong-Fu Lin	0	0
MagnPower Corporation	Chairman	HIMAG Magnetic Corporation (Representative: Yeong-Kuen Chen)	21,800,000	54.50%
	Director	HIMAG Magnetic Corporation (Representative: Fong-Fu Lin)	21,800,000	54.50%
	Director	Super Electronics Co., Ltd. (Representative: Chi-Ping Lee)	15,200,000	38.00%
	Supervisor	Rechi Investments Holdings Co., Ltd. (Representative: Zheng-Zhong Jian)	3,000,000	7.50%
	President	Ming-Zhi Chen	0	0
Eminent Venture Capital Corporation	Chairman	Gains Investment Corporation (Representative: Chun-Hui Wu)	3,375,000	50.00%
	Director	Gains Investment Corporation (Representative: Chia-Wen Luo)	3,375,000	50.00%
	Director	Mega International Commercial Bank Co., Ltd. (Representative: Yi-Chian Wang)	1,687,500	25.00%
	Director	Mega International Commercial Bank Co., Ltd. (Representative: Jui-Fen Lu)	1,687,500	25.00%
	Director	Oriental Union Chemical Corporation (Representative: Hsi-Chin Tsai)	675,000	10.00%
	Director	Taiwan Fertilizer Co., Ltd. (Representative: Tzung-Wu Tsai)	675,000	10.00%
	Director	TaiAn Technologies Corporation (Representative: Yueh-Kun Yang)	675	0.01%
	Supervisor	China Steel Chemical Corporation (Representative: Ming-Da Fang)	337,500	5.00%
	Supervisor	Ying-Chuan Lee	0	0.00%
	President	Chih-Liu Lin	0	0.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
Sing Da Marine Structure Corporation	Chairman	China Steel Corporation (Representative: Bao-Tuan Hung)	122,695,000	46.71%
	Director	China Steel Corporation (Representative: Kuan-Fu Chen)	122,695,000	46.71%
	Director	China Steel Corporation (Representative: Rong-Yuan Hsieh)	122,695,000	46.71%
	Director	National Development Fund, Executive Yuan (Representative: Shin-Yuan Chou)	100,000,000	38.07%
	Director	National Development Fund, Executive Yuan (Representative: Gou-Jen Wang)	100,000,000	38.07%
	Director	China Steel Structure Co., Ltd. (Representative: Yuan-Chang Huang)	20,000,000	7.61%
	Supervisor	China Steel Machinery Corporation (Representative: Shou-Kang Yin)	20,000,000	7.61%
	Supervisor	Yueh-Tsung Lee	0	0.00%
	President	Hsin-Fa Li	0	0.00%
China Steel Power Holding Corporation	Chairman	China Steel Corporation (Representative: Shyi-Chin Wang)	437,733,000	51.00%
	Director	China Steel Corporation (Representative: Kuan-Fu Chen)	437,733,000	51.00%
	Director	China Steel Corporation (Representative: Bor-Chih Hwang)	437,733,000	51.00%
	Director	CI III Zhong Neng K/S SCSp (Representative: Mads Skovgaard-Andersen)	420,567,000	49.00%
	Director	CI III Zhong Neng K/S SCSp (Representative: Thomas Wibe Poulsen)	420,567,000	49.00%
	Director	CI III Zhong Neng K/S SCSp (Representative: Michael Voigt Valdorf-Hansen)	420,567,000	49.00%
	Supervisor	Hung-Tai Chou	0	0.00%
China Steel Power Corporation	Chairman	China Steel Power Holding Corporation (Representative: Shyi-Chin Wang)	857,699,990	100.00%
	Director	China Steel Power Holding Corporation (Representative: Kuan-Fu Chen)	857,699,990	100.00%
	Director	China Steel Power Holding Corporation (Representative: Bor-Chih Hwang)	857,699,990	100.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
China Steel Power Corporation	Director	China Steel Power Holding Corporation (Representative: Mads Skovgaard-Andersen)	857,699,990	100.00%
	Director	China Steel Power Holding Corporation (Representative: Thomas Wibe Poulsen)	857,699,990	100.00%
	Director	China Steel Power Holding Corporation (Representative: Michael Voigt Valdorf-Hansen)	857,699,990	100.00%
	Supervisor	Hung-Tai Chou	0	0.00%
CSC Solar Corporation	Chairman	China Ecotek Corporation (Representative: Chih-Feng Lee)	34,880,000	20.00%
	Director	China Steel Corporation (Representative: Ying-Pin Hsieh)	95,920,000	55.00%
	Director	China Steel Corporation (Representative: Yung-Yu Chiang)	95,920,000	55.00%
	Supervisor	Dragon Steel Corporation (Representative: Hsien-Tung Liu)	17,440,000	10.00%
	President	Ching-Sung Tu	0	0.00%
China Steel Resources Corporation	Chairman	China Steel Corporation (Representative: Shui-Sheng Hung)	98,112,000	100.00%
InfoChamp Systems Corporation	Chairman	China Steel Corporation (Representative: Chin-Long Wu)	41,465,634	99.99%
	Director	China Steel Corporation (Representative: Chao-Tung Wong)	41,465,634	99.99%
	Director	China Steel Corporation (Representative: Jih-Jau Jeng)	41,465,634	99.99%
	Director	China Steel Corporation (Representative: Hung-Tai Chou)	41,465,634	99.99%
	Director	China Steel Corporation (Representative: Chang-Chi Liu)	41,465,634	99.99%
	Supervisor	Tsyr-Ling Su	0	0.00%
	President	Ming-Yu Tsai	0	0.00%
Info-Champ System (B.V.I) Corporation	Director	InfoChamp Systems Corporation (Representative: Chin-Long Wu)	201,000	100.00%
Wuhan InfoChamp I.T. Co., Ltd.	Executive Director	Info-Champ System (B.V.I) Corporation (Representative: Cheng-Hsien Ma)	USD$ 200,000	100.00%
	Supervisor	Info-Champ System (B.V.I) Corporation (Representative: Teng-Chuan Huang)	USD$ 200,000	100.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
Kaohsiung Rapid Transit Corporation	Chairman	China Steel Corporation (Representative: Yueh-Kun Yang)	120,799,811	43.36%
	Director	China Steel Corporation (Representative: Kuan-Fu Chen)	120,799,811	43.36%
	Director	China Steel Corporation (Representative: Kuo-Hua Sun)	120,799,811	43.36%
	Director	China Steel Corporation (Representative: Yuan-Chang Huang)	120,799,811	43.36%
	Director	National Development Fund, Executive Yuan (Representative: Ta-Sheng Lo)	38,560,638	13.84%
	Director	Asia Cement Corporation (Representative: Chan-Fong Cheng)	15,873,243	5.70%
	Director	China Prosperity Development Corporation (Representative: Shao-Yong Lu)	13,000,000	4.67%
	Director	Bank Of Kaohsiung Co., Ltd. (Representative: Chi-Chuan Wang)	643,031	0.23%
	Director	Bank Of Kaohsiung Co., Ltd. (Representative: Chia-Hsing Chang)	643,031	0.23%
	Supervisor	Far Eastern Department Store, Ltd. (Representative: Wei-Kun Chou)	6,286,063	2.26%
	Supervisor	Chun-Tsung Lee	0	0.00%
	President	Ya-Chou Wang	0	0.00%
Taiwan Intelligent Transportation Co., Ltd.	Chairman	Kaohsiung Rapid Transit Corporation (Representative: Ya-Chou Wang)	2,600,000	100.00%
	Director	Kaohsiung Rapid Transit Corporation (Representative: Chih-Ming Lin)	2,600,000	100.00%
	Director	Kaohsiung Rapid Transit Corporation (Representative: Tzu-Chen Cheng)	2,600,000	100.00%
	Supervisor	Kaohsiung Rapid Transit Corporation (Representative: Shih-Ning Kuo)	2,600,000	100.00%
China Steel Machinery Corporation	Chairman	China Steel Corporation (Representative: Shou-Tao Chen)	100,066,400	73.97%
	Director	China Steel Corporation (Representative: Kuan-Fu Chen)	100,066,400	73.97%
	Director	China Steel Corporation (Representative: Chen Yang)	100,066,400	73.97%
	Supervisor	China Ecotek Corporation (Representative: Chih-Feng Lee)	35,204,170	26.02%
	President	Shou-Kang Yin	0	0.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
Dragon Steel Corporation	Chairman	China Steel Corporation (Representative: Chien-Chih Hwang)	8,612,586,123	100.00%
	Director	China Steel Corporation (Representative: Chao-Tung Wong)	8,612,586,123	100.00%
	Director	China Steel Corporation (Representative: Shyi-Chin Wang)	8,612,586,123	100.00%
	Director	China Steel Corporation (Representative: Shou-Tao Chen)	8,612,586,123	100.00%
	Director	China Steel Corporation (Representative: Chia-Cheng Lee)	8,612,586,123	100.00%
	Supervisor	China Steel Corporation (Representative: I-Chung Huang)	8,612,586,123	100.00%
	Supervisor	China Steel Corporation (Representative: Hung-Tai Chou)	8,612,586,123	100.00%
	President	Shao-Jung Lu	0	0.00%
C.S.Aluminium Corporation	Chairman	China Steel Corporation (Representative: Jye-Long Lee)	840,122,049	99.98%
	Director	China Steel Corporation (Representative: Yueh-Kun Yang)	840,122,049	99.98%
	Director	China Steel Corporation (Representative: Ying-Pin Hsieh)	840,122,049	99.98%
	Director	China Steel Corporation (Representative: Fu-Chang Huang)	840,122,049	99.98%
	Director	China Steel Corporation (Representative: Huan-Chien Tung)	840,122,049	99.98%
	Supervisor	Pei-How Huang	0	0.00%
	President	Chih-Che Chang	0	0.00%
China Steel Express Corporation	Chairman	China Steel Corporation (Representative: Chiu-Po Chang)	422,545,250	100.00%
	Director	China Steel Corporation (Representative: Chien-Chih Hwang)	422,545,250	100.00%
	Director	China Steel Corporation (Representative: I-Chung Huang)	422,545,250	100.00%
	Director	China Steel Corporation (Representative: Shou-Tao Chen)	422,545,250	100.00%
	Director	China Steel Corporation (Representative: Sheng-Chi Su)	422,545,250	100.00%
	President	Chien-Ming Hsu	0	0.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
Kaoport Stevedoring Corporation	Chairman and President	China Steel Express Corporation (Representative: Chien-Ming Hsu)	3,275,000	65.50%
	Director	China Steel Express Corporation (Representative: Chin-Chun Lin)	3,275,000	65.50%
	Director	Eastern Media International Corporation (Representative: Chin-Chi Chen)	750,000	15.00%
	Supervisor	Chun-Li Lin	225,000	4.50%
Transglory Investment Corporation	Chairman	China Steel Express Corporation (Representative: Chien-Chih Hwang)	402,158,110	48.28%
	Supervisor	China Steel Chemical Corporation (Representative: Yi-Hung Chen)	74,168,502	8.90%
	President	Chun-Hui Wu	0	0.00%
CSE Transport Corporation	Director	China Steel Express Corporation (Representative: Chin-Chun Lin)	10	100.00%
	Director	China Steel Express Corporation (Representative: Li-Ho Hsu)	10	100.00%
	Director and President	China Steel Express Corporation (Representative: Chien-Ming Hsu)	10	100.00%
Gains Investment Corporation	Chairman	China Steel Corporation (Representative: Chun-Hui Wu)	596,992,650	100.00%
	Director	China Steel Corporation (Representative: Chao-Tung Wong)	596,992,650	100.00%
	Director	China Steel Corporation (Representative: Shyi-Chin Wang)	596,992,650	100.00%
	Director	China Steel Corporation (Representative: Jih-Jau Jeng)	596,992,650	100.00%
	Director	China Steel Corporation (Representative: Hung-Tai Chou)	596,992,650	100.00%
	Supervisor	Chiu-Chen Hung	0	0.00%
	President	Chia-Wen Luo	0	0.00%
ThinTech Materials Technology Co., Ltd.	Chairman	Gains Investment Corporation (Representative: Chao-Shyang Lee)	23,423,016	31.87%
	Director	Gains Investment Corporation (Representative: Chun-Hui Wu)	23,423,016	31.87%
	Director	United Renewable Energy Co., Ltd. (Representative: Lay-Lay Pan)	7,000,000	9.52%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
ThinTech Materials Technology Co., Ltd.	Director	Ever Wealthy International Corporation (Representative: Ming-Da Fang)	6,119,748	8.33%
	Independent Director	Mi-Ching Tsai	0	0.00%
	Independent Director	Su-Mei Liang	0	0.00%
	Independent Director	Cheng-Hwa Fang	0	0.00%
	President	Yung-Chun Pan	0	0.00%
Thintech Global Limited	Chairman	ThinTech Materials Technology Co., Ltd. (Representative: Yung-Chun Pan)	6,800,000	100.00%
Taicang Thintech Materials Co., Ltd.	Chairman	Thintech Global Limited (Representative: Yung-Chun Pan)	USD$ 6,800,000	100.00%
	Director	Thintech Global Limited (Representative: Chin-Chun Lin)	USD$ 6,800,000	100.00%
	Director	Thintech Global Limited (Representative: Yu-Chuan Lin)	USD$ 6,800,000	100.00%
	Supervisor	Chia-Wen Chang	0	0.00%
	President	Chuan-Tung Huang	0	0.00%
Winning Investment Corporation	Chairman and President	Gains Investment Corporation (Representative: Chia-Wen Luo)	112,700,000	49.00%
	Director	Gains Investment Corporation (Representative: Ying-Pin Hsieh)	112,700,000	49.00%
	Director	Gains Investment Corporation (Representative: Chia-Cheng Lee)	112,700,000	49.00%
	Director	Maruichi Steel Tube Ltd. (Representative: Wataru Morita)	80,500,000	35.00%
	Director	Maruichi Steel Tube Ltd. (Representative: Hiroyuki Suzuki)	80,500,000	35.00%
	Supervisor	Transglory Investment Corporation (Representative: Hung-Tai Chou)	36,800,000	16.00%
Betacera Inc.	Chairman	Gains Investment Corporation (Representative: Chien-Chou Chen)	20,555,253	48.05%
	Vice Chairman	Ping-Yang Chien	430,000	1.01%
	Director	Gains Investment Corporation (Representative: Chun-Hui Wu)	20,555,253	48.05%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
Betacera Inc.	Director	Gains Investment Corporation (Representative: Chen-Feng Chan)	20,555,253	48.05%
	Director	Gains Investment Corporation (Representative: Chi-Lun Kao)	20,555,253	48.05%
	Director	Delta Electronics, Inc. (Representative: Hsun-Hai Chang)	8,101,732	18.94%
	Director	Delta Electronics, Inc. (Representative: Chen-Yu Yu)	8,101,732	18.94%
	Supervisor	Ding Da Investment Corporation (Representative: Rong-Yuan Hsieh)	1,000	0.00%
	Supervisor	Chih-Lu Fan	0	0.00%
	President	Chih-Chang Wei	179,465	0.42%
Lefkara Ltd.	Chairman	Betacera Inc. (Representative: Chien-Chou Chen)	13,623,000	100.00%
	Director	Betacera Inc. (Representative: Ping-Yang Chien)	13,623,000	100.00%
	Director	Betacera Inc. (Representative: Chen-Yu Yu)	13,623,000	100.00%
Betacera (Su Zhou) Co., Ltd.	Chairman and President	Lefkara Ltd. (Representative:Ping-Yang Chien)	USD$ 4,400,000	100.00%
	Director	Lefkara Ltd. (Representative: Chien-Chou Chen)	USD$ 4,400,000	100.00%
	Director	Lefkara Ltd. (Representative: Chen-Yu Yu)	USD$ 4,400,000	100.00%
	Supervisor	Lefkara Ltd. (Representative: Rong-Yuan Hsieh)	USD$ 4,400,000	100.00%
Suzhou Betacera Technology Co., Ltd.	Chairman and President	Lefkara Ltd. (Representative: Ping-Yang Chien)	USD$ 15,000,000	100.00%
	Director	Lefkara Ltd. (Representative: Chien-Chou Chen)	USD$ 15,000,000	100.00%
	Director	Lefkara Ltd. (Representative: Chen-Yu Yu)	USD$ 15,000,000	100.00%
	Supervisor	Lefkara Ltd. (Representative: Rong-Yuan Hsieh)	USD$ 15,000,000	100.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
Shanghai Xike Ceramic Electronic Co., Ltd.	Chairman and President	Lefkara Ltd. (Representative: Ping-Yang Chien)	USD$ 1,194,000	99.50%
	Director	Lefkara Ltd. (Representative: Chien-Chou Chen)	USD$ 1,194,000	99.50%
	Director	Lefkara Ltd. (Representative: Chen-Yu Yu)	USD$ 1,194,000	99.50%
	Director	Shanghai Xike Special Ceramics Electric Factory (Representative: Yun Zhang)	USD$ 6,000	0.50%
	Supervisor	Lefkara Ltd. (Representative: Rong-Yuan Hsieh)	USD$ 1,194,000	99.50%
Universal Exchange Inc.	Chairman	Gains Investment Corporation (Representative: Jui-Ti Wang)	10,533,713	63.67%
	Director	Gains Investment Corporation (Representative: Chia-Wen Luo)	10,533,713	63.67%
	Director	InfoChamp Systems Corporation (Representative: Ming-Yu Tsai)	5,825,030	35.21%
	Supervisor	Ding Da Investment Corporation (Representative: Chia-Jui Hsu)	1,600	0.01%
	President	Hsien-Chung Cheng	0	0.00%
Pro-Ascentek Investment Corporation	Chairman	Gains Investment Corporation (Representative: Chun-Hui Wu)	6,000,000	5.00%
	Director	Chung Hung Steel Corporation (Representative: Chien-Hui Lee)	20,000,000	16.67%
	Director	Kwang Hsing Industrial Co., Ltd. (Representative: Chun-Pin Ko)	12,000,000	10.00%
	Director	Feng Hsin Steel Co., Ltd. (Representative: Te-I Cheng)	10,000,000	8.33%
	Director	Berlin Co., Ltd. (Representative: Che-Sheng Chen)	8,000,000	6.67%
	Director	Chun Yuan Steel Industry Co., Ltd. (Representative: Hsiang-Yung Wang)	8,000,000	6.67%
	Director	China Ecotek Corporation (Representative: Chih-Feng Lee)	6,000,000	5.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
Pro-Ascentek Investment Corporation	Director	China Steel Chemical Corporation (Representative: Wen-Jung Hsieh)	6,000,000	5.00%
	Director	China Prosperity Development Corporation (Representative: Hsi-Ju Tseng)	5,000,000	4.17%
	Director	China Steel Structure Co., Ltd. (Representative: Yuan-Chang Huang)	4,000,000	3.33%
	Director	C.S.Aluminium Corporation (Representative: Chih-Che Chang)	3,000,000	2.50%
	Supervisor	Dragon Steel Corporation (Representative: Meng-Chun Wu)	10,000,000	8.33%
	Supervisor	Super Electronics Co., Ltd. (Representative: Chi-Ping Li)	3,000,000	2.50%
	President	Chia-Wen Luo	0	0.00%
Mentor Consulting Corporation	Chairman	Gains Investment Corporation (Representative: Chun-Hui Wu)	1,000,000	100.00%
	President	Chia-Wen Luo	0	0.00%
Eminence Investment Corporation	Chairman	Gains Investment Corporation (Representative: Chun-Hui Wu)	150,000,000	100.00%
	President	Chia-Wen Luo	0	0.00%
Shin Mau Investment Corporation	Chairman and President	Eminence Investment Corporation (Representative: Chiung-Wen Hsu)	896,999	30.00%
	Supervisor	CHC Resources Corporation (Representative: Ching-An Lin)	897,000	30.00%
Hung-Chuan Investment Corporation	Chairman and President	Shin Mau Investment Corporation (Representative: Chang-Ming Lin)	100,000	5.00%
	Supervisor	China Ecotek Corporation (Representative: Ya-Min Chuang)	600,000	30.00%
Chi-Yi Investment Corporation	Chairman and President	Shin Mau Investment Corporation (Representative: Shu-Chuan Lin)	99,000	4.95%
	Supervisor	China Ecotek Corporation (Representative: Ya-Min Chuang)	800,000	40.00%
Ding Da Investment Corporation	Chairman and President	Eminence Investment Corporation (Representative: Hung-Tsung Hsiao)	897,000	30.00%
	Supervisor	Ever Wealthy International Corporation (Representative: Li-Li Kuo)	897,000	30.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
Jiing-Cherng-Fa Investment Corporation	Chairman and President	Ding Da Investment Corporation (Representative: Fu-Ching Yang)	99,000	4.30%
	Supervisor	China Ecotek Corporation (Representative: Ya-Min Chuang)	805,000	35.00%
Gau Ruei Investment Corporation	Chairman and President	Eminence Investment Corporation (Representative: Ying-Chuan Lee)	747,499	25.00%
	Supervisor	CHC Resources Corporation (Representative: Ching-An Lin)	1,046,500	35.00%
Li-Ching-Long Investment Corporation	Chairman and President	Gau Ruei Investment Corporation (Representative: Fu-Chang Huang)	100,000	5.00%
	Supervisor	China Steel Chemical Corporation (Representative: Li-Li Kuo)	700,000	35.00%
Sheng Lih Dar Investment Corporation	Chairman and President	Gau Ruei Investment Corporation (Representative: Kuei-Nien Chou)	100,000	4.17%
	Supervisor	Ever Wealthy International Corporation (Representative: Li-Li Kuo)	840,000	35.00%
Chiun Yu Investment Corporation	Chairman and President	Eminence Investment Corporation (Representative: Ming-Chu Chu)	747,500	25.00%
	Supervisor	China Ecotek Corporation (Representative: Ya-Min Chuang)	1,196,000	40.00%
OmniGains Investment Corporation	Chairman	Gains Investment Corporation (Representative: Chun-Hui Wu)	23,168,349	100.00%
China Steel Global Trading Corporation	Chairman	China Steel Corporation (Representative: Ming-Yuan Chen)	78,827,362	100.00%
	Director	China Steel Corporation (Representative: Chao-Tung Wong)	78,827,362	100.00%
	Director	China Steel Corporation (Representative: Chien-Chih Hwang)	78,827,362	100.00%
	Supervisor	Ming-Rea Kao	0	0.00%
	President	Chen-Jung Huang	0	0.00%
Wabo Global Trading Corporation	Chairman	China Steel Global Trading Corporation (Representative: Ming-Yuan Chen)	5,236,000	44.00%
	Director	China Steel Global Trading Corporation (Representative: Wen-Chou Li)	5,236,000	44.00%
	Director	China Steel Global Trading Corporation (Representative: Chia-Cheng Lee)	5,236,000	44.00%
	Director	China Steel Global Trading Corporation (Representative: Wei-Ting Chen)	5,236,000	44.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
Wabo Global Trading Corporation	Director	China Steel Global Trading Corporation (Representative: Shen-Chin Huang)	5,236,000	44.00%
	Director	China Steel Global Trading Corporation (Representative: Chen-Jung Huang)	5,236,000	44.00%
	Director	Top Steel Corporaiton (Representative: Su-Hao Chen)	1,547,000	13.00%
	Director	Shen Tai Trading Corporation Limited (Representative: Ping-Chun Chen)	1,309,000	11.00%
	Director	Great Grandeul Corporation (Representative: Young-Ho Kuo)	1,309,000	11.00%
	Director	China Steel Structure Co., Ltd. (Representative: Ping-Hao Li)	714,000	6.00%
	Director	Bichain Trading Co., Ltd. (Representative: Po-Nien Lin)	595,000	5.00%
	Director	Brimetal International Co., Ltd. (Representative: Kwo-Shyang Shen)	595,000	5.00%
	Supervisor	Chun Yuan Steel Industry Co., Ltd. (Representative: Yao-Jen Cheng)	595,000	5.00%
	Director and President	China Steel Global Trading Corporation (Representative: Sheng-Feng Tsai)	5,236,000	44.00%
CSGT Japan Co., Ltd.	Director and President	Wabo Global Trading Corporation (Representative: Sheng-Feng Tsai)	800	100.00%
Chung Mao Trading (Samoa) Corporation	Chairman	China Steel Global Trading Corporation (Representative: Ming-Yuan Chen)	8,800,000	100.00%
	Director	China Steel Global Trading Corporation (Representative: Chen-Jung Huang)	8,800,000	100.00%
	Director	China Steel Global Trading Corporation (Representative: Wen-Hao Lin)	8,800,000	100.00%
CSGT (Shanghai) Co., Ltd.	Chairman	Chung Mao Trading (Samoa) Corporation (Representative: Wen-Chou Li)	USD$ 600,000	100.00%
	Director	Chung Mao Trading (Samoa) Corporation (Representative: Chen-Jung Huang)	USD$ 600,000	100.00%
	Director	Chung Mao Trading (Samoa) Corporation (Representative: Ching-Huei Huang)	USD$ 600,000	100.00%
	Supervisor	Chung Mao Trading (Samoa) Corporation (Representative: Ming-Yuan Chen)	USD$ 600,000	100.00%
	President	Hsiao-Sheng Wang	USD$ 0	0.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
CSGT International Corporation	Chairman	China Steel Global Trading Corporation (Representative: Ming-Yuan Chen)	20,740,000	100.00%
	Director	China Steel Global Trading Corporation (Representative: Chen-Jung Huang)	20,740,000	100.00%
	Director	China Steel Global Trading Corporation (Representative: Wen-Hao Lin)	20,740,000	100.00%
CSGT Metals Vietnam Joint Stock Company	Chairman	CSGT International Corporation (Representative: Che-Chia Chang)	13,279,770	59.96%
	Director	CSGT International Corporation (Representative: Ming-Yuan Chen)	13,279,770	59.96%
	Director	CSGT International Corporation (Representative: Chen-Jung Huang)	13,279,770	59.96%
	Director	CSGT International Corporation (Representative: Yen-Hui Lin)	13,279,770	59.96%
	Director	Kingrock International Development Limited (Representative: Sung-Shyong Hong)	3,322,350	15.00%
	Director	Nippon Steel Trading Corporation (Representative: Jun Tokunaga)	2,889,000	13.04%
	Director	Kao Hsing Chang Iron And Steel Corporation (Representative: Rong-Feng Lu)	1,328,940	6.00%
	Director	Fuku Holding Co., Ltd. (Representative: Yu-Fu Chang)	1,328,940	6.00%
	Supervisor	CSGT International Corporation (Representative: to be assigned)	13,279,770	59.96%
	Supervisor	Kingrock International Development Limited (Representative: Hou-I Cheng)	3,322,350	15.00%
	Director and President	CSGT International Corporation (Representative: Tu-Sheng Shao)	13,279,770	59.96%
CSGT Trading India Private Limited	Chairman and President	CSGT International Corporation (Representative: Ching-Huei Huang)	4,752,000	99.00%
	Director	CSGT International Corporation (Representative: Yao-Pin Chen)	4,752,000	99.00%
CSGT (Singapore) Pte. Ltd.	Chairman	China Steel Global Trading Corporation (Representative: Chen-Jung Huang)	6,100,000	100.00%
	Director	China Steel Global Trading Corporation (Representative: Choon-Chiaw Loo)	6,100,000	100.00%
	Director and President	China Steel Global Trading Corporation (Representative: Chien-Chung Chu)	6,100,000	100.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
China Steel Precision Metals Qingdao Co., Ltd.	Chairman	China Steel Global Trading Corporation (Representative: Chen-Jung Huang)	USD$ 14,000,000	70.00%
	Director	China Steel Global Trading Corporation (Representative: Shen-Chin Huang)	USD$ 14,000,000	70.00%
	Director	Rechi Holdings Co., Ltd. (Representative: Chih-Cheng Ko)	USD$ 6,000,000	30.00%
	Supervisor	Rechi Holdings Co., Ltd. (Representative: Yong-Guang Niu)	USD$ 6,000,000	30.00%
	President	Wu-Nan Chiang	USD$ 0	0.00%
CSGT (Shenzhen) Co., Ltd.	Chairman	China Steel Global Trading Corporation (Representative: Wen-Chou Li)	USD$ 520,000	65.00%
	Director	China Steel Global Trading Corporation (Representative: Wei-Ting Chen)	USD$ 520,000	65.00%
	Director	China Steel Global Trading Corporation (Representative: Chen-Jung Huang)	USD$ 520,000	65.00%
	Director	China Steel Global Trading Corporation (Representative: Ching-Huei Huang)	USD$ 520,000	65.00%
	Director	China Steel Global Trading Corporation (Representative: Che-Chia Chang)	USD$ 520,000	65.00%
	Director	China Steel Global Trading Corporation (Representative: Yen-Hui Lin)	USD$ 520,000	65.00%
	Director	Chang Yee Steel Co., Ltd. (Representative: Ching-Wen Yun)	USD$ 80,000	10.00%
	Director	Jo & Dave Company Ltd. (Representative: Jean-Jean Wang)	USD$ 60,000	7.50%
	Director	Chun Yuan Steel Industry Co., Ltd (Representative: Teng-Wei Tsai)	USD$ 60,000	7.50%
	Director	Vulcan Industrial Corporation (Representative: Yi-Cheng Hong)	USD$ 40,000	5.00%
	Director	Cathay Gen International Co., Ltd. (Representative: Fu-Lin Kao)	USD$ 20,000	2.50%
	Director	Mayer Steel Pipe Corp. (Representative: Jen-Chin Chiang)	USD$ 20,000	2.50%
	Supervisor	China Steel Global Trading Corporation (Representative: Ming-Yuan Chen)	USD$ 520,000	65.00%
	Director and President	China Steel Global Trading Corporation (Representative: Hsiao-Sheng Wang)	USD$ 520,000	65.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
China Steel Precision Metals Kunshan Co., Ltd.	Chairman	China Steel Global Trading Corporation (Representative: Chen-Jung Huang)	USD$ 15,000,000	100.00%
	Director	China Steel Global Trading Corporation (Representative: Shen-Chin Huang)	USD$ 15,000,000	100.00%
	Supervisor	China Steel Global Trading Corporation (Representative: Wu-Nan Chiang)	USD$ 15,000,000	100.00%
	Director and President	China Steel Global Trading Corporation (Representative: Hsiao-Sheng Wang)	USD$ 15,000,000	100.00%
China Steel and Nippon Steel Vietnam Joint Stock Company	Chairman	China Steel Corporation (Representative: Ming-Yuan Chen)	514,304,000	56.00%
	Director	China Steel Corporation (Representative: Wen-Chou Li)	514,304,000	56.00%
	Director	China Steel Corporation (Representative: Wei-Ting Chen)	514,304,000	56.00%
	Director	China Steel Corporation (Representative: Chien-Hsiang Huang)	514,304,000	56.00%
	Director	Nippon Steel Corporation (Representative: Nobuo Okochi)	275,520,000	30.00%
	Supervisor	China Steel Corporation (Representative: Hung-Tai Chou)	514,304,000	56.00%
	Supervisor	China Steel Corporation (Representative: Tu-Sheng Shao)	514,304,000	56.00%
	Supervisor	Nippon Steel Trading Corporation (Representative: Taisuke Arai)	45,920,000	5.00%
	General Director	China Steel Corporation (Representative: Wei-Yeh Peng)	514,304,000	56.00%
	Deputy General Director	Nippon Steel Corporation (Representative: Hiroki Murayama)	275,520,000	30.00%
CSC Steel Australia Holdings Pty Ltd	Director	China Steel Corporation (Representative: John Toigo)	594,638	100.00%
	Director	China Steel Corporation (Representative: Kuan-Fu Chen)	594,638	100.00%
	Director	China Steel Corporation (Representative: Hsien-Ming Chou)	594,638	100.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
CSC Sonoma Pty Ltd	Director	CSC Steel Australia Holdings Pty Ltd (Representative: John Toigo)	16,440,001	100.00%
	Director	CSC Steel Australia Holdings Pty Ltd (Representative: Kuan-Fu Chen)	16,440,001	100.00%
	Director	CSC Steel Australia Holdings Pty Ltd (Representative: Hsien-Ming Chou)	16,440,001	100.00%
CSCI Steel Corporation India Pvt. Ltd.	Chairman	China Steel Corporation (Representative: to be assigned)	253,567,202	100.00%
	Director	China Steel Corporation (Representative: Hung-Tai Chou)	253,567,202	100.00%
	Director	China Steel Corporation (Representative: Kun-Pin Huang)	253,567,202	100.00%
	Director and President	China Steel Corporation (Representative: Yao-Pin Chen)	253,567,202	100.00%
China Steel Asia Pacific Holdings Pte Ltd	Director	China Steel Corporation (Representative: Fu-Chang Huang)	154,157,447	100.00%
	Director	China Steel Corporation (Representative: Chien-Chung Chu)	154,157,447	100.00%
CSC Steel Holdings Berhad	Director	China Steel Asia Pacific Holdings Pte Ltd (Representative: Chia-Cheng Lee)	171,000,000	46.30%
	Director	China Steel Asia Pacific Holdings Pte Ltd (Representative: Chen-Jung Huang)	171,000,000	46.30%
	Independent Director	Lay-Ching Lim	0	0.00%
	Independent Director	Hon-Wai Phong	0	0.00%
	Independent Director	Siti Haliza Md Taib	0	0.00%
	Director and President	China Steel Asia Pacific Holdings Pte Ltd (Representative: Ping-Tung Chiu)	171,000,000	46.30%
	Executive Director	China Steel Asia Pacific Holdings Pte Ltd (Representative: Yi-Jane Lin)	171,000,000	46.30%
CSC Steel Sdn. Bhd.	Director	CSC Steel Holdings Berhad (Representative: Chia-Cheng Lee)	359,000,000	100.00%
	Director	CSC Steel Holdings Berhad (Representative: Chen-Jung Huang)	359,000,000	100.00%
	Director and President	CSC Steel Holdings Berhad (Representative: Ping-Tung Chiu)	359,000,000	100.00%

Company Name	Title	Name or Representative	Shareholding	
			Shares (Investment Amount)	%
Constant Mode Sdn. Bhd.	Director and President	CSC Steel Sdn. Bhd. (Representative: Ping-Tung Chiu)	750,000	100.00%
Changzhou China Steel Precision Materials Co., Ltd.	Chairman and President	China Steel Asia Pacific Holdings Pte Ltd (Representative: Fu-An Feng)	USD$ 17,808,000	35.00%
	Director	China Steel Asia Pacific Holdings Pte Ltd (Representative: Rong-Yuan Hsieh)	USD$ 17,808,000	35.00%
	Director	Concord Industries Ltd. (Representative: Shih-Chieh Lin)	USD$ 15,264,000	30.00%
	Supervisor	China Steel Asia Pacific Holdings Pte Ltd (Representative: Ying-Pin Hsieh)	USD$ 17,808,000	35.00%

6. Operating Overview of Affiliated Companies for 2023

Unit: NT$ thousands

Company Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Profit	Net Profit or Loss (After Tax)	Earnings per Share (NT$)
Chung Hung Steel Corporation	14,355,444	32,992,330	16,733,349	16,258,981	37,762,916	(30,095)	159,281	0.11
Hung Kao Investment Corporation	26,000	32,525	332	32,193	1,292	819	826	0.32
China Steel Chemical Corporation	2,369,044	11,308,732	3,094,262	8,214,470	8,091,691	1,443,323	1,435,809	6.18
Ever Wealthy International Corporation	1,045,750	1,830,381	2,446	1,827,935	72,674	71,041	71,673	0.69
Changzhou China Steel New Materials Technology Co., Ltd.	172,864	482,650	292,291	190,359	447,641	22,934	13,693	NA
Formosa Ha Tinh CSCC (Cayman) International Limited(Note 1)	0	0	0	0	0	(827)	931	0.29
China Ecotek Corporation	1,237,426	6,781,123	3,119,975	3,661,148	9,608,841	478,897	556,892	4.50
CEC International Corporation	30,642	34,812	0	34,812	0	(1)	237	0.02
China Ecotek India Private Limited	27,097	34,649	46	34,603	0	(331)	849	0.17
CEC Development Corporation	478,579	984,713	0	984,713	0	(29)	27,766	1.63
China Ecotek Vietnam Company Limited	302,065	863,977	67,141	796,836	150,485	(9,356)	27,296	NA
Xiamen Ecotek PRC Company Limited	184,230	182,814	1,133	181,681	0	(4,224)	417	NA
China Steel Structure Co., Ltd.	2,000,000	11,914,608	6,517,150	5,397,458	10,741,150	512,576	535,548	2.68
United Steel Engineering & Construction Corporation	800,000	3,979,632	2,564,845	1,414,787	8,463,262	117,544	68,537	0.86
United Steel Construction (Vietnam) Co., Ltd. (Note 1)	0	0	0	0	(10,580)	(26,414)	(25,466)	NA
United Steel Investment Pte Ltd(Note 1)	0	0	0	0	0	(249)	(1,906)	NA

Company Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Profit	Net Profit or Loss (After Tax)	Earnings per Share (NT$)
China Steel Structure Holding Co., Ltd.	0	471	0	471	0	(31)	19,091	NA
CHC Resources Corporation	2,485,404	11,415,800	5,357,312	6,058,488	11,084,744	948,493	839,555	3.38
Yu Cheng Lime Corporation	12,000	182,805	47,172	135,633	11,928	757	646	5.38
Union Steel Development Corporation	50,000	224,064	105,827	118,237	486,404	52,125	42,570	8.51
Pao Good Industrial Co., Ltd.	106,050	258,777	76,620	182,157	228,685	25,197	22,322	2.10
CHC Resources Vietnam Co., Ltd	761,573	1,255,866	482,825	773,041	1,201,293	46,921	31,203	NA
China Steel Security Corporation	250,470	1,223,684	704,281	519,403	1,590,100	49,046	72,948	2.91
Steel Castle Technology Corporation	130,000	938,295	734,309	203,986	1,382,421	26,365	14,088	1.08
China Steel Management And Maintenance For Buildings Corpora	10,000	19,037	4,373	14,664	27,095	1,722	1,495	1.50
China Steel Management Consulting Corporation	10,000	22,696	2,560	20,136	37,915	5,431	4,364	4.36
China Prosperity Development Corporation	5,098,095	6,377,339	266,846	6,110,493	335,110	217,640	239,797	0.47
China Prosperity Construction Corporation	133,875	143,146	1,909	141,237	1,609	(5,863)	(5,609)	(0.42)
CK Japan Co., Ltd.	189,408	396,217	182,725	213,492	48,512	19,846	11,667	2,430.63
HIMAG Magnetic Corporation	276,055	784,963	111,851	673,112	918,604	105,149	43,929	1.59
MagnPower Corporation	400,000	586,505	498,868	87,637	124,317	(60,933)	(77,796)	(1.94)
Eminent Venture Capital Corporation	67,507	89,429	23,736	65,693	(5,741)	(6,287)	(7,208)	(0.88)
Sing Da Marine Structure Corporation	2,626,950	6,083,264	5,082,038	1,001,226	3,794,606	(158,157)	(236,477)	(0.90)
China Steel Power Holding Corporation	8,220,000	8,820,423	220	8,820,203	0	(290)	41,546	0.06

Company Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Profit	Net Profit or Loss (After Tax)	Earnings per Share (NT$)
China Steel Power Corporation	8,214,000	33,918,239	25,100,529	8,817,710	0	(85,603)	41,772	0.06
CSC Solar Corporation	1,744,000	4,321,878	2,352,759	1,969,119	527,517	180,168	116,446	0.67
China Steel Resources Corporation	981,120	2,155,618	1,154,935	1,000,683	835,032	29,861	11,727	0.12
InfoChamp Systems Corporation	414,706	1,818,136	907,005	911,131	2,071,031	217,445	176,090	4.25
Info-Champ System (B.V.I) Corporation	6,828	36,910	0	36,910	0	(135)	3,521	17.52
Wuhan InfoChamp I.T. Co., Ltd.	6,141	119,213	83,900	35,313	107,459	3,390	3,904	NA
Kaohsiung Rapid Transit Corporation	2,786,064	6,296,691	3,635,180	2,661,511	2,766,382	(89,465)	(51,395)	(0.18)
Taiwan Intelligent Transportation Co., Ltd.	26,000	64,242	34,796	29,446	170,298	(433)	520	0.20
China Steel Machinery Corporation	1,352,824	5,159,376	3,012,066	2,147,310	5,511,709	479,276	391,776	2.90
China Steel Machinery Vietnam Co., Ltd.(Note 1)	0	0	0	0	0	(161)	(155)	NA
Dragon Steel Corporation	86,125,861	160,447,209	63,956,735	96,490,474	89,574,167	(5,943,243)	(5,195,369)	(0.60)
C.S.Aluminium Corporation	8,402,512	23,081,191	14,551,213	8,529,978	16,428,323	359,883	84,738	0.10
ALU Investment Offshore Corporation(Note 1)	0	0	0	0	0	0	(38,066)	NA
United Steel International Development Corporation(Note 1)	0	0	0	0	0	(524)	(58,958)	(1.44)
Ningbo Huayang Aluminium-Tech Co., Ltd. (Note 1)	0	0	0	0	71,218	(52,770)	48,224	NA
China Steel Express Corporation	4,225,453	19,694,819	6,046,823	13,647,996	14,665,987	2,269,939	2,663,680	6.30
Kaoport Stevedoring Corporation	50,000	122,254	37,554	84,700	340,567	23,433	20,753	4.15
Transglory Investment Corporation	8,330,015	8,176,456	120	8,176,336	294,042	284,814	285,475	0.34
CSE Transport Corporation	316	8,609,698	4,116,552	4,493,146	3,893,018	792,721	553,480	NA

Company Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Profit	Net Profit or Loss (After Tax)	Earnings per Share (NT$)
Gains Investment Corporation	5,970,000	13,698,996	4,504,543	9,194,453	685,068	622,112	561,977	0.99
ThinTech Materials Technology Co., Ltd.	735,012	1,674,649	478,995	1,195,654	2,221,090	48,868	39,568	0.54
Thintech Global Limited	205,435	54,460	0	54,460	0	0	(6,890)	(1.01)
Taicang Thintech Materials Co., Ltd.	208,794	213,757	159,298	54,459	204,966	(1,122)	(6,890)	NA
Winning Investment Corporation	2,300,000	4,334,674	1,137,631	3,197,043	159,606	153,208	136,338	0.59
Betacera Inc.	427,803	3,819,352	1,609,135	2,210,217	2,832,447	359,357	371,754	8.69
Lefkara Ltd.	438,904	1,593,803	3,541	1,590,262	0	(111)	99,462	7.30
Betacera (Su Zhou) Co., Ltd.	135,102	934,191	283,804	650,387	1,374,778	90,013	66,059	NA
Suzhou Betacera Technology Co., Ltd.	460,575	679,432	43,759	635,673	390,138	21,861	25,359	NA
Shanghai Xike Ceramic Electronic Co., Ltd.	36,846	176,266	27,778	148,488	168,950	2,977	3,689	NA
Universal Exchange Inc.	165,450	258,904	37,645	221,259	123,210	45,203	38,634	2.34
Pro-Ascentek Investment Corporation	1,200,000	1,356,094	8,570	1,347,524	65,839	41,105	42,059	0.35
Mentor Consulting Corporation	10,000	77,435	44,762	32,673	90,627	13,533	10,999	11.00
Eminence Investment Corporation	1,500,000	2,782,815	593,981	2,188,834	128,913	127,642	121,872	0.81
Shin Mau Investment Corporation	29,900	66,353	0	66,353	4,501	4,479	4,497	1.50
Hung-Chuan Investment Corporation	20,000	45,159	0	45,159	1,606	1,597	1,617	0.81
Chi-Yi Investment Corporation	20,000	45,458	0	45,458	1,617	1,608	1,628	0.81
Ding Da Investment Corporation	29,900	61,040	0	61,040	4,702	4,575	4,597	1.54
Jiing-Cherng-Fa Investment Corporation	23,000	49,595	0	49,595	2,895	2,886	2,904	1.26
Gau Ruei Investment Corporation	29,900	74,205	0	74,205	4,954	2,921	2,947	0.99
Li-Ching-Long Investment Corporation	20,000	45,155	0	45,155	1,605	1,596	1,617	0.81

Company Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Profit	Net Profit or Loss (After Tax)	Earnings per Share (NT$)
Sheng Lih Dar Investment Corporation	24,000	55,989	0	55,989	3,415	3,406	3,426	1.43
Chiun Yu Investment Corporation	29,900	68,487	1,997	66,490	4,032	(1,341)	(1,449)	(0.48)
OmniGains Investment Corporation	749,480	573,046	0	573,046	7,321	7,321	7,323	1.52
China Steel Global Trading Corporation	788,298	4,447,262	1,329,653	3,117,609	12,059,802	360,156	625,366	7.93
Wabo Global Trading Corporation	119,000	139,292	10,276	129,016	25,396	7,948	14,515	1.22
CSGT Japan Co., Ltd.	10,160	45,631	19,489	26,142	70,452	453	339	423.75
Chung Mao Trading (Samoa) Corporation	291,091	462,511	150	462,361	0	(646)	31,539	3.58
CSGT (Shanghai) Co., Ltd.	18,423	35,666	5,940	29,726	25,595	660	1,151	NA
CSGT International Corporation	631,983	1,053,781	150	1,053,631	0	(12,600)	101,628	4.90
CSGT Metals Vietnam Joint Stock Company	420,473	1,114,903	356,843	758,060	2,207,273	229,315	195,697	8.84
CSGT Trading India Private Limited	23,695	25,967	162	25,805	6,223	3,232	2,587	0.54
CSGT (Singapore) Pte. Ltd.	136,396	966,964	35,022	931,942	106,994	36,462	260,113	42.64
China Steel Precision Metals Qingdao Co., Ltd.	614,100	723,865	169,629	554,236	1,347,884	19,395	16,752	NA
CSGT (Shenzhen) Co., Ltd.	24,564	24,455	739	23,716	14,053	(2,144)	(892)	NA
China Steel Precision Metals Kunshan Co., Ltd.	460,575	685,605	241,126	444,479	1,058,743	890	(4,848)	NA
China Steel and Nippon Steel Vietnam Joint Stock Company	17,387,235	16,520,673	3,960,023	12,560,650	13,808,309	(767,683)	(885,618)	(0.96)
CSC Steel Australia Holdings Pty Ltd	17,359,623	21,573,751	3,911	21,569,840	0	(161,996)	1,751,495	2,945.48
CSC Sonoma Pty Ltd	479,943	221,124	28,733	192,391	140	288	6,031	0.37
CSCI Steel Corporation India Pvt. Ltd.	1,928,874	5,063,915	3,776,962	1,286,953	4,191,148	101,828	(85,822)	(0.34)
China Steel Asia Pacific Holdings Pte Ltd	6,026,794	4,949,820	306	4,949,514	0	(545)	216,063	1.21

Company Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenues	Operating Profit	Net Profit or Loss (After Tax)	Earnings per Share (NT$)
CSC Steel Holdings Berhad	6,021,956	5,772,971	633	5,772,338	949	(3,388)	324,137	0.88
Group Steel Corporation (M) Sdn. Bhd. (Note 1)	0	0	0	0	0	0	0	NA
CSC Steel Sdn. Bhd.	5,232,514	6,161,694	522,743	5,638,951	10,216,171	260,378	323,963	0.90
Constant Mode Sdn. Bhd.	10,931	6,864	114	6,750	433	198	216	0.29
Changzhou China Steel Precision Materials Co., Ltd.	1,562,270	3,296,691	1,659,673	1,637,018	3,528,558	107,222	69,151	NA

Note 1: Group Steel Corporation (M) Sdn. Bhd. completed liquidation process in January 2023; China Steel Machinery Vietnam Co., Ltd. completed liquidation process in March 2023; Formosa Ha Tinh CSCC (Cayman) International Limited completed liquidation process in July 2023; Ningbo Huayang Aluminium-Tech Co., Ltd. completed cancellation process in July 2023; United Steel Investment Pte Ltd completed cancellation process in August 2023; United Steel International Development Corporation completed cancellation process in November 2023; ALU Investment Offshore Corporation completed cancellation process in November 2023; United Steel Construction (Vietnam) Co., Ltd. completed disposal process in December 2023. Therefore, the aforementioned companies recorded no balance sheet items, whereas statements of comprehensive income is presented for fiscal year ended December 31, 2023.

Note 2: Balance sheet: December 31, 2023; income statement: for the year ended December 31, 2023.

Note 3: If an affiliated company is a foreign company, the relevant figures shall be expressed in New Taiwan dollar after conversion based on the following exchange rates.

Exchange rates on balance sheet:	USD	(30.7050)	JPY	(0.217200)	SGD	(23.2900)	MYR	(6.41100)	HKD	(3.9290)
	RMB	(4.3270)	VND	(0.001245)	AUD	(20.9800)	INR	(0.36700)		
Exchange rates on income statement:	USD	(31.1599)	JPY	(0.222230)	SGD	(23.2040)	MYR	(6.55300)	HKD	(3.9799)
	RMB	(4.3951)	VND	(0.001285)	AUD	(20.6801)	INR	(0.37681)		

(III) Affiliation report: None.

II. Private Placement of Securities in the Most Recent Year up to the Publication Date of this Annual Report (March 31, 2024): None.

III. Shares of the Company Held or Disposed of by Subsidiaries

From January 1, 2023 to March 31, 2024

Unit: NT$ thousands; shares; %

Name of Subsidiary (Note 1)	Paid-In Capital	Source of Funds	Shareholding Ratio Held by the Company	Date of Acquisition or Disposal	Shares and Amount Acquired (Note 2)	Shares and Amount Disposed of (Note 2)	Investment Gain or Loss	Number of shares and Amount Held up to the Publication Date of this Annual Report (Note 3) (Note 4)	Status of Shares Pledged	Amount of Endorsements/ Guarantees Made for Subsidiaries by the Company	Amount Loaned to Subsidiaries by the Company
Chung Hung Steel Corporation	14,355,444	Own funds	40.59%	2023	1,250,000 shares 31,540 thousand	0	0	NA	None	0	2,000,000
				Current year up to the publication date of this annual report	0	0	0	34,359,239 shares 821,186 thousand	None	0	1,800,000
Hung Kao Investment Corporation	26,000	Own funds	100% (Note 5)	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	1,003,980 shares 23,995 thousand	None	0	0
China Steel Chemical Corporation	2,369,044	Own funds	29.44% (Note 5)	2023	1,190,000 shares 30,026 thousand	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	3,746,915 ordinary shares 89,551 thousand 229,000 preferred shares 9,950 thousand	None	0	0
Ever Wealthy International Corporation	1,045,750	Own funds	100% (Note 5)	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	4,226,265 shares 101,008 thousand	None	0	0
China Ecotek Corporation	1,237,426	Own funds	45.82% (Note 5)	2023	1,150,000 shares 29,052 thousand	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	1,150,000 shares 27,485 thousand	None	0	0
China Steel Structure Co., Ltd.	2,000,000	Own funds	38.05% (Note 5)	2023	500,000 shares 12,620 thousand	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	7,436,878 shares 177,741 thousand	None	0	0
United Steel Engineering & Construction Corporation	800,000	Own funds	100% (Note 5)	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	3,745,446 shares 89,516 thousand	None	0	0
CHC Resources Corporation	2,485,404	Own funds	35.61% (Note 5)	2023	1,200,000 shares 30,298 thousand	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	10,401,806 shares 284,603 thousand	None	0	0
Union Steel Development Corporation	50,000	Own funds	93.37% (Note 5)	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	423,849 shares 10,130 thousand	None	0	0

Name of Subsidiary (Note 1)	Paid-In Capital	Source of Funds	Shareholding Ratio Held by the Company	Date of Acquisition or Disposal	Shares and Amount Acquired (Note 2)	Shares and Amount Disposed of (Note 2)	Investment Gain or Loss	Number of shares and Amount Held up to the Publication Date of this Annual Report (Note 3) (Note 4)	Status of Shares Pledged	Amount of Endorsements/ Guarantees Made for Subsidiaries by the Company	Amount Loaned to Subsidiaries by the Company
China Steel Security Corporation	250,470	Own funds	99.96%	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	2,349,975 shares 56,164 thousand	None	0	0
China Prosperity Development Corporation	5,098,095	Own funds	100%	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	952,979 shares 22,776 thousand	None	0	0
HIMAG Magnetic Corporation	276,055	Own funds	87.64% (Note 5)	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	325,505 shares 7,780 thousand	None	0	300,000
InfoChamp Systems Corporation	414,706	Own funds	99.99%	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	3,834,338 shares 91,641 thousand	None	0	0
C.S.Aluminium Corporation	8,402,512	Own funds	99.98%	2023	0	0	0	NA	None	0	2,900,000
				Current year up to the publication date of this annual report	0	0	0	4,431,944 shares 105,923 thousand	None	0	2,100,000
China Steel Express Corporation	4,225,453	Own funds	100%	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	8,801,555 shares 210,357 thousand	None	0	0
Transglory Investment Corporation	8,330,015	Own funds	100% (Note 5)	2023	850,000 shares 21,435 thousand	0	0	NA	53,500,000 shares as the mortgage of bank credit (Note 6)	0	0
				Current year up to the publication date of this annual report	0	0	0	257,615,331 shares 6,157,006 thousand		0	0
Winning Investment Corporation	2,300,000	Own funds	65.00% (Note 5)	2023	900,000 shares 22,696 thousand	0	0	NA	69,600,000 shares as the mortgage of commercial paper issued; 53,500,000 shares as the mortgage of bank credit (Note 6)	0	0
				Current year up to the publication date of this annual report	0	0	0	160,506,339 shares 3,836,102 thousand		0	0
Shin Mau Investment Corporation	29,900	Own funds	100% (Note 5)	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	1,433,749 shares 34,267 thousand	None	0	0
Hung-Chuan Investment Corporation	20,000	Own funds	100% (Note 5)	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	1,605,875 shares 38,380 thousand	None	0	0
Chi-Yi Investment Corporation	20,000	Own funds	100% (Note 5)	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	1,616,723 shares 38,640 thousand	None	0	0
Ding Da Investment Corporation	29,900	Own funds	100% (Note 5)	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	1,525,494 shares 36,459 thousand	None	0	0

Name of Subsidiary (Note 1)	Paid-In Capital	Source of Funds	Shareholding Ratio Held by the Company	Date of Acquisition or Disposal	Shares and Amount Acquired (Note 2)	Shares and Amount Disposed of (Note 2)	Investment Gain or Loss	Number of shares and Amount Held up to the Publication Date of this Annual Report (Note 3) (Note 4)	Status of Shares Pledged	Amount of Endorsements/ Guarantees Made for Subsidiaries by the Company	Amount Loaned to Subsidiaries by the Company
Jiing-Cherng-Fa Investment Corporation	23,000	Own funds	100% (Note 5)	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	1,461,875 shares 34,939 thousand	None	0	0
Gau Ruei Investment Corporation	29,900	Own funds	100% (Note 5)	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	1,493,318 shares 35,690thousand	None	0	0
Li-Ching-Long Investment Corporation	20,000	Own funds	100% (Note 5)	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	1,605,441 shares 38,370 thousand	None	0	0
Sheng Lih Dar Investment Corporation	24,000	Own funds	100% (Note 5)	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	1,542,138 shares 36,857 thousand	None	0	0
Chiun Yu Investment Corporation	29,900	Own funds	100% (Note 5)	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	1,623,289 shares 38,797 thousand	None	0	0
China Steel Global Trading Corporation	788,298	Own funds	100%	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	4,349,507 shares 103,953 thousand	None	0	0
Wabo Global Trading Corporation	119,000	Own funds	50% (Note 5)	2023	0	0	0	NA	None	0	0
				Current year up to the publication date of this annual report	0	0	0	487,367 shares 11,648 thousand	None	0	0

Note 1: Each subsidiary is listed separately.
Note 2: The aforementioned amount refers to the actual amount acquired or disposed of.
Note 3: The status of holding and disposal are listed separately.
Note 4: Shareholding amount is calculated based on the closing price on the publication date of this annual report.
Note 5: Shareholding ratio refers to the total shares held by China Steel and its subsidiaries.
Note 6: Pledging of shares has no significant impact on the financial performance and condition of the Company.

IV. Other Supplementary Matters: None

Chapter IX. During 2023 and up to the publication date of this annual report, any event which significantly affects shareholders' equity or share price pursuant to Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act:

None.

China Steel Corporation

Chao-Tung Wong

Chairman

CSC

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China Steel Corporation 2023 Annual Report Annex: Financial Statements

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Printed on March 31, 2024
Taiwan Stock Exchange Market Observation Post System: https://mops.twse.com.tw
CSC Annual Report is available at: https://www.csc.com.tw/csc/ss/bd/bd_index.html
Notice to readers: This English-version annual report is a translation of the Chinese version.
If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

2023 Annual Report
Annex: Financial Statements

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China Steel Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of China Steel Corporation as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10 "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, China Steel Corporation and Subsidiaries did not prepare a separate set of combined financial statements.

Very truly yours,

China Steel Corporation

By

Chao-Tung Wong
Chairman

February 29, 2024

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INDEPENDENT AUDITORS' REPORT

China Steel Corporation

Opinion

We have audited the accompanying consolidated financial statements of China Steel Corporation (the "Corporation") and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation and its subsidiaries as of December 31, 2023 and 2022, their consolidated financial performance and their consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Corporation and its subsidiaries' consolidated financial statements for the year ended December 31, 2023 are stated as follows:

<u>Recognition of Revenue from Sale of Goods of Steel Department</u>

The Corporation and its subsidiaries manufacture and sell steel products and engage in mechanical, communications, and electrical engineering. Revenue from sale of goods of steel department represented over 70% of the total operating revenue. Revenue recognition is presumed to be significant risk as revenue is subject to fluctuation in terms of market demand and it is the main focus of the users of financial report; therefore, revenue recognition was deemed to be a key audit matter. Refer to Notes 4, 24 and 36 to the consolidated financial statements for the related accounting policies and disclosures on sales revenue.

Our audit procedures performed included the following:

1. We understood the design and implementation of the procedures regarding approval of sales order, shipping and cash collection process of the Corporation's steel department.

2. We evaluated the appropriateness of the recorded sales amounts by checking the nature, quantities, unit price, sales to major customers and sales of major goods of the Corporation's steel department sales; we also reviewed comparative information of a two-year period.

3. We verified the occurrence and validity of the specific customers by confirming the customer information, the correctness on the shipping documents or bill of lading and cash collection receipts.

4. We obtained subsequent details of the abovementioned specific customers and checked whether there were any material and unusual sales returns and allowances and confirmed the appropriateness of accounting treatment and presentation.

Other Matter

We have also audited the standalone financial statements of China Steel Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee or supervisors, are responsible for overseeing the Corporation and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation and its subsidiaries' internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation and its subsidiaries to cease to continue as a going concern.

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Jui-Hsuan Hsu and Jr-Shian Ke.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 29, 2024

Notice to Readers

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

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

CHINA STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 16,417,322	2	$ 30,419,297	5
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	3,547,380	1	2,629,089	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	7,869,663	1	5,428,806	1
Financial assets for hedging - current (Notes 4 and 9)	4,750,248	1	3,125,323	-
Contract assets - current (Notes 4 and 24)	8,925,903	1	7,172,302	1
Notes receivable (Notes 4 and 10)	2,107,041	-	1,906,064	-
Notes receivable - related parties (Notes 4, 10 and 31)	-	-	272	-
Accounts receivable, net (Notes 4 and 10)	10,634,221	2	11,315,075	2
Accounts receivable - related parties (Notes 4, 10 and 31)	150,588	-	114,832	-
Other receivables (Notes 4 and 31)	1,329,886	-	2,075,383	-
Current tax assets	69,316	-	79,688	-
Inventories (Notes 4, 5 and 11)	120,350,416	18	131,515,763	20
Other financial assets - current (Notes 13 and 32)	16,365,286	2	8,742,058	1
Other current assets	4,843,160	1	6,674,611	1
Total current assets	197,360,430	29	211,198,563	31
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 7)	806,416	-	869,532	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 5 and 8)	51,596,610	8	48,614,893	7
Financial assets at amortized cost - noncurrent	20,000	-	-	-
Financial assets for hedging - noncurrent (Notes 4 and 9)	1,009,417	-	814,630	-
Investments accounted for using the equity method (Notes 4 and 12)	13,886,283	2	14,565,313	2
Property, plant and equipment (Notes 4, 14 and 32)	375,609,342	55	370,248,034	56
Right-of-use assets (Notes 4, 15 and 32)	12,443,142	2	12,323,990	2
Investment properties (Notes 4, 16 and 32)	9,765,146	1	9,759,107	1
Intangible assets (Note 4)	1,223,326	-	1,343,993	-
Deferred tax assets (Notes 4 and 26)	9,150,007	2	8,262,336	1
Refundable deposits	669,864	-	1,070,477	-
Other financial assets - noncurrent (Notes 13 and 32)	2,568,649	-	2,351,841	-
Other noncurrent assets	2,648,699	1	2,346,688	-
Total noncurrent assets	481,396,901	71	472,570,834	69
TOTAL	$ 678,757,331	100	$ 683,769,397	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings and bank overdraft (Notes 17 and 32)	$ 33,811,068	5	$ 49,668,589	7
Short-term bills payable (Note 17)	62,945,799	9	37,980,878	6
Financial liabilities for hedging - current (Notes 4 and 9)	91,676	-	243,447	-
Contract liabilities - current (Notes 4 and 24)	3,864,261	1	4,297,357	1
Notes payable	1,120,155	-	1,545,218	-
Accounts payable (Note 19)	17,218,448	3	14,588,899	2
Accounts payable - related parties (Notes 19 and 31)	88,779	-	23,600	-
Other payables (Notes 20 and 31)	19,550,224	3	26,024,196	4
Current tax liabilities	1,301,176	-	3,772,877	1
Provisions - current (Notes 4 and 21)	6,210,206	1	5,737,290	1
Lease liabilities - current (Notes 4 and 15)	1,021,341	-	1,255,361	-
Current portion of bonds payable (Note 18)	11,961,585	2	12,224,635	2
Current portion of long-term bank borrowings (Notes 17 and 32)	5,459,281	1	5,220,738	1
Refund liabilities - current	1,613,902	-	2,466,410	-
Other current liabilities	1,466,538	-	1,396,851	-
Total current liabilities	167,724,439	25	166,446,346	25
NONCURRENT LIABILITIES				
Financial liabilities for hedging - noncurrent (Notes 4 and 9)	978,252	-	1,046,631	-
Contract liabilities - noncurrent (Note 24)	48,399	-	37,575	-
Bonds payable (Note 18)	58,838,793	9	50,122,943	7
Long-term bank borrowings (Notes 17 and 32)	52,165,054	8	51,571,254	8
Long-term bills payable (Note 17)	24,700,264	4	26,557,580	4
Provisions - noncurrent (Notes 4 and 21)	947,916	-	821,937	-
Deferred tax liabilities (Notes 4 and 26)	14,162,362	2	13,757,387	2
Lease liabilities - noncurrent (Notes 4 and 15)	10,226,901	1	9,727,326	1
Net defined benefit liabilities (Notes 4 and 22)	5,513,544	1	5,605,470	1
Other noncurrent liabilities	1,199,909	-	1,229,504	-
Total noncurrent liabilities	168,781,394	25	160,477,607	23
Total liabilities	336,505,833	50	326,923,953	48
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4 and 23)				
Share capital				
Ordinary shares	157,348,610	23	157,348,610	23
Preference shares	382,680	-	382,680	-
Total share capital	157,731,290	23	157,731,290	23
Capital surplus	40,688,818	6	40,275,115	6
Retained earnings				
Legal reserve	74,683,304	11	72,765,975	11
Special reserve	26,913,635	4	26,914,657	4
Unappropriated earnings	19,642,513	3	35,708,731	5
Total retained earnings	121,239,452	18	135,389,363	20
Other equity	(1,498,330)	-	(4,844,120)	(1)
Treasury shares	(12,394,740)	(2)	(8,649,421)	(1)
Total equity attributable to owners of the Corporation	305,766,490	45	319,902,227	47
NON-CONTROLLING INTERESTS	36,485,008	5	36,943,217	5
Total equity	342,251,498	50	356,845,444	52
TOTAL	$ 678,757,331	100	$ 683,769,397	100

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

CHINA STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4, 24, 31 and 36)	$ 363,326,498	100	$ 449,567,488	100
OPERATING COSTS (Notes 11, 25 and 31)	346,553,753	95	417,665,025	93
GROSS PROFIT	16,772,745	5	31,902,463	7
OPERATING EXPENSES				
Selling and marketing expenses	4,325,020	1	4,535,448	1
General and administrative expenses	6,731,382	2	6,942,993	2
Research and development expenses	2,132,186	1	2,155,001	-
Expected credit loss recognized (reversed)	(1,785)	-	3,668	-
Total operating expenses	13,186,803	4	13,637,110	3
PROFIT FROM OPERATIONS	3,585,942	1	18,265,353	4
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 25)	906,213	-	469,573	-
Other income (Notes 25 and 31)	3,002,420	1	3,398,133	1
Other gains and losses (Note 25)	152,090	-	2,040,211	1
Finance costs (Notes 4 and 25)	(3,623,661)	(1)	(2,493,407)	(1)
Share of the profit of associates	567,090	-	1,578,733	-
Total non-operating income and expenses	1,004,152	-	4,993,243	1
PROFIT BEFORE INCOME TAX	4,590,094	1	23,258,596	5
INCOME TAX EXPENSE (Notes 4 and 26)	1,058,889	-	5,263,537	1
NET PROFIT FOR THE YEAR	3,531,205	1	17,995,059	4
OTHER COMPREHENSIVE INCOME (Notes 23 and 26)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	(246,799)	-	2,130,361	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	4,092,938	1	(5,476,493)	(1)

(Continued)

CHINA STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
Gains and losses on hedging instruments	$ (5,098)	-	$ 1,012,013	-
Share of the other comprehensive income of associates	(48,709)	-	(19,497)	-
Income tax benefit (expense) relating to items that will not be reclassified subsequently to profit or loss	(177,320)	-	1,089,780	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	(121,107)	-	3,636,755	1
Unrealized gains and losses on investments in debt instruments designated as at fair value through other comprehensive income	2,464	-	5	-
Gains and losses on hedging instruments	120,708	-	58,485	-
Share of the other comprehensive income of associates	(20,620)	-	450,815	-
Income tax benefit (expense) relating to items that may be reclassified subsequently to profit or loss	4,318	-	(102,446)	-
Other comprehensive income for the year, net of income tax	3,600,775	1	2,779,778	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 7,131,980	2	$ 20,774,837	4
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	$ 1,681,679	-	$ 17,783,775	4
Non-controlling interests	1,849,526	1	211,284	-
	$ 3,531,205	1	$ 17,995,059	4
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	$ 5,126,953	1	$ 18,802,851	4
Non-controlling interests	2,005,027	1	1,971,986	-
	$ 7,131,980	2	$ 20,774,837	4
EARNINGS PER SHARE (Note 27)				
Basic	$ 0.11		$ 1.15	
Diluted	$ 0.11		$ 1.15	

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

CHINA STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Corporation													
	Share Capital			Retained Earnings			Other Equity							
	Ordinary Shares	Preference Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Gains and Losses on Hedging Instruments	Total Other Equity	Treasury Shares	Total Equity Attributable to Owners of the Corporation	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2022	$ 157,348,610	$ 382,680	$ 39,238,636	$ 66,611,343	$ 27,639,574	$ 70,863,295	$ (9,167,082)	$ 951,977	$ 3,809,153	$ (4,405,952)	$ (8,649,421)	$ 349,028,765	$ 37,926,255	$ 386,955,020
Appropriation of 2021 earnings (Note 23)														
Legal reserve	-	-	-	6,154,632	-	(6,154,632)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(723,473)	723,473	-	-	-	-	-	-	-	-
Cash dividends to ordinary shareholders - NT$3.1 per share	-	-	-	-	-	(48,778,069)	-	-	-	-	-	(48,778,069)	-	(48,778,069)
Cash dividends to preference shareholders - NT$3.1 per share	-	-	-	-	-	(118,631)	-	-	-	-	-	(118,631)	-	(118,631)
Reversal of special reserve	-	-	-	-	(1,444)	1,444	-	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2022	-	-	-	-	-	17,783,775	-	-	-	-	-	17,783,775	211,284	17,995,059
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	1,510,147	2,858,316	(4,051,776)	702,389	(491,071)	-	1,019,076	1,760,702	2,779,778
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	19,293,922	2,858,316	(4,051,776)	702,389	(491,071)	-	18,802,851	1,971,986	20,774,837
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	992,493	-	-	-	-	-	-	-	-	992,493	-	992,493
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	36,424	-	-	-	-	-	-	-	-	36,424	-	36,424
Adjustment of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(2,955,024)	(2,955,024)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(52,903)	-	52,903	-	52,903	-	-	-	-
Adjustment of other equity	-	-	7,562	-	-	(69,168)	-	-	-	-	-	(61,606)	-	(61,606)
BALANCE AT DECEMBER 31, 2022	$ 157,348,610	$ 382,680	$ 40,275,115	$ 72,765,975	$ 26,914,657	$ 35,708,731	$ (6,308,766)	$ (3,046,896)	$ 4,511,542	$ (4,844,120)	$ (8,649,421)	$ 319,902,227	$ 36,943,217	$ 356,845,444
BALANCE AT JANUARY 1, 2023	$ 157,348,610	$ 382,680	$ 40,275,115	$ 72,765,975	$ 26,914,657	$ 35,708,731	$ (6,308,766)	$ (3,046,896)	$ 4,511,542	$ (4,844,120)	$ (8,649,421)	$ 319,902,227	$ 36,943,217	$ 356,845,444
Appropriation of 2022 earnings (Note 23)														
Legal reserve	-	-	-	1,917,329	-	(1,917,329)	-	-	-	-	-	-	-	-
Cash dividends to ordinary shareholders - NT$1.0 per share	-	-	-	-	-	(15,734,861)	-	-	-	-	-	(15,734,861)	-	(15,734,861)
Cash dividends to preference shareholders - NT$1.4 per share	-	-	-	-	-	(53,575)	-	-	-	-	-	(53,575)	-	(53,575)
Reversal of special reserve	-	-	-	-	(1,022)	1,022	-	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2023	-	-	-	-	-	1,681,679	-	-	-	-	-	1,681,679	1,849,526	3,531,205
Other comprehensive income for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(130,319)	12,577	3,550,681	12,335	3,575,593	-	3,445,274	155,501	3,600,775
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	-	1,551,360	12,577	3,550,681	12,335	3,575,593	-	5,126,953	2,005,027	7,131,980
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	(3,564,348)	(3,564,348)	-	(3,564,348)
Acquisition of the Corporation's shares held by subsidiaries	-	-	-	-	-	-	-	-	-	-	(74,939)	(74,939)	-	(74,939)
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	320,186	-	-	-	-	-	-	-	-	320,186	-	320,186
Adjustment of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(2,463,236)	(2,463,236)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	229,803	-	(229,803)	-	(229,803)	-	-	-	-
Adjustment of other equity	-	-	93,517	-	-	(142,638)	-	-	-	-	(106,032)	(155,153)	-	(155,153)
BALANCE AT DECEMBER 31, 2023	$ 157,348,610	$ 382,680	$ 40,688,818	$ 74,683,304	$ 26,913,635	$ 19,642,513	$ (6,296,189)	$ 273,982	$ 4,523,877	$ (1,498,330)	$ (12,394,740)	$ 305,766,490	$ 36,485,008	$ 342,251,498

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

CHINA STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 4,590,094	$ 23,258,596
Adjustments for:		
Depreciation expense	32,043,661	34,090,752
Amortization expense	234,858	258,594
Expected credit loss recognized (reversed)	(1,785)	3,668
Net gain on financial assets and liabilities at fair value through profit or loss	(62,110)	(1,819)
Finance costs	3,623,661	2,493,407
Interest income	(906,213)	(469,573)
Dividend income	(2,303,920)	(2,019,682)
Share of the profit of associates	(524,282)	(1,592,744)
Gain on disposal of property, plant and equipment	(509,525)	(386,983)
Gain on disposal of right-of-use assets	-	(787,950)
Gain on disposal of non-current assets held for sale	(33,742)	(44,561)
Loss (gain) on disposal of investments	130,762	(51,704)
Write-down (reversal) of inventories	(4,723,294)	5,881,807
Impairment loss recognized (reversed) on non-financial assets	(85,072)	26,491
Recognition (reversal) of provisions	685,044	(1,178,039)
Others	(22,761)	29,046
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(501,290)	188,578
Financial assets for hedging	(1,811,813)	(1,457,522)
Contract assets	(1,522,806)	1,134,982
Notes receivable	(200,977)	335,528
Notes receivable - related parties	272	285
Accounts receivable	692,098	4,206,931
Accounts receivable - related parties	(35,756)	301,978
Other receivables	806,810	2,199,970
Inventories	15,895,113	(7,900,052)
Other current assets	1,724,793	(2,191,189)
Financial liabilities for hedging	(160,869)	63,619
Contract liabilities	(469,296)	(1,122,301)
Notes payable	(425,063)	(25,695)
Accounts payable	2,629,549	(7,646,816)
Accounts payable - related parties	65,179	(151,604)
Other payables	(4,790,148)	(7,205,716)
Provisions	(43,920)	(173,717)
Other current liabilities	69,687	26,957
Net defined benefit liabilities	(338,725)	(1,025,641)
Refund liabilities	(852,508)	(1,232,502)
Cash generated from operations	42,865,706	37,835,379
Income taxes paid	(4,175,916)	(13,492,194)
Net cash generated from operating activities	38,689,790	24,343,185

(Continued)

CHINA STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	$ (5,033,796)	$ (2,872,659)
Proceeds from disposal of financial assets at fair value through other comprehensive income	3,661,054	3,498,590
Proceeds from the capital reduction on financial assets at fair value through other comprehensive income	-	8,749
Acquisition of financial assets at amortized cost	(20,000)	-
Acquisition of financial assets at fair value through profit or loss	(4,345,764)	(4,960,110)
Proceeds from disposal of financial assets at fair value through profit or loss	3,914,449	4,960,232
Acquisition of investments accounted for using the equity method	-	(507,433)
Proceeds from disposal of investments accounted for using the equity method	379,245	197,250
Disposal of subsidiaries	(29,832)	11,880
Proceeds from the capital reduction on investments accounted for using the equity method	105,000	424,680
Proceeds from disposal of non-current assets held for sale	62,293	367,807
Acquisition of property, plant and equipment	(37,595,610)	(31,878,166)
Proceeds from disposal of property, plant and equipment	1,236,781	1,219,665
Decrease in refundable deposits	508,586	38,831
Acquisition of intangible assets	(52,875)	(79,745)
Acquisition of right-of-use assets	(120)	-
Proreeds from right-of-use assets	-	679,912
Acquisition of investment properties	(1,191)	(188,553)
Decrease (increase) in other financial assets	(7,840,036)	313,711
Decrease (increase) in other noncurrent assets	(231,005)	486,654
Interest received	871,889	459,870
Dividends received from associates	852,925	1,203,980
Dividends received from others	2,289,210	2,026,356
Net cash used in investing activities	(41,268,797)	(24,588,499)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	283,628,333	329,562,535
Repayments of short-term borrowings	(300,955,244)	(312,470,686)
Proceeds from short-term bills payable	181,096,886	128,244,634
Repayments of short-term bills payable	(156,131,965)	(106,100,166)
Proceeds from bonds payable	20,714,263	-
Repayments of bonds payable	(12,225,000)	(17,475,000)
Proceeds from long-term bank borrowings	73,698,105	101,422,458
Repayments of long-term bank borrowings	(72,868,850)	(76,329,911)
Proceeds from long-term bills payable	12,691,823	31,391,876
Repayments of long-term bills payable	(14,549,139)	(19,227,219)

(Continued)

CHINA STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2023	2022
Repayments of principal of lease liabilities	$ (1,338,743)	$ (1,198,577)
Increase (decrease) in other noncurrent liabilities	(29,595)	34,333
Dividends paid to owners of the Corporation	(15,759,055)	(48,872,707)
Payments for buy-back of ordinary shares	(3,564,348)	-
Acquisition of the Corporation's shares held by subsidiaries	(74,939)	-
Acquisition of additional interests in subsidiary	(403,117)	(386,303)
Partial disposal of interests in subsidiaries without loss of control	-	3,916
Interest paid	(4,569,955)	(2,841,083)
Decrease in non-controlling interests	(2,281,830)	(3,156,163)
Net cash generated from (used in) financing activities	(12,922,370)	2,601,937
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	(2,527)	3,338,616
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,503,904)	5,695,239
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	26,423,419	20,728,180
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 10,919,515	$ 26,423,419
Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of December 31, 2023 and 2022:		
Cash and cash equivalents in the consolidated balance sheets	$ 16,417,322	$ 30,419,297
Bank overdraft	(5,497,807)	(3,995,878)
Cash and cash equivalents in the consolidated statements of cash flows	$ 10,919,515	$ 26,423,419

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

CHINA STEEL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARSYEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

China Steel Corporation (the "Corporation") was incorporated on December 3, 1971. It manufactures and sells steel products and engages in mechanical, communications, and electrical engineering.

The shares of the Corporation and its subsidiaries, including China Steel Structure Co., Ltd., China Steel Chemical Corporation, CHC Resources Corporation, China Ecotek Corporation and Chung Hung Steel Corporation, have been listed on the Taiwan Stock Exchange. The shares of the subsidiary Thintech Materials Technology Co., Ltd. have been traded on the Taipei Exchange. The subsidiary Dragon Steel Corporation has issued shares to the public.

As of December 31, 2023, the Ministry of Economic Affairs (MOEA), Republic of China owned 20% of the Corporation's issued shares.

The consolidated financial statements are presented in the Corporation's functional currency, the New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors and authorized for issue on February 29, 2024.

3. APPLICATION OF NEW, AMENDED REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Corporation and its subsidiaries' accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note1)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized by the board of director for issue, the Corporation and its subsidiaries have assessed that the application of other standards and interpretations will not have a material impact on the Corporation and its subsidiaries' financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized by the board of director for issue, the Corporation and its subsidiaries are continuously assessing the possible impact that the application of other standards and interpretations will have on the Corporation and its subsidiaries' financial position and financial performance and will disclose the relevant impact when the assessment is completed.

d. Presentation reclassification

The management of the Corporation and its subsidiaries considers that the restrictions on the use of repatriated funds in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act have not changed the nature of the deposit as the Corporation and its subsidiaries can access those amounts on demand. It is more appropriate to present the deposits in the account as cash and cash equivalents; therefore, this has changed the presentation of the consolidated balance sheets and consolidated statements of cash flows in 2023. The other financial assets were reclassified to cash and cash equivalents with a carrying amount of NT$900,921 thousand, NT$1,221,683 thousand and NT$1,757,575 thousand on December 31, 2023, December 31, 2022 and January 1, 2022. The impact on cash flows for the year ended December 31, 2022 was as follows:

	Adjustments
Net cash used in investing activities	$ 535,892
Net increase in cash and cash equivalents	(535,892)

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

For readers' convenience, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If inconsistencies arise between the English version and the Chinese version or if differences arise in the interpretations between the two versions, the Chinese version of the consolidated financial statements shall prevail.

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and noncurrent assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being used for an exchange or used to settle a liability for more than twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities expected to be settled within twelve months after the reporting period even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities without an unconditional right to defer settlement for at least twelve months after the reporting period.

Assets and liabilities that are not classified as abovementioned are classified as noncurrent.

For the Corporation and its subsidiaries' construction-related business, which has an operating cycle of over one year, the length of the operating cycle is the basis for classifying the Corporation and its subsidiaries' construction assets and liabilities as current or noncurrent.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Corporation's ownership interests in subsidiaries that do not result in the Corporation losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Corporation's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

The consolidated entities were as follows:

			Percentage of Ownership (%)		
Investor	**Investee**	**Main Businesses**	**December 31, 2023**	**December 31, 2022**	**Additional Descriptions**
China Steel Corporation	Dragon Steel Corporation (DSC)	Hot-rolled products, H beams, billets, flat steels	100	100	
	Gains Investment Corporation (GIC)	General investment	100	100	
	China Steel Express Corporation (CSE)	Shipping services for raw materials, ship chartering	100	100	
	C.S.Aluminium Corporation (CSAC)	Production and sale of aluminum and non-ferrous metal products	100	100	
	China Prosperity Development Corporation (CPDC)	Real estate development	100	100	
	China Steel Asia Pacific Holdings Pte Ltd (CSAP)	Holding and investment	100	100	
	Chung Hung Steel Corporation (CHS)	Manufacture and sale of steel products	41	41	Refer to 2) below
	China Steel Chemical Corporation (CSCC)	Manufacture of coal chemistry and speciality chemical	29	29	Refer to 1) below
	China Steel Global Trading Corporation (CSGT)	Buy and sell, and act as an agency for steel products	100	100	
	CHC Resources Corporation (CHC)	Manufacture and sale of Ground-Granulated Blast-Furnace Slag and Blast-Furnace Slag Cement, Air-cooled Blast Furnace Slag and Basic Oxygen Furnace Slag, reutilization of resources	20	20	Direct and indirect ownerships amounted to 36%, and refer to 1) below
	InfoChamp Systems Corporation (Info Champ)	ERP systems automation control systems service	100	100	
	China Steel Structure Co., Ltd. (CSSC)	Manufacture and sale of products of steel structure	33	33	Direct and indirect ownerships amounted to 38%, and refer to 1) below
	China Ecotek Corporation (CEC)	Environmental engineering, M&E engineering, and O&M engineering	45	45	Direct and indirect ownerships amounted to 46%, and refer to 1) below
	China Steel Security Corporation (CSS)	On-site security, systematic security	100	100	
	HIMAG Magnetic Corporation (HIMAG)	Production and sale of industrial magnetic, chemical, and iron oxides	69	69	Direct and indirect ownerships amounted to 88%
	China Steel Machinery Corporation (CSMC)	Manufacture and sale of products for iron and steel equipment, vehicle transportation equipment, power generation and other mechanical equipment	74	74	Direct and indirect ownerships amounted to 100%

Investor	Investee	Main Businesses	Percentage of Ownership (%) December 31, 2023	Percentage of Ownership (%) December 31, 2022	Additional Descriptions
	China Steel Management Consulting Corporation (CMCC)	Business management and management consulting services	100	100	
	Eminent Venture Capital Corporation (Eminent VC)	General Investment	-	-	Indirect ownership was 55%
	CSC Steel Australia Holdings Pty Ltd (CSC SAH)	General investment	100	100	
	China Steel and Nippon Steel Vietnam Joint Stock Company (CSVC)	Manufacture and sale of steel products	56	56	
	CSCI Steel Corporation India Pvt. Ltd. (CSCI) (Renamed from China Steel Corporation India Pvt. Ltd.)	Electrical steel	100	100	Renamed in February 2022
	Kaohsiung Rapid Transit Corporation (KRTC)	Mass Rapid Transit service	43	43	Direct and indirect ownerships amounted to 51%
	China Steel Resources Corporation (CSRC)	Other non-metallic mineral products manufacturing	100	100	
	CSC Solar Corporation (CSCSOLAR)	Solar energy generation	55	55	Direct and indirect ownerships amounted to 100%
	Sing Da Marine Structure Corporation (SDMS)	Foundation of offshore wind power	47	47	Direct and indirect ownerships amounted to 62%, not increasing in shares proportionally to percentage of ownership in January 2022
	United Steel International Co., Ltd. (USICL)	Holding and investment	-	-	End of settlement in October 2022
	China Steel Power Holding Corporation (CPHC)	General investment	51	51	
Gains Investment Corporation	Eminence Investment Corporation (EIC)	General investment	100	100	
	Betacera Inc. (BETACERA)	Manufacturing and trading of electronic ceramics	48	48	Direct and indirect ownerships amounted to 52%
	Thintech Materials Technology Co., Ltd. (TTMC)	Sputtering target manufacturing and sales	32	32	Direct and indirect ownerships amounted to 40%, and refer to 1) below
	Universal Exchange Inc. (UEC)	Wholesale of computer software, software design services, digital information supply services	64	64	Direct and indirect ownerships amounted to 99%
	Mentor Consulting Corporation (MCC)	Management consulting services	100	100	
	Winning Investment Corporation (WIC)	General investment	49	49	Direct and indirect ownerships amounted to 65%
	Pro-Ascentek Investment Corporation (PAIC)	General investment	5	5	Direct and indirect ownerships amounted to 61%
	OmniGains Investment Corporation (OG)	Holding and investment	100	-	Investment in April 2023
Eminence Investment Corporation	Shin Mau Investment Corporation (SMIC)	General investment	30	30	Direct and indirect ownerships amounted to 100%
	Ding Da Investment Corporation (DDIC)	General investment	30	30	Direct and indirect ownerships amounted to 100%
	Gau Ruei Investment Corporation (GRIC)	General investment	25	25	Direct and indirect ownerships amounted to 100%
	Chiun Yu Investment Corporation (CYIC)	General investment	25	25	Direct and indirect ownerships amounted to 100%

Investor	Investee	Main Businesses	Percentage of Ownership (%) December 31, 2023	Percentage of Ownership (%) December 31, 2022	Additional Descriptions
Shin Mau Investment Corporation	Hung-Chuan Investment Corporation (HCIC)	General investment	5	5	Direct and indirect ownerships amounted to 100%
	Chi-Yi Investment Corporation (CYIIC)	General investment	5	5	Direct and indirect ownerships amounted to 100%
Ding Da Investment Corporation	Jiing-Cherng-Fa Investment Corporation (JCFIC)	General investment	4	4	Direct and indirect ownerships amounted to 100%
Gau Ruei Investment Corporation	Sheng Lih Dar Investment Corporation (SLDIC)	General investment	4	4	Direct and indirect ownerships amounted to 100%
	Li-Ching-Long Investment Corporation (LCLIC)	General investment	5	5	Direct and indirect ownerships amounted to 100%
Betacera Inc.	Lefkara Ltd. (Lefkara)	Holding and Investment	100	100	
Lefkara Ltd.	Betacera (Su Zhou) Co., Ltd. (BSZ)	Manufacturing and trading of electronic ceramics	100	100	
	Shanghai Xike Ceramic Electronic Co., Ltd. (SHXCE)	Manufacturing and trading of electronic ceramics	100	100	
	Suzhou Betacera Technology Co., Ltd. (SBTC)	Manufacturing and trading of aeronautical or marine life saving products	100	100	
Thintech Materials Technology Co., Ltd.	Thintech Global Limited (TTGL)	Holding and investment	100	100	
Thintech Global Limited	Taicang Thintech Materials Co., Ltd. (TCMC)	Sputtering target manufacturing and sales	100	100	
China Steel Express Corporation	CSE Transport Corporation (CSEP)	Shipping services for raw materials	100	100	
	Transglory Investment Corporation (TIC)	General investment	48	50	Direct and indirect ownerships amounted to 100%, not increasing in shares proportionally to percentage of ownership in February 2023
	Kaoport Stevedoring Corporation (KPC)	Ship cargo loading and unloading industry	66	66	
C.S.Aluminium Corporation	ALU Investment Offshore Corporation (ALU)	Holding and investment	-	100	End of cancellation in November 2023
ALU Investment Offshore Corporation	United Steel International Development Corporation (USID)	Holding and investment	-	65	End of cancellation in November 2023
United Steel International Development Corporation	Ningbo Huayang Aluminium-Tech Co., Ltd. (NA)	Production of aluminum products	-	100	End of cancellation in July 2023
China Prosperity Development Corporation	CK Japan Co., Ltd. (CKJCL)	Real estate lease	80	80	Direct and indirect ownerships amounted to 100%
	China Prosperity Construction Corporation (CPCC)	Real estate development	60	60	Direct and indirect ownerships amounted to 100%
China Steel Asia Pacific Holdings Pte Ltd	CSC Steel Holdings Berhad (CSHB)	General investment	46	46	Refer to 2) below
	Changzhou China Steel Precision Materials Co., Ltd. (CSPM)	Production and sale of titanium and titanium alloys, nickel and nickel alloys	35	70	After the investment was restructured in October 2023, the direct and indirect ownerships amounted to 70%
	China Steel Precision Metals Qingdao Co., Ltd. (CSMQ)	Cutting and processing of steel products	-	-	Investment restructuring in February 2022
CSC Steel Holdings Berhad	CSC Steel Sdn. Bhd. (CSCM)	Manufacture and sale of steel products	100	100	
	Group Steel Corporation (M) Sdn. Bhd. (GSC)	General investment	-	100	End of settlement in January 2023
CSC Steel Sdn. Bhd.	Constant Mode Sdn. Bhd. (CMSB)	General investment	100	100	
Chung Hung Steel Corporation	Hung Kao Investment Corporation (HKIC)	General investment	100	100	

Investor	Investee	Main Businesses	Percentage of Ownership (%) December 31, 2023	Percentage of Ownership (%) December 31, 2022	Additional Descriptions
China Steel Chemical Corporation	Ever Wealthy International Corporation (EWIC)	General investment	100	100	
	Formosa Ha Tinh CSCC (Cayman) International Limited (FHTCIL)	General investment	-	50	End of settlement in July 2023
Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd. (CSNCMT)	Mesophase sales and trading	100	100	
China Steel Global Trading Corporation	Chung Mao Trading (Samoa) Corporation (SAMOA)	Holding and investment	100	100	
	Wabo Global Trading Corporation (WABO)	Buy and sell, and act as an agency for steel products	44	44	Direct and indirect ownerships amounted to 50%
	CSGT (Singapore) Pte. Ltd. (CSGTSNG)	Buy and sell, and act as an agency for steel products	100	100	
	Chung Mao Trading (BVI) Corporation (CSGTBVI)	Holding and investment	-	-	End of settlement in September 2022
	CSGT International Corporation (CIC)	Holding and investment	100	100	
	CSGT (Shenzhen) Co., Ltd. (SZH)	Buy and sell, and act as an agency for steel products	65	65	
	China Steel Precision Metals Kunshan Co., Ltd. (CSPK)	Cutting and processing of steel products	100	100	
	China Steel Precision Metals Qingdao Co., Ltd. (CSMQ)	Cutting and processing of steel products	70	70	Investment restructuring in February 2022
Chung Mao Trading (Samoa) Corporation	CSGT (Shanghai) Co., Ltd. (CSGTPRC)	Buy and sell, and act as an agency for steel products	100	100	
Wabo Global Trading Corporation	CSGT Japan Co., Ltd. (CSGTJPN)	Buy and sell, and act as an agency for steel products	100	100	
Chung Mao Trading (BVI) Corporation	CSGT Hong Kong Limited (CSGTHK)	Buy and sell, and act as an agency for steel products	-	-	End of settlement in April 2022
CSGT International Corporation	CSGT Metals Vietnam Joint Stock Company (CSGT-VTM)	Cutting and processing of steel products	60	60	
	CSGT Trading India Private Limited (CSGTIN)	Buy and sell, and act as an agency for steel products	99	99	Direct and indirect ownerships amounted to 100%
CHC Resources Corporation	Union Steel Development Corporation (USDC)	Manufacture and sale of iron powder, OEM and sales of refractory, trading, human dispatch	93	93	
	Pao Good Industrial Co., Ltd. (PG)	Sales of fly ash, manufacture and sales of dry-mix mortar, trading	51	51	
	Yu Cheng Lime Corporation (YCC)	Real estate lease, management of raw materials	90	90	
	CHC Resources Vietnam Co., Ltd (CHCV)	Manufacture and sale of Ground-Granulated Blast-Furnace Slag, Sales of Granulated Blast-Furnace Slag	85	85	
InfoChamp Systems Corporation	Info-Champ System (B.V.I) Corporation (ICSCB)	Holding and investment	100	100	
Info-Champ System (B.V.I) Corporation	Wuhan InfoChamp I.T. Co., Ltd. (WICIT)	Enterprise information system integration services	100	100	
China Steel Structure Co., Ltd.	United Steel Engineering & Construction Corporation (USEC)	Contracting for civil engineering and management	100	100	
	China Steel Structure Holding Co., Ltd. (CSSHCL)	Holding and investment	100	100	
United Steel Engineering & Construction Corporation	United Steel Investment Pte Ltd (USIPL)	Holding and investment	-	100	End of cancellation in August 2023
	United Steel Construction (Vietnam) Co., Ltd. (USCVC)	Contracting for civil engineering and management	-	100	Disposal in December 2023
China Ecotek Corporation	CEC International Corporation (CECIC)	General investment	100	100	
	CEC Development Corporation (CDC)	General investment	100	100	
	China Ecotek India Private Limited (CECI)	Construction engineering	-	-	
CEC International Corporation	China Ecotek India Private Limited (CECI)	Construction engineering	100	100	
CEC Development Corporation	China Ecotek Vietnam Company Limited (CEVC)	Construction engineering	100	100	
	Xiamen Ecotek PRC Company Limited (XEP)	Equipment materials import and export	100	100	
China Steel Security Corporation	Steel Castle Technology Corporation (SCTC)	Firefighting engineering and mechatronic engineering	100	100	
	China Steel Management And Maintenance For Buildings Corporation (CSMM)	Management and maintenance for buildings	100	100	
HIMAG Magnetic Corporation	MagnPower Corporation (MPC)	Powder metallurgy	55	55	
China Steel Machinery Corporation	China Steel Machinery Vietnam Co., Ltd. (CSMVC)	Machines manufacturing	-	100	End of settlement in March 2023
CSC Steel Australia Holdings Pty Ltd	CSC Sonoma Pty Ltd (CSC Sonoma)	Investments in mining industry	100	100	
Kaohsiung Rapid Transit Corporation	Taiwan Intelligent Transportation Co., Ltd. (TITC)	Technical service	100	100	
China Steel Power Holding Corporation	China Steel Power Corporation (ZN)	Offshore Wind Power Generation	100	100	

1) Explanations for subsidiaries which are less than 50% owned but included in the consolidated entities are as follows:

   a) The chairman and general manager of CEC, CSCC, CHC, CSSC and TTMC are designated by the Corporation and other subsidiaries in order to control its finance, operation, and human resources. Therefore, the Corporation had control-in-substance over aforementioned subsidiaries and included them in the consolidated entities.

   b) The actual operations of CHS and CSHB are controlled by the respective board of directors. The Corporation or with other subsidiaries jointly had more than half of the seats in the board of directors of CHS and CSHB. Therefore, the Corporation had control-in-substance over the aforementioned entities and included them in the consolidated entities.

2) The Corporation had no subsidiary with material non-controlling interests.

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests are initially measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

When a business combination is achieved in stages, the Corporation and its subsidiaries' previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized on the same basis as would be required if that interest were directly disposed of by the Corporation and its subsidiaries.

f. Foreign currencies

In preparing the financial statements of each individual consolidated entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the functional currencies of the Corporation's entities (including subsidiaries and associates in other countries that use currency different from the currency of the Corporation) are translated into the presentation currency - New Taiwan dollars as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the year. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Corporation and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Corporation and its subsidiaries' entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Corporation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Corporation losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

g. Inventories

Inventories manufactured or traded by the Corporation and its subsidiaries consist of raw materials, supplies, finished goods, work-in-process, etc. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at moving average cost or weighted-average cost.

Besides the goods manufactured or traded by the Corporation and its subsidiaries, inventories also include buildings and lands under construction and held for sale and prepayment for land.

The cost of buildings construction is calculated by each different construction project. The expenditure on land before acquiring land ownership is recorded as prepayment for land. The construction and other costs after acquiring land ownership are recognized as construction in progress, which will be transferred to property held for sale after the completion, and transferred to operating costs based on the ratio of area sold to total area when the lands and buildings are sold and the criteria of revenue recognition were met.

Before the transfer of land ownership and the completion of construction, interest arising from land purchase and cost of construction in progress (including costs of lands and constructions) is capitalized and recorded as acquisition cost of land and construction cost.

h. Investment in associates

An associate is an entity over which the Corporation and its subsidiaries have significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Corporation and its subsidiaries use the equity method to account for their investments in associates. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Corporation and its subsidiaries' share of the profit or loss and other comprehensive income of the associate. The Corporation and its subsidiaries also recognize the changes in the share of equity of associates.

Any excess of the cost of acquisition over the Corporation and its subsidiaries' share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is

recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation and its subsidiaries' share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

When the Corporation and its subsidiaries subscribe for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation and its subsidiaries' proportionate interest in the associate. The Corporation and its subsidiaries record such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Corporation and its subsidiaries' share of equity of associates. If the Corporation and its subsidiaries' ownership interest is reduced due to non-subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be a deduction to capital surplus, but the capital surplus recognized from investments accounted for using equity method is insufficient, the shortage is deducted from retained earnings.

When the Corporation and its subsidiaries' share of losses of an associate equal or exceed their interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation and its subsidiaries' net investment in the associate), the Corporation and its subsidiaries discontinue recognizing their share of further losses. Additional losses and liabilities are recognized only to the extent that the Corporation and its subsidiaries have incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

When impairment loss is evaluated, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, which forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

The Corporation and its subsidiaries discontinue the use of the equity method from the date on which their investment cease to be associates. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Corporation and its subsidiaries account for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Corporation and its subsidiaries transact with their associates, profits and losses on these transactions are recognized in the consolidated financial statements only to the extent of interests in the associate that are not related to the Corporation and its subsidiaries.

i. Joint operations

A joint operation is a joint arrangement whereby the Corporation and its subsidiaries and other parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Any acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business should be treated as a business combination, except when the parties sharing joint control are under the common control of the same ultimate controlling party or parties both before and after the acquisition and that control is not transitory.

The Corporation and its subsidiaries recognize the following items in relation to their interests in a joint operation:

1) The assets, including their share of any assets held jointly;

2) The liabilities, including their share of any liabilities incurred jointly;

3) The revenue from the sale of their share of the output arising from the joint operation;

4) The share of the revenue from the sale of the output of the joint operation; and

5) The expenses, including their share of any expenses incurred jointly.

The Corporation and its subsidiaries account for the assets, liabilities, revenue and expenses relating to their interests in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenue and expenses.

When the Corporation and its subsidiaries sell or contribute assets to their joint operation, they recognize gains and losses resulting from such a transaction only to the extent of the other parties' interests in the joint operation. When the Corporation and its subsidiaries purchase assets from its joint operation, they do not recognize their share of the gain or loss until they resell those assets to a third party.

j. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Properties in the course of construction are carried at cost. Cost includes professional fees and borrowing costs eligible for capitalization. Samples produced when testing whether an item of property, plant and equipment is functioning properly before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those samples and the cost of those samples are recognized in profit or loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use and depreciated accordingly.

Except that depreciation of the rollers (spare parts) is calculated based on their level of wear and depreciation of the machineries in the recycling plant of the subsidiary CHC is calculated by the working-hour method, other depreciation (including assets held under finance leases) is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. If the lease term is shorter than the useful lives, assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation, also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

l. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Corporation and its subsidiaries' cash-generating units or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

m. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting year with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

n. Impairment of property, plant and equipment, right-of-use assets, investment properties and intangible assets

At the end of each reporting period, the Corporation and its subsidiaries review the carrying amounts of their property, plant and equipment, right-of-use assets, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable

amount of an individual asset, the Corporation and its subsidiaries estimate the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation; otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The impairment loss is recognized in profit or loss.

Before the Corporation and its subsidiaries recognize an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Corporation and its subsidiaries expect to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss subsequently is reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined for the asset or cash-generating unit (net of amortization or depreciation) had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

o. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation and its subsidiaries become a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, investments in equity instruments at FVTOCI, investments in debt instruments at FVTOCI and financial assets at amortized cost.

i Financial asset at FVTPL

Financial assets classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

ii Investments in equity instruments at FVTOCI

On initial recognition, the Corporation and its subsidiaries may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation and its subsidiaries' right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost, including cash and cash equivalents, notes and accounts receivable (including related parties) at amortized cost, other receivables, refundable deposits and other financial assets, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Foreign currency exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Cash equivalents include time deposits, negotiable certificates of deposit, commercial papers and bonds with repurchase agreements with original maturities within 3 months from the date of acquisition, high liquidity, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

In the Corporation and its subsidiaries' consolidated statements of cash flows, bank overdraft, which is deemed to be repayable at any time and forms part of cash management, is classified as cash and cash equivalents. Bank overdraft is recorded under current liabilities in the consolidated balance sheets.

b) Impairment of financial assets and contract assets

The Corporation and its subsidiaries recognize a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable), investments in debt instruments at FVTOCI and contract assets.

The Corporation and its subsidiaries always recognize lifetime expected credit loss (ECL) for accounts receivable and contract assets. For other financial assets, the Corporation and its subsidiaries recognize lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Corporation and its subsidiaries measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Corporation and its subsidiaries derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part that is no longer recognized is treated in the same way as when the financial asset is derecognized in entirety. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

2) Equity instruments

Debt and equity instruments issued by the Corporation and its subsidiaries are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements

and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Corporation and its subsidiaries are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method:

i Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading.

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss.

ii Financial guarantee contracts

Financial guarantee contracts issued by the Corporation and its subsidiaries, if not designated as at FVTPL, are subsequently measured at the higher of the amount of the loss allowance reflecting expected credit loss and amortized cost.

b) Derecognition of financial liabilities

Only when the obligation is relieved, cancelled or expired would the Corporation and its subsidiaries derecognize financial liabilities. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

5) Derivative financial instruments

The Corporation and its subsidiaries enter into foreign exchange forward contracts and interest swap contracts to manage their exposure to foreign exchange rate and interest rate.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

6) Hedging accounting

The Corporation and its subsidiaries designate certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

a) Fair value hedges

Gains and losses on derivatives that are designated and qualified as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged items that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in profit or loss in the line item relating to the hedged item.

The Corporation and its subsidiaries discontinue hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

b) Cash flow hedges

The effective portion of gains and losses on derivatives that are designated and qualified as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and are included in the initial cost of the non-financial asset or non-financial liability.

The Corporation and its subsidiaries discontinue hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

c) Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similar to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion is recognized in gains and losses on hedging instruments. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The amount recognized in gains and losses on hedging instruments relating to the effective portion are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

p. Provisions

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. Provisions are measured using the cash flows estimated to settle the present obligation.

q. Treasury shares

Treasury shares represent the outstanding shares that the Corporation buys back from the market, which are stated at cost and shown as a deduction in equity.

Shares of the Corporation held by subsidiaries are reclassified to treasury shares from investments accounted for using equity method at the acquisition cost.

r. Revenue recognition

The Corporation and its subsidiaries identify the contract with the customers, allocate the transaction price to the performance obligations, and recognize revenue when performance obligations are satisfied.

1) Revenue from sale of goods

Revenue from the sale of goods is recognized when the committed goods are delivered from the Corporation and its subsidiaries to customers to satisfy performance obligations, as follows: domestic sales - when products are moved out of the Corporation and its subsidiaries' premises for delivery to customers; exports - when products are loaded onto vessels. Transaction price received is recognized as a contract liability until performance obligations are satisfied.

Revenue is measured at the fair value, which is the discounted present value of the price (net of commercial discounts and quantity discounts) agreed to by the Corporation and its subsidiaries with customers. Estimated discount or other allowances of the consideration received are recognized as refund liabilities. For a contract where the period between the date the Corporation and its subsidiaries transfer a promised good or service to a customer and the date the customer pays for that good or service is one year or less, the Corporation and its subsidiaries do not adjust the promised amount of consideration for any effect of a significant financing component.

2) Construction contract revenue

As property is being constructed and construction is in progress, the Corporation and its subsidiaries recognize revenue from construction contract over time. The Corporation and its subsidiaries measure the progress on the basis of costs incurred relative to the total expected costs or the units produced and installed relative to estimated total units under the contract as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligation. A contract asset is recognized during the construction and is reclassified to accounts receivable at the point at which it is invoiced to the customer. If the milestone payments exceed the revenue recognized to date, then the Corporation and its subsidiaries recognize a contract liability for the

difference. Certain amount retained by the customer as specified in the contract is intended to ensure that the subsidiaries adequately complete all their contractual obligations. Such retention receivables are recognized as contract assets until the subsidiaries satisfy their performance obligations.

3) Revenue from rendering of services

Revenue from rendering of services is recognized when services are provided by reference to the stage of completion of the services provided.

s. Leases

At the inception of a contract, the Corporation and its subsidiaries assess whether the contract is, or contains, a lease.

1) The Corporation and its subsidiaries as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Corporation and its subsidiaries assess the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Corporation and its subsidiaries. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract.

If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Corporation and its subsidiaries as lessee

The Corporation and its subsidiaries recognize right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprise the initial measurement of lease liabilities. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Corporation and its subsidiaries use the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in a lease term, an index or a rate used to determine those payments, the Corporation and its subsidiaries remeasure the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Corporation and its subsidiaries account for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Corporation and its subsidiaries negotiate with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Corporation and its subsidiaries elect to apply the practical expedient to rent concessions and, therefore, do not assess whether the rent concessions are lease modifications. Instead, the Corporation and its subsidiaries recognize the reduction in lease payment in profit or loss as a deduction of expenses of variable lease payments, in the period in which the events or conditions that trigger the concession occur, and make a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

t. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All borrowing costs other than those stated above are recognized in profit or loss in the period in which they are incurred.

u. Government grants

Government grants are not recognized until there is reasonable assurance that the subsidiaries will comply with the conditions attaching to them and that the grants will be received.

v. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, past service cost, as well as gains and losses on settlements) and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability represents the actual deficit in the Corporation and its subsidiaries' defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plan except that remeasurement is recognized in profit or loss.

4) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Corporation and its subsidiaries can no longer withdraw the offer of the termination benefit and when the Corporation and its subsidiaries recognize any related restructuring costs.

w. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

The Corporation and its subsidiaries' income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry forward and unused tax credits for purchases of machinery and equipment, and research and development expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Corporation and its subsidiaries are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation and its subsidiaries' accounting policies, management is required to make judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key sources of estimation uncertainty

a. Write-down of inventory

Inventories are stated at the lower of cost or net realizable value, and the Corporation and its subsidiaries use judgment and estimate to determine the net realizable value of inventory at the end of the reporting period. Since the net realizable value of inventory is mainly determined on the basis of future selling price, it might be adjusted significantly.

b. Unlisted equity securities

As described in Note 30, the Corporation and its subsidiaries applied valuation techniques commonly used by market practitioners to evaluate fair value of the financial instruments that do not have listed market price in an active market. The measurement for the unlisted equity securities includes assumptions not based on observable market prices or interest rates; therefore, the fair value may change significantly.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	$ 42,469	$ 45,541
Checking accounts and demand deposits	11,389,482	14,935,427
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits and negotiable certificates of deposit	3,315,020	9,706,943
Commercial papers	1,670,351	5,115,707
Bonds with repurchase agreements	-	615,679
	$ 16,417,322	$ 30,419,297

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Mutual funds	$ 3,128,052	$ 2,411,582
Listed shares	99,651	79,627
Emerging market shares	92,023	94,311
Corporate bonds	15,733	-
Convertible bonds	160,362	41,130
Convertible bonds call options and put options, net (Note 18)	80	-
Subordinated debt	50,000	-
Foreign exchange forward contracts (a)	1,479	182
Future contracts (b)	-	2,257
	$ 3,547,380	$ 2,629,089
Financial assets at FVTPL - noncurrent		
Financial assets mandatorily classified as at FVTPL		
Unlisted shares	$ 781,342	$ 841,723
Emerging market shares	25,074	27,809
	$ 806,416	$ 869,532

a. The subsidiaries entered into foreign exchange forward contracts to manage exposures due to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, some of those contracts were not accounted for by using hedge accounting. The outstanding foreign exchange forward contracts not under hedge accounting of the subsidiaries at the end of the reporting period were as follows:

	Currency	Maturity Date	Contract Amount (In Thousands)
December 31, 2023			
Sell	USD/NTD	2024.01-2024.03	USD2,300/NTD71,662
December 31, 2022			
Sell	USD/NTD	2023.03	USD2,000/NTD61,240

b. The subsidiaries entered into precious metal futures contracts to manage fair value exposures arising from price fluctuation on precious metals. However, some of those contracts were not accounted for by using hedge accounting. As of December 31, 2022, the contracts for delivery of precious metal futures have fully expired.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
Current		
Domestic investments		
Listed shares	$ 7,661,043	$ 5,264,273
Emerging market shares and unlisted shares	26,282	28,607
Corporate bonds	122,819	121,159
	7,810,144	5,414,039
Foreign investments		
Corporate bonds	59,519	14,767
	$ 7,869,663	$ 5,428,806
Noncurrent		
Domestic investments		
Listed shares	$ 10,199,950	$ 9,302,598
Emerging market shares and unlisted shares	3,150,034	2,811,678
	13,349,984	12,114,276
Foreign investments		
Unlisted shares	33,934,365	33,552,612
Listed shares	3,058,544	2,046,926
Certificate of entitlement	1,253,717	901,079
	38,246,626	36,500,617
	$ 51,596,610	$ 48,614,893

These investments in equity instruments are not held for trading; instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Corporation and its subsidiaries' strategy of holding these investments for long-term purposes.

9. FINANCIAL INSTRUMENTS FOR HEDGING

	December 31	
	2023	2022
Financial assets for hedging - current		
Hedging foreign-currency deposits	$ 4,665,766	$ 3,056,877
Foreign exchange forward contracts	70,475	68,446
Futures contracts	14,007	-
	$ 4,750,248	$ 3,125,323
Financial assets for hedging - noncurrent		
Foreign exchange forward contracts	$ 417,927	$ 343,848
Interest rate swap contracts	591,490	470,782
	$ 1,009,417	$ 814,630
Financial liabilities for hedging - current		
Borrowed precious metals from bank	$ 81,032	$ 239,060
Foreign exchange forward contracts	10,644	4,387
	$ 91,676	$ 243,447
Financial liabilities for hedging - noncurrent		
Bank loans (Note 17)	$ 976,857	$ 1,045,219
Foreign exchange forward contracts	1,395	1,412
	$ 978,252	$ 1,046,631

Refer to Note 30 for information relating to financial instruments for hedging.

10. NOTES AND ACCOUNTS RECEIVABLE, NET (INCLUDING RELATED PARTIES)

	December 31	
	2023	2022
Notes receivable		
Operating	$ 2,106,872	$ 1,906,336
Non-operating	169	-
	$ 2,107,041	$ 1,906,336
Accounts receivable	$ 10,927,198	$ 11,583,646
Less: Allowance for impairment loss	142,389	153,739
	$ 10,784,809	$ 11,429,907

The Corporation and its subsidiaries make prudent assessment of their customers. The counterparties are creditworthy companies; as a result, the significant credit risk is unexpected. The Corporation and its subsidiaries did transactions with a large number of unrelated customers and no concentration of credit risk was observed. The Corporation and its subsidiaries continue to manage the financial condition and entire credit risk of their customers and obtain sufficient collateral if needed to mitigate the risk of financial loss from late payment.

The expected credit losses on notes and accounts receivable are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast GDP and direction of economic conditions at the reporting date.

The Corporation and its subsidiaries continue to monitor the collection of receivables to ensure that proper actions are made to collect past due receivables. Additionally, the Corporation and its subsidiaries review the recoverable amount of receivables one by one on the balance sheet date to ensure that proper allowances are recognized for unrecoverable receivables.

The following table details the loss allowance of notes and accounts receivable based on the impaired aging analysis.

December 31, 2023

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 12,231,224	$ 452,103	$ 20,597	$ 63,353	$ 266,962	$ 13,034,239
Loss allowance (Lifetime ECL)	(6,516)	(1)	(6,713)	(5,629)	(123,530)	(142,389)
Amortized cost	$ 12,224,708	$ 452,102	$ 13,884	$ 57,724	$ 143,432	$ 12,891,850

December 31, 2022

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 12,711,988	$ 353,360	$ 226,625	$ 63,664	$ 134,345	$ 13,489,982
Loss allowance (Lifetime ECL)	(9,010)	(22)	(7,305)	(4,256)	(133,146)	(153,739)
Amortized cost	$ 12,702,978	$ 353,338	$ 219,320	$ 59,408	$ 1,199	$ 13,336,243

The movements of the loss allowance of accounts receivable were as follows:

	For the Year Ended December 31	
	2023	2022
Balance, beginning of year	$ 153,739	$ 161,334
Recognition (reversal)	(1,579)	4,090
Written off	(9,858)	(11,959)
Effect of foreign currency exchange difference	87	274
Balance, end of year	$ 142,389	$ 153,739

The Corporation and its subsidiary CHS entered into accounts receivable factoring agreements (without recourse) with Mega Bank and other financial institutions. Under the agreements, the Corporation and its subsidiary are empowered to sell accounts receivable to the banks upon the delivery of products to customers and are required to complete related formalities at the next banking day.

For the years ended December 31, 2023 and 2022, the related information for the Corporation and its subsidiaries CHS's sale of accounts receivable was as follows.

Counterparty	Advances Received at Year - Beginning	Receivables Sold	Amounts Collected by Bank	Advances Received at Year - End	Annual Interest Rate on Advances Received (%)	Credit Line
For the Year Ended December 31, 2023						
Mega Bank	$ 1,168,020	$ 2,901,882	$ 3,086,337	$ 983,565	1.00-2.62	NT$9 billion
Bank of Taiwan	476,666	1,067,196	1,172,928	370,934	1.00-2.62	NT$2.1 billion
Bank of Taiwan	389,518	3,804,421	3,928,002	265,937	0.60-6.79	USD130,000 thousand
Taishin Bank	1,813,047	6,995,701	6,140,735	2,668,013	3.60-6.22	USD250,000 thousand
CTBC Bank	764,251	3,258,594	3,198,600	824,245	2.10-6.24	USD60,000 thousand
Mizuho Bank	3,044	666,636	652,897	16,783	3.25-6.32	USD10,000 thousand
Mega Bank	224,382	365,240	503,900	85,722	2.03	NT$485,000 thousand
Bank of Taiwan	10,293	2,562	11,064	1,791	1.83	-
Bank of Taiwan	9,108	-	9,108	-	-	-
	$ 4,858,329	$ 19,062,232	$ 18,703,571	$ 5,216,990		
For the Year Ended December 31, 2022						
Mega Bank	$ 2,045,351	$ 4,456,176	$ 5,333,507	$ 1,168,020	0.98-2.09	NT$9 billion
Bank of Taiwan	575,436	1,284,295	1,383,065	476,666	0.98-2.09	NT$2.1 billion
Bank of Taiwan	368,790	4,333,017	4,312,289	389,518	0.62-4.10	USD130,000 thousand
Taishin Bank	3,790,809	8,866,702	10,844,464	1,813,047	0.80-5.73	USD250,000 thousand
CTBC Bank	1,632,110	3,483,166	4,351,025	764,251	0.82-3.06	USD60,000 thousand
Mizuho Bank	7,431	1,032,436	1,036,823	3,044	0.94-4.50	USD10,000 thousand
Mega Bank	453,536	1,051,545	1,280,699	224,382	1.38	NT$530,000 thousand
Bank of Taiwan	46,016	141,425	177,148	10,293	1.37	NT$200,000 thousand
Bank of Taiwan	22,479	40,239	53,610	9,108	3.5	USD20,000 thousand
	$ 8,941,958	$ 24,689,001	$ 28,772,630	$ 4,858,329		

In 2023, the subsidiary CSAC entered into accounts receivable factoring agreements with the bank. Under the agreements, if the accounts receivable cannot be received when due, the bank is empowered to demand payment of outstanding balances from CSAC. Therefore, the material risks and rewards of the accounts receivable have not been transferred from CSAC. All accounts receivable continue to be recognized and the transferred accounts receivable are used as collateral for borrowings. Refer to Note 32 for information relating to accounts receivable pledged as collateral.

As of December 31, 2023, the carrying amount of these accounts receivable that have been transferred but not derecognized was NT$49,065 thousand, and the carrying amount of the related short-term borrowings was NT$49,065 thousand.

11. INVENTORIES

	December 31	
	2023	2022
Work in progress	$ 30,613,415	$ 32,485,469
Finished goods	30,159,994	34,383,088

	December 31	
	2023	2022
Raw materials	$ 30,100,399	$ 33,860,965
Supplies	14,429,630	15,328,347
Inventory in transit	14,026,926	14,674,694
Buildings and lands under construction	245,909	219,753
Others	774,143	563,447
	$ 120,350,416	$ 131,515,763

The costs of inventories recognized as operating costs for the years ended December 31, 2023 and 2022 were NT$298,329,412 thousand and NT$360,218,909 thousand, respectively, including reversal of loss on inventory NT$4,723,294 thousand and loss on inventory NT$5,881,807 thousand, respectively. Reversal of loss on inventory was due to the disappearance of the factors that previously caused the net realizable value of inventories to be lower than the cost.

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2023	2022
Material associate		
9404-5515 Québec Inc	$ 8,120,954	$ 8,126,994
Associates that are not individually material	5,765,329	6,438,319
	$ 13,886,283	$ 14,565,313

a. Material associate

Name of Associate	Nature of Activities	Principal Place of Business	Percentage of Ownership and Voting Rights (%)	
			December 31, 2023	December 31, 2022
9404-5515 Québec Inc.	Mineral Investment	Canada	25	25

The summarized financial information below represents amounts shown in the financial statements of 9404-5515 Québec Inc., which have been prepared in accordance with the IFRS Accounting Standards, and converted to the functional currency and adjusted for the purposes of applying equity method.

	December 31	
	2023	2022
Current assets	$ 284,390	$ 56,016
Noncurrent assets	33,774,653	33,780,636
Current liabilities	(966,320)	(719,318)
Equity	$ 33,092,723	$ 33,117,334
Equity attributable to the Corporation and its subsidiaries (carrying amount of the investment)	$ 8,120,954	$ 8,126,994

	For the Year Ended December 31	
	2023	2022
Net profit for the year	$ 1,288,959	$ 3,501,592
Total comprehensive income for the year	$ 1,085,289	$ 5,573,388
Dividends received from 9404-5515 Québec Inc.	$ 330,446	$ 1,102,023
Comprehensive income attributable to the Corporation and its subsidiaries	$ 266,330	$ 1,367,709

b. Information about associates that are not individually material was as follows:

	For the Year Ended December 31	
	2023	2022
The Corporation and its subsidiaries' share of		
Net profit for the year	$ 207,971	$ 733,454
Other comprehensive income (loss)	(19,348)	(77,101)
Total comprehensive income	$ 188,623	$ 656,353

Fair values (Level 1) of investments in associates with available published price quotation are summarized as follows:

	December 31	
	2023	2022
Chateau International Development Co., Ltd.	$ 1,484,414	$ 751,220

Refer to Table 9 "Information on Investees" for the nature of main business, principal place of business and countries of incorporation of associates that are not individually material.

13. OTHER FINANCIAL ASSETS

	December 31	
	2023	2022
Current		
Time deposits with original maturities more than three months	$ 9,502,806	$ 1,308,964
Pledged time deposits (Note 32)	6,466,950	7,124,094
Pledged demand deposits (Note 32)	300,000	300,000
Deposits for projects	95,530	9,000
	$ 16,365,286	$ 8,742,058

	December 31	
	2023	2022
Noncurrent		
Pledged receivables (Note 32)	$ 2,000,000	$ 2,000,000
Pledged time deposits (Note 32)	305,558	219,748
Time deposits	263,091	129,638
Deposits for projects	-	2,455
	$ 2,568,649	$ 2,351,841

Refer to Note 32 for information relating to other financial assets pledged as collateral.

14. PROPERTY, PLANT AND EQUIPMENT

Refer to Table 12 for the movements of property, plant and equipment for the years ended December 31, 2023 and 2022.

Items of property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

Land improvements	3-40 years
Buildings	
Main structure	5-60 years
Others	3-40 years
Machinery and equipment	
Power equipment	3-25 years
Process equipment	8-40 years
Lifting equipment	5-25 years
Others	2-25 years
Transportation Equipment	
Ship equipment	18 years
Others	2-20 years
Other equipment	2-35 years

The subsidiary CHS bought farmlands for warehousing at the Gangshan District in Kaohsiung City. However, certain regulations prohibit CHS from registering the title of these farmlands in CHS's name; therefore, the registration was made in the name of an individual person. The individual person consented to fully cooperate with CHS in freely changing the land title to CHS or to other name under CHS's instructions. Meanwhile, the land had been pledged to CHS as collateral. As of December 31, 2023 and 2022, the book value of the farmlands was both NT$19,354 thousand, recorded as land.

The subsidiary NA carried out a review of the recoverable amount of machinery and equipment that the carrying amount exceeded the recoverable amount and thus recognized an impairment loss of NT$26,491 thousand, which was recognized in operating costs for the year ended December 31, 2022. The recoverable amount of the relevant assets was determined based on their fair value less costs of disposal.

Refer to Note 32 for the carrying amount of property, plant and equipment that had been pledged by the Corporation and its subsidiaries to secure borrowings.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amounts		
Land	$ 11,443,326	$ 11,103,415
Land improvements	208,888	242,366
Buildings	642,223	734,127
Machinery	44,467	131,325
Transportation equipment	88,292	79,217
Office equipment	9,619	19,209
Others	6,327	14,331
	$ 12,443,142	$ 12,323,990

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 633,423	$ 1,083,015
Depreciation charge for right-of-use assets		
Land	$ 914,208	$ 879,501
Land improvements	51,974	48,473
Buildings	274,710	234,457
Machinery	173,360	116,083
Transportation equipment	52,887	55,054
Office equipment	9,590	7,903
Others	6,677	6,483
	$ 1,483,406	$ 1,347,954

b. Lease liabilities

	December 31	
	2023	2022
Carrying amounts		
Current	$ 1,021,341	$ 1,255,361
Non-current	10,226,901	9,727,326
	$ 11,248,242	$ 10,982,687

Range of discount rate (%) for lease liabilities was as follows:

	December 31	
	2023	2022
Land	0.56-2.21	0.56-2.21
Land improvements	1.31-1.74	1.31
Buildings	0.56-5.04	0.56-5.44

	December 31	
	2023	2022
Machinery	0.57-1.74	0.57-0.95
Transportation equipment	0.36-2.08	0.36-1.99
Office equipment	0.59-6.07	0.59-6.07
Others	0.59-2.01	0.59-2.01

c. Material lease activities and terms

The Corporation leases land with a total of 261,207.62 square meter from Taiwan International Ports Corporation, Ltd. The rent is calculated by an annual rate of 5% based on the announced land value. The lease term started from January 2008 to December 2027.

The Corporation leases No. 101 berth in Kaohsiung Harbor from Taiwan International Ports Corporation, Ltd. for the use of cargo handling of raw materials, including coal and iron ore, as well as GBFS with a lease term started from December 2016 to December 2027.

The subsidiary DSC leases industrial land and port land from Taiwan International Ports Corporation, Ltd. Taichung branch for the use of cargo handling with a lease term started from December 2004 to November 2054. The rent is calculated based on leased portion of land times announced land value and tax rate of land value.

To expand its operation in central Taiwan, the subsidiary CHC rented land from Taiwan International Ports Corporation, Ltd. Taichung branch for 20 years, which is from January 1, 2007 to December 31, 2026. Rental cost consists of rent and fixed as well as floating operating royalties during operating period. Rental duration may be extended when due. Each extension is limited to no more than 20 years until such extension is not permitted. The conditions of the extension shall be negotiated when extended.

To expand storage of GBFS and mid to long-term utilization, the subsidiary CHC continued to rent several pieces of land in the Port of International Ports Corporation, Ltd. Taichung branch with a lease period due on various dates through 2036. Rental duration may be extended when expired, with conditions of the extension to be negotiated.

Refer to Note 32 for the carrying amount of right-of-use assets that had been pledged by the Corporation and its subsidiaries to secure borrowings.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases and low-value asset leases	$ 310,360	$ 348,546
Expenses relating to variable leases payments not included in the measurement of lease liabilities	$ 1,404	$ 1,322
Total cash outflow for leases	$ (1,858,426)	$ (1,717,344)

For land, buildings and some transportation equipment which qualify as short-term leases and office equipment which qualify as low-value asset leases, the Corporation and its subsidiaries have elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

For the year ended December 31, 2023

	Land	Buildings	Total
Cost			
Balance at January 1, 2023	$ 8,469,428	$ 2,633,041	$ 11,102,469
Additions	-	1,191	1,191
Transfers to non-current assets held for sale and disposed	(28,800)	(18,466)	(47,266)
Transfers to property, plant and equipment	-	(490)	(490)
Effect of foreign currency exchange difference	(8,634)	(19,350)	(27,984)
Balance at December 31, 2023	$ 8,431,994	$ 2,595,926	$ 11,027,920
Accumulated depreciation and impairment			
Balance at January 1, 2023	$ 137,936	$ 1,205,426	$ 1,343,362
Depreciation	-	39,574	39,574
Impairment loss (reversed)	(87,077)	-	(87,077)
Transferred to non-current assets held for sale and disposed	(8,825)	(18,466)	(27,291)
Effect of foreign currency exchange difference	-	(5,794)	(5,794)
Balance at December 31, 2023	$ 42,034	$ 1,220,740	$ 1,262,774
Carrying amount at December 31, 2023	$ 8,389,960	$ 1,375,186	$ 9,765,146

For the year ended December 31, 2022

	Land	Buildings	Total
Cost			
Balance at January 1, 2022	$ 8,101,040	$ 2,640,834	$ 10,741,874
Additions	188,553	-	188,553
Transfers from property, plant and equipment	184,436	1,899	186,335
Effect of foreign currency exchange difference	(4,601)	(9,692)	(14,293)
Balance at December 31, 2022	$ 8,469,428	$ 2,633,041	$ 11,102,469
Accumulated depreciation and impairment			
Balance at January 1, 2022	$ 137,936	$ 1,165,384	$ 1,303,320
Depreciation	-	41,456	41,456
Transfers from property, plant and equipment	-	296	296
Effect of foreign currency exchange difference	-	(1,710)	(1,710)
Balance at December 31, 2022	$ 137,936	$ 1,205,426	$ 1,343,362
Carrying amount at December 31, 2022	$ 8,331,492	$ 1,427,615	$ 9,759,107

The above items of investment properties are depreciated on a straight-line basis over the following useful lives:

Buildings	6-60 years

The determination of fair value was performed by independent qualified professional valuers or the management of the Corporation, which used the valuation model that market participants would use in determining the fair value, and the fair value was measured using Level 3 inputs. The valuation was measured under the comparative approach, income approach, cost approach and land developing analysis approach similar to the transaction price of the real estate market. The significant unobservable inputs used include discount rates and depreciation rates. The fair value as appraised was as follows:

	December 31	
	2023	**2022**
Fair value	$ 28,964,224	$ 27,521,145

All of the Corporation and its subsidiaries' investment properties are held under freehold interests. Refer to Note 32 for the carrying amount of the investment properties that had been pledged by the Corporation and its subsidiaries to secure borrowings.

17. BORROWINGS

a. Short-term borrowings and bank overdraft

	December 31	
	2023	**2022**
Unsecured loans	$ 24,158,710	$ 42,074,980
Bank overdraft (Note 32)	5,497,807	3,995,878
Letters of credit and export bill loans	3,559,984	3,452,267
Secured loans (Note 32)	594,567	145,464
	$ 33,811,068	$ 49,668,589
Range of interest rate (%)	0.09-8.00	0-8.27

b. Short-term bills payable

	December 31	
	2023	**2022**
Commercial paper	$ 63,035,000	$ 38,029,000
Less: Unamortized discounts	89,201	48,122
	$ 62,945,799	$ 37,980,878
Range of interest rate (%)	1.42-2.78	1.14-2.29

The above commercial paper was secured by Mega Bills Finance Corporation, China Bills Finance Corporation, International Bills Finance Corporation, Taching Bills Finance Corporation, Taiwan Finance Corporation, Bank of Taiwan, Dah Chung Bills Finance Corporation, Grand Bills Finance Corporation, Mizuho Bank, Ltd. and Mega International Commercial Bank.

c. Long-term borrowings

	December 31	
	2023	**2022**
Syndicated bank loans	$ 26,630,974	$ 12,806,087
Mortgage loans (Note 32)	5,404,035	7,610,089
Unsecured loans	26,566,183	37,421,035
	58,601,192	57,837,211
Less: Current portion	5,459,281	5,220,738
Financial liabilities for hedging - non-current	976,857	1,045,219
	$ 52,165,054	$ 51,571,254
Range of interest rate (%)	0.29-7.11	0.27-9.55

1) The subsidiary CSVC entered into a syndicated credit facility agreement with financial institutions for a US$94,000 thousand of credit line. Under the agreement, CSVC should meet certain financial ratios and criteria based on its audited annual financial statements. CSVC was in compliance with the syndicated credit facility agreement based on its audited financial statements for the year ended December 31, 2022. CSVC repaid the full amount of the syndicated bank loan in December 2023.

2) The subsidiary CSCI entered into a syndicated credit facility agreement with financial institutions for a US$105,000 thousand credit line. Under the agreement, the Corporation should meet certain financial ratios and criteria based on its reviewed consolidated financial statements for the six months ended June 30 and audited consolidated annual financial statements. The Corporation was in compliance with the syndicated credit facility agreement based on its audited consolidated financial statements for the years ended December 31, 2023 and 2022.

3) The subsidiary ZN entered into a syndicated credit facility agreement with financial institutions for a NT$43.9 billion and EUR$40,000 thousand of credit line. Under the agreement, the Corporation and ZN's investors should hold ownerships directly and indirectly amounted to 51% and maintain more than half the total number of directors. As of December 31, 2023, the Corporation was in compliance with the syndicated credit facility agreement.

4) The subsidiary CHS entered into a syndicated credit facility agreement with financial institutions for a NT$ 6 billion of credit line. Under the agreement, CHS should meet certain financial ratios and criteria based on its audited consolidated annual financial statements. As of December 31, 2023, the credit line has not been utilized.

5) The subsidiary CSCC entered into a syndicated credit facility agreement with Taipei Fubon Bank for a NT$500,000 thousand of credit line. Under the agreement, CSCC should meet certain financial ratios and criteria based on its audited consolidated annual financial statements. CSCC was in compliance with the syndicated credit facility agreement for the year ended December 31, 2023.

The above unsecured loans included those obtained by the Corporation in JPY to hedge the exchange rate fluctuations on equity investments, which were reclassified to financial liabilities for hedging - noncurrent.

d. Long-term bills payable

	December 31	
	2023	2022
Commercial paper	$ 24,720,000	$ 26,570,000
Less: Unamortized discounts	19,736	12,420
	$ 24,700,264	$ 26,557,580
Range of interest rate (%)	1.30-1.98	0.64-1.65

The Corporation and its subsidiaries entered into commercial paper contracts with bills finance corporations and banks. The duration of the contracts is two to four years which the Corporation and its subsidiaries only have to pay service fees and interests. Therefore, the Corporation and its subsidiaries recorded those commercial papers issued as long-term bills payable.

The above commercial paper was secured by Mega Bank, Mizuho Bank, Ltd., Agricultural Bank of Taiwan and Bank BNP Paribas, etc.

18. BONDS PAYABLE

	December 31	
	2023	2022
Unsecured domestic bonds (a)	$ 70,650,000	$ 62,375,000
Secured domestic convertible bonds (b)	199,900	-
Less: Issuance cost of bonds payable	49,522	27,422
Current portion	11,961,585	12,224,635
	$ 58,838,793	$ 50,122,943

a. The major terms of unsecured domestic bonds are as follows:

Issuer	Issuance Period	Total Amount	Coupon Rate (%)	Repayment and Interest Payment
The Corporation	July 2013 to July 2023	$ 9,700,000	1.60	Repayable in July 2022 and July 2023; interest payable annually
The Corporation	January 2014 to January 2024	7,000,000	1.95	Repayable in January 2023 and January 2024; interest payable annually
The Corporation	May 2018 to May 2025	6,000,000	0.95	Repayable in May 2024 and May 2025; interest payable annually
The Corporation	October 2018 to October 2025	4,150,000	0.90	Repayable 25% in October 2024 and 75% in October 2025; interest payable annually
The Corporation	December 2020 to December 2025	1,600,000	0.39	Repayable in December 2024 and December 2025; interest payable annually
The Corporation	July 2023 to July 2026	7,200,000	1.50	Repayable 100% in July 2026; interest payable annually
The Corporation	December 2020 to December 2027	4,200,000	0.43	Repayable 70% in December 2026, 30% in December 2027; interest payable annually
The Corporation	July 2023 to July 2028	3,800,000	1.57	Repayable 50% in July 2027, 50% in July 2028; interest payable annually

Issuer	Issuance Period	Total Amount	Coupon Rate (%)	Repayment and Interest Payment
The Corporation	July 2013 to July 2028	$ 3,600,000	1.88	Repayable 30% in July 2026, 30% in July 2027 and 40% in July 2028; interest payable annually
The Corporation	August 2018 to August 2028	5,600,000	1.10	Repayable in August 2027 and August 2028; interest payable annually
The Corporation	October 2018 to October 2028	2,250,000	1.05	Repayable in October 2027 and October 2028; interest payable annually
The Corporation	January 2014 to January 2029	9,000,000	2.15	Repayable 30% in January 2027, 30% in January 2028 and 40% in January 2029; interest payable annually
DSC	June 2018 to June 2023	4,500,000	0.91	Repayable in June 2022 and June 2023; interest payable annually
DSC	December 2018 to December 2023	3,250,000	0.97	Repayable in December 2022 and December 2023; interest payable annually
DSC	June 2018 to June 2025	2,250,000	1.00	Repayable in June 2024 and June 2025; interest payable annually
DSC	June 2020 to June 2025	5,000,000	0.73	Repayable in June 2024 and June 2025; interest payable annually
DSC	June 2023 to June 2026	5,000,000	1.55	Repayable in June 2026; interest payable annually
DSC	December 2023 to December 2028	4,500,000	1.79	Repayable in December 2027 and December 2028 ; interest payable annually
CHS	March 2020 to March 2025	2,000,000	0.78	Repayable in March 2025; interest payable annually
CHS	September 2020 to September 2025	1,000,000	0.65	Repayable in September 2025; interest payable annually

b. The major terms of secured domestic convertible bonds are as follows:

Issuer	Issuance Period	Total Amount	Coupon Rate (%)	Repayment and Interest Payment
TTMC	March 2023 to March 2026	$ 200,000	0.00	Repayable in cash within 10 business days after the maturity date at the face value of the bonds

The subsidiary, TTMC issued secured domestic convertible bonds at par in March 2023, the issuance period secured by Bank SinoPac is from March 2023 to March 2026. The creditors may request the bonds to be converted into TTMC's ordinary shares in accordance with the terms of conversion after three months from the issue date. The creditors may request TTMC to redeem the bond in cash at 100.5006% of the par value (yield to put of 0.25% per annum) after two years from the issue date. The derivatives embedded in the bonds, including put options and redemption options were recognized separately from the host contract - corporate bonds as financial instruments at fair value through profit or loss (Note 7) and measured at fair value in accordance with IAS 32 and IFRS 9. As of December 31, 2023, the convertible bonds with a par value NT$100 thousand have been converted into 3,000 shares of ordinary shares at a price of NT$32 per share.

19. ACCOUNTS PAYABLE (INCLUDING RELATED PARTIES)

Accounts payable includes advances received on construction contracts. Advances received on construction contracts bears no interests and are expected to be paid until the satisfaction of conditions specified in each contract for the payment of such amounts during retention periods, which were within the normal operating cycle of the Corporation and its subsidiaries, usually more than twelve months.

20. OTHER PAYABLES

	December 31	
	2023	2022
Salaries and bonus	$ 7,154,441	$ 8,964,448
Purchase of equipment	1,568,354	3,145,235
Outsourced repair and construction	883,940	769,041
Interest payable	600,768	693,029
Compensation of employees and remuneration of directors	410,619	2,043,136
Dividends payable	370,311	340,921
Others	8,561,791	10,068,386
	$ 19,550,224	$ 26,024,196

21. PROVISIONS

	December 31	
	2023	2022
Current		
Onerous contracts (a)	$ 5,288,693	$ 4,659,922
Construction warranties (b)	921,513	1,060,263
Others	-	17,105
	$ 6,210,206	$ 5,737,290
Noncurrent		
Provision for stabilization funds (c)	$ 560,513	$ 554,516
Others	387,403	267,421
	$ 947,916	$ 821,937

	Onerous Contracts	Construction Warranties	Provision for Stabilization Funds	Others	Total
Balance at January 1, 2023	$ 4,659,922	$ 1,060,263	$ 554,516	$ 284,526	$ 6,559,227
Recognized (reversal)	629,172	(111,042)	6,094	166,914	691,138
Paid	-	(27,708)	(97)	(16,115)	(43,920)
Reclassification	-	-	-	(47,024)	(47,024)
Effect of foreign currency exchange difference	(401)	-	-	(898)	(1,299)
Balance at December 31, 2023	$ 5,288,693	$ 921,513	$ 560,513	$ 387,403	$ 7,158,122
Balance at January 1, 2022	$ 6,401,336	$ 566,256	$ 687,581	$ 251,038	$ 7,906,211
Recognized (reversal)	(1,741,435)	502,650	4,594	60,746	(1,173,445)
Paid	-	(8,643)	(137,659)	(27,415)	(173,717)
Effect of foreign currency exchange difference	21	-	-	157	178
Balance at December 31, 2022	$ 4,659,922	$ 1,060,263	$ 554,516	$ 284,526	$ 6,559,227

a. The provision for onerous contracts of the Corporation and its subsidiaries comes from the non-cancellable purchase contracts of which the provision amounts are measured using the difference between the unavoidable costs of meeting the contractual obligations and the economic benefits expected to be received from the contracts; and the non-cancellable construction contracts of which the provision amounts are measured using the difference between the expected unavoidable costs of meeting the contractual obligations and the economic benefits expected to be received from the contracts.

b. The provision for construction warranties represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Corporation and its subsidiaries' obligations for warranties. The estimate had been made on the basis of historical warranty trends.

c. The provision for stabilization funds represents the provision recognized in accordance with the build-operate-transfer contract by the subsidiary KRTC. The provision was used for capital demand due to force majeure, exceptional events, operating deficits, etc. The provision for stabilization funds was recognized based on increase in stabilization funds.

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation and its domestic subsidiaries adopted a pension plan under the Labor Pension Act (the LPA), which is a state-managed defined contribution plan. Based on the LPA, the Corporation and its subsidiaries make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The foreign subsidiaries also make contribution in accordance with the local regulations, which is a defined contribution plan.

b. Defined benefit plans

The Corporation and its domestic subsidiaries adopted the defined benefit plan under the Labor Standards Law, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Corporation and its domestic subsidiaries make contributions, equal to a certain percentage of total monthly salaries, to a pension fund, which is deposited in the Bank of Taiwan in the name of and administered by the pension fund monitoring committee. Before the end of each year, the Corporation and its domestic subsidiaries assess the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation and its domestic is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Corporation and its subsidiaries have no right to influence the investment policy and strategy. The Corporation and some of its subsidiaries also makes contributions, equal to a certain percentage of salaries of management personnel, to another pension fund, which are deposited and administered by the officers' pension fund management committee. The Corporation and some of its subsidiaries, also set up rules of consolation payment and holiday benefits, which are defined benefit plans.

The amounts included in the consolidated balance sheets in respect of the Corporation and its subsidiaries' defined benefit plans were as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	$ 20,759,927	$ 22,033,682
Fair value of plan assets	(15,358,613)	(16,502,544)
Deficit	5,401,314	5,531,138
Net defined benefit liabilities - recognized as other payables, other current assets or other noncurrent assets	112,230	74,332
Net defined benefit liabilities	$ 5,513,544	$ 5,605,470

Movements of net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2023	$ 22,033,682	$ (16,502,544)	$ 5,531,138
Service cost			
Current service cost	473,215	-	473,215
Past service cost and loss on settlements	6	-	6
Interest expense (income)	268,549	(210,318)	58,231
Recognized in profit or loss	741,770	(210,318)	531,452
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(136,730)	(136,730)
Actuarial loss - changes in financial assumptions	2,507	-	2,507
Actuarial loss - experience adjustments	381,022	-	381,022
Recognized in other comprehensive income (loss)	383,529	(136,730)	246,799
Contributions from the employer	-	(800,904)	(800,904)
Benefits paid	(2,396,951)	2,291,797	(105,154)
Liabilities extinguished on settlement	(1,965)	-	(1,965)
Others	(138)	86	(52)
	(2,399,054)	1,490,979	(908,075)
Balance at December 31, 2023	$ 20,759,927	$ (15,358,613)	$ 5,401,314
Balance at January 1, 2022	$ 25,239,528	$ (16,458,275)	$ 8,781,253
Service cost			
Current service cost	571,287	-	571,287
Past service cost and loss on settlements	52	-	52
Interest expense (income)	102,660	(69,416)	33,244
Recognized in profit or loss	673,999	(69,416)	604,583

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	$ -	$ (1,331,873)	$ (1,331,873)
Actuarial loss - changes in demographic assumptions	3,162	-	3,162
Actuarial gain - changes in financial assumptions	(1,247,024)	-	(1,247,024)
Actuarial loss - experience adjustments	445,374	-	445,374
Recognized in other comprehensive income (loss)	(798,488)	(1,331,873)	(2,130,361)
Contributions from the employer	-	(1,603,689)	(1,603,689)
Benefits paid	(3,078,779)	2,960,709	(118,070)
Liabilities extinguished on settlement	(2,697)	-	(2,697)
Others	119	-	119
	(3,081,357)	1,357,020	(1,724,337)
Balance at December 31, 2022	$ 22,033,682	$ (16,502,544)	$ 5,531,138

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2023	2022
Operating costs	$ 345,821	$ 390,282
Operating expenses	184,730	213,626
Others	901	675
	$ 531,452	$ 604,583

Through the defined benefit plans under the Labor Standards Law, the Corporation and its subsidiaries are exposed to the following risks:

1) Investment risk

   The plan assets are invested in domestic and foreign equity securities, debt securities, and bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk

   A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk

The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2023	**2022**
Discount rate (%)	1.13-1.625	1.125-1.625
Expected rate of salary increase (%)	2.000-3.500	2.000-3.500
Turnover rate (%)	0.000-17.000	0.000-17.000

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2023	**2022**
Discount rate		
0.25% increase	$ (501,328)	$ (531,811)
0.25% decrease	$ 520,741	$ 552,730
Expected rate of salary increase		
0.25% increase	$ 512,774	$ 542,746
0.25% decrease	$ (495,644)	$ (524,320)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	**2022**
The expected contributions to the plan for the next year	$ 768,473	$ 1,352,330
The average duration of the defined benefit obligation	5.2-15.4 years	5.7-16.3 years

23. EQUITY

a. Share capital

	December 31	
	2023	**2022**
Number of shares authorized (in thousands)	17,000,000	17,000,000
Shares authorized	$ 170,000,000	$ 170,000,000

	December 31	
	2023	**2022**
Number of shares issued and fully paid (in thousands)		
Ordinary shares (in thousands)	15,734,861	15,734,861
Preference shares (in thousands)	38,268	38,268
	15,773,129	15,773,129
Shares issued		
Ordinary shares	$ 157,348,610	$ 157,348,610
Preference shares	382,680	382,680
	$ 157,731,290	$ 157,731,290

1) Ordinary shares

Fully paid ordinary shares, which have a par value of NT$10, carry one vote per share and the right to dividends.

2) Preference shares

The Corporation's Articles of preference shareholders have the following entitlements or rights:

a) 14% annual dividends, with dividend payments ahead of those to ordinary shareholders;

b) Preference over ordinary shares in future payment of dividends in arrears;

c) The sequence and percentage of appropriation of residual property are the same with ordinary shares;

d) The same rights as ordinary shareholders, except the right to vote for directors; and

e) Redeemable by the Corporation and convertible to ordinary shares by preference shareholders with the ratio of 1:1.

3) Overseas depositary receipts

In May 1992, February 1997, October 2003 and August 2011, the Corporation issued 126,512,550 units of GDR in the Europe U.S., and Asia. The depositary receipts then increased by 6,924,354 units resulting from the capital increase out of retained earnings. Each unit represents 20 shares of the Corporation's ordinary shares and the issued GDRs account for the Corporation's ordinary shares totaling 2,668,738,370 shares (including 290 fractional shares). Under relevant regulations, the GDR holders may also request the conversion to the shares represented by the GDR. The foreign investors may also request the reissuance of such depositary receipts within the originally approved units. As of December 31, 2023 and 2022, the outstanding depositary receipts were 633,752 units and 682,975 units, equivalent to 12,675,350 ordinary shares (including 310 fractional shares), and 13,659,810 ordinary shares (including 310 fractional shares), which represented 0.08% of all the outstanding ordinary shares.

b. Capital surplus

	December 31	
	2023	**2022**
May be used to offset deficits, distribute cash or transfer to share capital (see 1 below)		
Additional paid-in capital	$ 31,154,766	$ 31,154,766
Treasury share transactions	8,649,345	8,329,159
Others	44,523	44,523
	39,848,634	39,528,448
May be used to offset deficits only (see 2 below)		
Share of change in equity of subsidiaries	708,127	587,117
Share of change in equity of associates	132,057	159,550
	840,184	746,667
	$ 40,688,818	$ 40,275,115

1) The capital surplus could be used to offset a deficit and distribute as cash dividends or transfer to capital when the Corporation has no deficit (limited to a certain percentage of the Corporation's paid-in capital and once a year).

2) The capital surplus included the share of change in equity of subsidiaries recognized without any actual acquisition or disposal of subsidiaries' share by the Corporation or the adjustments to capital surplus of subsidiaries under equity method.

c. Retained earnings and dividend policy

The Corporation's Articles of Incorporation provide that the annual net income, less any deficit, should be appropriated in the following order:

1) 10% as legal reserve;

2) Preference share dividends at 14% of par value;

3) Ordinary share dividends at no more than 14% of par value; and

4) The remainder, if any, as additional dividends divided equally between the holders of preference and ordinary shares.

The board of directors should propose the appropriation of earnings. If necessary, it may, after appropriating for preference shares dividends, propose to appropriate a special reserve or to retain certain earnings. These proposals should be submitted to the shareholders' meeting for approval.

The Corporation's steel business is in a phase of stable growth; thus, 75% or more of the appropriation for dividends should be in cash and 25% or less in shares.

Appropriation of earnings to legal reserve could be made until the legal reserve equals the Corporation's paid-in capital. Legal reserve may be used to offset deficit. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under Rule issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Corporation should appropriate or reverse a special reserve. In addition, if the market price of the Corporation's ordinary shares held by subsidiaries is

lower than the carrying value of the Corporation's shares held by subsidiaries, the Corporation should appropriate a special reserve equal to the difference between market price and carrying value multiplied by the percentage of ownership. Any special reserve appropriated may be reversed to the extent of the increase in valuation.

The appropriations of earnings for 2022 and 2021 had been approved in the shareholders' meeting in June 2023 and 2022, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividend Per Share (NT$)	
	2022	2021	2022	2021
Legal reserve	$ 1,917,329	$ 6,154,632		
Reversal of special reserve	-	(723,473)		
Preference shares				
Cash dividends	53,575	118,631	$ 1.40	$ 3.10
Ordinary shares				
Cash dividends	15,734,861	48,778,069	$ 1.00	$ 3.10

The appropriations of earnings for 2023 had been proposed by the Corporation's board of directors on February 29, 2024 as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 163,955	
Preference shares		
Cash dividends	53,575	$ 1.40
Ordinary shares		
Cash dividends	5,454,701	$ 0.35

The appropriations of earnings for 2023 are subject to the resolution of the shareholder's meeting to be held in June 2024.

d. Special reserves

	For the Year Ended December 31	
	2023	2022
Balance, beginning of the year	$ 26,914,657	$ 27,639,574
Reversal in respect of		
Appreciation of the Corporation's shares held by subsidiaries	-	(723,473)
Disposal of property, plant and equipment	(1,022)	(1,444)
Balance, end of the year	$ 26,913,635	$ 26,914,657

e. Other equity items

1) Exchange differences on translating foreign operations

	For the Year Ended December 31	
	2023	2022
Balance, beginning of the year	$ (6,308,766)	$ (9,167,082)

	For the Year Ended December 31	
	2023	2022
Recognized during the year		
Exchange differences arising on translating foreign operations	$ 33,791	$ 2,495,862
Income tax relating to exchange differences arising on translating the net assets of foreign operations	1,094	(84,471)
Share from accounted for using the equity method	(22,308)	446,925
Other comprehensive income recognized in the year	12,577	2,858,316
Balance, end of the year	$ (6,296,189)	$ (6,308,766)

2) Unrealized gains and losses on financial assets at fair value through other comprehensive income

	For the Year Ended December 31	
	2023	2022
Balance, beginning of the year	$ (3,046,896)	$ 951,977
Recognized during the year		
Unrealized gains and losses - equity instruments	3,857,630	(5,428,464)
Unrealized gains and losses - debt instruments	734	2
Income tax relating to unrealized gains and losses	(268,258)	1,417,401
Share from accounted for using the equity method	(39,425)	(40,715)
Other comprehensive income (loss) recognized in the year	3,550,681	(4,051,776)
Cumulative unrealized gain or loss of equity instruments transferred to retained earnings due to disposal	(229,803)	52,903
Balance, end of the year	$ 273,982	$ (3,046,896)

3) Gains and losses on hedging instrument

	Cash Flow Hedges	Fair Value Hedges	Hedges of Net Investments in Foreign Operations	Total
Balance at January 1, 2023	$ 557,741	$ 165,015	$ 3,788,786	$ 4,511,542
Increase (decrease) in the year	(6,118)	18,453	-	12,335
Balance at December 31, 2023	$ 551,623	$ 183,468	$ 3,788,786	$ 4,523,877
Balance at January 1, 2022	$ (134,815)	$ 155,182	$ 3,788,786	$ 3,809,153
Increase in the year	692,556	9,833	-	702,389
Balance at December 31, 2022	$ 557,741	$ 165,015	$ 3,788,786	$ 4,511,542

a) Cash flow hedges

	For the Year Ended December 31	
	2023	2022
Balance, beginning of the year	$ 557,741	$ (134,815)
Recognized during the year		
Foreign currency risk - foreign exchange forward contracts and hedging foreign - currency deposits	(107,170)	407,941
Interest rate risk - interest rate swap contracts	21,367	285,845
Share from accounted for using the equity method	10,171	24,556
Income tax effect	40,465	(48,197)
Reclassification adjustment		
Foreign currency risk - hedging foreign - currency deposits	(13,897)	30,810
Interest rate risk - interest rate swap contracts	40,194	(2,237)
Income tax effect	2,752	(6,162)
Other comprehensive income (loss) recognized in the year	(6,118)	692,556
Balance, end of the year	$ 551,623	$ 557,741

b) Fair value hedges

	For the Year Ended December 31	
	2023	2022
Balance, beginning of the year	$ 165,015	$ 155,182
Recognized during the year		
Foreign currency risk - bank loans	18,453	9,833
Balance, end of the year	$ 183,468	$ 165,015

c) Hedges of net investments in foreign operations

	For the Year Ended December 31	
	2023	2022
Balance, beginning/end of the year	$ 3,788,786	$ 3,788,786

f. Treasury shares

	Thousand Shares			December 31	
Purpose of Treasury Shares	Beginning of Year	Addition	Reduction	Thousand Shares	Book Value
For the year ended December 31, 2023					
Shares transferred to Employees	-	137,426	-	137,426	$ 3,564,348
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	320,159	7,654	-	327,813	8,830,392
	320,159	145,080	-	465,239	$12,394,740

Purpose of Treasury Shares	Thousand Shares			December 31	
	Beginning of Year	Addition	Reduction	Thousand Shares	Book Value
For the year ended December 31, 2022					
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	320,159	-	-	320,159	$ 8,649,421

The Corporation's shares held by subsidiaries for the purpose of investment are accounted for as treasury shares (subsidiaries recorded those shares as financial assets at fair value through other comprehensive income - current and financial assets at fair value through other comprehensive income - noncurrent) based on the percentage of ownership held by the Corporation. The Corporation's shares held by more than 50%-owned subsidiaries are not allowed to participate in the Corporation's capital increase in cash and have no voting rights; other rights are the same as other ordinary shareholders. The increase or decrease of treasury shares was mainly due to acquisition and sale of the Corporation's shares by subsidiaries or change in percentage of ownership.

Refer to Table 3 for the Corporation's shares held by subsidiaries as of December 31, 2023 were 524,286 thousand shares regardless of the percentage of ownership held by the Corporation. As of December 31, 2023 and 2022 the market values of the treasury shares calculated by combined holding percentage were NT$8,852,083 thousand and NT$9,541,857 thousand, respectively.

In November 2023, the Corporation's Board of Directors resolved to buy back 150,000 thousand shares of ordinary shares from the open market for transfer to employees. As of the end date of the scheduled purchase period in January 2024, the actual buy back shares amounted to 150,000 thousand shares, with a payment of NT$3,898,320 thousand, which had not yet been transferred to employees.

Under the Securities and Exchange Act, the number of shares bought back may not exceed 10% of the total number of issued and outstanding shares of the Corporation. The total amount of the shares bought back may not exceed the amount of retained earnings plus premium on capital stock plus realized capital reserve. The shares bought back to transfer to employees shall be transferred within five years from the date of buyback. The shares not transferred within the announced time limit shall be deemed as not issued by the Corporation, and amendment registration shall be processed.

The shares bought back for transfer to employees shall not be pledged and have no rights to vote and receive dividends.

g. Non-controlling interests

	For the Year Ended December 31	
	2023	2022
Balance, beginning of the year	$ 36,943,217	$ 37,926,255
Attributable to non-controlling interests:		
Share of net profit for the year	1,849,526	211,284
Other comprehensive income (loss) for the year		
Exchange difference on translating foreign operations	(154,898)	1,140,893
Income tax relating to exchange difference on translating foreign operations	3,224	(6,278)
Unrealized gains and losses on financial assets at fair value through other comprehensive income	237,038	(48,026)

	For the Year Ended December 31	
	2023	2022
Income tax relating to unrealized gains and losses on financial assets at fair value through other comprehensive income	$ (2,431)	$ 3,207
Gains and losses on hedging instrument	156,663	338,306
Income tax relating to gains and losses on hedging instrument	839	(5,647)
Remeasurement of defined benefit plans	(84,224)	315,627
Income tax relating to remeasurement of defined benefit plans	17,182	22,340
Share of other comprehensive income (loss) of associates accounted for using the equity method	(17,892)	280
Non-controlling interests arising from capital increase (decrease) of subsidiaries	101,755	1,182,357
Dividend distributed by subsidiaries	(2,383,585)	(4,338,520)
Acquisition of non-controlling interests of subsidiaries	(396,625)	(158,842)
Disposal of non-controlling interests of subsidiaries	-	4,299
Others	215,219	355,682
Balance, end of the year	$ 36,485,008	$ 36,943,217

24. OPERATING REVENUE

a. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes and accounts receivable (Note 10)	$ 12,891,681	$ 13,336,243	$ 18,178,793
Contract assets			
Construction contracts	$ 7,893,576	$ 6,317,688	$ 7,432,208
Retentions receivable	926,612	716,445	749,964
Others	105,715	138,169	115,896
	$ 8,925,903	$ 7,172,302	$ 8,298,068
Contract liabilities			
Construction contracts	$ 2,418,280	$ 2,314,280	$ 3,052,467
Sale of goods	1,456,840	1,724,236	2,275,688
Others	37,540	296,416	129,078
	$ 3,912,660	$ 4,334,932	$ 5,457,233

b. Disaggregation of revenue

For the year ended December 31, 2023

Type of goods or services	Steel Department	Others	Total
Revenue from the sale of goods	$ 281,927,176	$ 53,754,099	$ 335,681,275
Construction contract, service and other revenue	4,058,251	23,586,972	27,645,223
	$ 285,985,427	$ 77,341,071	$ 363,326,498

For the year ended December 31, 2022

Type of goods or services	Steel Department	Others	Total
Revenue from the sale of goods	$ 348,721,467	$ 71,146,786	$ 419,868,253
Construction contract, service and other revenue	5,565,848	24,133,387	29,699,235
	$ 354,287,315	$ 95,280,173	$ 449,567,488

c. Partially completed contracts

As of December 31, 2023 and 2022, the transaction prices allocated to the performance obligations that were not fully satisfied amounted to NT$33,334,521 thousand and NT$23,594,654 thousand, respectively. The Corporation and its subsidiaries will recognize revenue as the construction is being completed and the expected timing for recognition of revenue is on various dates through January 2029.

25. PROFIT BEFORE INCOME TAX

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 731,243	$ 356,243
Others	174,970	113,330
	$ 906,213	$ 469,573

b. Other income

	For the Year Ended December 31	
	2023	2022
Dividends income	$ 1,873,902	$ 1,663,312
Rental income	154,116	154,179
Others	974,402	1,580,642
	$ 3,002,420	$ 3,398,133

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net foreign exchange gain	$ 867,948	$ 1,048,575
Gain on disposal of non-current assets held for sale	33,742	44,561
Gain on disposal of right-of-use assets	-	787,950
Gain (loss) on disposal of investments	(131,871)	30,271
Gain (loss) on disposal of property, plant and equipment	(76,977)	67,775
Gain (loss) arising from financial assets at fair value through profit or loss	(9,526)	76,640
Impairment loss	(2,005)	-
Others	(529,221)	(15,561)
	$ 152,090	$ 2,040,211

The components of net foreign exchange gain were as follows:

	For the Year Ended December 31	
	2023	2022
Foreign exchange gain	$ 2,320,799	$ 3,767,519
Foreign exchange loss	(1,452,851)	(2,718,944)
Net exchange gain	$ 867,948	$ 1,048,575

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Total interest expense	$ 4,477,250	$ 2,891,483
Less: Amounts included in the cost of qualifying assets	853,589	398,076
	$ 3,623,661	$ 2,493,407

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2023	2022
Capitalized amounts	$ 853,589	$ 398,076
Capitalized annual rates (%)	1.20-3.59	0.40-3.17

e. Impairment loss recognized (reversed) on non-financial assets

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 2,005	$ 26,491
Investment properties	(87,077)	-
	$ (85,072)	$ 26,491
Analysis of recognition of impairment loss on non-financial assets by function		
Operating costs	$ (87,077)	$ 26,491
Other gains and losses	2,005	-
	$ (85,072)	$ 26,491

f. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 30,520,681	$ 32,701,342
Right-of-use assets	1,483,406	1,347,954
Investment properties	39,574	41,456
Intangible assets	195,764	214,949
Others	39,094	43,645
	$ 32,278,519	$ 34,349,346
Analysis of depreciation by function		
Operating costs	$ 30,751,696	$ 32,832,771
Operating expenses	1,254,286	1,228,099
Others	37,679	29,882
	$ 32,043,661	$ 34,090,752
Analysis of amortization by function		
Operating costs	$ 134,796	$ 175,755
Operating expenses	100,036	82,802
Others	26	37
	$ 234,858	$ 258,594

g. Employee benefits

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits		
Salaries	$ 29,073,722	$ 33,851,415
Labor and health insurance	2,426,629	2,540,925
Others	1,431,015	1,621,233
	32,931,366	38,013,573

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plans	$ 1,131,116	$ 1,069,518
Defined benefit plans (Note 22)	531,452	604,583
	1,662,568	1,674,101
Termination benefits	81,047	183,319
	$ 34,674,981	$ 39,870,993
Analysis of employee benefits by function		
Operating costs	$ 27,836,126	$ 31,957,127
Operating expenses	6,277,010	7,219,144
Others	561,845	694,722
	$ 34,674,981	$ 39,870,993

h. Compensation of employees and remuneration of directors

According to the Articles of Incorporation, the article stipulates the Corporation distributed compensation of employees and remuneration of directors at the rates no less than 0.1% and no higher than 0.15%, respectively, of the pre-tax profit prior to deducting compensation of employees and remuneration of directors.

The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022 which have been approved by the Corporation's board of directors in February 2024 and 2023, respectively, were as follows:

	For the Year Ended December 31	
	2023	2022
Compensation of employees	$ 117,132	$ 1,265,030
Remuneration of directors	2,196	23,719

If there is a change in the amounts after the annual financial statements are authorized for issue, the difference is recorded as a change in accounting estimate in the next following year.

There is no difference between the amounts of compensation of employees and remuneration of directors approved in the board of directors and the amounts recognized in the financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors resolved by the board of directors are available on the Market Observation Post System website of the Taiwan Stock Exchange.

26. INCOME TAX

a. Income tax recognized in profit or loss

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 1,888,148	$ 4,312,706
Income tax on unappropriated earnings	5,257	98,695
In respect of prior years	(183,660)	74,203
Deferred tax		
In respect of the current year	(739,170)	795,103
In respect of prior years	88,314	(17,170)
	$ 1,058,889	$ 5,263,537

The reconciliation of accounting profit and income tax expense was as follows:

	For the Year Ended December 31	
	2023	2022
Profit before income tax	$ 4,590,094	$ 23,258,596
Income tax expense calculated at the statutory rate	$ 877,420	$ 4,684,999
Non-deductible expenses in determining taxable income	49,229	51,327
Tax-exempt income	(582,795)	(894,973)
Realized investment losses	(7,197)	(34,242)
Others	108,822	164,151
Additional income tax under the Alternative Minimum Tax Act	6,846	4,276
Income tax on unappropriated earnings	5,257	98,695
Land value increment tax	794	254,289
Unrecognized deductible temporary differences	207,643	555,729
Unrecognized loss carryforwards	494,956	338,687
Unrecognized investment credits	(6,740)	(16,434)
In respect of prior years	(95,346)	57,033
	$ 1,058,889	$ 5,263,537

b. Income tax recognized directly in equity

	For the Year Ended December 31	
	2023	2022
Current tax		
Reversal of special reserve due to disposal of property, plant and equipment	$ 316	$ 446
Deferred tax		
Reversal of special reserve due to disposal of property, plant and equipment	(316)	(446)
	$ -	$ -

c. Income tax expense recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
Current - remeasurement of defined benefit plans	$ 49,313	$ (282,519)
Current - translation of foreign operations	4,318	(90,749)
Current - unrealized gains and losses on financial assets at fair value through other comprehensive income	(270,689)	1,420,608
Current - fair value changes of cash flow hedges	40,188	(48,230)
Fair value changes of hedging instruments in cash flow hedges transferred to adjust carrying amounts of hedged items	3,868	(11,776)
	$ (173,002)	$ 987,334

d. Deferred tax assets and liabilities

The Corporation and its subsidiaries offset certain deferred tax assets and deferred tax liabilities which met the offset criteria.

Refer to Table 13 for information relating to changes of deferred tax assets and liabilities.

e. Deductible temporary differences and unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2023	2022
Loss carryforwards	$ 12,238,711	$ 10,751,069
Deductible temporary differences	$ 1,639,833	$ 3,151,971

The unrecognized loss carryforwards will expire from 2024 to 2033.

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2023 comprised of:

Unused Amount	Expire Year
$ 22,196,275	2024-2033

g. Income tax assessments

The Corporation's income tax returns through 2019 and the subsidiaries' income tax returns through 2019 to 2021 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

The net profit and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net profit for the year

	For the Year Ended December 31	
	2023	2022
Net profit for the year attributable to owners of the Corporation	$ 1,681,679	$ 17,783,775
Less: Dividends on preference shares	53,575	53,575
Net profit used in computation of basic earnings per share	1,628,104	17,730,200
Add: Dividends on preference shares	-	-
Net profit used in computation of diluted earnings per share	$ 1,628,104	$ 17,730,200

Number of shares (in thousand shares)

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in computation of basic earnings per share	15,395,916	15,414,702
Effect of dilutive potential ordinary shares:		
Compensation of employees	10,332	62,148
Convertible preference shares	-	-
Weighted average number of ordinary shares used in computation of diluted earnings per share	15,406,248	15,476,850

Preference shares were not included in the calculation of diluted earnings per share for the years ended December 31, 2023 and 2022 because of their anti-dilutive effect.

Since the Corporation offered to settle the compensation paid to employees in cash or shares, the Corporation assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

28. DISPOSAL OF SUBSIDIARIES

The subsidiary USEC sold its entire shares of USCVC in December 2023 and thus the subsidiary USEC lost control of USCVC due to entered into a sale contract with unrelated parties.

a. Consideration received from disposals

	USCVC
Total consideration received	$ 30,830

b. Analysis of assets and liabilities on the date control was lost

	USCVC
Current assets	
Cash and cash equivalents	$ 30,159
Accounts receivable	707
Other receivables	173
Other current assets	1,282
Non-current assets	
Property, plant and equipment	500
Right-of-use assets	811
Refundable deposits	6
Current liabilities	
Accounts payable	(2,403)
Other payables	(186)
Other current liabilities	(11)
Net assets disposed of	$ 31,038

c. Loss on disposals of subsidiaries

	USCVC
Consideration received	$ 30,830
Net assets disposed of	(31,038)
Effect of foreign currency exchange difference	(6,963)
Loss on disposals	$ (7,171)

d. Net cash inflow on disposals of subsidiaries

	USCVC
Consideration received in cash and cash equivalents	$ 30,830
Less: Cash and cash equivalent balances disposed of	30,159
Less: Recognized as other receivables	30,503
	$ (29,832)

29. CAPITAL MANAGEMENT

The management of the Corporation and its subsidiaries optimized the balances of working capital, debt and equity as well as the related cost through monitoring the Corporation and its subsidiaries' capital structure and capital demand by reviewing quantitative data and considering industry characteristics, domestic and international economic environment, interest rate fluctuation, strategies for development, etc.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The Corporation and its subsidiaries believe the carrying amounts of financial instruments, including cash and cash equivalents, receivables and payables recognized in the consolidated financial statements approximated their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Mutual funds	$ 3,128,052	$ -	$ -	$ 3,128,052
Unlisted shares	-	-	781,342	781,342
Emerging market shares	-	-	117,097	117,097
Listed shares	99,651	-	-	99,651
Corporate bonds	15,733	-	-	15,733
Convertible bonds	160,362	-	-	160,362
Convertible bonds call options and put options, net	-	-	80	80
Subordinated debt	50,000	-	-	50,000
Foreign exchange forward contracts	-	1,479	-	1,479
	$ 3,453,798	$ 1,479	$ 898,519	$ 4,353,796
Financial assets at fair value through other comprehensive income				
Foreign unlisted shares and certificate of entitlement	$ -	$ -	$ 35,188,082	$ 35,188,082
Domestic listed shares	17,860,993	-	-	17,860,993
Domestic emerging market shares and unlisted shares	-	-	3,176,316	3,176,316
Foreign listed shares	3,058,544	-	-	3,058,544
Corporate bonds	182,338	-	-	182,338
	$ 21,101,875	$ -	$ 38,364,398	$ 59,466,273
Financial assets for hedging				
Interest rate swap contracts	$ -	$ 591,490	$ -	$ 591,490
Foreign exchange forward contracts	-	488,402	-	488,402
Future contracts	-	14,007	-	14,007
	$ -	$ 1,093,899	$ -	$ 1,093,899
Financial liabilities for hedging				
Foreign exchange forward contracts	$ -	$ 12,039	$ -	$ 12,039

December 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Mutual funds	$ 2,411,582	$ -	$ -	$ 2,411,582
Unlisted shares	-	-	841,723	841,723
Emerging market shares	-	-	122,120	122,120
Listed shares	79,627	-	-	79,627
Convertible bonds	41,130	-	-	41,130
Foreign exchange forward contracts	-	182	-	182
Future contracts	-	2,257	-	2,257
	$ 2,532,339	$ 2,439	$ 963,843	$ 3,498,621
Financial assets at fair value through other comprehensive income				
Foreign unlisted shares and certificate of entitlement	$ -	$ -	$ 34,453,691	$ 34,453,691
Domestic listed shares	14,566,871	-	-	14,566,871
Domestic emerging market shares and unlisted shares	-	-	2,840,285	2,840,285
Foreign listed shares	2,046,926	-	-	2,046,926
Corporate bonds	135,926	-	-	135,926
	$ 16,749,723	$ -	$ 37,293,976	$ 54,043,699
Financial assets for hedging				
Interest rate swap contracts	$ -	$ 470,782	$ -	$ 470,782
Foreign exchange forward contracts	-	412,294	-	412,294
	$ -	$ 883,076	$ -	$ 883,076
Financial liabilities for hedging				
Foreign exchange forward contracts	$ -	$ 5,799	$ -	$ 5,799

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2023 and 2022.

2) Reconciliation of Level 3 fair value measurements of financial assets

For the year ended December 31, 2023

Financial Assets	Financial Assets at Fair Value Through Profit or Loss	Financial Assets at Fair Value Through Other Comprehensive Income	Total
Balance, beginning of the year	$ 963,843	$ 37,293,976	$ 38,257,819
Recognized in profit or loss	(77,715)	-	(77,715)

	Financial Assets at Fair Value Through Profit or Loss	Financial Assets at Fair Value Through Other Comprehensive Income	Total
Recognized in other comprehensive income (loss)	$ -	$ 982,403	$ 982,403
Purchases	26,811	393,585	420,396
Transfer out of Level 3	-	(193,332)	(193,332)
Disposal	(12,271)	(136,967)	(149,238)
Reduction of capital cash return	(2,149)	-	(2,149)
Effect of foreign currency exchange difference	-	24,733	24,733
Balance, end of the year	$ 898,519	$ 38,364,398	$ 39,262,917

Financial Liabilities	Financial Liability at Fair Value Through Profit or Loss
Balance, beginning of the year	$ -
Additions	585
Recognized in profit or loss	(585)
Balance, end of the year	$ -

For the year ended December 31, 2022

Financial Assets	Financial Assets at Fair Value Through Profit or Loss	Financial Assets at Fair Value Through Other Comprehensive Income	Total
Balance, beginning of the year	$ 935,945	$ 41,205,534	$ 42,141,479
Recognized in profit or loss	78,569	-	78,569
Recognized in other comprehensive income (loss)	-	(4,205,612)	(4,205,612)
Purchases	1,278	329,605	330,883
Transfer out of Level 3	-	(352,664)	(352,664)
Disposal	(48,429)	(118,135)	(166,564)
Reduction of capital cash return	(3,520)	(8,242)	(11,762)
Effect of foreign currency exchange difference	-	443,490	443,490
Balance, end of the year	$ 963,843	$ 37,293,976	$ 38,257,819

3) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement

Financial Instrument	Valuation Techniques and Inputs
Derivative instruments	A discounted cash flow analysis was performed using the applicable yield curve for the duration of the instruments for non-option derivatives, and option pricing models for option derivatives. The estimates and assumptions used by the Corporation and its subsidiaries were consistent with those that market participants would use in setting a price for the financial instrument.

4) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

a) For emerging market shares, fair values were estimated on the basis of the closing price and liquidity.

b) For domestic unlisted shares, some foreign unlisted shares and certificate of entitlement, fair values were determined based on industry types or valuations of similar companies and operations.

c) For other foreign unlisted shares, fair values were measured under income approach and calculated by the present value of the expected returns by using a discounted cash flow model. Significant unobservable inputs were as follows; if the long-term pre-tax operating income rate increased or discount rate decreased, the fair value of the investments would increase.

	December 31	
	2023	**2022**
Long-term pre-tax operating income rate (%)	9.26	13.38
Discount rate (%)	9.79	10.50

If the below input to the valuation model was changed to reflect reasonably possible alternative assumptions while all other variables were held constant, the fair value of the equity investment would increase (decrease) as follows:

	December 31	
	2023	**2022**
Long-term pre-tax operating income rate		
Increase 1%	$ 220,195	$ 174,148
Decrease 1%	$ (220,195)	$ (174,792)
Discount rate		
Increase 1%	$ (243,379)	$ (264,893)
Decrease 1%	$ 316,245	$ 335,073

d) For parts of foreign unlisted shares, their fair values were measured under the market approach. In particular significant unobservable inputs included discount for lack of marketability and control premium. If discount for lack of marketability decreased or control premium increased, the fair values of the investments would increase.

e) Derivative financial instruments - convertible bonds were determined using the binomial option pricing model, where the unobservable input is stock market volatility, risk-free interest rate, discount rate and liquidity risk.

c. Categories of financial instruments

	December 31	
	2023	**2022**
Financial assets		
Financial assets at fair value through profit or loss	$ 4,353,796	$ 3,498,621
Financial assets for hedging	5,759,665	3,939,953
Financial assets at amortized cost 1)	50,345,151	58,185,566
Financial assets at fair value through other comprehensive income	59,466,273	54,043,699
Financial liabilities		
Financial liabilities for hedging	1,069,928	1,290,078
Financial liabilities at amortized cost 2)	289,816,410	278,373,188

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties), other receivables, financial assets at amortized cost - noncurrent, refundable deposits and other financial assets.

2) The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings and bank overdraft, short-term bills payable, notes and accounts payable (including related parties), other payables, refund liabilities, bonds payable, long-term bank borrowings, long-term bills payable and deposits received.

d. Financial risk management objectives and policies

The Corporation and its subsidiaries place great emphasis on financial risk management. By tracking and managing the market risk, credit risk, and liquidity risk efficiently, the management ensured that the Corporation and its subsidiaries were equipped with sufficient and cost-efficient working capital, which reduced financial uncertainty that may have adverse effects on the operations.

The significant financial activities of the Corporation and its subsidiaries are reviewed by the board of directors in accordance with relevant regulations and internal controls. The finance department follows the accountability and related financial risk control procedures required by the Corporation and its subsidiaries for executing financial projects. Compliance with policies and exposure limits is continually reviewed by the internal auditors. The Corporation and its subsidiaries did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

a) Foreign currency risk

The Corporation and its subsidiaries were exposed to foreign currency risk due to sales, purchases, capital expenditures and equity investments denominated in foreign currencies. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts, foreign deposits or foreign borrowings.

The carrying amounts of the significant non-functional currency monetary assets and liabilities (including those eliminated on consolidation) at the balance sheet date were referred to Note 34.

The Corporation and its subsidiaries were mainly exposed to the currencies USD and CNY. The following table details the sensitivity to a 1% increase in the functional currencies against the relevant foreign currencies.

	USD Impact		CNY Impact	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Pre-tax profit or loss	$ 65,200	$ 3,395 i	$ (7,492)	$ (9,955) i
Equity	(6,458)	(13,207) ii	(6,610)	(8,871) ii

i. These were mainly attributable to the exposure of outstanding cash, receivables, payables and borrowings which were not hedged at the balance sheet date.

ii. These were attributable to financial assets for hedging that were designated as hedging instruments in cash flow hedges.

In management's opinion, the sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the balance sheet date did not reflect the exposure during the year.

Hedge accounting

The Corporation and its subsidiaries' hedging strategies were as follows:

i. The Corporation and its subsidiaries' hedging strategy is to enter into foreign exchange forward contracts and purchase foreign currency to hedge. Those transactions are designated as cash flow hedges.

ii. The Corporation has designated certain long term foreign currency borrowing as a hedge to manage its foreign currency risk:

   i) Currency risks on foreign equity investments are accounted for as fair value hedge. Changes in the fair value of hedging instruments are recognized, based on the nature of hedged items, either in other gains or losses or other comprehensive income. The Corporation performs assessment of hedging effectiveness and it expects that the value of foreign currency borrowing and the value of the foreign equity investment will systematically change in opposite direction in response to movements in the underlying exchange rates.

   ii) Foreign currency risk on investments in foreign operations is managed by using foreign currency borrowing as a hedge instrument to hedge the investments.

The following tables summarize the information relating to the hedges of foreign currency risk.

December 31, 2023

Hedging Instruments/ Hedged Items	Line Item in Balance Sheet	Carrying Amount	
		Asset	Liability
Cash flow hedge			
Foreign exchange forward contracts/Forecast purchases, construction contracts and raw materials	Financial assets/liabilities for hedging	$ 488,402	$ 12,039
Hedging foreign-currency deposits/Forecast purchases, construction contracts and raw materials	Financial assets for hedging	4,665,766	-
Fair value hedge			
Foreign exchange forward contracts/Payable for raw materials	-	-	-
Foreign currency bank borrowings/Financial assets at FVTOCI	Financial liabilities for hedging	-	263,681
Foreign currency bank borrowings/Financial assets at FVTPL	Financial liabilities for hedging	-	713,176
Net investment hedge in foreign operations			
Foreign currency bank borrowings/Investment in foreign operations	-	-	-

Hedging Instruments/ Hedged Items	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Other Equity		Fair Value Hedge – Hedged Items' Carrying Amount	Fair Value Hedge – Accumulated Amount of Fair Value Hedge Adjustments
			Continuing Hedges	Discontinuing Hedges	Asset	Asset
Cash flow hedge						
Foreign exchange forward contracts/Forecast purchases, construction contracts and raw materials	$ 69,867	$ (69,867)	$ 476,363	$ -	NA	NA
Hedging foreign-currency deposits/Forecast purchases, construction contracts and raw materials	(93,418)	93,418	(56,888)	-	NA	NA
Fair value hedge						
Foreign exchange forward contracts/Payable for raw materials	(2,841)	2,841	NA	NA	$ -	$ -
Foreign currency bank borrowings/Financial assets at FVTOCI	18,453	(18,271)	94,548	88,920	331,447	(84,757)
Foreign currency bank borrowings/Financial assets at FVTPL	49,909	(50,661)	NA	NA	658,398	(294,366)
Net investment hedge in foreign operations						
Foreign currency bank borrowings/Investment in foreign operations	-	-	-	3,788,786	NA	NA

December 31, 2022

Hedging Instruments/ Hedged Items	Line Item in Balance Sheet	Carrying Amount	
		Asset	Liability
Cash flow hedge			
Foreign exchange forward contracts/Forecast purchases, construction contracts and raw materials	Financial assets/liabilities for hedging	$ 412,294	$ 5,799
Hedging foreign-currency deposits/Forecast purchases, construction contracts and raw materials	Financial assets for hedging	3,056,877	-
Fair value hedge			
Foreign exchange forward contracts/Payable for raw materials	-	-	-
Foreign currency bank borrowings/Financial assets at FVTOCI	Financial liabilities for hedging	-	282,134
Foreign currency bank borrowings/Financial assets at FVTPL	Financial liabilities for hedging	-	763,085
Net investment hedge in foreign operations			
Foreign currency bank borrowings/Investment in foreign operations	-	-	-

Hedging Instruments/ Hedged Items	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Other Equity		Fair Value Hedge - Hedged Items' Carrying Amount	Fair Value Hedge - Accumulated Amount of Fair Value Hedge Adjustments
			Continuing Hedges	Discontinuing Hedges	Asset	Asset
Cash flow hedge						
Foreign exchange forward contracts/Forecast purchases, construction contracts and raw materials	$ 500,474	$ (500,474)	$ 406,496	$ -	NA	NA
Hedging foreign-currency deposits/Forecast purchases, construction contracts and raw materials	125,153	(125,153)	36,530	-	NA	NA
Fair value hedge						
Foreign exchange forward contracts/Payable for raw materials	8,368	(8,368)	NA	NA	$ -	$ -
Foreign currency bank borrowings/Financial assets at FVTOCI	9,833	(9,736)	76,095	88,920	236,118	(66,486)
Foreign currency bank borrowings/Financial assets at FVTPL	26,597	(26,998)	NA	NA	712,241	(243,705)
Net investment hedge in foreign operations						
Foreign currency bank borrowings/Investment in foreign operations	-	-	-	3,788,786	NA	NA

For the year ended December 31, 2023

Effect on Comprehensive Income (Loss)	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in P/L	Line Item in Which Hedge Ineffec - tiveness is Included	Amount Reclassified to P/L and the Adjusted Line Item	
				Due to Hedged Item Affecting P/L	Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedge	$ (23,551)	$ -	-	$ -	$ -

For the year ended December 31, 2022

Effect on Comprehensive Income (Loss)	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in P/L	Line Item in Which Hedge Ineffec - tiveness is Included	Amount Reclassified to P/L and the Adjusted Line Item	
				Due to Hedged Item Affecting P/L	Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedge	$ 625,627	$ -	-	$ -	$ -

The outstanding foreign exchange forward contracts of the Corporation and its subsidiaries at the balance sheet date were as follows:

	Currency	Period for Generating Cash Flows and Maturity Date	Contract Amount (In Thousands)
December 31, 2023			
Buy	NTD/USD	2024.01-2026.08	NTD2,852,811/USD100,581
Buy	NTD/JPY	2024.02-2025.08	NTD133,851/JPY603,543
Buy	NTD/EUR	2024.01-2026.08	NTD6,359,160/EUR198,775
Buy	NTD/CNY	2024.01-2024.10	NTD210,963/CNY48,114
Sell	USD/NTD	2024.01-2024.03	USD1,316/NTD40,454
December 31, 2022			
Buy	NTD/USD	2023.01-2026.08	NTD4,985,015/USD180,849
Buy	NTD/GBP	2023.01-2023.06	NTD33,690/GBP909
Buy	NTD/JPY	2023.01-2023.12	NTD85,157/JPY377,629
Buy	NTD/EUR	2023.01-2025.02	NTD8,438,960/EUR266,343
Buy	NTD/CNY	2023.01-2023.11	NTD231,326/CNY52,869
Sell	USD/NTD	2023.01-2023.04	USD3,549/NTD108,625

b) Interest rate risk

The Corporation and its subsidiaries were exposed to interest rate risk because the Corporation and its subsidiaries borrowed funds at both fixed and floating interest rates. The risk is managed by the Corporation and its subsidiaries by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts.

The carrying amounts of the Corporation and its subsidiaries' financial liabilities with exposure to interest rates at the balance sheet date were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial liabilities	$ 144,994,419	$ 111,311,143
Cash flow interest rate risk		
Financial liabilities	117,112,524	134,063,380

If interest rates had been 1% higher/lower and all other variables were held constant, the Corporation and its subsidiaries' pre-tax profit for the years ended December 31, 2023 and 2022 would have been lower/higher by NT$ 1,171,125 thousand and NT$1,340,634 thousand, respectively.

Hedge accounting

A subsidiary entered into interest rate swap contracts to mitigate the risk of changes in interest rates on cash flow exposure related to its outstanding variable rate debt. Interest rate swaps are settled on a quarterly basis. The floating rate on interest rate swaps is the local interbank rate of Taipei. The subsidiary will settle the difference between the fixed and floating interest rates on a net basis.

The following tables summarize the information relating to the hedges for interest rate risk:

December 31, 2023

Hedging Instrument/ Hedged Item	Notional Amount	Maturity	Range of Interest Rates Paid (%)	Range of Interest Rates Received (%)
Cash flow hedge				
Interest rate swap contracts/Expected bank interest	$ 41,250,000	2031.12	0.994	1.36-1.49

Hedging Instrument/ Hedged Item	Line Item in Balance Sheet	Carrying Amount	
		Asset	Liability
Cash flow hedge			
Interest rate swap contracts/Expected bank interest	Financial assets for hedging	$ 591,490	$ -

Hedging Instrument/ Hedged Item	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Other Equity	
			Continuing Hedges	Discontinuing Hedges
Cash flow hedge				
Interest rate swap contracts/Expected bank interest	$ 120,708	$ (120,708)	$ 591,490	$ -

December 31, 2022

Hedging Instrument/ Hedged Item	Notional Amount	Maturity	Range of Interest Rates Paid (%)	Range of Interest Rates Received (%)
Cash flow hedge				
Interest rate swap contracts/Expected bank interest	$ 41,250,000	2031.12	0.994	0.44-1.04

Hedging Instrument/ Hedged Item	Line Item in Balance Sheet	Carrying Amount	
		Asset	Liability
Cash flow hedge			
Interest rate swap contracts/Expected bank interest	Financial assets for hedging	$ 470,782	$ -

Hedging Instrument/ Hedged Item	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Other Equity	
			Continuing Hedges	Discontinuing Hedges
Cash flow hedge				
Interest rate swap contracts/Expected bank interest	$ 556,094	$ (556,094)	$ 470,782	$ -

c) Other price risk

The Corporation and its subsidiaries were exposed to equity price risk through their investments in mutual funds and listed shares.

If equity prices had been 1% lower/higher, the pre-tax profit or loss for the years ended December 31, 2023 and 2022 would have been lower/higher by NT$32,277 thousand and NT$24,912 thousand, respectively, as a result of the fair value changes of financial assets at fair value through profit or loss, and the other comprehensive income for the years ended December 31, 2023 and 2022 would have been lower/higher by NT$209,195 thousand and NT$166,138 thousand, respectively, as a result of the changes in fair value of financial assets at fair value through other comprehensive income.

Hedge accounting

A subsidiary minimizes its fair value exposures of financial liabilities to price fluctuations of precious metals by entering into precious metals borrowing contracts and minimizes its fair value of inventory exposures to price fluctuations of precious metals by entering into precious metals futures contracts. The fair value of the precious metals borrowing transactions at the end of the reporting period is determined by the price of the precious metals. The fair value of the precious metals futures transactions at the end of the reporting period is estimated based on the spot position of the underlying assets linked to the held derivative instruments.

The terms of the precious metals borrowing contracts and precious metals futures contracts matched the terms of financial liabilities. The subsidiary performs a qualitative assessment of effectiveness and it expects that the value of the precious metals borrowing contracts and precious metals futures contracts and the value of the corresponding hedged items will systematically change in the opposite direction in response to movements in the underlying prices. The source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the subsidiary's own credit risk on the fair value of the precious metals borrowing contracts and precious metals futures contracts, which is not reflected in the fair value of the hedged item attributable to the change in prices. No other sources of ineffectiveness are expected to emerge from these hedging relationships.

The following tables summarize the information relating to the hedges of other price risk.

December 31, 2023

Hedging Instruments	Contract Amount	Maturity	Line Item in Balance Sheet	Carrying Amount Asset/Liability	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness
Fair value hedge					
Precious metals borrowing contracts	$ 81,032	-	Financial liabilities for hedging	$ 81,032	$ -
Sell futures contracts - Silver	67,944	2024.01	Financial assets for hedging	14,007	(155)
Sell futures contracts - Silver	67,732	2023.11	Financial assets for hedging	-	1,236

Hedged Items	Carrying Amount Asset	Accumulated Amount of Fair Value Hedge Adjustments Asset	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness
Fair value hedge			
Inventory - borrowings contracts	$ 81,032	$ -	$ -
Inventory - futures contracts	80,570	103	103

December 31, 2022

Hedging Instruments	Contract Amount	Maturity	Line Item in Balance Sheet	Carrying Amount Liability	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness
Fair value hedge					
Precious metals borrowing contracts	$ 239,060	-	Financial liabilities for hedging	$ 239,060	$ -

Hedged Items	Carrying Amount Asset	Accumulated Amount of Fair Value Hedge Adjustments Asset	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness
Fair value hedge			
Inventory	$ 239,060	$ -	$ -

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation and its subsidiaries. As at the balance sheet date, the Corporation and its subsidiaries' maximum exposure to credit risk is the carrying amount of the financial assets on the consolidated balance sheets and the amount of contingent liabilities in relation to financial guarantee issued by the Corporation and its subsidiaries.

The Corporation and its subsidiaries do not expect significant credit risk because the counterparties are creditworthy financial institutions and companies.

Counterparties of accounts receivable consisted of a large number of different customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the customers' financial condition.

The Corporation and its subsidiaries did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Corporation and its subsidiaries define counterparties as having similar characteristics if they are related entities.

As of December 31, 2023 and 2022, the maximum credit risk of off-balance-sheet guarantees provided to related party for procurement and construction contract compliance was NT$935,810 thousand and NT$685,617 thousand, respectively.

3) Liquidity risk

The management of the Corporation and its subsidiaries continuously monitors the movement of cash flows, net cash position, significant capital expenditures and the utilization of bank loan commitments to control proportion of the long-term and short-term bank loans or issue bonds payable, and ensures compliance with loan covenants.

The following table details the undiscounted cash flows of the Corporation and its subsidiaries' remaining contractual maturity for its non-derivative financial liabilities from the earliest date on which they can be required to pay. The tables included both interest and principal cash flows.

Specifically, bank loans with a repayment on demand clause were included in the earliest time span regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

The table below summarized the maturity profile of the Corporation and its subsidiaries' financial liabilities based on contractual undiscounted payments:

	Less Than 1 Year	1-5 Years	Over 5 Years	Total
December 31, 2023				
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 37,223,370	$ 153,468	$ -	$ 37,376,838
Lease liabilities	1,191,588	2,883,209	10,229,610	14,304,407
Variable interest rate liabilities	41,158,468	62,496,698	22,876,639	126,531,805
Fixed interest rate liabilities	76,288,102	57,236,402	3,605,089	137,129,593
Refund liabilities	1,613,902	-	-	1,613,902
Financial guarantee liabilities	-	432,365	503,445	935,810
	$ 157,475,430	$ 123,202,142	$ 37,214,783	$ 317,892,355
December 31, 2022				
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 41,140,780	$ 348,104	$ -	$ 41,488,884
Lease liabilities	1,410,817	3,081,631	8,935,532	13,427,980
Variable interest rate liabilities	56,571,282	72,634,838	10,600,622	139,806,742
Fixed interest rate liabilities	51,400,456	40,075,920	11,793,344	103,269,720
Refund liabilities	2,466,410	-	-	2,466,410
Financial guarantee liabilities	-	172,386	513,231	685,617
	$ 152,989,745	$ 116,312,879	$ 31,842,729	$ 301,145,353

The amounts included above for financial guarantee liabilities were the maximum amounts the Corporation and its subsidiaries could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the balance sheet date, the Corporation and its subsidiaries considered that it is more likely than not that none of the amount will be payable under the arrangement.

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Corporation and its subsidiaries and other related parties were disclosed below:

a. The name of the company and its relationship with the Corporation and its subsidiaries

Company	Relationship
TaiAn Technologies Corporation	Associate
Fukuta Electric & Machinery Co., Ltd.	Associate
Hsin Hsin Cement Enterprise Corporation	Associate
Eminent III Venture Capital Corporation	Associate
Nikken & CSSC Metal Products Co., Ltd.	Associate
Eminent II Venture Capital Corporation	Associate
Honley Auto. Parts Co., Ltd.	Associate
Taiwan Rolling Stock Co., Ltd.	Associate
Kaohsiung Arena Development Corporation	Associate
Overseas Investment & Development Corporation	Associate
Chateau International Development Co., Ltd.	Associate
HC&C Auto Parts Co., Ltd.	Associate
TSK Steel Company Limited	Associate
CSBC Corporation,Taiwan	The Corporation as key management of other related parties; Discharge in June 2022
Taiwan High Speed Rail Corporation	The Corporation as key management of other related parties
Rechi Precision Co., Ltd.	The Corporation as key management of other related parties
Taiwan International Windpower Training Corporation Ltd.	The Corporation as key management of other related parties
Tang Eng Iron Works Co., Ltd.	The Corporation as key management of other related parties
CDIB Bioscience Ventures I, Inc.	The Corporation as key management of other related parties
East Asia United Steel Corporation	The Corporation as key management of other related parties
Sakura Ferroalloys Sdn. Bhd.	The Corporation as key management of other related parties
CSBC Coating Solutions Co., Ltd.	The Corporation as key management of parent company; Discharge in June 2022
Rechi Refrigeration Dongguan Co, Ltd.	The Corporation as key management of parent company
Rechi Precision (Qingdao) Electric Machinery Limited	The Corporation as key management of parent company
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	The Corporation as key management of parent company
Dyna Rechi Co., Ltd.	The Corporation as key management of parent company; Associate before November 2023 (included)

Company	Relationship
Dyna Rechi (Jiujiang) Co., Ltd	The Corporation as key management of ultimate parent company; Subsidiary of associates before November 2023 (included)
Ministry of Economic Affairs, R.O.C.	Director of the Corporation
CSC Labor Union	Director of the Corporation
CSC Educational Foundation	Other related party
Formosa Ha Tinh Steel Corporation	Other related party
Formosa Ha Tinh (Cayman) Limited (FHC)	Other related party
Chungkang Steel Structure (Cambodia) Co., Ltd.	Associate before February 2022
Changchun Ceck Auto. Parts. Co., Ltd.	Subsidiary of associates before November 2022

b. Operating revenues

Account Items	Related Parties Types	For the Year Ended December 31 2023	2022
Revenue from sales of goods	Associates	$ 1,326,404	$ 1,038,050
	The Corporation as key management of parent parties	161,018	440,566
	Other related parties	82,395	64,566
	The Corporation as key management of other related parties	9,840	495,416
	Others	-	12,304
		$ 1,579,657	$ 2,050,902
Construction contract revenue	The Corporation as key management of other related parties	$ 42,119	$ 257,077
	Associates	3,103	81
	Others	1,812	8,493
		$ 47,034	$ 265,651

Sales to related parties were made at arm's length. The construction contracts undertaken by the Corporation and its subsidiaries with related parties were different from those with unrelated parties; therefore, the prices were not comparable while collection terms have no material differences.

c. Purchase of goods

Related Parties Types	For the Year Ended December 31 2023	2022
Other related parties	$ 7,561,401	$ 16,799,605
The Corporation as key management of other related parties	795,573	520,160
Others	228,361	169,833
	$ 8,585,335	$ 17,489,598

Purchases from related parties were made at arm's length.

d. Receivables from related parties

Account Items	Related Parties Types	December 31 2023	December 31 2022
Notes and accounts receivable	The Corporation as key management of other related parties	$ 66,146	$ 85,702
	Other related parties	42,929	14,669
	Associates	37,665	188
	The Corporation as key management of parent parties	3,838	14,535
	Others	10	10
		$ 150,588	$ 115,104
Other receivables	Other related parties	$ 17,440	$ 26,890
	Others	15	19
		$ 17,455	$ 26,909

e. Payables to related parties

Account Items	Related Parties Types	December 31 2023	December 31 2022
Accounts payable	Other related parties	$ 49,387	$ -
	Associates	39,392	23,600
		$ 88,779	$ 23,600
Other payables	Associates	$ 26,881	$ -
	Director of the Corporation	1,089	11,799
	The Corporation as key management of other related parties	787	750
	Other related parties	373	1,095
		$ 29,130	$ 13,644

The outstanding payables to related parties were unsecured.

f. Others

Classified as operating and non-operating income by nature:

Account Items	Related Parties Types	For the Year Ended December 31 2023	2022
Service and other revenues and other income - other	Other related parties	$ 298,600	$ 365,132
	The Corporation as key management of other related parties	211,854	384,859
	Others	10,686	10,688
		$ 521,140	$ 760,679

g. Endorsements and guarantees provided by the Corporation and its subsidiaries

Related Parties Types	December 31 2023	2022
The Corporation as key management of other related parties		
Amount endorsed	$ 1,234,629	$ 1,263,979
Amount utilized	(795,200)	(603,325)
	$ 439,429	$ 660,654

Endorsements and guarantees above are provided to investee by the percentage of shareholdings under joint venture agreements.

h. Compensation of key management personnel

The remuneration of directors and other members of key management personnel were as follows:

	For the Year Ended December 31 2023	2022
Short-term employee benefits	$ 52,469	$ 107,115
Post-employment benefits	1,490	1,175
	$ 53,959	$ 108,290

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The Corporation and its subsidiaries' assets mortgaged or pledged as collateral for long-term borrowings, short-term borrowings and bank overdraft, performance guarantees and bankers' acceptance bills, etc. were as follows (listed based on their carrying amounts):

	December 31 2023	2022
Net property, plant and equipment	$ 18,545,547	$ 20,170,727
Shares	18,084,214	16,544,895
Time deposits	6,772,508	7,343,842
Pledged receivables (a.)	2,000,000	2,000,000
Net investment properties	1,005,089	1,037,486
Demand deposits	300,000	300,000

	December 31	
	2023	2022
Right-of-use assets - land	$ 136,313	$ 145,824
Trade receivable-sales	49,065	-
	$ 46,892,736	$ 47,542,774

a. In accordance with revised agreements of build-operate-transfer contract in 2013, the subsidiary KRTC reclassified NT$2,000,000 thousand including arbitration receivable - Kaohsiung City Government and part of the consideration of transferred assets to operating performance guarantees.

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Corporation and its subsidiaries as of December 31, 2023 were as follows:

a. The Corporation and its subsidiaries provided letters of credits for NT$8.0 billion guaranteed by financial institutions for several constructions, lease contracts and payment. Guarantee notes for NT$4.0 billion were provided to owners for purchase agreements, performance of the contract and warranties.

b. Unused letters of credit for importation of materials and machinery amounted to NT$10.5 billion.

c. Property purchase and construction contracts for NT$34.9 billion were signed but not yet recorded.

d. The Corporation and its subsidiaries entered into raw material purchase contracts with suppliers in Australia, Brazil, Canada, China, Japan, Philippines, Vietnam, Indonesia and domestic companies with contract terms of 1 to 3 years. Contracted annual purchases of 10,210,000 metric tons of coal, 20,850,000 metric tons of iron ore, and 3,130,000 metric tons of limestone are at prices negotiable with the counterparties. Purchase commitments as of December 31, 2023 were US$4.9 billion (including 3,260,000 metric tons of coal, 31,170,000 metric tons of iron ore, and 810,000 metric tons of limestone).

e. Refer to Table 2 for information relating to endorsements/guarantees provided.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Corporation and its subsidiaries and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2023	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
Monetary foreign assets				
USD	$ 212,929	30.7050	(USD:NTD)	$ 6,537,979
CNY	343,269	4.3270	(CNY:NTD)	1,485,324
JPY	17,235,811	0.2172	(JPY:NTD)	3,743,618

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
Non-monetary foreign assets				
Financial assets at fair value through other comprehensive income				
USD	$ 914,244	30.7050	(USD:NTD)	$ 28,071,871
JPY	8,864,000	0.2172	(JPY:NTD)	1,925,261
MYR	295,144	6.4110	(MYR:NTD)	1,892,170
Associates accounted for using equity method				
USD	390,278	30.7050	(USD:NTD)	11,985,580
AUD	1,028,114	20.9800	(AUD:NTD)	21,569,840
INR	3,506,685	0.3670	(INR:NTD)	1,286,953
Monetary foreign liabilities				
JPY	6,275,218	0.2172	(JPY:NTD)	1,362,977
USD	328,862	30.7050	(USD:NTD)	10,097,695
USD	101,629	83.6649	(USD:INR)	3,120,520
December 31, 2022				
Monetary foreign assets				
USD	403,688	30.7100	(USD:NTD)	12,397,272
CNY	442,077	4.4080	(CNY:NTD)	1,948,673
VND	1,465,096,559	0.00004	(VND:USD)	1,882,649
Non-monetary foreign assets				
Financial assets at fair value through other comprehensive income				
USD	837,610	30.7100	(USD:NTD)	25,722,995
JPY	6,422,000	0.2324	(JPY:NTD)	1,492,472
MYR	377,535	6.6990	(MYR:NTD)	2,529,105
Associates accounted for using equity method				
USD	404,469	30.7100	(USD:NTD)	12,417,521
AUD	995,301	20.8300	(AUD:NTD)	20,732,125
INR	3,734,391	0.3710	(INR:NTD)	1,384,769
Monetary foreign liabilities				
VND	1,071,342,102	0.00004	(VND:USD)	1,376,675
JPY	6,608,549	0.2324	(JPY:NTD)	1,535,827
USD	283,282	30.7100	(USD:NTD)	8,699,586
USD	109,411	82.7763	(USD:INR)	3,359,997

It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of each entity. Please refer to Note 25 for information relating to net foreign exchange gains and losses.

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 3)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (Table 4)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (Table 5)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 6)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 7)

9) Trading in derivative instruments (Note 30)

10) Intercompany relationships and significant intercompany transactions (Table 8)

11) Information on investees (Table 9)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income (loss), carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 10)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices and payment terms:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period (Table 6)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period (Table 6)

c) The amount of property transactions and the amount of the resultant gains or losses (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes (Table 2)

e) The highest balance, the end of period balance and the interest rate range, and total current period interest with respect to financing of funds (Table 1)

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services (None)

d. Information of major shareholders: List all shareholders with a stake of 5 percent or greater in shareholding percentage and the number of shares. (Table 11)

36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. Since the actual resource allocation focuses on the steel business, the resource investment in non-steel business is mainly decided by each company, and it is mainly the demand for the extension of the steel business. Reported segments of the Corporation and its subsidiaries were as follows:

- Steel department - manufacture and sell steel products, including the Corporation, DSC, CHS, CSCM, CSVC and CSCI.
- Non-steel department - extension or support of the manufacture of steel products, analysis by function, including engineering, industrial materials, green power, shipping, trading, investing, etc..

a. Segment revenue and operating results

The following is an analysis of the Corporation and its subsidiaries' revenues and results of operations by reportable segment.

	Steel Department	Non-Steel Department	Adjustment and Elimination	Total
For the year ended December 31, 2023				
Revenue from external customers	$ 285,985,427	$ 77,341,071	$ -	$ 363,326,498
Inter-segment revenue	66,716,442	58,110,355	(124,826,797)	-
Segment revenue	$ 352,701,869	$ 135,451,426	$ (124,826,797)	$ 363,326,498
Segment profit (loss)	$ (6,617,524)	$ 10,423,254	$ (219,788)	$ 3,585,942
Interest income	410,002	604,055	(107,844)	906,213
Financial costs	(2,678,377)	(1,160,593)	215,309	(3,623,661)
Share of the profit of associates	2,205,341	3,082,685	(4,720,936)	567,090
Other non-operating income and expenses	1,898,542	2,019,986	(764,018)	3,154,510
Profit (loss) before income tax	(4,782,016)	14,969,387	(5,597,277)	4,590,094
Income tax (benefit)	(780,127)	1,800,298	38,718	1,058,889
Net profit (loss) for the year	$ (4,001,889)	$ 13,169,089	$ (5,635,995)	$ 3,531,205
For the year ended December 31, 2022				
Revenue from external customers	$ 354,287,315	$ 95,280,173	$ -	$ 449,567,488
Inter-segment revenue	87,117,466	67,576,573	(154,694,039)	-
Segment revenue	$ 441,404,781	$ 162,856,746	$ (154,694,039)	$ 449,567,488

	Steel Department	Non-Steel Department	Adjustment and Elimination	Total
Segment profit	$ 9,893,030	$ 9,519,809	$ (1,147,486)	$ 18,265,353
Interest income	285,215	256,704	(72,346)	469,573
Financial costs	(1,855,350)	(811,267)	173,210	(2,493,407)
Share of the profit of associates	8,591,652	4,288,297	(11,301,216)	1,578,733
Other non-operating income and expenses	2,463,769	3,720,012	(745,437)	5,438,344
Profit before income tax	19,378,316	16,973,555	(13,093,275)	23,258,596
Income tax	2,759,144	2,394,252	110,141	5,263,537
Net profit for the year	$ 16,619,172	$ 14,579,303	$ (13,203,416)	$ 17,995,059

Inter-segment revenue was accounted for according to market price or cost-plus pricing.

b. Segment total assets and liabilities

	December 31	
	2023	2022
Segment assets		
Steel department	$ 693,477,675	$ 715,346,349
Non - steel department	269,114,559	259,104,911
Adjustment and elimination	(283,834,903)	(290,681,863)
Consolidated total assets	$ 678,757,331	$ 683,769,397
Segment liabilities		
Steel department	$ 255,475,177	$ 256,230,361
Non - steel department	103,174,516	94,658,042
Adjustment and elimination	(22,143,860)	(23,964,450)
Consolidated total liabilities	$ 336,505,833	$ 326,923,953

c. Revenue from major products and services

Revenue from major products and services of the Corporation and its subsidiaries were as follows:

	For the Year Ended December 31	
	2023	2022
Steel products	$ 285,690,496	$ 353,504,705
Non-ferrous materials	36,815,194	45,677,008
Construction contract, service and other revenue	40,820,808	50,385,775
	$ 363,326,498	$ 449,567,488

d. Geographical information

The Corporation and its subsidiaries operate in five principal geographical areas - Taiwan, Vietnam, Malaysia, China and India.

The Corporation and its subsidiaries' revenue from continuing operations from external customers and information about its non-current assets by geographical location were detailed below:

	Revenue from External Customers		Noncurrent Assets	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
Taiwan	$ 324,616,432	$ 400,694,276	$ 381,203,435	$ 373,351,971
Vietnam	16,699,630	23,095,004	11,058,968	12,064,753
Malaysia	10,212,095	11,038,968	1,023,447	1,097,239
China	6,911,035	8,893,243	1,599,337	1,754,425
India	4,190,195	4,967,047	3,120,641	3,342,266
Others	697,111	878,950	3,683,827	4,411,158
	$ 363,326,498	$ 449,567,488	$ 401,689,655	$ 396,021,812

Non-current assets excluded those classified as financial instruments, investments accounted for using the equity method, refundable deposits and deferred tax assets.

e. Information about major customers

No revenue from any individual customer exceeds 10% of the Corporation and its subsidiaries' total revenue for the years ended December 31, 2023 and 2022.

TABLE 1

CHINA STEEL CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE PERIOD ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 1)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits	Note
													Item	Value			
0	China Steel Corporation	Sing Da Marine Structure Corporation	Other receivables	Yes	2,500,000	2,500,000	2,000,000	0.68%-1.63%	2	-	Operating capital	-	-	-	30,576,648	61,153,297	Note 2
0	China Steel Corporation	China Steel Resources Corporation	Other receivables	Yes	1,000,000	800,000	800,000	0.63%-1.73%	2	-	Operating capital	-	-	-	30,576,648	61,153,297	Note 2
0	China Steel Corporation	C.S.Aluminium Corporation	Other receivables	Yes	4,400,000	2,900,000	600,000	1.52%-1.72%	2	-	Operating capital	-	-	-	30,576,648	61,153,297	Note 2
0	China Steel Corporation	Kaohsiung Rapid Transit Corporation	Other receivables	Yes	1,300,000	1,300,000	1,100,000	1.22%-1.62%	2	-	Operating capital	-	-	-	30,576,648	61,153,297	Note 2
0	China Steel Corporation	Chung Hung Steel Corporation	Other receivables	Yes	2,200,000	2,000,000	-	N/A	2	-	Operating capital	-	-	-	30,576,648	61,153,297	Note 2
1	Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Other receivables	Yes	173,552	90,867	90,867	2.00%-2.40%	2	-	Operating capital	-	-	-	365,587	548,380	Note 3
2	Thintech Materials Technology Co., Ltd.	Taicang Thintech Materials Co., Ltd.	Other receivables	Yes	106,947	104,107	-	2.48%-2.53%	2	-	Operating capital	-	-	-	358,696	478,261	Note 4
3	C.S.Aluminium Corporation	Ningbo Huayang Aluminium-Tech Co., Ltd.	Other receivables	Yes	553,500	-	-	N/A	2	-	Repayments of bank borrowings	-	-	-	852,997	1,705,995	Note 5
4	China Prosperity Development Corporation	China Steel Corporation	Other receivables	Yes	1,800,000	950,000	850,000	0.42%-1.62%	2	-	Operating capital	-	-	-	2,444,196	2,444,196	Note 6
4	China Prosperity Development Corporation	China Prosperity Construction Corporation	Other receivables	Yes	100,000	100,000	-	N/A	2	-	Operating capital	-	-	-	2,444,196	2,444,196	Note 6
5	China Steel Security Corporation	China Steel Corporation	Other receivables	Yes	50,000	-	-	1.15%-1.53%	2	-	Operating capital	-	-	-	207,761	207,761	Note 7
5	China Steel Security Corporation	Steel Castle Technology Corporation	Other receivables	Yes	100,000	100,000	-	N/A	2	-	Operating capital	-	-	-	207,761	207,761	Note 7
6	Dragon Steel Corporation	China Steel Corporation	Other receivables	Yes	2,000,000	-	-	N/A	2	-	Operating capital	-	-	-	9,649,047	19,298,094	Note 8
7	China Steel Machinery Corporation	China Steel Corporation	Other receivables	Yes	700,000	700,000	700,000	0.74%-1.61%	2	-	Operating capital	-	-	-	858,923	858,923	Note 9
8	China Steel Express Corporation	China Steel Corporation	Other receivables	Yes	500,000	500,000	-	1.41%-1.59%	2	-	Operating capital	-	-	-	1,364,799	2,729,599	Note 10
8	China Steel Express Corporation	CSE Transport Corporation	Other receivables	Yes	324,250	307,050	-	5.15%	2	-	Operating capital	-	-	-	1,364,799	2,729,599	Note 10
9	Chung Hung Steel Corporation	China Steel Corporation	Other receivables	Yes	300,000	-	-	1.43%-1.53%	2	-	Operating capital	-	-	-	1,625,898	6,503,592	Note 11
10	InfoChamp Systems Corporation	China Steel Corporation	Other receivables	Yes	120,000	120,000	120,000	1.46%-1.62%	2	-	Operating capital	-	-	-	318,895	364,452	Note 12
11	HIMAG Magnetic Corporation	MagnPower Corporation	Other receivables	Yes	50,000	50,000	10,000	2.29%	2	-	Operating capital	-	-	-	67,311	134,622	Note 13

Note 1: The nature for financing is as follows:

1) Business relationship

2) The need for short-term financing

Note 2: According to “The Process of Financing Others” established by the Corporation, the total available amount for lending to others and the total amount for lending to a company shall not exceed 20% and 10% of the net worth of the Corporation, respectively.

Note 3: According to “The Process of Financing Others” established by Ever Wealthy International Corporation, the total available amount for lending to others and the total amount for lending to a company shall not exceed 30% and 20% of the net worth of Ever Wealthy International Corporation, respectively; the financing limit amount for parent company shall not exceed 30% of the net worth of the company.

Note 4: According to “The Process of Financing Others” established by Thintech Materials Technology Co., Ltd., the total available amount for lending to others and the total amount for lending to a company shall not exceed 40% and 30% of the net worth of Thintech Materials Technology Co., Ltd., respectively.

Note 5: According to “The Process of Financing Others” established by C.S.Aluminium Corporation, the total available amount for lending to others and the total amount for lending to a company shall not exceed 20% and 10% of the net worth of C.S.Aluminium Corporation, respectively.

Note 6: According to “The Process of Financing Others” established by China Prosperity Development Corporation, the total available amount for lending to others and the total amount for lending to a company both shall not exceed 40% of the net worth of China Prosperity Development Corporation.

Note 7: According to “The Process of Financing Others” established by China Steel Security Corporation, the total available amount for lending to others and the total amount for lending to a company both shall not exceed 40% of the net worth of China Steel Security Corporation, respectively.

Note 8: According to “The Process of Financing Others” established by Dragon Steel Corporation, the total available amount for lending to others and the total amount for lending to a company shall not exceed 20% and 10% of the net worth of Dragon Steel Corporation, respectively.

Note 9: According to “The Process of Financing Others” established by China Steel Machinery Corporation, the total available amount for lending to others and the total amount for lending to a company both shall not exceed 40% of the net worth of China Steel Machinery Corporation.

Note 10: According to “The Process of Financing Others” established by China Steel Express Corporation, the total available amount for lending to others and the total amount for lending to a company shall not exceed 20% and 10% of the net worth of China Steel Express Corporation, respectively.

Note 11: According to “The Process of Financing Others” established by Chung Hung Steel Corporation, the total available amount for lending to others and the total amount for lending to a company shall not exceed 40% and 10% of the net worth of Chung Hung Steel Corporation, respectively.

Note 12: According to “The Process of Financing Others” established by InfoChamp Systems Corporation, the total available amount for lending to others and the total amount for lending to a company shall not exceed 40% and 35% of the net worth of InfoChamp Systems Corporation, respectively.

Note 13: According to “The Process of Financing Others” established by HIMAG Magnetic Corporation, the total available amount for lending to others and the total amount for lending to a company shall not exceed 20% and 10% of the net worth of InfoChamp Systems Corporation, respectively.

TABLE 2

CHINA STEEL CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE PERIOD ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

NO.	Endorsement/Guarantee Provider	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement /Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship (Note 1)											
0	China Steel Corporation	China Steel Power Corporation	2	91,729,946	7,156,210	7,156,210	4,498,303	4,498,303	2	122,306,595	Y	N	N	Notes 2 and 3
0	China Steel Corporation	Sakura Ferroalloys Sdn. Bhd.	6	91,729,946	1,280,922	1,234,629	795,200	-	-	122,306,595	N	N	N	Note 3
1	Thintech Materials Technology Co., Ltd.	Taicang Thintech Materials Co., Ltd.	2	478,261	275,613	260,993	118,974	-	22	478,261	N	N	Y	Note 4
2	InfoChamp Systems Corporation	Wuhan InfoChamp I.T. Co., Ltd.	2	273,339	47,494	46,233	46,233	-	5	455,565	N	N	Y	Note 5
2	InfoChamp Systems Corporation	Tang Steel International Engineering Technology Corp.	5	273,339	41,492	40,390	40,390	-	4	455,565	N	N	Y	Note 5
2	InfoChamp Systems Corporation	Industrial Technology Research Institute	5	273,339	60,000	60,000	59,830	-	7	455,565	N	N	N	Note 5
3	Wuhan InfoChamp I.T. Co., Ltd.	InfoChamp Systems Corporation	3	176,589	40,989	39,901	39,901	-	113	211,907	N	N	N	Note 6
3	Wuhan InfoChamp I.T. Co., Ltd.	Tang Steel International Engineering Technology Corp.	5	176,589	41,492	40,390	40,390	-	114	211,907	N	N	Y	Note 6
4	China Steel Express Corporation	CSE Transport Corporation	2	4,094,398	2,588,140	-	-	-	-	5,459,198	N	N	N	Note 7
5	China Steel Power Holding Corporation	China Steel Power Corporation	2	44,101,013	10,587,000	10,587,000	8,817,711	8,817,711	120	44,101,013	N	N	N	Note 8
6	CSC Steel Holdings Berhad	CSC Steel Sdn. Bhd.	2	2,308,861	584,880	560,790	34,775	-	10	2,308,861	N	N	N	Note 9

Note 1: Relationships between the endorser/guarantor and the party being endorsed/guaranteed are as follows:

1) A company that the Corporation has business relationship with.

2) The Corporation owns directly or indirectly over 50% ownership of the investee company.

3) The company that owns directly or indirectly hold over 50% ownership of the Corporation.

4) In between companies that were held over 90% of voting shares directly or indirectly by an entity.

5) The Corporation is required to provide guarantees or endorsements for the construction project based on the construction contract.

6) Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages.

7) According to Consumer Protection Act, companies in the same industry enter into collateral performance guarantees for pre-construction home sales agreements.

Note 2: Endorsements and guarantees provided by the Corporation to its subsidiaries.

Note 3: According to “The Process of making endorsements/quadrants” established by the Corporation, the ceilings on the amounts for any single entity or the aggregate amounts to the entities shall not exceed 30% and 40% of the net worth of the Corporation, respectively.

Note 4: According to “The Process of making endorsements/quadrants” established by Thintech Materials Technology Co., Ltd., both the ceilings on the amounts for any single entity or the aggregate amounts to the entities shall not exceed 40% of the net worth of Thintech Materials Technology Co., Ltd..

Note 5: According to “The Process of making endorsements/quadrants” established by InfoChamp Systems Corporation, the ceilings on the amounts for any single entity or the aggregate amounts to the entities shall not exceed 30% and 50% of the net worth of InfoChamp Systems Corporation, respectively.

Note 6: According to “The Process of making endorsements/quadrants” established by Wuhan InfoChamp I.T. Co., Ltd., the ceilings on the amounts for any single entity or the aggregate amounts to the entities shall not exceed 500% and 600% of the net worth of Wuhan InfoChamp I.T. Co., Ltd., respectively.

Note 7: According to “The Process of making endorsements/quadrants” established by China Steel Express Corporation, the ceilings on the amounts for any single entity or the aggregate amounts to the entities shall not exceed 30% and 40% of the net worth of China Steel Express Corporation, respectively.

Note 8: According to “The Process of making endorsements/quadrants” established by China Steel Power Holding Corporation, both the ceilings on the amounts for any single entity or the aggregate amounts to the entities shall not exceed 500% of the net worth of China Steel Power Holding Corporation.

Note 9: According to “The Process of making endorsements/quadrants” established by CSC Steel Holdings Berhad, both the ceilings on the amounts for any single entity or the aggregate amounts to the entities shall not exceed 40% of the net worth of CSC Steel Holdings Berhad.

TABLE 3

CHINA STEEL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Steel Corporation	Common stock	Taiwan High Speed Rail Corporation	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	242,148,000	7,433,944	4	7,433,944	
China Steel Corporation	Common stock	Maruichi Steel Tube Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	2,000,000	1,593,814	2	1,593,814	
China Steel Corporation	Common stock	CSN Mineracao S.A.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	22,366,860	1,108,248	-	1,108,248	
China Steel Corporation	Common stock	O-Bank Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	103,847,695	1,036,400	3	1,036,400	
China Steel Corporation	Common stock	TANG ENG IRON WORKS CO., LTD.	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	29,860,691	994,361	9	994,361	
China Steel Corporation	Common stock	RECHI PRECISION CO., LTD.	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	23,002,022	491,093	5	491,093	
China Steel Corporation	Common stock	Yodogawa Steel Works, Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	400,000	331,447	1	331,447	
China Steel Corporation	Common stock	CSBC Corporation, Taiwan	No relation	Financial assets at fair value through other comprehensive income - noncurrent	7,751,346	157,352	1	157,352	
China Steel Corporation	Common stock	Formosa Ha Tinh (Cayman) Limited	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,111,418,177	26,618,354	20	26,618,354	
China Steel Corporation	Common stock	Sakura Ferroalloys Sdn. Bhd.	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	207,290,000	1,487,212	19	1,487,212	
China Steel Corporation	Common stock	CDIB & Partners Investment Holding Corporation	No relation	Financial assets at fair value through other comprehensive income - noncurrent	54,000,000	822,479	5	822,479	
China Steel Corporation	Common stock	Taiwan International Windpower Training Corporation Ltd.	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	1,500,000	16,041	15	16,041	
China Steel Corporation	Common stock	CDIB BioScience Ventures I, Inc.	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	1,063,534	3,295	5	3,295	
China Steel Corporation	Common stock	PHALANX BIOTECH GROUP, INC.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	332,881	1,960	-	1,960	
China Steel Corporation	Common stock	DB Metal Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,500,000	-	1	-	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Steel Corporation	Preferred stock	East Asia United Steel Corporation (A)	The held company as its director	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	3,333	658,398	10	658,398	
China Steel Corporation	Preferred stock	Sakura Ferroalloys Sdn. Bhd.	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	56,443,634	404,958	19	404,958	
Chung Hung Steel Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	34,359,239	927,699	-	927,699	
Chung Hung Steel Corporation	Common stock	TAIWAN VES-POWER CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	134,167	38,868	2	38,868	
Chung Hung Steel Corporation	Common stock	PACIFIC HARBOUR STEVEDORING CORP.	The held company as its supervisor	Financial assets at fair value through other comprehensive income - noncurrent	250,000	6,720	5	6,720	
Hung Kao Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	1,003,980	27,107	-	27,107	
China Steel Chemical Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	3,746,915	101,167	-	101,167	
China Steel Chemical Corporation	Preferred stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	229,000	10,007	-	10,007	
China Steel Chemical Corporation	Mutual fund	Cathay US ESG Fund TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	751,399	9,122	-	9,122	
China Steel Chemical Corporation	Corporate bond	BACR 6.224 05/09/34	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	-	9,559	-	9,559	
China Steel Chemical Corporation	Corporate bond	BAC 5.288 04/25/34	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	-	6,174	-	6,174	
China Steel Chemical Corporation	Corporate bond	PM 5 3/8 02/15/33	No relation	Financial assets at fair value through other comprehensive income - current	-	12,602	-	12,602	
China Steel Chemical Corporation	Corporate bond	MUFG 5.406 04/19/34	No relation	Financial assets at fair value through other comprehensive income - current	-	9,536	-	9,536	
China Steel Chemical Corporation	Corporate bond	BPCEGP 5.975 01/18/27	No relation	Financial assets at fair value through other comprehensive income - current	-	9,282	-	9,282	
China Steel Chemical Corporation	Corporate bond	MUFG 5.719 02/20/26	No relation	Financial assets at fair value through other comprehensive income - current	-	9,251	-	9,251	
China Steel Chemical Corporation	Corporate bond	BACR 6.224 05/09/34	No relation	Financial assets at fair value through other comprehensive income - current	-	6,363	-	6,363	
China Steel Chemical Corporation	Corporate bond	SOCGEN 6.447 01/12/27	No relation	Financial assets at fair value through other comprehensive income - current	-	6,246	-	6,246	
China Steel Chemical Corporation	Corporate bond	STANLN 6.17 01/09/27	No relation	Financial assets at fair value through other comprehensive income - current	-	6,239	-	6,239	
Ever Wealthy International Corporation	Common stock	TA CHEN STAINLESS PIPE CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	484,868	19,201	-	19,201	
Ever Wealthy International Corporation	Common stock	Mega Financial Holding Co., Ltd.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	134,492	5,272	-	5,272	
Ever Wealthy International Corporation	Common stock	CATHAY FINANCIAL HOLDING CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	62,953	2,880	-	2,880	
Ever Wealthy International Corporation	Common stock	TAICHUNG COMMERCIAL BANK CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	124,688	1,983	-	1,983	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Common stock	TAISHIN FINANCIAL HOLDING CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	104,603	1,893	-	1,893	
Ever Wealthy International Corporation	Common stock	Nishoku Technology Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	7,000	728	-	728	
Ever Wealthy International Corporation	Common stock	China Steel Chemical Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	4,753,537	563,294	-	563,294	
Ever Wealthy International Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - current	4,226,265	114,109	-	114,109	
Ever Wealthy International Corporation	Common stock	YEONG LONG TECHNOLOGIES CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,540,000	52,776	4	52,776	
Ever Wealthy International Corporation	Common stock	TCC RECYCLE ENERGY TECHNOLOGY COMPANY	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	322,484	3,176	-	3,176	
Ever Wealthy International Corporation	Common stock	National Kaohsiung First University of Science and Technology Investment Corporation	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	126,000	491	8	491	
Ever Wealthy International Corporation	Common stock	Harbinger Venture III Capital Corp.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,000	26	1	26	
Ever Wealthy International Corporation	Common stock	Asia Hepato Gene CO.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	133,300	-	2	-	
Ever Wealthy International Corporation	Common stock	JU-KAO ENGINEERING CO., LTD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	2,157,642	25,074	7	25,074	
Ever Wealthy International Corporation	Common stock	EVERGREEN AVIATION TECHNOLOGIES CORPORATION	No relation	Financial assets at fair value through other comprehensive income - noncurrent	800,000	86,800	-	86,800	
Ever Wealthy International Corporation	Common stock	JIH SUN International Leasing & Finance Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,000,000	41,680	-	41,680	
Ever Wealthy International Corporation	Preferred stock	Fubon Financial Holding Co., Ltd. Ltd. Preferred Shares C	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	175,000	9,625	-	9,625	
Ever Wealthy International Corporation	Preferred stock	TAISHIN FINANCIAL HOLDING CO., LTD. Class E Preferred Shares II	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	164,139	7,493	-	7,493	
Ever Wealthy International Corporation	Preferred stock	Cathay Financial Holding Co., Ltd.(B)	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	12,540	749	-	749	
Ever Wealthy International Corporation	Preferred stock	Chailease Holding Company Limited.Shares A	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	5,000	490	-	490	
Ever Wealthy International Corporation	Preferred stock	WPG HOLDINGS LIMITED – Preferred Shares A	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	10,000	470	-	470	
Ever Wealthy International Corporation	Mutual fund	Taishin 2000 High Technology Equity Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	113,576	8,550	-	8,550	
Ever Wealthy International Corporation	Mutual fund	UPAMC Taiwan High Dividend and Growth-Acc	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	500,000	5,490	-	5,490	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Mutual fund	Allianz Global Investors Taiwan Technology Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	19,277	3,333	-	3,333	
Ever Wealthy International Corporation	Mutual fund	Nomura Taiwan Superior Equity Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	24,936	3,122	-	3,122	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Vietnam Opportunity Fund (NTD)	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,000,000	8,170	-	8,170	
Ever Wealthy International Corporation	Mutual fund	FSITC Global Utilities and Infrastructure Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	567,536	8,150	-	8,150	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Global Smart Car Fund (TWD A)	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	321,750	4,862	-	4,862	
Ever Wealthy International Corporation	Mutual fund	UPAMC Global AIoT Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	250,473	4,701	-	4,701	
Ever Wealthy International Corporation	Mutual fund	FTGF ClearBridge Infrastructure Value Fund Class A US$ Accumulating	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	11,591	4,637	-	4,637	
Ever Wealthy International Corporation	Mutual fund	Taishin High Dividend Yield Balanced Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	99,544	6,949	-	6,949	
Ever Wealthy International Corporation	Mutual fund	PineBridge Rate Response Multi-Asset Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	500,000	5,196	-	5,196	
Ever Wealthy International Corporation	Mutual fund	Shin Kong Chi-Shin Money-market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	322,274	5,125	-	5,125	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Upstream Fund A	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	33,940	3,027	-	3,027	
Ever Wealthy International Corporation	Mutual fund	FTGF Western Asset Short Duration Blue Chip Bond Fund Class A US$ Accumulating	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,638	6,429	-	6,429	
Ever Wealthy International Corporation	Mutual fund	Franklin Strategic Income Fund A(acc)USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	12,812	6,405	-	6,405	
Ever Wealthy International Corporation	Mutual fund	SinoPac Global Infrastructure and Utilities Investment Grade Bond Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	500,000	5,157	-	5,157	
Ever Wealthy International Corporation	Mutual fund	KGI Fund Taiwan Multi-Asset Income Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,789,199	20,808	-	20,808	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Taiwan Multi-Asset Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	965,255	10,705	-	10,705	
Ever Wealthy International Corporation	Mutual fund	Taishin TIP Customized Taiwan ESG High Dividend Small/Mid-Cap ETF	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	300,000	4,851	-	4,851	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,770,327	42,260	-	42,260	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Mutual fund	Taishin 1699 Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,674,687	37,292	-	37,292	
Ever Wealthy International Corporation	Mutual fund	SinoPac TWD Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,416,400	20,256	-	20,256	
Ever Wealthy International Corporation	Mutual fund	Prudential Financial Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,239,611	20,154	-	20,154	
Ever Wealthy International Corporation	Mutual fund	PineBridge Taiwan Money Market Securities Investment Trust Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	869,572	12,176	-	12,176	
Ever Wealthy International Corporation	Mutual fund	Cathay Taiwan Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	791,534	10,102	-	10,102	
Ever Wealthy International Corporation	Mutual fund	KGI Victory Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	841,602	10,013	-	10,013	
Ever Wealthy International Corporation	Mutual fund	Yuanta De- Bao Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	624,427	7,710	-	7,710	
Ever Wealthy International Corporation	Mutual fund	Allianz Global Investors Taiwan Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	547,204	7,053	-	7,053	
Ever Wealthy International Corporation	Mutual fund	UPAMC James Bond Money Market	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	293,657	5,035	-	5,035	
Ever Wealthy International Corporation	Subordinated financial bond	Cathay Life Insurance Co., Ltd Series 112 Unsecured Subordinated Corporate Bond	No relation	Financial assets at amortized cost - noncurrent	-	10,000	-	10,000	
Ever Wealthy International Corporation	Subordinated financial bond	Taiwan Life Insurance Co. Ltd Series 112-1 Unsecured Subordinated Corporate Bond	No relation	Financial assets at amortized cost - noncurrent	-	10,000	-	10,000	
Ever Wealthy International Corporation	Corporate bond	CNH Bond Offering by ITNL Offshore Pte Limited	No relation	Financial assets at amortized cost - noncurrent	-	-	-	-	
China Ecotek Corporation	Common stock	LOCUS CELL CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,990,000	74,750	2	74,750	
China Ecotek Corporation	Common stock	Lianyou Metals Co., Ltd.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	114,000	6,331	-	6,331	
China Ecotek Corporation	Common stock	TFBS BIOSCIENCE, INC.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	104,000	4,000	-	4,000	
China Ecotek Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	1,150,000	31,050	-	31,050	
China Ecotek Corporation	Common stock	GREEN SHEPHERD CORPORATION	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	784,000	16,801	6	16,801	
China Ecotek Corporation	Common stock	YEONG LONG TECHNOLOGIES CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	440,000	15,079	1	15,079	
China Ecotek Corporation	Common stock	HSIN YU ENERGY DEVELOPMENT CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	391,249	-	-	-	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Ecotek Corporation	Common stock	Asia Pacific Energy Development Co., Ltd.	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	2,212,590	124,976	11	124,976	
China Steel Structure Co., Ltd.	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	7,436,878	200,796	-	200,796	
United Steel Engineering & Construction Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - current	3,745,446	101,127	-	101,127	
CHC Resources Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	10,401,806	280,849	-	280,849	
CHC Resources Corporation	Common stock	Feng Sheng Enterprise Corporation	No relation	Financial assets at fair value through other comprehensive income - noncurrent	932,053	16,501	2	16,501	
Union Steel Development Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - current	423,849	11,444	-	11,444	
Union Steel Development Corporation	Certificate of entitlement	Shanghai Bao Shun Steel Corporation	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	-	17,063	19	17,063	
China Steel Security Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	2,349,975	63,449	-	63,449	
China Steel Security Corporation	Common stock	Taiwan Secom Corporation	No relation	Financial assets at fair value through other comprehensive income - current	2,223	260	-	260	
China Steel Security Corporation	Common stock	Taiwan Shin Kong Security Corporation	No relation	Financial assets at fair value through other comprehensive income - current	3,614	146	-	146	
China Steel Security Corporation	Mutual fund	Yuanta De- Bao Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,436,804	30,087	-	30,087	
China Steel Security Corporation	Mutual fund	Union Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,484,859	20,157	-	20,157	
China Steel Security Corporation	Mutual fund	UPAMC James Bond Money Market	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,171,562	20,088	-	20,088	
China Steel Security Corporation	Mutual fund	Franklin Templeton Sinoam Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,363,535	25,115	-	25,115	
China Steel Management Consulting Corporation	Mutual fund	Capital Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	348,056	5,773	-	5,773	
China Prosperity Development Corporation	Common stock	HUA NAN FINANCIAL HOLDINGS CO.,LTD.	No relation	Financial assets at fair value through other comprehensive income - current	5,066,509	113,236	-	113,236	
China Prosperity Development Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	952,979	25,730	-	25,730	
China Prosperity Development Corporation	Common stock	Mega Financial Holding Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	478,843	18,771	-	18,771	
China Prosperity Development Corporation	Common stock	Taiwan Cooperative Financial Holding Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	260,730	6,961	-	6,961	
China Prosperity Development Corporation	Common stock	iPASS Corporation	No relation	Financial assets at fair value through other comprehensive income - current	2,528,218	14,790	2	14,790	
China Prosperity Development Corporation	Common stock	QUN XIN PROPERITES CO., LTD.	The held company as its director	Financial assets at fair value through other comprehensive income - current	2,400,000	7,248	8	7,248	
China Prosperity Development Corporation	Common stock	HI SCENE WORLD ENTERPRISE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	386,535	4,244	-	4,244	
HIMAG Magnetic Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - noncurrent	325,505	8,789	-	8,789	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
HIMAG Magnetic Corporation	Common stock	Superrite Electronics Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	600,000	11,577	2	11,577	
Eminent Venture Capital Corporation	Common stock	StemCyte International, Ltd.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,080,647	12,252	1	12,252	
Eminent Venture Capital Corporation	Common stock	ASIA BEST LIFE CARE TECHNOLOGY CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,131,608	11,944	1	11,944	
Eminent Venture Capital Corporation	Common stock	Asia Best Healthcare Co., Ltd.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,731	8,399	1	8,399	
Eminent Venture Capital Corporation	Common stock	Cellerant Therapeutics, Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	43,900	-	-	-	
Eminent Venture Capital Corporation	Common stock	Aerami Therapeutis Holdings, Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	166,394	-	-	-	
Eminent Venture Capital Corporation	Preferred stock	Nereus Pharmaceuticals, Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,895,531	-	-	-	
Eminent Venture Capital Corporation	Preferred stock	Bayhill Therapeutics, Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,404,494	-	2	-	
Eminent Venture Capital Corporation	Preferred stock	AndroScience Corp.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	2,111,111	-	7	-	
Eminent Venture Capital Corporation	Mutual fund	Jih Sun Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	3,648,746	55,660	-	55,660	
InfoChamp Systems Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - noncurrent	3,834,338	103,527	-	103,527	
InfoChamp Systems Corporation	Common stock	Lion Corporation Berhad	No relation	Financial assets at fair value through other comprehensive income - noncurrent	58	-	-	-	
InfoChamp Systems Corporation	Common stock	LOCUS CELL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,037,000	25,925	1	25,925	
InfoChamp Systems Corporation	Common stock	iPASS Corporation	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	3,828,188	22,405	3	22,405	
InfoChamp Systems Corporation	Common stock	TRICORNTECH CORPORATION	No relation	Financial assets at fair value through other comprehensive income - noncurrent	331,504	9,340	1	9,340	
Kaohsiung Rapid Transit Corporation	Common stock	iPASS Corporation	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	9,912,843	58,016	9	58,016	
Dragon Steel Corporation	Common stock	Union Optronics Corp.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	103,895	-	-	-	
C.S.Aluminium Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	4,431,944	119,662	-	119,662	
China Steel Express Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	8,801,555	237,642	-	237,642	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Steel Express Corporation	Common stock	CDIB & Partners Investment Holding Corporation	No relation	Financial assets at fair value through other comprehensive income - noncurrent	3,240,000	49,349	-	49,349	
China Steel Express Corporation	Common stock	Huiyang Private Equity Fund Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	35,000	1,930	1	1,930	
Transglory Investment Corporation	Common stock	TANG ENG IRON WORKS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	229,000	7,626	-	7,626	
Transglory Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	257,615,331	6,955,614	2	6,955,614	Note 1
Transglory Investment Corporation	Mutual fund	Jih Sun Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	39,295,165	599,428	-	599,428	
Gains Investment Corporation	Common stock	BRIGHTON-BEST INTERNATIONAL (TAIWAN) INC.	No relation	Financial assets at fair value through other comprehensive income - current	21,829,242	772,755	-	772,755	
Gains Investment Corporation	Common stock	TA CHEN STAINLESS PIPE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	10,301,820	407,952	-	407,952	
Gains Investment Corporation	Common stock	LUXNET CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	1,037,682	149,426	-	149,426	
Gains Investment Corporation	Common stock	TRANSCOM, INC.	No relation	Financial assets at fair value through other comprehensive income - current	798,201	133,300	-	133,300	
Gains Investment Corporation	Common stock	GLOBAL TEK FABRICATION CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	2,431,620	130,335	-	130,335	
Gains Investment Corporation	Common stock	FUSHENG PRECISION CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	513,000	105,935	-	105,935	
Gains Investment Corporation	Common stock	FARCENT ENTERPRISE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,660,032	95,784	-	95,784	
Gains Investment Corporation	Common stock	CHUNGHWA TELECOM CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	771,000	92,520	-	92,520	
Gains Investment Corporation	Common stock	SYMTEK AUTOMATION ASIA CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	877,610	91,710	-	91,710	
Gains Investment Corporation	Common stock	QST INTERNATIONAL CORP.	No relation	Financial assets at fair value through other comprehensive income - current	1,466,305	89,738	-	89,738	
Gains Investment Corporation	Common stock	EVERGREEN AVIATION TECHNOLOGIES CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	800,000	86,800	-	86,800	
Gains Investment Corporation	Common stock	HOTAI FINANCE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	651,400	83,379	-	83,379	
Gains Investment Corporation	Common stock	JESS-LINK PRODUCTS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	958,000	80,568	-	80,568	
Gains Investment Corporation	Common stock	AMPAK TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income - current	629,000	75,480	-	75,480	
Gains Investment Corporation	Common stock	TAIWAN CEMENT CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	2,157,000	75,171	-	75,171	
Gains Investment Corporation	Common stock	BORA PHARMACEUTICALS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	117,353	74,989	-	74,989	
Gains Investment Corporation	Common stock	CHENFULL PRECISION CO., LTD	No relation	Financial assets at fair value through other comprehensive income - current	689,287	74,788	-	74,788	
Gains Investment Corporation	Common stock	ASUSTEK COMPUTER INCORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	147,000	71,957	-	71,957	
Gains Investment Corporation	Common stock	HSIN KUANG STEEL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,216,000	70,163	-	70,163	
Gains Investment Corporation	Common stock	I JANG INDUSTRIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,012,000	69,727	-	69,727	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Common stock	Capital Futures Corporation	No relation	Financial assets at fair value through other comprehensive income - current	1,364,000	69,700	-	69,700	
Gains Investment Corporation	Common stock	JDV CONTROL VALVES CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,050,000	68,250	-	68,250	
Gains Investment Corporation	Common stock	ARDENTEC CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	920,000	68,080	-	68,080	
Gains Investment Corporation	Common stock	UNI-PRESIDENT ENTERPRISES CORP.	No relation	Financial assets at fair value through other comprehensive income - current	910,000	67,795	-	67,795	
Gains Investment Corporation	Common stock	ULTRA CHIP, INC.	No relation	Financial assets at fair value through other comprehensive income - current	656,430	65,643	-	65,643	
Gains Investment Corporation	Common stock	TBI MOTION TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,975,000	63,793	-	63,793	
Gains Investment Corporation	Common stock	JUFAN INDUSTRIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,260,000	62,937	-	62,937	
Gains Investment Corporation	Common stock	EVERGREEN STEEL CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	583,000	60,632	-	60,632	
Gains Investment Corporation	Common stock	JETWELL COMPUTER CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	614,997	57,195	-	57,195	
Gains Investment Corporation	Common stock	NAN JUEN INTERNATIONAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	661,000	56,978	-	56,978	
Gains Investment Corporation	Common stock	ACTER GROUP CORPORATION LIMITED	No relation	Financial assets at fair value through other comprehensive income - current	320,000	56,800	-	56,800	
Gains Investment Corporation	Common stock	I SHENG ELECTRIC WIRE & CABLE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,215,000	56,072	-	56,072	
Gains Investment Corporation	Common stock	SHEH KAI PRECISION CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	989,000	54,395	-	54,395	
Gains Investment Corporation	Common stock	WAH LEE INDUSTRIAL CORP.	No relation	Financial assets at fair value through other comprehensive income - current	550,000	54,230	-	54,230	
Gains Investment Corporation	Common stock	FSP TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income - current	1,057,000	54,224	-	54,224	
Gains Investment Corporation	Common stock	ARGOSY RESEARCH INC.	No relation	Financial assets at fair value through other comprehensive income - current	306,000	52,479	-	52,479	
Gains Investment Corporation	Common stock	INNODISK CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	165,000	51,480	-	51,480	
Gains Investment Corporation	Common stock	CHC Healthcare Group	No relation	Financial assets at fair value through other comprehensive income - current	786,000	48,025	-	48,025	
Gains Investment Corporation	Common stock	ASIA TECH IMAGE INC.	No relation	Financial assets at fair value through other comprehensive income - current	700,000	46,620	-	46,620	
Gains Investment Corporation	Common stock	BRIGHTEK OPTOELECTRONIC CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,093,000	44,868	-	44,868	
Gains Investment Corporation	Common stock	NOVA TECHNOLOGY CORP.	No relation	Financial assets at fair value through other comprehensive income - current	312,000	43,836	-	43,836	
Gains Investment Corporation	Common stock	SHEH FUNG SCREWS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	583,159	35,981	-	35,981	
Gains Investment Corporation	Common stock	CHANNEL WELL TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	395,000	33,259	-	33,259	
Gains Investment Corporation	Common stock	ECLATORQ TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	316,000	31,758	-	31,758	
Gains Investment Corporation	Common stock	NEXTRONICS ENGINEERING CORP.	No relation	Financial assets at fair value through other comprehensive income - current	415,000	30,627	-	30,627	
Gains Investment Corporation	Common stock	UVAT TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	507,000	26,009	-	26,009	
Gains Investment Corporation	Common stock	San Neng Group Holdings Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	629,000	25,600	-	25,600	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Common stock	UNICTRON TECHNOLOGIES CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	280,000	24,640	-	24,640	
Gains Investment Corporation	Common stock	INTEGRATED SERVICE TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income - current	262,000	24,235	-	24,235	
Gains Investment Corporation	Common stock	BRIGHTEN OPTIX CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	124,000	23,498	-	23,498	
Gains Investment Corporation	Common stock	IBASE TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income - current	290,000	23,403	-	23,403	
Gains Investment Corporation	Common stock	KWONG LUNG ENTERPRISE CO.,LTD.	No relation	Financial assets at fair value through other comprehensive income - current	405,000	23,045	-	23,045	
Gains Investment Corporation	Common stock	LONGWELL COMPANY	No relation	Financial assets at fair value through other comprehensive income - current	355,000	23,040	-	23,040	
Gains Investment Corporation	Common stock	Foxtron Vehicle Technologies Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	500,000	22,300	-	22,300	
Gains Investment Corporation	Common stock	EMERGING DISPLAY TECHNOLOGIES CORP.	No relation	Financial assets at fair value through other comprehensive income - current	700,000	21,140	-	21,140	
Gains Investment Corporation	Common stock	WebComm Technology Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	334,000	20,975	-	20,975	
Gains Investment Corporation	Common stock	TURVO INTERNATIONAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	150,000	20,850	-	20,850	
Gains Investment Corporation	Common stock	Weblink International Inc.	No relation	Financial assets at fair value through other comprehensive income - current	358,000	20,298	-	20,298	
Gains Investment Corporation	Common stock	SYSTEX CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	180,000	20,160	-	20,160	
Gains Investment Corporation	Common stock	P-DUKE TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	195,000	18,798	-	18,798	
Gains Investment Corporation	Common stock	SUMEEKO INDUSTRIES CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	202,000	18,382	-	18,382	
Gains Investment Corporation	Common stock	GREENFILTEC LTD.	No relation	Financial assets at fair value through other comprehensive income - current	231,482	15,509	-	15,509	
Gains Investment Corporation	Common stock	NEOUSYS TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income - current	140,000	14,840	-	14,840	
Gains Investment Corporation	Common stock	ZHEN YU HARDWARE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	181,000	14,263	-	14,263	
Gains Investment Corporation	Common stock	ETERNAL MATERIALS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	460,050	13,387	-	13,387	
Gains Investment Corporation	Common stock	WENDELL INDUSTRIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	176,399	13,318	-	13,318	
Gains Investment Corporation	Common stock	PEGAVISION CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	32,571	12,914	-	12,914	
Gains Investment Corporation	Common stock	ACBEL POLYTECH INC.	No relation	Financial assets at fair value through other comprehensive income - current	259,964	10,685	-	10,685	
Gains Investment Corporation	Common stock	CKM APPLIED MATERIALS CORP.	No relation	Financial assets at fair value through other comprehensive income - current	262,000	10,022	-	10,022	
Gains Investment Corporation	Common stock	TAIWAN LINE TEK ELECTRONIC CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	257,000	9,907	-	9,907	
Gains Investment Corporation	Common stock	JETWAY INFORMATION CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	228,000	9,632	-	9,632	
Gains Investment Corporation	Common stock	CHIEN SHING HARBOUR SERVICE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	197,063	9,085	-	9,085	
Gains Investment Corporation	Common stock	AMIDA TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income - current	167,450	9,042	-	9,042	
Gains Investment Corporation	Common stock	GSD Technologies Co., Ltd. Taiwan Branch (Cayman Islands)	No relation	Financial assets at fair value through other comprehensive income - current	160,453	7,012	-	7,012	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Common stock	BRILLIAN NETWORK & AUTOMATION INTEGRATED SYSTEM CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	41,000	5,289	-	5,289	
Gains Investment Corporation	Common stock	BON FAME CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	57,000	5,210	-	5,210	
Gains Investment Corporation	Common stock	PCL TECHNOLOGIES,INC.	No relation	Financial assets at fair value through other comprehensive income - current	46,000	3,556	-	3,556	
Gains Investment Corporation	Common stock	WASTE RECOVERY TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income - current	22,000	3,542	-	3,542	
Gains Investment Corporation	Common stock	FOSITEK CORP.	No relation	Financial assets at fair value through other comprehensive income - current	7,000	2,678	-	2,678	
Gains Investment Corporation	Common stock	LINTES TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	14,000	2,387	-	2,387	
Gains Investment Corporation	Common stock	ADIMMUNE CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	70,000	2,321	-	2,321	
Gains Investment Corporation	Common stock	THYE MING INDUSTRIAL CO.,LTD.	No relation	Financial assets at fair value through other comprehensive income - current	29,000	2,045	-	2,045	
Gains Investment Corporation	Common stock	DYNAMIC MEDICAL TECHNOLOGIES INC.	No relation	Financial assets at fair value through other comprehensive income - current	15,000	1,650	-	1,650	
Gains Investment Corporation	Common stock	FORMOSA OPTICAL TECHNOLOGY CO.,LTD.	No relation	Financial assets at fair value through other comprehensive income - current	19,000	1,590	-	1,590	
Gains Investment Corporation	Common stock	Sincere Security Corp. Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	30,000	1,533	-	1,533	
Gains Investment Corporation	Common stock	TOPCO SCIENTIFIC CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	8,090	1,476	-	1,476	
Gains Investment Corporation	Common stock	WAH HONG INDUSTRIAL CORP.	No relation	Financial assets at fair value through other comprehensive income - current	40,000	1,394	-	1,394	
Gains Investment Corporation	Common stock	TAIWAN IMPLANT TECHNOLOGY CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,878,788	2,000	10	2,000	
Gains Investment Corporation	Common stock	AltruBio Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	500,000	-	-	-	
Gains Investment Corporation	Common stock	Rentian Technology Holdings Ltd.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	18,350	-	-	-	
Gains Investment Corporation	Common stock	KING POINT ENTERPRISE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	3,500,000	112,875	9	112,875	
Gains Investment Corporation	Common stock	CYBERSOFT DIGITAL SERVICES CORPORATION	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,444,996	68,522	5	68,522	
Gains Investment Corporation	Common stock	YEONG LONG TECHNOLOGIES CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,980,000	67,855	5	67,855	
Gains Investment Corporation	Common stock	ANNJI PHARMACEUTICAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	2,000,000	60,000	2	60,000	
Gains Investment Corporation	Common stock	Liying Environmental Protection Technology Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,067,869	50,000	4	50,000	
Gains Investment Corporation	Common stock	Innotech Logistics Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	5,000,000	50,000	10	50,000	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Common stock	Chien Tung Harbour Service Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	5,000,000	50,000	7	50,000	
Gains Investment Corporation	Common stock	Poju International Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	2,263,000	42,208	5	42,208	
Gains Investment Corporation	Common stock	TECHPLASMA TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	840,000	40,000	3	40,000	
Gains Investment Corporation	Common stock	eTreego Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	2,665,316	37,000	11	37,000	
Gains Investment Corporation	Common stock	WELEADER BIOMEDICAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	570,000	33,060	1	33,060	
Gains Investment Corporation	Common stock	CDIB & Partners Investment Holding Corporation	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	2,160,000	32,899	-	32,899	
Gains Investment Corporation	Common stock	ENLI TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	956,802	30,235	8	30,235	
Gains Investment Corporation	Common stock	GREEN SHEPHERD CORPORATION	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,120,000	24,002	8	24,002	
Gains Investment Corporation	Common stock	FOXCONN GLOBAL NETWORK CORPORATION	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	3,000,000	22,295	9	22,295	
Gains Investment Corporation	Common stock	GE TECHNOLOGY INC.	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	1,219,801	21,560	5	21,560	
Gains Investment Corporation	Common stock	MITAGRI CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,338,973	14,371	8	14,371	
Gains Investment Corporation	Common stock	YONGDA FOOD TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,413,500	12,020	5	12,020	
Gains Investment Corporation	Common stock	T-Car Inc.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	500,000	10,255	2	10,255	
Gains Investment Corporation	Common stock	LEADGENE BIOMEDICAL, INC.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	160,000	9,600	1	9,600	
Gains Investment Corporation	Common stock	GREENWAY ENVIRONMENTAL TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	3,750,000	8,044	8	8,044	
Gains Investment Corporation	Common stock	ULTRADISPLAY INC.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,446,891	5,458	9	5,458	
Gains Investment Corporation	Common stock	MUTUAL-PAK TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	471,159	4,187	5	4,187	
Gains Investment Corporation	Common stock	Huiyang Private Equity Fund Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	35,000	1,930	1	1,930	
Gains Investment Corporation	Common stock	LOCUS CELL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	4,905,000	122,625	2	122,625	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Common stock	JIH SUN International Leasing & Finance Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	2,500,000	104,200	1	104,200	
Gains Investment Corporation	Common stock	MEDICAL IMAGING CORPORATION	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,188,000	80,946	6	80,946	
Gains Investment Corporation	Common stock	CHEN NAN IRON WIRE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	2,511,960	60,769	4	60,769	
Gains Investment Corporation	Common stock	HANDA PHARMACEUTICALS, INC.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	300,000	55,629	-	55,629	
Gains Investment Corporation	Common stock	VETNOSTRUM ANIMAL HEALTH CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,660,269	51,256	3	51,256	
Gains Investment Corporation	Common stock	SUNNY PHARMTECH INC.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,786,234	48,886	1	48,886	
Gains Investment Corporation	Common stock	Ping Ho Environmental Technology Company Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	740,650	38,680	3	38,680	
Gains Investment Corporation	Common stock	Lianyou Metals Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	614,680	34,137	2	34,137	
Gains Investment Corporation	Common stock	NORBEL BABY CO.,LTD	No relation	Financial assets at fair value through other comprehensive income - noncurrent	200,000	30,974	1	30,974	
Gains Investment Corporation	Common stock	SUPERALLOY INDUSTRIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	374,000	28,805	-	28,805	
Gains Investment Corporation	Common stock	ENIMMUNE CORPORATION	No relation	Financial assets at fair value through other comprehensive income - noncurrent	963,820	28,760	1	28,760	
Gains Investment Corporation	Common stock	FEMCO STEEL TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,399,400	25,749	3	25,749	
Gains Investment Corporation	Common stock	SUN RISE E&T CORPORATION	No relation	Financial assets at fair value through other comprehensive income - noncurrent	767,126	22,603	2	22,603	
Gains Investment Corporation	Common stock	FLASHAIM INC.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	767,000	15,171	6	15,171	
Gains Investment Corporation	Common stock	ALLIANCE MATERIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	353,000	14,604	1	14,604	
Gains Investment Corporation	Common stock	TFBS BIOSCIENCE, INC.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	364,000	14,001	1	14,001	
Gains Investment Corporation	Common stock	GMT GLOBAL INC.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	728,325	9,293	2	9,293	
Gains Investment Corporation	Common stock	VIZIONFOCUS INC.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	38,000	9,090	-	9,090	
Gains Investment Corporation	Common stock	LIAN HONG ART CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	278,334	8,701	1	8,701	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Common stock	STUDY KING CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	309,600	6,913	2	6,913	
Gains Investment Corporation	Common stock	MICRO SILICON ELECTRONICS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	100,000	4,910	-	4,910	
Gains Investment Corporation	Common stock	JET OPTOELECTRONICS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	61,120	3,404	-	3,404	
Gains Investment Corporation	Common stock	VSO ELECTRONICS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	32,400	2,632	-	2,632	
Gains Investment Corporation	Common stock	CHIN HSIN ENVIRON ENGINEERING CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	37,000	2,573	-	2,573	
Gains Investment Corporation	Convertible bond	SERCOMM CORP.7th Convertible Bond	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	280,000	30,884	-	30,884	
Gains Investment Corporation	Convertible bond	BORA PHARMACEUTICALS CO., LTD.3rd Convertible Bond	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	195,000	22,581	-	22,581	
Gains Investment Corporation	Convertible bond	TAI-TECH ADVANCED ELECTRONICS CO., LTD.1st Convertible Bond	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	150,000	17,385	-	17,385	
Gains Investment Corporation	Convertible bond	HD Renewable Energy Co., Ltd.1st Convertible Bond	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	140,000	16,310	-	16,310	
Thintech Materials Technology Co., Ltd.	Common stock	Lianyou Metals Co., Ltd.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	125,000	6,942	-	6,942	
Thintech Materials Technology Co., Ltd.	Common stock	Lianyou Metals Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	601,796	33,422	2	33,422	
Winning Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	160,506,339	4,333,671	1	4,333,671	Note 2
Betacera Inc.	Common stock	TAIWAN IMPLANT TECHNOLOGY CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	74,149	-	-	-	
Betacera Inc.	Common stock	HCT REGENERATIVE CO., LTD	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	1,294,153	17,493	19	17,493	
Shanghai Xike Ceramic Electronic Co., Ltd.	Common stock	Shanghai Join Buy Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	71,820	2,445	-	2,446	
Universal Exchange Inc.	Mutual fund	Union Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	305,135	4,142	-	4,142	
Pro-Ascentek Investment Corporation	Common stock	SYMTEK AUTOMATION ASIA CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	385,997	40,337	-	40,337	
Pro-Ascentek Investment Corporation	Common stock	TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	No relation	Financial assets at fair value through other comprehensive income - current	54,000	32,022	-	32,022	
Pro-Ascentek Investment Corporation	Common stock	INNODISK CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	101,622	31,706	-	31,706	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Pro-Ascentek Investment Corporation	Common stock	BRIGHTON-BEST INTERNATIONAL (TAIWAN) INC.	No relation	Financial assets at fair value through other comprehensive income - current	752,000	26,621	-	26,621	
Pro-Ascentek Investment Corporation	Common stock	KWONG LUNG ENTERPRISE CO.,LTD.	No relation	Financial assets at fair value through other comprehensive income - current	444,000	25,264	-	25,264	
Pro-Ascentek Investment Corporation	Common stock	ASIA TECH IMAGE INC.	No relation	Financial assets at fair value through other comprehensive income - current	362,000	24,108	-	24,108	
Pro-Ascentek Investment Corporation	Common stock	AMPAK TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income - current	178,000	21,360	-	21,360	
Pro-Ascentek Investment Corporation	Common stock	TBI MOTION TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	650,000	20,995	-	20,995	
Pro-Ascentek Investment Corporation	Common stock	FSP TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income - current	397,000	20,366	-	20,366	
Pro-Ascentek Investment Corporation	Common stock	PLANET TECHNOLOGY CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	130,000	19,435	-	19,435	
Pro-Ascentek Investment Corporation	Common stock	JUFAN INDUSTRIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	384,000	19,181	-	19,181	
Pro-Ascentek Investment Corporation	Common stock	HERAN CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	166,000	18,509	-	18,509	
Pro-Ascentek Investment Corporation	Common stock	I SHENG ELECTRIC WIRE & CABLE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	397,000	18,322	-	18,322	
Pro-Ascentek Investment Corporation	Common stock	INTEGRATED SERVICE TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income - current	190,000	17,574	-	17,574	
Pro-Ascentek Investment Corporation	Common stock	ZERO ONE TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	250,000	16,350	-	16,350	
Pro-Ascentek Investment Corporation	Common stock	MICRO-STAR INTERNATIONAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	80,000	16,320	-	16,320	
Pro-Ascentek Investment Corporation	Common stock	I JANG INDUSTRIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	216,000	14,882	-	14,882	
Pro-Ascentek Investment Corporation	Common stock	FIRST HI-TEC ENTERPRISE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	120,000	14,700	-	14,700	
Pro-Ascentek Investment Corporation	Common stock	MEDIATEK INC.	No relation	Financial assets at fair value through other comprehensive income - current	14,000	14,210	-	14,210	
Pro-Ascentek Investment Corporation	Common stock	GIGA-BYTE TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	51,000	13,566	-	13,566	
Pro-Ascentek Investment Corporation	Common stock	SUMEEKO INDUSTRIES CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	147,000	13,377	-	13,377	
Pro-Ascentek Investment Corporation	Common stock	CHICONY POWER TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	88,000	12,804	-	12,804	
Pro-Ascentek Investment Corporation	Common stock	WAH LEE INDUSTRIAL CORP.	No relation	Financial assets at fair value through other comprehensive income - current	126,000	12,424	-	12,424	
Pro-Ascentek Investment Corporation	Common stock	TRIPOD TECHNOLOGY CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	59,000	11,505	-	11,505	
Pro-Ascentek Investment Corporation	Common stock	ASE Technology Holding Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	79,000	10,665	-	10,665	
Pro-Ascentek Investment Corporation	Common stock	ARDENTEC CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	140,000	10,360	-	10,360	
Pro-Ascentek Investment Corporation	Common stock	RADIANT OPTO-ELECTRONICS CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	74,000	9,842	-	9,842	
Pro-Ascentek Investment Corporation	Common stock	ACTER GROUP CORPORATION LIMITED	No relation	Financial assets at fair value through other comprehensive income - current	55,000	9,763	-	9,763	
Pro-Ascentek Investment Corporation	Common stock	REALTEK SEMICONDUCTOR CORP.	No relation	Financial assets at fair value through other comprehensive income - current	20,000	9,430	-	9,430	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Pro-Ascentek Investment Corporation	Common stock	CHANNEL WELL TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	110,000	9,262	-	9,262	
Pro-Ascentek Investment Corporation	Common stock	NEXTRONICS ENGINEERING CORP.	No relation	Financial assets at fair value through other comprehensive income - current	124,000	9,150	-	9,150	
Pro-Ascentek Investment Corporation	Common stock	NAN JUEN INTERNATIONAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	105,000	9,051	-	9,051	
Pro-Ascentek Investment Corporation	Common stock	QST INTERNATIONAL CORP.	No relation	Financial assets at fair value through other comprehensive income - current	147,822	9,047	-	9,047	
Pro-Ascentek Investment Corporation	Common stock	TURVO INTERNATIONAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	65,000	9,035	-	9,035	
Pro-Ascentek Investment Corporation	Common stock	CHICONY ELECTRONICS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	50,000	8,750	-	8,750	
Pro-Ascentek Investment Corporation	Common stock	CHROMA ATE INC.	No relation	Financial assets at fair value through other comprehensive income - current	40,000	8,520	-	8,520	
Pro-Ascentek Investment Corporation	Common stock	JDV CONTROL VALVES CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	131,000	8,515	-	8,515	
Pro-Ascentek Investment Corporation	Common stock	UNITED MICROELECTRONICS CORP.	No relation	Financial assets at fair value through other comprehensive income - current	150,000	7,890	-	7,890	
Pro-Ascentek Investment Corporation	Common stock	SYSGRATION LTD.	No relation	Financial assets at fair value through other comprehensive income - current	220,000	7,865	-	7,865	
Pro-Ascentek Investment Corporation	Common stock	91APP, Inc.	No relation	Financial assets at fair value through other comprehensive income - current	74,000	7,770	-	7,770	
Pro-Ascentek Investment Corporation	Common stock	BRIGHTEN OPTIX CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	41,000	7,770	-	7,770	
Pro-Ascentek Investment Corporation	Common stock	GLOBALWAFERS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	13,000	7,631	-	7,631	
Pro-Ascentek Investment Corporation	Common stock	ETERNAL MATERIALS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	246,250	7,166	-	7,166	
Pro-Ascentek Investment Corporation	Common stock	SHEH KAI PRECISION CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	126,000	6,930	-	6,930	
Pro-Ascentek Investment Corporation	Common stock	NAN YA PRINTED CIRCUIT BOARD CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	27,000	6,791	-	6,791	
Pro-Ascentek Investment Corporation	Common stock	TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	156,000	6,755	-	6,755	
Pro-Ascentek Investment Corporation	Common stock	CHENFULL PRECISION CO., LTD	No relation	Financial assets at fair value through other comprehensive income - current	50,000	5,424	-	5,424	
Pro-Ascentek Investment Corporation	Common stock	JETWELL COMPUTER CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	57,000	5,301	-	5,301	
Pro-Ascentek Investment Corporation	Common stock	FORMOSA OPTICAL TECHNOLOGY CO.,LTD.	No relation	Financial assets at fair value through other comprehensive income - current	60,000	5,022	-	5,022	
Pro-Ascentek Investment Corporation	Common stock	Foxtron Vehicle Technologies Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	100,000	4,460	-	4,460	
Pro-Ascentek Investment Corporation	Common stock	MATERIALS ANALYSIS TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income - current	19,000	4,418	-	4,418	
Pro-Ascentek Investment Corporation	Common stock	SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	40,000	4,300	-	4,300	
Pro-Ascentek Investment Corporation	Common stock	FORTUNE ELECTRIC CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	13,000	4,251	-	4,251	
Pro-Ascentek Investment Corporation	Common stock	SPORTON INTERNATIONAL INC.	No relation	Financial assets at fair value through other comprehensive income - current	14,000	3,373	-	3,373	
Pro-Ascentek Investment Corporation	Common stock	NOVA TECHNOLOGY CORP.	No relation	Financial assets at fair value through other comprehensive income - current	24,000	3,372	-	3,372	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Pro-Ascentek Investment Corporation	Common stock	CHC Healthcare Group	No relation	Financial assets at fair value through other comprehensive income - current	47,000	2,872	-	2,872	
Pro-Ascentek Investment Corporation	Common stock	SINO-AMERICAN SILICON PRODUCTS INC.	No relation	Financial assets at fair value through other comprehensive income - current	14,000	2,744	-	2,744	
Pro-Ascentek Investment Corporation	Common stock	MERIDA INDUSTRY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	13,000	2,373	-	2,373	
Pro-Ascentek Investment Corporation	Common stock	Fulgent Sun International (Holding) Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	15,000	2,003	-	2,003	
Pro-Ascentek Investment Corporation	Common stock	LITE-ON TECHNOLOGY CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	16,000	1,872	-	1,872	
Pro-Ascentek Investment Corporation	Common stock	UNIMICRON TECHNOLOGY CORP.	No relation	Financial assets at fair value through other comprehensive income - current	7,000	1,232	-	1,232	
Pro-Ascentek Investment Corporation	Common stock	UNIVERSAL MICROWAVE TECHNOLOGY, INC.	No relation	Financial assets at fair value through other comprehensive income - current	7,000	1,138	-	1,138	
Pro-Ascentek Investment Corporation	Common stock	BON FAME CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	10,000	914	-	914	
Pro-Ascentek Investment Corporation	Common stock	DYNAMIC MEDICAL TECHNOLOGIES INC.	No relation	Financial assets at fair value through other comprehensive income - current	5,000	549	-	549	
Pro-Ascentek Investment Corporation	Common stock	P-DUKE TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	5,000	482	-	482	
Pro-Ascentek Investment Corporation	Common stock	Chien Tung Harbour Service Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,800,000	18,000	3	18,000	
Pro-Ascentek Investment Corporation	Common stock	CYBERSOFT DIGITAL SERVICES CORPORATION	No relation	Financial assets at fair value through other comprehensive income - noncurrent	350,000	16,597	1	16,597	
Pro-Ascentek Investment Corporation	Common stock	ANNJI PHARMACEUTICAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	500,000	15,000	1	15,000	
Pro-Ascentek Investment Corporation	Common stock	eTreego Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	500,000	9,500	2	9,500	
Pro-Ascentek Investment Corporation	Common stock	GE TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	522,771	9,240	2	9,240	
Pro-Ascentek Investment Corporation	Common stock	GREEN SHEPHERD CORPORATION	No relation	Financial assets at fair value through other comprehensive income - noncurrent	224,000	4,800	2	4,800	
Pro-Ascentek Investment Corporation	Common stock	ENLI TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	76,110	3,044	1	3,044	
Pro-Ascentek Investment Corporation	Common stock	JIH SUN International Leasing & Finance Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,000,000	41,680	-	41,680	
Pro-Ascentek Investment Corporation	Common stock	MEDICAL IMAGING CORPORATION	No relation	Financial assets at fair value through other comprehensive income - noncurrent	312,000	21,259	1	21,259	
Pro-Ascentek Investment Corporation	Common stock	HANDA PHARMACEUTICALS, INC.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	96,000	17,801	-	17,801	
Pro-Ascentek Investment Corporation	Common stock	Lianyou Metals Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	271,216	15,062	1	15,062	
Pro-Ascentek Investment Corporation	Common stock	TFBS BIOSCIENCE, INC.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	146,640	5,640	-	5,640	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Pro-Ascentek Investment Corporation	Common stock	CHEN NAN IRON WIRE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	188,000	4,548	-	4,548	
Pro-Ascentek Investment Corporation	Common stock	SUNNY PHARMTECH INC.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	158,738	4,344	-	4,344	
Pro-Ascentek Investment Corporation	Common stock	VETNOSTRUM ANIMAL HEALTH CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	105,000	3,242	-	3,242	
Pro-Ascentek Investment Corporation	Common stock	GMT GLOBAL INC.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	144,000	1,837	-	1,837	
Pro-Ascentek Investment Corporation	Common stock	MICRO SILICON ELECTRONICS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	30,000	1,473	-	1,473	
Pro-Ascentek Investment Corporation	Mutual fund	CTBC Hua Win Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	17,372,394	196,572	-	196,572	
Pro-Ascentek Investment Corporation	Convertible bond	BORA PHARMACEUTICALS CO., LTD.3rd Convertible Bond	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	56,000	6,485	-	6,485	
Pro-Ascentek Investment Corporation	Convertible bond	Yulon Finance Corporation.2nd Convertible Bond	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	30,000	3,052	-	3,052	
Pro-Ascentek Investment Corporation	Corporate bond	TSMC ARIZONA CORP.DL-NOTES 2022(22/27) REG.S	No relation	Financial assets at fair value through other comprehensive income - current	-	42,123	-	42,123	
Pro-Ascentek Investment Corporation	Corporate bond	TSMC GLOBAL LTD.DL-NOTES 2022(22/27) REG.S	No relation	Financial assets at fair value through other comprehensive income - current	-	16,820	-	16,820	
Mentor Consulting Corporation	Mutual fund	Union Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,439,671	19,544	-	19,544	
Eminence Investment Corporation	Common stock	Microsoft Corporation	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,132	13,070	-	13,070	
Eminence Investment Corporation	Common stock	NVIDIA Corporation	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	740	11,252	-	11,252	
Eminence Investment Corporation	Common stock	Amazon.com, Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,631	7,609	-	7,609	
Eminence Investment Corporation	Common stock	Advanced Micro Devices, Inc	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,526	6,907	-	6,907	
Eminence Investment Corporation	Common stock	Apple Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	951	5,622	-	5,622	
Eminence Investment Corporation	Common stock	Starbucks Corporation	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,495	4,407	-	4,407	
Eminence Investment Corporation	Common stock	CHUNGHWA TELECOM CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,336,000	160,320	-	160,320	
Eminence Investment Corporation	Common stock	INNODISK CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	468,783	146,260	-	146,260	
Eminence Investment Corporation	Common stock	TANG ENG IRON WORKS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	3,723,000	123,976	-	123,976	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Eminence Investment Corporation	Common stock	TBI MOTION TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	3,294,000	106,396	-	106,396	
Eminence Investment Corporation	Common stock	JUFAN INDUSTRIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	2,005,000	100,150	-	100,150	
Eminence Investment Corporation	Common stock	GLOBAL TEK FABRICATION CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,720,943	92,242	-	92,242	
Eminence Investment Corporation	Common stock	YUNGSHIN CONSTRUCTION & DEVELOPMENT CO.,LTD.	No relation	Financial assets at fair value through other comprehensive income - current	990,000	91,377	-	91,377	
Eminence Investment Corporation	Common stock	TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	No relation	Financial assets at fair value through other comprehensive income - current	141,000	83,613	-	83,613	
Eminence Investment Corporation	Common stock	JDV CONTROL VALVES CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,050,000	68,250	-	68,250	
Eminence Investment Corporation	Common stock	Fubon Financial Holding Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	848,150	54,960	-	54,960	
Eminence Investment Corporation	Common stock	TOPCO SCIENTIFIC CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	296,548	54,120	-	54,120	
Eminence Investment Corporation	Common stock	Mega Financial Holding Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	1,378,720	54,046	-	54,046	
Eminence Investment Corporation	Common stock	Bionime Corporation	No relation	Financial assets at fair value through other comprehensive income - current	722,200	54,021	-	54,021	
Eminence Investment Corporation	Common stock	PROMATE SOLUTIONS CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	475,000	46,503	-	46,503	
Eminence Investment Corporation	Common stock	B'IN LIVE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	450,000	44,774	-	44,774	
Eminence Investment Corporation	Common stock	First Financial Holding Co. Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	1,614,962	44,250	-	44,250	
Eminence Investment Corporation	Common stock	FIRST HI-TEC ENTERPRISE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	324,000	39,690	-	39,690	
Eminence Investment Corporation	Common stock	STARK TECHNOLOGY, INC.	No relation	Financial assets at fair value through other comprehensive income - current	294,000	35,427	-	35,427	
Eminence Investment Corporation	Common stock	TRIPOD TECHNOLOGY CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	178,000	34,710	-	34,710	
Eminence Investment Corporation	Common stock	NAN JUEN INTERNATIONAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	400,000	34,480	-	34,480	
Eminence Investment Corporation	Common stock	MICRO-STAR INTERNATIONAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	166,000	33,864	-	33,864	
Eminence Investment Corporation	Common stock	FSP TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income - current	627,000	32,165	-	32,165	
Eminence Investment Corporation	Common stock	EXCELSIOR MEDICAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	354,878	31,371	-	31,371	
Eminence Investment Corporation	Common stock	CHROMA ATE INC.	No relation	Financial assets at fair value through other comprehensive income - current	136,000	28,968	-	28,968	
Eminence Investment Corporation	Common stock	CHICONY POWER TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	197,000	28,664	-	28,664	
Eminence Investment Corporation	Common stock	ZERO ONE TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	415,000	27,141	-	27,141	
Eminence Investment Corporation	Common stock	GREAT WALL ENTERPRISE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	430,355	25,175	-	25,175	
Eminence Investment Corporation	Common stock	UNITED MICROELECTRONICS CORP.	No relation	Financial assets at fair value through other comprehensive income - current	454,000	23,880	-	23,880	
Eminence Investment Corporation	Common stock	ASE Technology Holding Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	170,000	22,950	-	22,950	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Eminence Investment Corporation	Common stock	FARCENT ENTERPRISE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	386,000	22,272	-	22,272	
Eminence Investment Corporation	Common stock	REALTEK SEMICONDUCTOR CORP.	No relation	Financial assets at fair value through other comprehensive income - current	47,000	22,161	-	22,161	
Eminence Investment Corporation	Common stock	CHICONY ELECTRONICS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	119,000	20,825	-	20,825	
Eminence Investment Corporation	Common stock	COMPEQ MANUFACTURING COMPANY LIMITED	No relation	Financial assets at fair value through other comprehensive income - current	261,000	18,453	-	18,453	
Eminence Investment Corporation	Common stock	SYSGRATION LTD.	No relation	Financial assets at fair value through other comprehensive income - current	510,000	18,233	-	18,233	
Eminence Investment Corporation	Common stock	GIGA-BYTE TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	68,000	18,088	-	18,088	
Eminence Investment Corporation	Common stock	TAI-SAW TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	648,323	17,796	-	17,796	
Eminence Investment Corporation	Common stock	NAN YA PRINTED CIRCUIT BOARD CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	66,000	16,599	-	16,599	
Eminence Investment Corporation	Common stock	SYMTEK AUTOMATION ASIA CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	148,517	15,520	-	15,520	
Eminence Investment Corporation	Common stock	UNIMICRON TECHNOLOGY CORP.	No relation	Financial assets at fair value through other comprehensive income - current	79,000	13,904	-	13,904	
Eminence Investment Corporation	Common stock	MATERIALS ANALYSIS TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income - current	57,000	13,253	-	13,253	
Eminence Investment Corporation	Common stock	GLOBALWAFERS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	21,000	12,327	-	12,327	
Eminence Investment Corporation	Common stock	91APP, Inc.	No relation	Financial assets at fair value through other comprehensive income - current	113,000	11,864	-	11,864	
Eminence Investment Corporation	Common stock	SPORTON INTERNATIONAL INC.	No relation	Financial assets at fair value through other comprehensive income - current	46,000	11,086	-	11,086	
Eminence Investment Corporation	Common stock	PACIFIC HOSPITAL SUPPLY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	122,000	10,541	-	10,541	
Eminence Investment Corporation	Common stock	LITE-ON TECHNOLOGY CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	89,000	10,413	-	10,413	
Eminence Investment Corporation	Common stock	PRESIDENT CHAIN STORE CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	38,000	10,241	-	10,241	
Eminence Investment Corporation	Common stock	PRIMAX ELECTRONICS LTD.	No relation	Financial assets at fair value through other comprehensive income - current	145,000	9,817	-	9,817	
Eminence Investment Corporation	Common stock	SCIENTECH CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	42,000	8,988	-	8,988	
Eminence Investment Corporation	Common stock	FENG TAY ENTERPRISES CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	50,400	8,820	-	8,820	
Eminence Investment Corporation	Common stock	SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	81,000	8,708	-	8,708	
Eminence Investment Corporation	Common stock	ECLAT TEXTILE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	15,000	8,430	-	8,430	
Eminence Investment Corporation	Common stock	RADIANT OPTO-ELECTRONICS CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	60,000	7,980	-	7,980	
Eminence Investment Corporation	Common stock	PHISON ELECTRONICS CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	14,000	7,280	-	7,280	
Eminence Investment Corporation	Common stock	FORTUNE ELECTRIC CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	21,000	6,867	-	6,867	
Eminence Investment Corporation	Common stock	DELTA ELECTRONICS, INC.	No relation	Financial assets at fair value through other comprehensive income - current	16,000	5,016	-	5,016	
Eminence Investment Corporation	Common stock	GLOBE UNION INDUSTRIAL CORP	No relation	Financial assets at fair value through other comprehensive income - current	239,000	3,692	-	3,692	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Eminence Investment Corporation	Common stock	NOVATEK MICROELECTRONICS CORP.	No relation	Financial assets at fair value through other comprehensive income - current	7,000	3,619	-	3,619	
Eminence Investment Corporation	Common stock	YAGEO CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	6,000	3,582	-	3,582	
Eminence Investment Corporation	Common stock	ELITE MATERIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	9,000	3,438	-	3,438	
Eminence Investment Corporation	Common stock	King's Town Bank	No relation	Financial assets at fair value through other comprehensive income - current	83,000	3,316	-	3,316	
Eminence Investment Corporation	Common stock	MEDIATEK INC.	No relation	Financial assets at fair value through other comprehensive income - current	3,000	3,045	-	3,045	
Eminence Investment Corporation	Common stock	ADATA TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	28,000	2,884	-	2,884	
Eminence Investment Corporation	Common stock	BizLink Holding Inc.	No relation	Financial assets at fair value through other comprehensive income - current	9,087	2,426	-	2,426	
Eminence Investment Corporation	Common stock	CATHAY FINANCIAL HOLDING CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	562	26	-	26	
Eminence Investment Corporation	Common stock	FOXCONN GLOBAL NETWORK CORPORATION	No relation	Financial assets at fair value through other comprehensive income - noncurrent	3,000,000	22,295	9	22,295	
Eminence Investment Corporation	Common stock	TECHPLASMA TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	328,064	15,337	1	15,337	
Eminence Investment Corporation	Common stock	GREEN SHEPHERD CORPORATION	No relation	Financial assets at fair value through other comprehensive income - noncurrent	672,000	14,401	5	14,401	
Eminence Investment Corporation	Common stock	MEDICAL IMAGING CORPORATION	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,188,000	80,946	6	80,946	
Eminence Investment Corporation	Common stock	SUNNY PHARMTECH INC.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,749,841	47,890	1	47,890	
Eminence Investment Corporation	Common stock	FLASHAIM INC.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	385,000	7,616	3	7,616	
Eminence Investment Corporation	Mutual fund	Fubon Chi-Hsiang Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,304,208	21,002	-	21,002	
Eminence Investment Corporation	Subordinated financial bond	The first issue of unsecured cumulative subordinated corporate bonds of Shin Kong Life of 2023	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	-	50,000	-	50,000	
Eminence Investment Corporation	Convertible bond	HD Renewable Energy Co., Ltd.1st Convertible Bond	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	250,000	29,125	-	29,125	
Eminence Investment Corporation	Convertible bond	LOTES CO., LTD. Convertible Bond 2	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	140,000	18,620	-	18,620	
Eminence Investment Corporation	Convertible bond	ACTRON TECHNOLOGY CORPORATION. 1st Convertible Bond	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	100,000	11,400	-	11,400	
Eminence Investment Corporation	Convertible bond	MARKETECH INTERNATIONAL CORP. 5th Convertible Bond	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	40,000	4,520	-	4,520	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Eminence Investment Corporation	Corporate bond	TSMC GLOBAL LTD.DL-NOTES 2022(22/27) REG.S	No relation	Financial assets at fair value through other comprehensive income - current	-	42,815	-	42,815	
Eminence Investment Corporation	Corporate bond	TSMC ARIZONA CORP.DL-NOTES 2022(22/27) REG.S	No relation	Financial assets at fair value through other comprehensive income - current	-	21,061	-	21,061	
Shin Mau Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	1,433,749	38,711	-	38,711	
Hung-Chuan Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	1,605,875	43,359	-	43,359	
Chi-Yi Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	1,616,723	43,652	-	43,652	
Ding Da Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	1,525,494	41,188	-	41,188	
Jiing-Cherng-Fa Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	1,461,875	39,471	-	39,471	
Gau Ruei Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	1,493,318	40,320	-	40,320	
Li-Ching-Long Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	1,605,441	43,347	-	43,347	
Sheng Lih Dar Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	1,542,138	41,638	-	41,638	
Chiun Yu Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	1,623,289	43,829	-	43,829	
China Steel Global Trading Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	4,349,507	117,437	-	117,437	
China Steel Global Trading Corporation	Common stock	Nippon Steel Thai Sumilox Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	1,110	107,841	15	107,841	
China Steel Global Trading Corporation	Preferred stock	Nippon Steel Thai Sumilox Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	15	48,821	15	48,821	
Wabo Global Trading Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - current	487,367	13,159	-	13,159	
Chung Mao Trading (Samoa) Corporation	Certificate of entitlement	Maruichi Metal Product (Foshan) Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	-	232,825	15	232,825	
Chung Mao Trading (Samoa) Corporation	Certificate of entitlement	PCMI Metal Products (Chongquing) Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	-	125,011	8	125,011	
CSGT International Corporation	Common stock	NST Coil Center (Thailand) Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	3,001	92,553	13	92,553	
CSGT International Corporation	Certificate of entitlement	Hanoi Steel Center Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	-	186,051	19	186,051	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2023				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
CSC Steel Australia Holdings Pty Ltd	Common stock	KJTC Pty Ltd	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	2,623,595	4,974,759	13	4,974,759	
CSC Steel Australia Holdings Pty Ltd	Common stock	Mulga Iron Holdings Pty Ltd	No relation	Financial assets at fair value through other comprehensive income - noncurrent	384,869	32,685	-	32,685	
China Steel Asia Pacific Holdings Pte Ltd	Certificate of entitlement	Wuxi TECO Electric & Machinery Co., Ltd.	The held company as its director and supervisor	Financial assets at fair value through other comprehensive income - noncurrent	-	568,043	6	568,043	
China Steel Asia Pacific Holdings Pte Ltd	Certificate of entitlement	QINGDAO TECO PRECISION MECHATRONICS CO., Ltd.	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	-	98,256	12	98,256	
China Steel Asia Pacific Holdings Pte Ltd	Certificate of entitlement	TOP PRO STEEL JOINT STOCK COMPANY	No relation	Financial assets at fair value through other comprehensive income - noncurrent	-	26,468	3	26,468	
CSC Steel Holdings Berhad	Common stock	Astino Berhad	No relation	Financial assets at fair value through other comprehensive income - noncurrent	6,562,727	22,590	-	22,589	
CSC Steel Holdings Berhad	Mutual fund	AFFINHWANG – AIIMAN MONEY MARKET FUND	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	26,813,624	97,231	-	97,231	
CSC Steel Sdn. Bhd.	Mutual fund	RHB CASH MANAGMENT FUND 2	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	96,088,601	956,593	-	956,593	
CSC Steel Sdn. Bhd.	Mutual fund	AFFINHWANG – AIIMAN MONEY MARKET FUND	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	211,491,442	766,905	-	766,905	
CSC Steel Sdn. Bhd.	Mutual fund	HLAM – MONEY MARKET FUND	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	22,145	142	-	142	
Constant Mode Sdn. Bhd.	Mutual fund	RHB CASH MANAGMENT FUND 2	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	278,497	2,773	-	2,773	

Note 1: Parent company's stocks pledged as collateral amounted to 53,500 thousand shares and NT$1,444,500thousand.

Note 2: Parent company's stocks pledged as collateral amounted to 123,100 thousand shares and NT$3,323,700thousand.

TABLE 4

CHINA STEEL CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE PERIOD ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company	Type of Marketable Securities	Name of Marketable Securities	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition (Note 1)		Disposal (Note 1)				Ending Balance	
						Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units	Amount
China Steel Corporation	Common stock	China Steel Power Holding Corporation	Investments accounted for using equity method	Subsidiary	Subsidiary	377,349,000	3,864,987	41,871,000	609,089	-	-	-	-	419,220,000	4,474,076
CHC Resources Corporation	Mutual fund	Taishin 1699 Money Market Fund	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	No relation	-	-	-	28,953,967	400,000	28,953,967	400,249	400,000	249	-	-
China Steel Power Holding Corporation	Common stock	China Steel Power Corporation	Investments accounted for using equity method	Subsidiary	Subsidiary	739,299,990	7,623,194	82,100,000	1,194,516	-	-	-	-	821,399,990	8,817,710
Transglory Investment Corporation	Mutual fund	Jih Sun Money Market Fund	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	No relation	-	13,977,374	210,650	58,494,442	889,008	33,176,651	502,000	500,230	1,770	39,295,165	599,428
Gains Investment Corporation	Common stock	OmniGains Investment Corporation	Investments accounted for using equity method	Subsidiary	Subsidiary	-	-	23,168,349	573,046	-	-	-	-	23,168,349	573,046
Pro-Ascentek Investment Corporation	Mutual fund	CTBC Hua Win Money Market Fund	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	No relation	-	28,915,950	323,234	22,241,532	250,674	33,785,088	380,000	377,336	2,664	17,372,394	196,572
Eminence Investment Corporation	Mutual fund	Cathay Taiwan Money Market Fund	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	No relation	-	-	-	27,630,475	350,000	27,630,475	350,226	350,000	226	-	-
OmniGains Investment Corporation	Certificate of entitlement	Changzhou China Steel Precision Materials Co., Ltd.	Investments accounted for using equity method	Investee accounted for using equity method	Investee accounted for using equity method	-	-	-	573,044	-	-	-	-	-	573,044 (Note 2)
China Steel Asia Pacific Holdings Pte Ltd	Certificate of entitlement	Changzhou China Steel Precision Materials Co., Ltd.	Investments accounted for using equity method	Subsidiary	Subsidiary	-	1,211,261	-	-	-	721,981	638,305	83,676 (Note 3)	-	572,956 (Note 2)
CSC Steel Sdn. Bhd.	Mutual fund	AFFINHWANG - AIIMAN MONEY MARKET FUND	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	No relation	-	231,053,451	850,385	115,136,167	408,029	134,698,176	491,509	491,509	-	211,491,442	766,905
CSC Steel Sdn. Bhd.	Mutual fund	RHB CASH MANAGMENT FUND 2	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	No relation	-	29,019,380	291,260	73,616,294	730,868	6,547,073	65,535	65,535	-	96,088,601	956,593

Note 1: The acquisition and disposal include the costs, proceeds from sale, share of profits/losses of investees and other related adjustment.

Note 2: Group reorganized, CSAP sold 35% of its shares in CSPM to OG.

Note 3: Including CSAP classifies the difference between carrying cost and selling price under equity.

TABLE 5

CHINA STEEL CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE PERIOD ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Property	Event Date	Transaction Amount	Payment Term	Counterparty	Relationship	Prior Transaction of Related Counter Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
China Steel Corporation	New straight bar finishing line (Phase-C) project of NO.2 bar mill	2023.11.03 (Note 1)	400,000	According to the contract	United Steel Engineering & Construction Corporation	Subsidiary				-	Price negotiation	By building an intelligent finishing line, the quality of straight bars and production efficiency can be improved. Also, it is estimated that the overall output of the bar in coil and straight bar products can be increased to meet market demands.	
China Prosperity Construction Corporation	Yanbei residential building construction project	2023.11.30 (Note 1)	732,920	According to the contract & progress	United Steel Engineering & Construction Corporation	Group corporate relations				-	Tender & Price Competition	Be sold after construction	
Dragon Steel Corporation	INDOOR YARD	2015.12.14 (Note 1)	1,940,816.46 (Note 2)	According to the contract	United Steel Engineering & Construction Corporation, CHINA STEEL STRUCTURE CO., LTD., China Ecotek Corporation	Fellow Company				-	Price negotiation	Construction for own use	

Note 1: The disclosures are expected information based on the capital appropriation approved by the Board of Directors (Right-of-use assets are included). The actual information shall be subject to the final purchase order of the company.

Note 2: The relevant contracts were signed in December 2015,and the construction was completed in September 2023 and recognized as property, plant and equipment-buildings.

TABLE 6

CHINA STEEL CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE PERIOD ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Relationship				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
China Steel Corporation	Chung Hung Steel Corporation	Subsidiary	Sales	(7,159,479)	(4)	Letter of credit/Receivables were collected after final acceptance	-		210,824	6	
China Steel Corporation	CSCI Steel Corporation India Pvt. Ltd.	Subsidiary	Sales	(3,258,594)	(2)	Accounts receivable factoring agreements	-		-	-	
China Steel Corporation	China Steel Structure Co., Ltd.	Subsidiary	Sales	(3,108,874)	(2)	Letter of credit/Accounts received in advance before shipment date	-		16,017	-	
China Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	Subsidiary	Sales	(2,918,347)	(1)	Accounts receivable factoring agreements/Receivables were collected within 14 days after shipment date	-		26,152	1	
China Steel Corporation	China Steel Chemical Corporation	Subsidiary	Sales	(2,410,541)	(1)	Letter of credit	-		213,252	6	
China Steel Corporation	CSC Steel Sdn. Bhd.	Subsidiary	Sales	(1,267,119)	(1)	Receivables were collected within 14 days after shipment date	-		7,720	-	
China Steel Corporation	China Steel Precision Metals Qingdao Co., Ltd.	Subsidiary	Sales	(1,102,574)	(1)	Receivables were collected within 60 days after shipment date	-		150,358	5	
China Steel Corporation	CSGT Metals Vietnam Joint Stock Company	Subsidiary	Sales	(1,031,736)	(1)	Receivables were collected within 14 days after shipment date	-		29,335	1	
China Steel Corporation	China Steel Global Trading Corporation	Subsidiary	Sales	(931,160)	-	Receivables were collected within 10 days after shipment date	-		4,419	-	
China Steel Corporation	China Steel Precision Metals Kunshan Co., Ltd.	Subsidiary	Sales	(791,402)	-	Receivables were collected within 85 days after shipment date	-		168,093	5	
China Steel Corporation	CHC Resources Corporation	Subsidiary	Sales	(707,585)	-	Letter of credit	-		12,225	-	
China Steel Corporation	Fukuta Electric & Machinery Co., Ltd.	Affiliated enterprise	Sales	(665,931)	-	Letter of credit	-		-	-	
China Steel Corporation	TSK Steel Company Limited	Affiliated enterprise	Sales	(640,442)	-	Letter of credit/Accounts received in advance before shipment date	-		-	-	
China Steel Corporation	Dragon Steel Corporation	Subsidiary	Sales	(601,878)	-	Receivables were collected within 5 days after shipment date	-		57,224	2	
China Steel Corporation	HIMAG Magnetic Corporation	Subsidiary	Sales	(181,976)	-	Letter of credit/Accounts received in advance before shipment date	-		642	-	
China Steel Corporation	China Steel Machinery Corporation	Subsidiary	Sales	(118,367)	-	Accounts received in advance before shipment date	-		33	-	
China Steel Corporation	China Steel Global Trading Corporation	Subsidiary	Service revenue and other operating revenue	(1,171,435)	(1)	By contract terms	-		-	-	
China Steel Corporation	Dragon Steel Corporation	Subsidiary	Service revenue and other operating revenue	(811,744)	-	By contract terms	-		59,678	2	
China Steel Corporation	China Steel Chemical Corporation	Subsidiary	Service revenue and other operating revenue	(243,406)	-	By contract terms	-		40,864	1	

Buyer	Related Party	Relationship	Relationship				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
China Steel Corporation	Tang Eng Iron Works Co., Ltd.	The Corporation as director of the board of related party	Service revenue and other operating revenue	(127,912)	-	By contract terms	-		5,522	-	
China Steel Corporation	C.S.Aluminium Corporation	Subsidiary	Service revenue and other operating revenue	(127,259)	-	By contract terms	-		10,477	-	
China Steel Corporation	Dragon Steel Corporation	Subsidiary	Purchases	10,294,034	8	Payment within 5 days after shipment date/Payment after final acceptance	-		(263,010)	(4)	
China Steel Corporation	China Steel Express Corporation	Subsidiary	Purchases	6,716,266	5	Payment against copy of B/L	-	NO THIRD-PARTY COULD BE COMPARED	(227,573)	(3)	
China Steel Corporation	C.S.Aluminium Corporation	Subsidiary	Purchases	2,289,686	2	Payment after final acceptance	-		(190,496)	(3)	
China Steel Corporation	CSE Transport Corporation	Subsidiary	Purchases	1,797,415	1	Payment against copy of B/L	-	NO THIRD-PARTY COULD BE COMPARED	(153,480)	(2)	
China Steel Corporation	China Steel Global Trading Corporation	Subsidiary	Purchases	729,202	1	Payment after final acceptance	-		(20,848)	-	
China Steel Corporation	HIMAG Magnetic Corporation	Subsidiary	Purchases	277,450	-	Payment after final acceptance	-		(10,448)	-	
China Steel Corporation	Hsin Hsin Cement Enterprise Corporation	Affiliated enterprise	Purchases	166,829	-	Payment after final acceptance	-		(27,697)	-	
China Steel Corporation	CHC Resources Corporation	Subsidiary	Purchases	123,360	-	Payment after final acceptance	-		(9,612)	-	
China Steel Corporation	China Ecotek Corporation	Subsidiary	Purchases	110,356	-	Payment after final acceptance	-		(2,633)	-	
Dragon Steel Corporation	Chung Hung Steel Corporation	The same parent company	Sales	(14,271,436)	(16)	Receivables were collected within 5 days after shipment date	-		426,212	16	
Dragon Steel Corporation	China Steel Corporation	Parent company	Sales	(9,383,512)	(10)	Receivables were collected within 5 days after shipment date/Receivables were collected after final acceptance	-		33,755	1	
Dragon Steel Corporation	CSC Steel Sdn. Bhd.	The same parent company	Sales	(4,805,936)	(5)	Receivables were collected within 5 days after shipment date	-		76,313	3	
Dragon Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	The same parent company	Sales	(4,249,220)	(5)	Receivables were collected within 5 days after shipment date	-		327,547	13	
Dragon Steel Corporation	China Steel Chemical Corporation	The same parent company	Sales	(1,079,702)	(1)	Receivables were collected within 5 days after shipment date	-		32,890	1	
Dragon Steel Corporation	China Steel Global Trading Corporation	The same parent company	Sales	(814,131)	(1)	Receivables were collected within 5 days after shipment date/Accounts received in advance before shipment date	-		44,505	2	
Dragon Steel Corporation	China Steel Structure Co., Ltd.	The same parent company	Sales	(759,666)	(1)	Receivables were collected within 5 days after shipment date/Letter of credit	-		18,908	1	
Dragon Steel Corporation	CHC Resources Corporation	The same parent company	Sales	(331,481)	-	Receivables were collected within 5 days after shipment date/Letter of credit	-		8,088	-	
Dragon Steel Corporation	CSGT Metals Vietnam Joint Stock Company	The same parent company	Sales	(129,521)	-	Receivables were collected within 5 days after shipment date	-		5,565	-	
Dragon Steel Corporation	China Steel Corporation	Parent company	Other operating revenue	(910,523)	(1)	Receivables were collected after final acceptance	-		229,256	9	
Dragon Steel Corporation	China Steel Global Trading Corporation	The same parent company	Other operating revenue	(260,286)	-	Accounts received in advance before shipment date	-		-	-	
Dragon Steel Corporation	China Steel Express Corporation	The same parent company	Purchases	3,506,079	5	Payment against copy of B/L	-	NO THIRD-PARTY COULD BE COMPARED	(173,420)	(4)	

Buyer	Related Party	Relationship	Relationship				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Dragon Steel Corporation	CSE Transport Corporation	The same parent company	Purchases	926,006	1	Payment against copy of B/L	-	NO THIRD-PARTY COULD BE COMPARED	(85,672)	(2)	
Dragon Steel Corporation	China Steel Corporation	Parent company	Purchases	780,854	1	Payment within 5 days after shipment date	-		(57,224)	(1)	
Dragon Steel Corporation	C.S.Aluminium Corporation	The same parent company	Purchases	706,169	1	Payment after final acceptance	-	NO THIRD-PARTY COULD BE COMPARED	(53,512)	(1)	
Dragon Steel Corporation	Sakura Ferroalloys Sdn. Bhd.	The parent company as director of the board of related party	Purchases	646,716	1	Payment after shipping document specified	-	NO THIRD-PARTY COULD BE COMPARED	-	-	
Dragon Steel Corporation	China Steel Global Trading Corporation	The same parent company	Purchases	300,160	-	Payment after final acceptance	-	NO THIRD-PARTY COULD BE COMPARED	(10,521)	-	
Betacera Inc.	China Steel Corporation	The ultimate parent of the company	Sales	(502,496)	(18)	Receivables were collected after final acceptance	-		5,552	1	
Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	Subsidiary	Sales	(424,131)	(15)	Net 90-180 days from the end of the month of when invoice is issued	-		74,062	14	
Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	Subsidiary	Purchases	1,194,320	54	Net 90-180 days from the end of the month of when invoice is issued	-		(176,408)	(44)	
Betacera Inc.	Suzhou Betacera Technology Co., Ltd.	Subsidiary	Purchases	392,022	18	Net 90-180 days from the end of the month of when invoice is issued	-		(110,212)	(28)	
Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	Parent company	Sales	(1,188,669)	(86)	Net 90-180 days from the end of the month of when invoice is issued	-		176,074	83	
Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	Parent company	Purchases	422,960	47	Net 90-180 days from the end of the month of when invoice is issued	-		(73,712)	(33)	
Suzhou Betacera Technology Co., Ltd.	Betacera Inc.	Parent company	Sales	(390,004)	(100)	Net 90-180 days from the end of the month of when invoice is issued	-		110,004	99	
China Steel Express Corporation	China Steel Corporation	Parent company	Service revenue	(7,929,152)	(54)	Receivable were collected within 10 working days against copy of B/L	-		240,453	48	
China Steel Express Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(3,734,352)	(25)	Receivable were collected within 10 working days against copy of B/L	-		192,595	39	
China Steel Express Corporation	CHC Resources Corporation	The same parent company	Service revenue	(767,513)	(5)	Receivable were collected within 10 working days against copy of B/L	-		-	-	
China Steel Express Corporation	CSE Transport Corporation	Subsidiary	Purchases	556,455	5	Payment against copy of B/L	-		(83,027)	(39)	
CSE Transport Corporation	China Steel Corporation	The ultimate parent of the company	Service revenue	(1,798,446)	(46)	Receivable were collected within 10 working days against copy of B/L	-		153,480	42	
CSE Transport Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(930,829)	(24)	Receivable were collected within 10 working days against copy of B/L	-		85,672	23	
CSE Transport Corporation	China Steel Express Corporation	Parent company	Service revenue	(557,866)	(14)	Receivable were collected within 10 working days against copy of B/L	-		83,027	23	
Kaoport Stevedoring Corporation	China Steel Corporation	The ultimate parent of the company	Service revenue	(225,324)	(66)	Receivable were collected within 30 working days against copy of B/L	-		8,759	69	
C.S.Aluminium Corporation	China Steel Corporation	Parent company	Sales	(2,289,686)	(14)	Receivables were collected after final acceptance	-		190,496	32	
C.S.Aluminium Corporation	Dragon Steel Corporation	The same parent company	Sales	(706,169)	(4)	Receivables were collected after final acceptance	-		53,512	9	
CSC Steel Sdn. Bhd.	Dragon Steel Corporation	The same parent company	Purchases	4,855,485	58	Payment after shipping document specified	-		(69,776)	(43)	
CSC Steel Sdn. Bhd.	Chung Hung Steel Corporation	The same parent company	Purchases	1,340,490	16	Payment after shipping document specified	-		(70,129)	(43)	
CSC Steel Sdn. Bhd.	China Steel Corporation	The ultimate parent of the company	Purchases	1,229,163	15	Payment after shipping document specified	-		(7,527)	(5)	

Buyer	Related Party	Relationship	Relationship				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
CSC Steel Sdn. Bhd.	China Steel Global Trading Corporation	The same parent company	Purchases	157,585	2	Payment after shipping document specified	-		-	-	
Chung Hung Steel Corporation	CSC Steel Sdn. Bhd.	The same parent company	Sales	(1,374,312)	(4)	T/T within 7 working days against copy of B/L	-	NO SIGNIFICANT DIFFERENCE	71,984	10	
Chung Hung Steel Corporation	China Steel Corporation	Parent company	Service revenue	(422,897)	(1)	T/T as the end of the month of when invoice is issued after final acceptance	-	NO THIRD-PARTY COULD BE COMPARED	30,105	4	
Chung Hung Steel Corporation	Dragon Steel Corporation	The same parent company	Purchases	14,386,545	44	Letter of credit at sight	-	NO THIRD-PARTY COULD BE COMPARED	-	-	
Chung Hung Steel Corporation	China Steel Corporation	Parent company	Purchases	7,242,475	22	Letter of credit at sight/Payment after final acceptance	-	NO THIRD-PARTY COULD BE COMPARED	(569,720)	(88)	
China Steel Chemical Corporation	Linyuan Advanced Materials Technology Co., Ltd.	Subsidiary of director of the board	Sales	(1,078,803)	(13)	Receivables are collected as the end of every month of when invoice is issued	-		90,333	12	
China Steel Chemical Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Subsidiary	Sales	(215,909)	(3)	Receivables were collected within 150 days after shipment date	-		126,385	17	
China Steel Chemical Corporation	China Steel Corporation	Parent company	Purchases	2,391,084	57	Letter of credit at sight	-		(255,186)	(86)	
China Steel Chemical Corporation	Dragon Steel Corporation	The same parent company	Purchases	1,079,702	26	Letter of credit at sight	-		-	-	
China Steel Chemical Corporation	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	521,259	12	Payment within 10 days after shipment date	-		-	-	
Changzhou China Steel New Materials Technology Co., Ltd.	China Steel Chemical Corporation	Parent company	Purchases	237,850	74	Payment within 150 days after shipment date	-		(126,385)	(100)	
China Steel Global Trading Corporation	China Steel Corporation	Parent company	Sales	(727,078)	(6)	Receivables were collected after final acceptance	-		20,848	9	
China Steel Global Trading Corporation	Dragon Steel Corporation	The same parent company	Sales	(300,160)	(3)	Receivables were collected after final acceptance	-		10,521	4	
China Steel Global Trading Corporation	CSC Steel Sdn. Bhd.	The same parent company	Sales	(189,817)	(2)	Receivable were collected within 7 working days against copy of B/L	-		-	-	
China Steel Global Trading Corporation	China Steel Corporation	Parent company	Service revenue	(213,529)	(73)	By contract terms	-		19,945	8	
China Steel Global Trading Corporation	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	6,061,223	52	Payment from counter-party notice after shipping	-		(49,387)	(46)	
China Steel Global Trading Corporation	China Steel Corporation	Parent company	Purchases	2,865,577	24	Payment within 10 days after shipment date	-		(4,419)	(4)	Note
China Steel Global Trading Corporation	Dragon Steel Corporation	The same parent company	Purchases	309,168	3	Payment within 5 days after shipment date/Prepaid before shipment date	-		-	-	
China Steel Global Trading Corporation	Tang Eng Iron Works Co., Ltd.	The parent company as director of the board of related party	Purchases	148,856	1	Prepaid before shipment date	-		-	-	
CSGT Metals Vietnam Joint Stock Company	China Steel Corporation	The ultimate parent of the company	Purchases	1,168,731	68	Payment within 14 days after shipment date	-		(34,513)	(33)	Note
CSGT Metals Vietnam Joint Stock Company	China Steel and Nippon Steel Vietnam Joint Stock Company	The same parent company	Purchases	326,463	19	Payment after shipment date	-		(60,856)	(58)	
China Steel Precision Metals Kunshan Co., Ltd.	China Steel Corporation	The ultimate parent of the company	Purchases	840,948	98	Payment within 85 days after shipment date	-		(168,093)	(99)	
China Steel Precision Metals Qingdao Co., Ltd.	Rechi Precision (Qingdao) Electric Machinery Limited	The parent company as the director of other related party's parent company	Sales	(161,018)	(12)	Net 7 days from invoice date/Net 30 days from invoice date	-	ES:Payment within 7 days after receipt of invoice; PO:Pay 180 days Banker's acceptance within 30 days after receipt of invoice	3,838	6	
China Steel Precision Metals Qingdao Co., Ltd.	China Steel Corporation	The ultimate parent of the company	Purchases	1,110,812	99	60 days after B/L	-		(150,358)	(98)	

Buyer	Related Party	Relationship	Relationship				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
CHC Resources Corporation	TAIWAN CEMENT CORPORATION	Director of the board	Sales	(823,983)	(7)	Net 60 days from the end of the month of when invoice is issued	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	283,136	24	
CHC Resources Corporation	YA TUNG READY-MIXED CONCRETE CORP.	Subsidiary of director of the board	Sales	(520,221)	(5)	Net 60 days from the end of the month of when invoice is issued	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	81,864	7	
CHC Resources Corporation	Universal Cement Corporation	Director of the board	Sales	(263,138)	(2)	Net 60 days from the end of the month of when invoice is issued	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	24,246	2	
CHC Resources Corporation	China Steel Corporation	Parent company	Sales	(119,342)	(1)	Net 60 days from the end of the month of when invoice is issued	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	171,245	14	
CHC Resources Corporation	China Steel Corporation	Parent company	Service revenue	(2,950,823)	(27)	Net 60 days from the end of the month of when invoice is issued	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	171,245	14	
CHC Resources Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(1,400,136)	(13)	Net 30~70 days from the end of the month of when invoice is issued	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	150,464	13	
CHC Resources Corporation	China Steel Resources Corporation	The same parent company	Service revenue	(642,849)	(6)	By contract terms	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	61,542	5	
CHC Resources Corporation	TAIWAN CEMENT CORPORATION	Director of the board	Service revenue	(135,166)	(1)	Net 60 days from the end of the month of when invoice is issued	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	283,136	24	
CHC Resources Corporation	China Steel Corporation	Parent company	Purchases	728,324	21	Letter of credit	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	(12,225)	(5)	

Buyer	Related Party	Relationship	Relationship				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
CHC Resources Corporation	Chung Hung Steel Corporation	The same parent company	Purchases	378,118	11	Letter of credit	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	(36,530)	(15)	
CHC Resources Corporation	Dragon Steel Corporation	The same parent company	Purchases	331,464	10	Letter of credit	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	(4,032)	(2)	
CHC Resources Corporation	CHC Resources Vietnam Co., Ltd	Subsidiary	Purchases	237,920	7	Prepaid before shipment date	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	-	-	
CHC Resources Corporation	ASIA CEMENT CORPORATION	Director of the board	Purchases	142,685	4	45 days after B/L	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	(14,498)	(6)	
CHC Resources Corporation	China Steel Express Corporation	The same parent company	Purchases	124,622	4	Prepaid before shipping	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	(320)	-	
Union Steel Development Corporation	CHC Resources Corporation	Parent company	Service revenue	(317,184)	(65)	By contract terms	-		40,469	73	
CHC Resources Vietnam Co., Ltd	CHC Resources Corporation	Parent company	Sales	(237,920)	(20)	Accounts received in advance before shipment date	-		-	-	
CHC Resources Vietnam Co., Ltd	Formosa Ha Tinh Steel Corporation	Other related parties	Service revenue	(194,557)	(16)	Net 10 days from invoice date	-		42,894	37	
CHC Resources Vietnam Co., Ltd	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	497,873	100	Prepaid before shipment date	-		-	-	
InfoChamp Systems Corporation	China Steel Corporation	Parent company	Service revenue	(962,934)	(47)	By contract terms	-		90,970	26	
InfoChamp Systems Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(193,040)	(9)	By contract terms	-		28,969	8	
China Steel Structure Co., Ltd.	China Steel Corporation	Parent company	Service revenue	(405,541)	(4)	Contractual period	-		23,834	3	
China Steel Structure Co., Ltd.	Dragon Steel Corporation	The same parent company	Service revenue	(108,648)	(1)	Contractual period	-		16,291	2	
China Steel Structure Co., Ltd.	Dragon Steel Corporation	The same parent company	Construction revenue	(1,030,428)	(10)	Contractual period	-		66,725	10	
China Steel Structure Co., Ltd.	China Steel Corporation	Parent company	Construction revenue	(745,478)	(7)	Contractual period	-		44,275	6	
China Steel Structure Co., Ltd.	United Steel Engineering & Construction Corporation	Subsidiary	Construction revenue	(354,661)	(3)	Contractual period	-		-	-	
China Steel Structure Co., Ltd.	China Steel Chemical Corporation	The same parent company	Construction revenue	(135,717)	(1)	Contractual period	-		29,763	4	
China Steel Structure Co., Ltd.	Sing Da Marine Structure Corporation	The same parent company	Construction revenue	(108,572)	(1)	Contractual period	-		-	-	
China Steel Structure Co., Ltd.	China Steel Corporation	Parent company	Purchases	3,108,874	65	Letter of credit/Prepaid before shipment date	-	Payment 7th of next month after accept supplier invoice.	(16,715)	(1)	
China Steel Structure Co., Ltd.	Dragon Steel Corporation	The same parent company	Purchases	761,063	16	Letter of credit	-	Payment 7th of next month after accept supplier invoice.	(14,438)	(1)	
United Steel Engineering & Construction Corporation	China Steel Corporation	The ultimate parent of the company	Construction revenue	(2,985,592)	(35)	Contractual period	-		221,994	96	
China Ecotek Corporation	China Steel Corporation	Parent company	Construction revenue	(5,947,799)	(62)	Contractual period	-		229,314	37	
China Ecotek Corporation	Dragon Steel Corporation	The same parent company	Construction revenue	(1,304,272)	(14)	Contractual period	-		176,000	28	
China Ecotek Corporation	CSC Solar Corporation	The same parent company	Construction revenue	(340,037)	(4)	Contractual period	-		152,318	24	

Buyer	Related Party	Relationship	Relationship				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
China Steel Security Corporation	China Steel Corporation	Parent company	Service revenue	(422,632)	(27)	By contract terms	-		24,923	16	
China Steel Security Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(120,177)	(8)	By contract terms	-		10,014	7	
Steel Castle Technology Corporation	China Steel Corporation	The ultimate parent of the company	Service revenue	(608,737)	(44)	By contract terms	-		35,083	56	
Steel Castle Technology Corporation	United Steel Engineering & Construction Corporation	The same parent company	Service revenue	(410,652)	(30)	By contract terms	-		-	-	
Steel Castle Technology Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(154,795)	(11)	By contract terms	-		16,288	26	
HIMAG Magnetic Corporation	China Steel Corporation	Parent company	Sales	(279,152)	(30)	Receivables were collected after final acceptance	-		10,545	10	
HIMAG Magnetic Corporation	China Steel Corporation	Parent company	Purchases	182,296	37	Letter of credit/Prepaid before shipment date	-		(888)	(3)	
China Steel Machinery Corporation	China Steel Corporation	Parent company	Construction revenue	(2,955,165)	(54)	Receivables were collected after final acceptance	-		28,232	14	
China Steel Machinery Corporation	Dragon Steel Corporation	The same parent company	Construction revenue	(706,189)	(13)	Receivables were collected after final acceptance	-		47,383	24	
China Steel Machinery Corporation	China Steel Corporation	Parent company	Purchases	121,920	19	Prepaid before shipment date	-		(33)	-	
China Steel and Nippon Steel Vietnam Joint Stock Company	NIPPON STEEL & SUMIKIN SALES VIETNAM COMPANY LIMITED	Other related parties	Sales	(1,246,936)	(9)	Accounts receivable, 10 days term	-		30,140	2	
China Steel and Nippon Steel Vietnam Joint Stock Company	NS BlueScope (Vietnam) Limited	Other related parties	Sales	(492,714)	(4)	Accounts receivable, 60 days term	-		116,774	10	
China Steel and Nippon Steel Vietnam Joint Stock Company	CSGT Metals Vietnam Joint Stock Company	The same parent company	Sales	(330,841)	(2)	Accounts receivable, 30 days term	-		61,899	5	
China Steel and Nippon Steel Vietnam Joint Stock Company	Nippon Steel Trading Vietnam Co., Ltd.	Other related parties	Sales	(119,681)	(1)	Accounts receivable, 10 days term	-		4,582	-	
China Steel and Nippon Steel Vietnam Joint Stock Company	China Steel Corporation	Parent company	Purchases	7,411,666	71	14 days after B/L/Payment to the bank after the Corporation's shipment date	-		(3,236)	-	Note
China Steel and Nippon Steel Vietnam Joint Stock Company	Nippon Steel & Sumikin Bussan Corporation	Director of the board	Purchases	2,604,222	25	14 days after B/L	-		(138,489)	(5)	
China Steel and Nippon Steel Vietnam Joint Stock Company	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	429,927	4	08 days after B/L	-		-	-	
CSCI Steel Corporation India Pvt. Ltd.	China Steel Corporation	Parent company	Purchases	3,264,065	99	Payment to the bank after the Corporation's shipment date	-		-	-	
Kaohsiung Rapid Transit Corporation	Taiwan Intelligent Transportation Co., Ltd.	Subsidiary	Service revenue and other operating revenue	(143,862)	(5)	Net 30 days from the end of the month of when invoice is issued	-		26,579	5	
China Steel Resources Corporation	China Steel Corporation	Parent company	Service revenue	(835,032)	(100)	Net 60 days from the end of the month of when invoice is issued	-		79,170	100	
CSC Solar Corporation	China Steel Corporation	Parent company	Sales	(152,188)	(29)	Contractual period	-		13,071	32	
Sing Da Marine Structure Corporation	China Steel Power Corporation	The same parent company	Construction revenue	(3,777,675)	(100)	By contract terms	-		27,404	77	
Sing Da Marine Structure Corporation	China Steel Machinery Corporation	The same parent company	Outsourcing construction fee	213,003	6	Payment after final acceptance	-		-	-	

Note: Purchase amount includes the Corporation's sales commitment to Dragon Steel Corporation.

TABLE 7

CHINA STEEL CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
China Steel Corporation	Sing Da Marine Structure Corporation	Subsidiary	2,011,695	-	-		-	-	Note
China Steel Corporation	Kaohsiung Rapid Transit Corporation	Subsidiary	1,103,083	-	-		100,272	-	Note
China Steel Corporation	China Steel Resources Corporation	Subsidiary	804,198	-	-		-	-	Note
China Steel Corporation	C.S.Aluminium Corporation	Subsidiary	614,283	-	-		13,031	-	Note
China Steel Corporation	Chung Hung Steel Corporation	Subsidiary	358,592	-	-		348,136	-	Note
China Steel Corporation	China Steel Chemical Corporation	Subsidiary	254,115	11	-		213,252	-	
China Steel Corporation	Chung Hung Steel Corporation	Subsidiary	213,270	66	-		212,156	-	
China Steel Corporation	China Steel Precision Metals Kunshan Co., Ltd.	Subsidiary	168,093	3	-		66,344	-	
China Steel Corporation	China Steel Precision Metals Qingdao Co., Ltd.	Subsidiary	150,358	8	-		80,944	-	
China Steel Corporation	Dragon Steel Corporation	Subsidiary	116,901	17	-		106,584	-	
Dragon Steel Corporation	Chung Hung Steel Corporation	The same parent company	426,212	40	-		426,212	-	
Dragon Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	The same parent company	327,547	26	-		327,547	-	
Dragon Steel Corporation	China Steel Corporation	Parent company	263,011	39	-		263,011	-	
Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	Parent company	176,146	5	-		95,137	-	
Suzhou Betacera Technology Co., Ltd.	Betacera Inc.	Parent company	110,004	3	-		29,444	-	
China Steel Express Corporation	China Steel Corporation	Parent company	240,453	22	-		240,453	-	
China Steel Express Corporation	Dragon Steel Corporation	The same parent company	192,595	23	-		192,595	-	
CSE Transport Corporation	China Steel Corporation	The ultimate parent of the company	153,480	12	-		149,980	-	
C.S.Aluminium Corporation	China Steel Corporation	Parent company	190,496	11	-		118,707	-	
China Prosperity Development Corporation	China Steel Corporation	Parent company	859,881	-	-		-	-	Note
Chung Hung Steel Corporation	China Steel Corporation	Parent company	173,780	-	-		3	-	Note
China Steel Chemical Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Subsidiary	126,385	2	-		-	-	
CHC Resources Corporation	TAIWAN CEMENT CORPORATION	Director of the board	283,136	4	90,333		90,340	-	
CHC Resources Corporation	China Steel Corporation	Parent company	171,245	30	-		171,245	-	
CHC Resources Corporation	Dragon Steel Corporation	The same parent company	150,464	11	-		143,293	-	
InfoChamp Systems Corporation	China Steel Corporation	Parent company	121,335	-	-		-	-	Note
United Steel Engineering & Construction Corporation	China Steel Corporation	The ultimate parent of the company	221,994	21	-		221,994	-	
China Ecotek Corporation	China Steel Corporation	Parent company	229,314	23	-		227,285	-	
China Ecotek Corporation	Dragon Steel Corporation	The same parent company	176,000	10	-		71,548	-	
China Ecotek Corporation	CSC Solar Corporation	The same parent company	152,318	3	-		3,044	-	
China Steel Machinery Corporation	China Steel Corporation	Parent company	705,249	-	-		-	-	Note
China Steel and Nippon Steel Vietnam Joint Stock Company	NS BlueScope (Vietnam) Limited	Other related parties	116,774	8	-		-	-	

Note: Other receivables.

TABLE 8

CHINA STEEL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE PERIOD ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			% of Total Sales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
0	China Steel Corporation	Chung Hung Steel Corporation	1	Sales	7,159,479	Letter of credit/Receivables were collected after final acceptance	2
0	China Steel Corporation	CSCI Steel Corporation India Pvt. Ltd.	1	Sales	3,258,594	Accounts receivable factoring agreements	1
0	China Steel Corporation	China Steel Structure Co., Ltd.	1	Sales	3,108,874	Letter of credit/Accounts received in advance before shipment date	1
0	China Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	1	Sales	2,918,347	Accounts receivable factoring agreements/Receivables were collected within 14 days after shipment date	1
0	China Steel Corporation	China Steel Chemical Corporation	1	Sales	2,410,541	Letter of credit	1
0	China Steel Corporation	CSC Steel Sdn. Bhd.	1	Sales	1,267,119	Receivables were collected within 14 days after shipment date	-
0	China Steel Corporation	China Steel Precision Metals Qingdao Co., Ltd.	1	Sales	1,102,574	Receivables were collected within 60 days after shipment date	-
0	China Steel Corporation	CSGT Metals Vietnam Joint Stock Company	1	Sales	1,031,736	Receivables were collected within 14 days after shipment date	-
0	China Steel Corporation	China Steel Global Trading Corporation	1	Sales	931,160	Receivables were collected within 10 days after shipment date	-
0	China Steel Corporation	China Steel Precision Metals Kunshan Co., Ltd.	1	Sales	791,402	Receivables were collected within 85 days after shipment date	-
0	China Steel Corporation	CHC Resources Corporation	1	Sales	707,585	Letter of credit	-
0	China Steel Corporation	Dragon Steel Corporation	1	Sales	601,878	Receivables were collected within 5 days after shipment date	-
0	China Steel Corporation	HIMAG Magnetic Corporation	1	Sales	181,976	Letter of credit/Accounts received in advance before shipment date	-
0	China Steel Corporation	China Steel Machinery Corporation	1	Sales	118,367	Accounts received in advance before shipment date	-
0	China Steel Corporation	China Steel Global Trading Corporation	1	Service revenue and other operating revenue	1,171,435	By contract terms	-
0	China Steel Corporation	Dragon Steel Corporation	1	Service revenue and other operating revenue	811,744	By contract terms	-
0	China Steel Corporation	China Steel Chemical Corporation	1	Service revenue and other operating revenue	243,406	By contract terms	-
0	China Steel Corporation	C.S.Aluminium Corporation	1	Service revenue and other operating revenue	127,259	By contract terms	-

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			% of Total Sales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
0	China Steel Corporation	Dragon Steel Corporation	1	Purchases	10,294,034	Payment within 5 days after shipment date/Payment after final acceptance	3
0	China Steel Corporation	China Steel Express Corporation	1	Purchases	6,716,266	Payment against copy of B/L	2
0	China Steel Corporation	C.S.Aluminium Corporation	1	Purchases	2,289,686	Payment after final acceptance	1
0	China Steel Corporation	CSE Transport Corporation	1	Purchases	1,797,415	Payment against copy of B/L	-
0	China Steel Corporation	China Steel Global Trading Corporation	1	Purchases	729,202	Payment after final acceptance	-
0	China Steel Corporation	HIMAG Magnetic Corporation	1	Purchases	277,450	Payment after final acceptance	-
0	China Steel Corporation	CHC Resources Corporation	1	Purchases	123,360	Payment after final acceptance	-
0	China Steel Corporation	China Ecotek Corporation	1	Purchases	110,356	Payment after final acceptance	-
1	Dragon Steel Corporation	Chung Hung Steel Corporation	3	Sales	14,271,436	Receivables were collected within 5 days after shipment date	4
1	Dragon Steel Corporation	China Steel Corporation	2	Sales	9,383,512	Receivables were collected within 5 days after shipment date/Receivables were collected after final acceptance	3
1	Dragon Steel Corporation	CSC Steel Sdn. Bhd.	3	Sales	4,805,936	Receivables were collected within 5 days after shipment date	1
1	Dragon Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	3	Sales	4,249,220	Receivables were collected within 5 days after shipment date	1
1	Dragon Steel Corporation	China Steel Chemical Corporation	3	Sales	1,079,702	Receivables were collected within 5 days after shipment date	-
1	Dragon Steel Corporation	China Steel Global Trading Corporation	3	Sales	814,131	Receivables were collected within 5 days after shipment date/Accounts received in advance before shipment date	-
1	Dragon Steel Corporation	China Steel Structure Co., Ltd.	3	Sales	759,666	Receivables were collected within 5 days after shipment date/Letter of credit	-
1	Dragon Steel Corporation	CHC Resources Corporation	3	Sales	331,481	Receivables were collected within 5 days after shipment date/Letter of credit	-
1	Dragon Steel Corporation	CSGT Metals Vietnam Joint Stock Company	3	Sales	129,521	Receivables were collected within 5 days after shipment date	-
1	Dragon Steel Corporation	China Steel Corporation	2	Other operating revenue	910,523	Receivables were collected after final acceptance	-
1	Dragon Steel Corporation	China Steel Global Trading Corporation	3	Other operating revenue	260,286	Accounts received in advance before shipment date	-
1	Dragon Steel Corporation	China Steel Express Corporation	3	Purchases	3,506,079	Payment against copy of B/L	1
1	Dragon Steel Corporation	CSE Transport Corporation	3	Purchases	926,006	Payment against copy of B/L	-
1	Dragon Steel Corporation	China Steel Corporation	2	Purchases	780,854	Payment within 5 days after shipment date	-
1	Dragon Steel Corporation	C.S.Aluminium Corporation	3	Purchases	706,169	Payment after final acceptance	-
1	Dragon Steel Corporation	China Steel Global Trading Corporation	3	Purchases	300,160	Payment after final acceptance	-
2	Betacera Inc.	China Steel Corporation	2	Sales	502,496	Receivables were collected after final acceptance	-

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			% of Total Sales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
2	Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	1	Sales	424,131	Net 90-180 days from the end of the month of when invoice is issued	-
2	Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	1	Purchases	1,194,320	Net 90-180 days from the end of the month of when invoice is issued	-
2	Betacera Inc.	Suzhou Betacera Technology Co., Ltd.	1	Purchases	392,022	Net 90-180 days from the end of the month of when invoice is issued	-
3	Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	2	Sales	1,188,669	Net 90-180 days from the end of the month of when invoice is issued	-
3	Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	2	Purchases	422,960	Net 90-180 days from the end of the month of when invoice is issued	-
4	Suzhou Betacera Technology Co., Ltd.	Betacera Inc.	2	Sales	390,004	Net 90-180 days from the end of the month of when invoice is issued	-
5	China Steel Express Corporation	China Steel Corporation	2	Service revenue	7,929,152	Receivable were collected within 10 working days against copy of B/L	2
5	China Steel Express Corporation	Dragon Steel Corporation	3	Service revenue	3,734,352	Receivable were collected within 10 working days against copy of B/L	1
5	China Steel Express Corporation	CHC Resources Corporation	3	Service revenue	767,513	Receivable were collected within 10 working days against copy of B/L	-
5	China Steel Express Corporation	CSE Transport Corporation	1	Purchases	556,455	Payment against copy of B/L	-
6	CSE Transport Corporation	China Steel Corporation	2	Service revenue	1,798,446	Receivable were collected within 10 working days against copy of B/L	-
6	CSE Transport Corporation	Dragon Steel Corporation	3	Service revenue	930,829	Receivable were collected within 10 working days against copy of B/L	-
6	CSE Transport Corporation	China Steel Express Corporation	2	Service revenue	557,866	Receivable were collected within 10 working days against copy of B/L	-
7	Kaoport Stevedoring Corporation	China Steel Corporation	2	Service revenue	225,324	Receivable were collected within 30 working days against copy of B/L	-
8	C.S.Aluminium Corporation	China Steel Corporation	2	Sales	2,289,686	Receivables were collected after final acceptance	1
8	C.S.Aluminium Corporation	Dragon Steel Corporation	3	Sales	706,169	Receivables were collected after final acceptance	-
9	CSC Steel Sdn. Bhd.	Dragon Steel Corporation	3	Purchases	4,855,485	Payment after shipping document specified	1
9	CSC Steel Sdn. Bhd.	Chung Hung Steel Corporation	3	Purchases	1,340,490	Payment after shipping document specified	-

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			% of Total Sales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
9	CSC Steel Sdn. Bhd.	China Steel Corporation	2	Purchases	1,229,163	Payment after shipping document specified	-
9	CSC Steel Sdn. Bhd.	China Steel Global Trading Corporation	3	Purchases	157,585	Payment after shipping document specified	-
10	Chung Hung Steel Corporation	CSC Steel Sdn. Bhd.	3	Sales	1,374,312	T/T within 7 working days against copy of B/L	-
10	Chung Hung Steel Corporation	China Steel Corporation	2	Service revenue	422,897	T/T as the end of the month of when invoice is issued after final acceptance	-
10	Chung Hung Steel Corporation	Dragon Steel Corporation	3	Purchases	14,386,545	Letter of credit at sight	4
10	Chung Hung Steel Corporation	China Steel Corporation	2	Purchases	7,242,475	Letter of credit at sight/Payment after final acceptance	2
11	China Steel Chemical Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	1	Sales	215,909	Receivables were collected within 150 days after shipment date	-
11	China Steel Chemical Corporation	China Steel Corporation	2	Purchases	2,391,084	Letter of credit at sight	1
11	China Steel Chemical Corporation	Dragon Steel Corporation	3	Purchases	1,079,702	Letter of credit at sight	-
12	Changzhou China Steel New Materials Technology Co., Ltd.	China Steel Chemical Corporation	2	Purchases	237,850	Payment within 150 days after shipment date	-
13	China Steel Global Trading Corporation	China Steel Corporation	2	Sales	727,078	Receivables were collected after final acceptance	-
13	China Steel Global Trading Corporation	Dragon Steel Corporation	3	Sales	300,160	Receivables were collected after final acceptance	-
13	China Steel Global Trading Corporation	CSC Steel Sdn. Bhd.	3	Sales	189,817	Receivable were collected within 7 working days against copy of B/L	-
13	China Steel Global Trading Corporation	China Steel Corporation	2	Service revenue	213,529	By contract terms	-
13	China Steel Global Trading Corporation	China Steel Corporation	2	Purchases(Note2)	2,865,577	Payment within 10 days after shipment date	1
13	China Steel Global Trading Corporation	Dragon Steel Corporation	3	Purchases	309,168	Payment within 5 days after shipment date/Prepaid before shipment date	-
14	CSGT Metals Vietnam Joint Stock Company	China Steel Corporation	2	Purchases(Note2)	1,168,731	Payment within 14 days after shipment date	-
14	CSGT Metals Vietnam Joint Stock Company	China Steel and Nippon Steel Vietnam Joint Stock Company	3	Purchases	326,463	Payment after shipment date	-
15	China Steel Precision Metals Kunshan Co., Ltd.	China Steel Corporation	2	Purchases	840,948	Payment within 85 days after shipment date	-
16	China Steel Precision Metals Qingdao Co., Ltd.	China Steel Corporation	2	Purchases	1,110,812	60 days after B/L	-
17	CHC Resources Corporation	China Steel Corporation	2	Sales	119,342	Net 60 days from the end of the month of when invoice is issued	-
17	CHC Resources Corporation	China Steel Corporation	2	Service revenue	2,950,823	Net 60 days from the end of the month of when invoice is issued	1
17	CHC Resources Corporation	Dragon Steel Corporation	3	Service revenue	1,400,136	Net 30~70 days from the end of the month of when invoice is issued	-
17	CHC Resources Corporation	China Steel Resources Corporation	3	Service revenue	642,849	By contract terms	-

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			% of Total Sales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
17	CHC Resources Corporation	China Steel Corporation	2	Purchases	728,324	Letter of credit	-
17	CHC Resources Corporation	Chung Hung Steel Corporation	3	Purchases	378,118	Letter of credit	-
17	CHC Resources Corporation	Dragon Steel Corporation	3	Purchases	331,464	Letter of credit	-
17	CHC Resources Corporation	CHC Resources Vietnam Co., Ltd	1	Purchases	237,920	Prepaid before shipment date	-
17	CHC Resources Corporation	China Steel Express Corporation	3	Purchases	124,622	Prepaid before shipping	-
18	Union Steel Development Corporation	CHC Resources Corporation	2	Service revenue	317,184	By contract terms	-
19	CHC Resources Vietnam Co., Ltd	CHC Resources Corporation	2	Sales	237,920	Accounts received in advance before shipment date	-
20	InfoChamp Systems Corporation	China Steel Corporation	2	Service revenue	962,934	By contract terms	-
20	InfoChamp Systems Corporation	Dragon Steel Corporation	3	Service revenue	193,040	By contract terms	-
21	China Steel Structure Co., Ltd.	China Steel Corporation	2	Service revenue	405,541	Contractual period	-
21	China Steel Structure Co., Ltd.	Dragon Steel Corporation	3	Service revenue	108,648	Contractual period	-
21	China Steel Structure Co., Ltd.	Dragon Steel Corporation	3	Construction revenue	1,030,428	Contractual period	-
21	China Steel Structure Co., Ltd.	China Steel Corporation	2	Construction revenue	745,478	Contractual period	-
21	China Steel Structure Co., Ltd.	United Steel Engineering & Construction Corporation	1	Construction revenue	354,661	Contractual period	-
21	China Steel Structure Co., Ltd.	China Steel Chemical Corporation	3	Construction revenue	135,717	Contractual period	-
21	China Steel Structure Co., Ltd.	Sing Da Marine Structure Corporation	3	Construction revenue	108,572	Contractual period	-
21	China Steel Structure Co., Ltd.	China Steel Corporation	2	Purchases	3,108,874	Letter of credit/Prepaid before shipment date	1
21	China Steel Structure Co., Ltd.	Dragon Steel Corporation	3	Purchases	761,063	Letter of credit	-
22	United Steel Engineering & Construction Corporation	China Steel Corporation	2	Construction revenue	2,985,592	Contractual period	1
23	China Ecotek Corporation	China Steel Corporation	2	Construction revenue	5,947,799	Contractual period	2
23	China Ecotek Corporation	Dragon Steel Corporation	3	Construction revenue	1,304,272	Contractual period	-
23	China Ecotek Corporation	CSC Solar Corporation	3	Construction revenue	340,037	Contractual period	-
24	China Steel Security Corporation	China Steel Corporation	2	Service revenue	422,632	By contract terms	-
24	China Steel Security Corporation	Dragon Steel Corporation	3	Service revenue	120,177	By contract terms	-
25	Steel Castle Technology Corporation	China Steel Corporation	2	Service revenue	608,737	By contract terms	-
25	Steel Castle Technology Corporation	United Steel Engineering & Construction Corporation	3	Service revenue	410,652	By contract terms	-
25	Steel Castle Technology Corporation	Dragon Steel Corporation	3	Service revenue	154,795	By contract terms	-
26	HIMAG Magnetic Corporation	China Steel Corporation	2	Sales	279,152	Receivables were collected after final acceptance	-
26	HIMAG Magnetic Corporation	China Steel Corporation	2	Purchases	182,296	Letter of credit/Prepaid before shipment date	-
27	China Steel Machinery Corporation	China Steel Corporation	2	Construction revenue	2,955,165	Receivables were collected after final acceptance	1
27	China Steel Machinery Corporation	Dragon Steel Corporation	3	Construction revenue	706,189	Receivables were collected after final acceptance	-
27	China Steel Machinery Corporation	China Steel Corporation	2	Purchases	121,920	Prepaid before shipment date	-
28	China Steel and Nippon Steel Vietnam Joint Stock Company	CSGT Metals Vietnam Joint Stock Company	3	Sales	330,841	Accounts receivable, 30 days term	-
28	China Steel and Nippon Steel Vietnam Joint Stock Company	China Steel Corporation	2	Purchases(Note2)	7,411,666	14 days after B/L/Payment to the bank after the Corporation's shipment date	2
29	CSCI Steel Corporation India Pvt. Ltd.	China Steel Corporation	2	Purchases	3,264,065	Payment to the bank after the Corporation's shipment date	1

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			% of Total Sales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
30	Kaohsiung Rapid Transit Corporation	Taiwan Intelligent Transportation Co., Ltd.	1	Service revenue and other operating revenue	143,862	Net 30 days from the end of the month of when invoice is issued	-
31	China Steel Resources Corporation	China Steel Corporation	2	Service revenue	835,032	Net 60 days from the end of the month of when invoice is issued	-
32	CSC Solar Corporation	China Steel Corporation	2	Sales	152,188	Contractual period	-
33	Sing Da Marine Structure Corporation	China Steel Power Corporation	3	Construction revenue	3,777,675	By contract terms	1
33	Sing Da Marine Structure Corporation	China Steel Machinery Corporation	3	Outsourcing construction fee	213,003	Payment after final acceptance	-

Note 1: The relationships with counterparties are as follows:

1) Parent to subsidiaries

2) Subsidiaries to parent

3) Subsidiaries to subsidiaries

Note 2: Purchase amount includes the Corporation's sales commitment to Dragon Steel Corporation.

TABLE 9

CHINA STEEL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE PERIOD ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
China Steel Corporation	Chung Hung Steel Corporation	Republic of China	Manufacture and sale of steel products	5,539,872	5,539,872	582,673,153	41	6,572,290	159,281	7,151	Subsidiary
China Steel Corporation	China Steel Chemical Corporation	Republic of China	Manufacture of coal chemistry and speciality chemical	334,285	334,285	68,787,183	29	2,449,670	1,435,809	412,280	Subsidiary
China Steel Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	1,024,194	1,024,194	66,487,844	33	1,234,108	535,548	97,507	Subsidiary
China Steel Corporation	CHC Resources Corporation	Republic of China	Manufacture and sale of Ground-Granulated Blast-Furnace Slag and Blast-Furnace Slag Cement, Air-cooled Blast Furnace Slag and Basic Oxygen Furnace Slag, reutilization of resources	261,677	261,677	49,289,597	20	1,130,433	839,554	164,767	Subsidiary
China Steel Corporation	China Ecotek Corporation	Republic of China	Environmental engineering, M&E engineering, and O&M engineering	554,268	554,268	55,393,138	45	968,771	556,892	99,462	Subsidiary
China Steel Corporation	Dragon Steel Corporation	Republic of China	Hot-rolled products, H beams, billets, flat steels	95,779,069	95,779,069	8,612,586,123	100	96,238,323	(5,195,369)	(4,636,803)	Subsidiary
China Steel Corporation	CSC Steel Australia Holdings Pty Ltd	Australia	General investment	17,359,623	17,359,623	594,638	100	21,569,840	1,751,495	1,751,495	Subsidiary
China Steel Corporation	China Steel Express Corporation	Republic of China	Shipping services for raw materials, ship chartering	2,504,071	2,504,071	422,545,250	100	12,969,440	2,663,680	2,474,971	Subsidiary
China Steel Corporation	Gains Investment Corporation	Republic of China	General investment	4,999,940	4,999,940	596,992,650	100	9,356,951	561,977	480,171	Subsidiary
China Steel Corporation	C.S.Aluminium Corporation	Republic of China	Production and sale of aluminum and non-ferrous metal products	3,922,801	3,922,801	840,122,049	100	8,579,001	84,738	148,649	Subsidiary
China Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	Vietnam	Manufacture and sale of steel products	9,651,239	9,651,239	514,304,000	56	7,033,612	(885,618)	(495,946)	Subsidiary
China Steel Corporation	China Steel Asia Pacific Holdings Pte Ltd	Singapore	Holding and investment	5,690,678	6,251,918	154,157,447	100	4,951,968	216,063	216,778	Subsidiary
China Steel Corporation	China Prosperity Development Corporation	Republic of China	Real estate development	4,749,938	4,749,938	509,802,912	100	4,938,127	239,797	240,406	Subsidiary
China Steel Corporation	China Steel Power Holding Corporation	Republic of China	General investment	4,192,200	3,773,490	419,220,000	51	4,474,076	41,546	21,188	Subsidiary
China Steel Corporation	China Steel Global Trading Corporation	Republic of China	Buy and sell, and act as an agency for steel products	309,502	309,502	78,827,362	100	3,023,595	625,366	620,935	Subsidiary
China Steel Corporation	CSCI Steel Corporation India Pvt. Ltd.	India	Electrical steel	3,795,159	3,795,159	253,567,202	100	1,286,953	(85,822)	(85,822)	Subsidiary
China Steel Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass Rapid Transit service	4,031,501	4,031,501	120,799,811	43	1,154,135	(51,395)	(22,286)	Subsidiary
China Steel Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	959,200	959,200	95,920,000	55	1,086,021	116,446	64,532	Subsidiary
China Steel Corporation	China Steel Resources Corporation	Republic of China	Other non-metallic mineral products manufacturing	981,120	981,120	98,112,000	100	1,003,661	11,727	12,310	Subsidiary
China Steel Corporation	China Steel Machinery Corporation	Republic of China	Manufacture and sale of products for iron and steel equipment, vehicle transportation equipment, power generation and other mechanical equipment	591,748	591,748	100,066,400	74	752,859	391,776	448,342	Subsidiary
China Steel Corporation	China Steel Security Corporation	Republic of China	On-site security, systematic security	149,940	149,940	25,036,986	100	511,392	72,948	71,132	Subsidiary
China Steel Corporation	InfoChamp Systems Corporation	Republic of China	ERP systems automation control systems service	357,602	357,602	41,465,634	100	484,050	176,090	70,654	Subsidiary
China Steel Corporation	Sing Da Marine Structure Corporation	Republic of China	Foundation of offshore wind power	4,671,000	4,671,000	122,695,000	47	466,852	(236,477)	(111,384)	Subsidiary
China Steel Corporation	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	389,497	389,497	19,183,286	69	465,321	43,929	30,418	Subsidiary
China Steel Corporation	China Steel Management Consulting Corporation	Republic of China	Business management and management consulting services	15,144	15,144	999,993	100	20,136	4,364	4,364	Subsidiary
China Steel Corporation	China Steel Power Corporation	Republic of China	Offshore Wind Power Generation	-	-	10	-	-	41,772	-	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
China Steel Corporation	Taiwan Rolling Stock Co., Ltd.	Republic of China	Manufacture of railway vehicles	970,044	970,044	95,527,811	48	719,391	(170,802)	(81,575)	Associate
China Steel Corporation	Kaohsiung Arena Development Corporation	Republic of China	Development of competitive and leisure sports	450,000	450,000	45,000,000	18	575,030	189,307	34,075	Associate
China Steel Corporation	Hsin Hsin Cement Enterprise Corporation	Republic of China	Cement manufacturing, nonmetallic mining, cement and concrete mixing manufacturing	320,929	320,929	28,658,729	31	398,449	77,350	26,251	Associate
China Steel Corporation	Eminent II Venture Capital Corporation	Republic of China	General investment	195,000	300,000	19,500,000	46	130,390	17,106	7,923	Associate
China Steel Corporation	Honley Auto. Parts Co., Ltd.	Republic of China	Manufacture of automotive components	591,639	591,639	35,751,427	35	104,744	(49,026)	(17,228)	Associate
China Steel Corporation	Overseas Investment & Development Corporation	Republic of China	General investment	50,000	50,000	5,000,000	6	65,909	54,565	3,030	Associate
China Steel Corporation	TaiAn Technologies Corporation	Republic of China	Bio-Tech consultants and management	7,629	7,629	1,666,700	17	22,945	13,202	2,200	Associate
China Steel Corporation	Dyna Rechi Co., Ltd.	Republic of China	Production and marketing of Brushless DC Motor (BLDCM)	-	400,000	-	-	-	(8,726)	(2,046)	Associate
Chung Hung Steel Corporation	Transglory Investment Corporation	Republic of China	General investment	2,001,152	2,001,152	329,802,616	40	3,237,181	285,475	-	Subsidiary
Chung Hung Steel Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	200,000	200,000	20,000,000	17	224,587	42,059	-	Subsidiary
Chung Hung Steel Corporation	Hung Kao Investment Corporation	Republic of China	General investment	26,000	26,000	2,600,000	100	32,193	826	-	Subsidiary
China Steel Chemical Corporation	CHC Resources Corporation	Republic of China	Manufacture and sale of Ground-Granulated Blast-Furnace Slag and Blast-Furnace Slag Cement, Air-cooled Blast Furnace Slag and Basic Oxygen Furnace Slag, reutilization of resources	91,338	91,338	15,019,341	6	365,933	839,554	-	Subsidiary
China Steel Chemical Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	13,675	13,675	600,069	-	16,192	535,548	-	Subsidiary
China Steel Chemical Corporation	Ever Wealthy International Corporation	Republic of China	General investment	300,083	300,083	104,574,982	100	1,382,280	71,673	-	Subsidiary
China Steel Chemical Corporation	Transglory Investment Corporation	Republic of China	General investment	450,000	450,000	74,168,502	9	727,694	285,475	-	Subsidiary
China Steel Chemical Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	261,600	261,600	26,160,000	15	295,368	116,446	-	Subsidiary
China Steel Chemical Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	60,000	60,000	6,000,000	5	67,376	42,059	-	Subsidiary
China Steel Chemical Corporation	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	47,950	47,950	2,161,203	8	52,705	43,929	-	Subsidiary
China Steel Chemical Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	15,070	15,070	1,196,000	40	29,682	2,947	-	Subsidiary
China Steel Chemical Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	7,000	7,000	700,000	35	15,804	1,617	-	Subsidiary
China Steel Chemical Corporation	Eminent Venture Capital Corporation	Republic of China	General Investment	3,375	6,750	337,500	5	3,285	(7,208)	-	Subsidiary
China Steel Chemical Corporation	Formosa Ha Tinh CSCC (Cayman) International Limited	Cayman Island	General investment	-	100,320	-	-	-	931	-	Subsidiary
China Steel Chemical Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	-	68,839	-	-	-	(58,958)	-	Subsidiary
China Steel Chemical Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	160,000	160,000	16,000,000	9	110,452	(7,398)	-	Associate
China Steel Chemical Corporation	TaiAn Technologies Corporation	Republic of China	Bio-Tech consultants and management	2,295	2,295	499,998	5	6,882	13,202	-	Associate
Ever Wealthy International Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	29,281	27,196	532,000	-	14,573	535,548	-	Subsidiary
Ever Wealthy International Corporation	Thintech Materials Technology Co., Ltd.	Republic of China	Sputtering target manufacturing and sales	45,987	45,987	6,119,748	8	99,598	39,568	-	Subsidiary
Ever Wealthy International Corporation	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	33,015	33,015	1,584,731	6	38,637	43,929	-	Subsidiary
Ever Wealthy International Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	9,000	9,000	900,000	45	20,322	1,617	-	Subsidiary
Ever Wealthy International Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	8,400	8,400	840,000	35	19,596	3,426	-	Subsidiary
Ever Wealthy International Corporation	Ding Da Investment Corporation	Republic of China	General investment	10,495	10,495	897,000	30	18,312	4,597	-	Subsidiary
Ever Wealthy International Corporation	Honley Auto. Parts Co., Ltd.	Republic of China	Manufacture of automotive components	70,985	70,985	6,269,823	6	68,107	(49,026)	-	Associate
China Ecotek Corporation	CEC Development Corporation	Samoa	General investment	478,579	478,579	17,000,000	100	984,713	27,766	-	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
China Ecotek Corporation	China Steel Machinery Corporation	Republic of China	Manufacture and sale of products for iron and steel equipment, vehicle transportation equipment, power generation and other mechanical equipment	329,174	329,174	35,204,170	26	558,730	391,776	-	Subsidiary
China Ecotek Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	348,800	348,800	34,880,000	20	293,642	116,446	-	Subsidiary
China Ecotek Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	60,000	60,000	6,000,000	5	67,376	42,059	-	Subsidiary
China Ecotek Corporation	CEC International Corporation	Samoa	General investment	30,642	30,642	10,000,000	100	34,812	237	-	Subsidiary
China Ecotek Corporation	Chiun Yu Investment Corporation	Republic of China	General investment	14,233	14,233	1,196,000	40	26,596	(1,449)	-	Subsidiary
China Ecotek Corporation	Chi-Yi Investment Corporation	Republic of China	General investment	8,000	8,000	800,000	40	18,183	1,628	-	Subsidiary
China Ecotek Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	8,050	8,050	805,000	35	17,358	2,904	-	Subsidiary
China Ecotek Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	6,000	6,000	600,000	30	13,548	1,617	-	Subsidiary
China Ecotek Corporation	China Ecotek India Private Limited	India	Construction engineering	27	27	5,000	-	35	849	-	Subsidiary
China Ecotek Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	-	8,262	-	-	-	(58,958)	-	Subsidiary
China Ecotek Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	100,000	100,000	10,000,000	6	69,033	(7,398)	-	Associate
CEC International Corporation	China Ecotek India Private Limited	India	Construction engineering	27,070	27,070	4,995,000	100	34,568	849	-	Subsidiary
CEC Development Corporation	China Ecotek Vietnam Company Limited	Vietnam	Construction engineering	302,065	302,065	-	100	796,836	27,296	-	Subsidiary
China Steel Structure Co., Ltd.	CHC Resources Corporation	Republic of China	Manufacture and sale of Ground-Granulated Blast-Furnace Slag and Blast-Furnace Slag Cement, Air-cooled Blast Furnace Slag and Basic Oxygen Furnace Slag, reutilization of resources	132,715	132,715	23,182,738	9	565,257	839,554	-	Subsidiary
China Steel Structure Co., Ltd.	United Steel Engineering & Construction Corporation	Republic of China	Contracting for civil engineering and management	410,000	410,000	80,000,000	100	1,414,787	68,537	-	Subsidiary
China Steel Structure Co., Ltd.	Sing Da Marine Structure Corporation	Republic of China	Foundation of offshore wind power	250,000	250,000	20,000,000	8	76,193	(236,477)	-	Subsidiary
China Steel Structure Co., Ltd.	Pro-Ascentek Investment Corporation	Republic of China	General investment	40,000	40,000	4,000,000	3	44,873	42,059	-	Subsidiary
China Steel Structure Co., Ltd.	Chiun Yu Investment Corporation	Republic of China	General investment	12,453	12,453	1,046,500	35	23,272	(1,449)	-	Subsidiary
China Steel Structure Co., Ltd.	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	17,080	17,080	769,829	3	18,780	43,929	-	Subsidiary
China Steel Structure Co., Ltd.	Chi-Yi Investment Corporation	Republic of China	General investment	6,000	6,000	600,000	30	13,637	1,628	-	Subsidiary
China Steel Structure Co., Ltd.	Li-Ching-Long Investment Corporation	Republic of China	General investment	6,000	6,000	600,000	30	13,547	1,617	-	Subsidiary
China Steel Structure Co., Ltd.	Wabo Global Trading Corporation	Republic of China	Buy and sell, and act as an agency for steel products	1,500	1,500	714,000	6	7,741	14,515	-	Subsidiary
China Steel Structure Co., Ltd.	China Steel Structure Holding Co., Ltd.	Samoa	Holding and investment	-	-	10	100	471	19,091	-	Subsidiary
China Steel Structure Co., Ltd.	Nikken & CSSC Metal Products Co., Ltd.	Republic of China	Building materials wholesale industry, pollution prevention equipment wholesale industry, etc.	6,750	6,750	675,000	45	5,067	117	-	Associate
United Steel Engineering & Construction Corporation	Transglory Investment Corporation	Republic of China	General investment	287,500	-	26,872,272	3	264,096	285,475	-	Subsidiary
United Steel Engineering & Construction Corporation	China Prosperity Construction Corporation	Republic of China	Real estate development	53,550	53,550	5,355,000	40	56,495	(5,609)	-	Subsidiary
United Steel Engineering & Construction Corporation	Shin Mau Investment Corporation	Republic of China	General investment	13,754	13,754	1,196,000	40	26,541	4,497	-	Subsidiary
United Steel Engineering & Construction Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	20,000	20,000	2,000,000	2	22,504	42,059	-	Subsidiary
United Steel Engineering & Construction Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass Rapid Transit service	15,433	15,433	1,543,276	1	14,638	(51,395)	-	Subsidiary
United Steel Engineering & Construction Corporation	United Steel Construction (Vietnam) Co., Ltd.	Vietnam	Construction and management of buildings, roads and railways, and other civil engineering projects	-	33,129	-	-	-	(25,466)	-	Subsidiary
United Steel Engineering & Construction Corporation	United Steel Investment Pte Ltd	Singapore	Holding and investment	-	126,806	-	-	-	(1,906)	-	Subsidiary
United Steel Engineering & Construction Corporation	Kaohsiung Arena Development Corporation	Republic of China	Development of competitive and leisure sports	100,000	100,000	10,000,000	4	127,784	189,307	-	Associate
United Steel Engineering & Construction Corporation	Overseas Investment & Development Corporation	Republic of China	General investment	44,100	44,100	4,410,000	5	58,085	54,565	-	Associate

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
CHC Resources Corporation	CHC Resources Vietnam Co., Ltd	Vietnam	Manufacture and sale of Ground-Granulated Blast-Furnace Slag, Sales of Granulated Blast-Furnace Slag	647,338	647,338	-	85	657,085	31,203	-	Subsidiary
CHC Resources Corporation	Yu Cheng Lime Corporation	Republic of China	Real estate lease, management of raw materials	126,010	126,010	108,000	90	139,361	646	-	Subsidiary
CHC Resources Corporation	Union Steel Development Corporation	Republic of China	Manufacture and sale of iron powder, OEM and sales of refractory, trading, human dispatch	53,345	53,345	4,668,333	93	110,397	42,570	-	Subsidiary
CHC Resources Corporation	Pao Good Industrial Co., Ltd.	Republic of China	Sales of fly ash, manufacture and sales of dry-mix mortar, trading	50,937	50,937	5,408,550	51	92,900	22,322	-	Subsidiary
CHC Resources Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	30,000	30,000	3,000,000	3	33,688	42,059	-	Subsidiary
CHC Resources Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	12,306	12,306	1,046,500	35	25,972	2,947	-	Subsidiary
CHC Resources Corporation	Ding Da Investment Corporation	Republic of China	General investment	12,516	12,516	1,196,000	40	24,416	4,597	-	Subsidiary
CHC Resources Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	9,600	9,600	960,000	40	22,396	3,426	-	Subsidiary
CHC Resources Corporation	Shin Mau Investment Corporation	Republic of China	General investment	10,316	10,316	897,000	30	19,906	4,497	-	Subsidiary
CHC Resources Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	9,200	9,200	920,000	40	19,838	2,904	-	Subsidiary
CHC Resources Corporation	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	10,970	10,970	494,440	2	12,049	43,929	-	Subsidiary
CHC Resources Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	-	8,254	-	-	-	(58,958)	-	Subsidiary
CHC Resources Corporation	Hsin Hsin Cement Enterprise Corporation	Republic of China	Cement manufacturing, nonmetallic mining, cement and concrete mixing manufacturing	73,269	73,269	9,298,583	10	120,204	77,350	-	Associate
CHC Resources Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	30,000	30,000	3,000,000	2	20,710	(7,398)	-	Associate
China Steel Security Corporation	Steel Castle Technology Corporation	Republic of China	Firefighting engineering and mechatronic engineering	31,257	31,257	13,000,000	100	204,078	14,088	-	Subsidiary
China Steel Security Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass Rapid Transit service	17,000	17,000	1,700,000	1	16,235	(51,395)	-	Subsidiary
China Steel Security Corporation	China Steel Management And Maintenance For Buildings Corporation	Republic of China	Management and maintenance for buildings	10,000	10,000	1,000,000	100	14,664	1,495	-	Subsidiary
China Steel Security Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	10,000	10,000	1,000,000	1	6,903	(7,398)	-	Associate
China Prosperity Development Corporation	Chateau International Development Co., Ltd.	Republic of China	Development of leisure business	130,377	131,921	23,562,120	20	392,929	80,687	-	Associate
China Prosperity Development Corporation	CK Japan Co., Ltd.	Japan	Real estate lease	151,526	151,526	3,840	80	170,794	11,667	-	Subsidiary
China Prosperity Development Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass Rapid Transit service	130,000	130,000	13,000,000	5	124,295	(51,395)	-	Subsidiary
China Prosperity Development Corporation	China Prosperity Construction Corporation	Republic of China	Real estate development	92,105	92,105	8,032,500	60	84,742	(5,609)	-	Subsidiary
China Prosperity Development Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	50,000	50,000	5,000,000	4	56,155	42,059	-	Subsidiary
China Prosperity Development Corporation	Kaohsiung Arena Development Corporation	Republic of China	Development of competitive and leisure sports	175,000	175,000	17,500,000	7	223,623	189,307	-	Associate
HIMAG Magnetic Corporation	MagnPower Corporation	Republic of China	Powder metallurgy	218,000	218,000	21,800,000	55	47,762	(77,796)	-	Subsidiary
China Steel Power Holding Corporation	China Steel Power Corporation	Republic of China	Offshore Wind Power Generation	8,214,000	7,393,000	821,399,990	100	8,817,710	41,772	-	Subsidiary
CSC Solar Corporation	China Ecotek Corporation	Republic of China	Environmental engineering, M&E engineering, and O&M engineering	22,974	22,974	725,000	1	26,666	556,892	-	Subsidiary
CSC Solar Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	30,000	30,000	3,000,000	3	33,688	42,059	-	Subsidiary
InfoChamp Systems Corporation	Universal Exchange Inc.	Republic of China	Wholesale of computer software, software design services, digital information supply services	60,784	60,784	5,825,030	35	77,905	38,634	-	Subsidiary
InfoChamp Systems Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass Rapid Transit service	40,265	40,265	5,200,319	2	49,770	(51,395)	-	Subsidiary
InfoChamp Systems Corporation	Info-Champ System (B.V.I) Corporation	British Virgin Islands	Holding and investment	6,816	6,816	201,000	100	36,910	3,521	-	Subsidiary
InfoChamp Systems Corporation	Majestic Solid Light Corporation	Republic of China	Manufacture and sale of UV LED	4,500	4,500	450,000	45	-	29	-	Associate
Kaohsiung Rapid Transit Corporation	Taiwan Intelligent Transportation Co., Ltd.	Republic of China	Technical service	26,000	26,000	2,600,000	100	29,446	520	-	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
China Steel Machinery Corporation	Sing Da Marine Structure Corporation	Republic of China	Foundation of offshore wind power	250,000	250,000	20,000,000	8	76,193	(236,477)	-	Subsidiary
China Steel Machinery Corporation	China Steel Machinery Vietnam Co., Ltd.	Vietnam	Machines manufacturing	-	9,213	-	-	-	(155)	-	Subsidiary
China Steel Machinery Corporation	Overseas Investment & Development Corporation	Republic of China	General investment	95,900	95,900	9,590,000	11	126,116	54,565	-	Associate
Dragon Steel Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	138,375	130,826	4,217,000	2	113,805	535,548	-	Subsidiary
Dragon Steel Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	174,400	174,400	17,440,000	10	196,912	116,446	-	Subsidiary
Dragon Steel Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	100,000	100,000	10,000,000	8	112,294	42,059	-	Subsidiary
C.S.Aluminium Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	30,000	30,000	3,000,000	3	33,688	42,059	-	Subsidiary
C.S.Aluminium Corporation	ALU Investment Offshore Corporation	British Virgin Islands	Holding and investment	-	1,063,593	-	-	-	(38,066)	-	Subsidiary
ALU Investment Offshore Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	-	1,063,593	-	-	-	(58,958)	-	Subsidiary
China Steel Express Corporation	CSE Transport Corporation	Panama	Shipping services for raw materials	316	316	10	100	4,493,147	553,480	-	Subsidiary
China Steel Express Corporation	Transglory Investment Corporation	Republic of China	General investment	2,440,000	2,440,000	402,158,110	48	3,947,535	285,475	-	Subsidiary
China Steel Express Corporation	Kaoport Stevedoring Corporation	Republic of China	Ship cargo loading and unloading industry	35,013	35,013	3,275,000	66	55,478	20,753	-	Subsidiary
Transglory Investment Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	210,064	94,786	3,655,000	2	98,119	535,548	-	Subsidiary
Transglory Investment Corporation	Winning Investment Corporation	Republic of China	General investment	593,043	321,331	36,800,000	16	511,527	136,338	-	Subsidiary
Gains Investment Corporation	Thintech Materials Technology Co., Ltd.	Republic of China	Sputtering target manufacturing and sales	212,912	212,912	23,423,016	32	381,055	39,568	-	Subsidiary
Gains Investment Corporation	Eminence Investment Corporation	Republic of China	General investment	1,600,000	1,600,000	150,000,000	100	2,181,389	121,872	-	Subsidiary
Gains Investment Corporation	Winning Investment Corporation	Republic of China	General investment	989,664	989,664	112,700,000	49	1,566,551	136,338	-	Subsidiary
Gains Investment Corporation	Betacera Inc.	Republic of China	Manufacturing and trading of electronic ceramics	150,165	150,165	20,555,253	48	1,062,009	371,754	-	Subsidiary
Gains Investment Corporation	OmniGains Investment Corporation	Samoa	Holding and investment	749,480	-	23,168,349	100	573,046	7,323	-	Subsidiary
Gains Investment Corporation	Universal Exchange Inc.	Republic of China	Wholesale of computer software, software design services, digital information supply services	170,432	170,432	10,533,713	64	140,876	38,634	-	Subsidiary
Gains Investment Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	60,000	60,000	6,000,000	5	67,376	42,059	-	Subsidiary
Gains Investment Corporation	Eminent Venture Capital Corporation	Republic of China	General Investment	33,750	67,500	3,375,000	50	32,846	(7,208)	-	Subsidiary
Gains Investment Corporation	Mentor Consulting Corporation	Republic of China	Management consulting services	25,909	25,909	1,000,000	100	32,673	10,999	-	Subsidiary
Gains Investment Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	-	58,784	-	-	-	(58,958)	-	Subsidiary
Gains Investment Corporation	Fukuta Electric & Machinery Co., Ltd.	Republic of China	Motor manufacturing and selling	686,895	591,731	9,348,519	18	791,708	(123,460)	-	Associate
Gains Investment Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	400,000	400,000	40,000,000	22	284,158	(7,398)	-	Associate
Gains Investment Corporation	Honley Auto. Parts Co., Ltd.	Republic of China	Manufacture of automotive components	104,246	104,246	8,642,160	8	90,579	(49,026)	-	Associate
Thintech Materials Technology Co., Ltd.	Thintech Global Limited	Samoa	Holding and investment	205,435	205,435	6,800,000	100	52,224	(6,890)	-	Subsidiary
Thintech Materials Technology Co., Ltd.	Pro-Ascentek Investment Corporation	Republic of China	General investment	30,000	30,000	3,000,000	3	33,688	42,059	-	Subsidiary
Betacera Inc.	Lefkara Ltd.	British Virgin Islands	Holding and Investment	418,294	418,362	13,623,000	100	1,590,262	99,462	-	Subsidiary
Betacera Inc.	Eminent III Venture Capital Corporation	Republic of China	General investment	50,000	50,000	5,000,000	3	35,520	(7,398)	-	Associate
Universal Exchange Inc.	Pro-Ascentek Investment Corporation	Republic of China	General investment	20,000	20,000	2,000,000	2	22,459	42,059	-	Subsidiary
Pro-Ascentek Investment Corporation	Betacera Inc.	Republic of China	Manufacturing and trading of electronic ceramics	77,278	77,278	1,608,491	4	96,245	371,754	-	Subsidiary
Eminence Investment Corporation	Shin Mau Investment Corporation	Republic of China	General investment	9,513	9,513	896,999	30	19,906	4,497	-	Subsidiary
Eminence Investment Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	8,805	8,805	747,499	25	18,551	2,947	-	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Eminence Investment Corporation	Ding Da Investment Corporation	Republic of China	General investment	8,970	8,970	897,000	30	18,312	4,597	-	Subsidiary
Eminence Investment Corporation	Chiun Yu Investment Corporation	Republic of China	General investment	7,475	7,475	747,500	25	16,623	(1,449)	-	Subsidiary
Eminence Investment Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	6,262	6,262	600,000	30	13,547	1,617	-	Subsidiary
Eminence Investment Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	5,317	5,317	500,000	21	11,663	3,426	-	Subsidiary
Eminence Investment Corporation	Chi-Yi Investment Corporation	Republic of China	General investment	5,222	5,222	501,000	25	11,387	1,628	-	Subsidiary
Eminence Investment Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	4,762	4,762	476,000	21	10,266	2,904	-	Subsidiary
Eminence Investment Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	4,173	4,173	400,000	20	9,032	1,617	-	Subsidiary
Eminence Investment Corporation	Fukuta Electric & Machinery Co., Ltd.	Republic of China	Motor manufacturing and selling	22,917	23,513	179,425	-	24,107	(123,460)	-	Associate
Shin Mau Investment Corporation	CHC Resources Corporation	Republic of China	Manufacture and sale of Ground-Granulated Blast-Furnace Slag and Blast-Furnace Slag Cement, Air-cooled Blast Furnace Slag and Basic Oxygen Furnace Slag, reutilization of resources	5,454	5,454	512,685	-	12,795	839,554	-	Subsidiary
Shin Mau Investment Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	5,619	5,619	341,896	-	9,127	535,548	-	Subsidiary
Shin Mau Investment Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	1,000	1,000	100,000	5	2,258	1,617	-	Subsidiary
Shin Mau Investment Corporation	Chi-Yi Investment Corporation	Republic of China	General investment	990	990	99,000	5	2,250	1,628	-	Subsidiary
Ding Da Investment Corporation	China Steel Chemical Corporation	Republic of China	Manufacture of coal chemistry and speciality chemical	17,404	17,404	474,220	-	16,363	1,435,809	-	Subsidiary
Ding Da Investment Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	990	990	99,000	4	2,133	2,904	-	Subsidiary
Ding Da Investment Corporation	Betacera Inc.	Republic of China	Manufacturing and trading of electronic ceramics	25	25	1,000	-	53	371,754	-	Subsidiary
Ding Da Investment Corporation	Universal Exchange Inc.	Republic of China	Wholesale of computer software, software design services, digital information supply services	17	17	1,600	-	21	38,634	-	Subsidiary
Jiing-Cherng-Fa Investment Corporation	China Ecotek Corporation	Republic of China	Environmental engineering, M&E engineering, and O&M engineering	7,874	7,874	302,052	-	8,796	556,892	-	Subsidiary
Gau Ruei Investment Corporation	China Steel Chemical Corporation	Republic of China	Manufacture of coal chemistry and speciality chemical	17,584	17,584	474,220	-	16,363	1,435,809	-	Subsidiary
Gau Ruei Investment Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	1,000	1,000	100,000	4	2,335	3,426	-	Subsidiary
Gau Ruei Investment Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	1,000	1,000	100,000	5	2,258	1,617	-	Subsidiary
Sheng Lih Dar Investment Corporation	CHC Resources Corporation	Republic of China	Manufacture and sale of Ground-Granulated Blast-Furnace Slag and Blast-Furnace Slag Cement, Air-cooled Blast Furnace Slag and Basic Oxygen Furnace Slag, reutilization of resources	5,678	5,678	512,535	-	12,795	839,554	-	Subsidiary
Chiun Yu Investment Corporation	China Ecotek Corporation	Republic of China	Environmental engineering, M&E engineering, and O&M engineering	5,764	5,764	275,469	-	8,063	556,892	-	Subsidiary
Chiun Yu Investment Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	3,559	3,559	275,896	-	7,517	535,548	-	Subsidiary
China Steel Global Trading Corporation	CSGT International Corporation	Samoa	Holding and investment	631,983	631,983	20,740,000	100	1,053,631	101,628	-	Subsidiary
China Steel Global Trading Corporation	CSGT (Singapore) Pte. Ltd.	Singapore	Buy and sell, and act as an agency for steel products	22,600	22,600	6,100,000	100	931,942	260,113	-	Subsidiary
China Steel Global Trading Corporation	Chung Mao Trading (Samoa) Corporation	Samoa	Holding and investment	127,847	127,847	8,800,000	100	462,361	31,539	-	Subsidiary
China Steel Global Trading Corporation	Wabo Global Trading Corporation	Republic of China	Buy and sell, and act as an agency for steel products	11,000	11,000	5,236,000	44	56,767	14,515	-	Subsidiary
China Steel Global Trading Corporation	CSGT Trading India Private Limited	India	Buy and sell, and act as an agency for steel products	240	240	48,000	1	257	2,587	-	Subsidiary
China Steel Global Trading Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	-	69,232	-	-	-	(58,958)	-	Subsidiary
Wabo Global Trading Corporation	CK Japan Co., Ltd.	Japan	Real estate lease	37,488	37,488	960	20	42,509	11,667	-	Subsidiary
Wabo Global Trading Corporation	CSGT Japan Co., Ltd.	Japan	Buy and sell, and act as an agency for steel products	10,160	10,160	800	100	26,142	339	-	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
CSGT International Corporation	CSGT Metals Vietnam Joint Stock Company	Vietnam	Cutting and processing of steel products	265,755	265,799	13,279,770	60	454,506	195,697	-	Subsidiary
CSGT International Corporation	CSGT Trading India Private Limited	India	Buy and sell, and act as an agency for steel products	23,877	23,881	4,752,000	99	25,446	2,588	-	Subsidiary
CSGT International Corporation	TSK Steel Company Limited	Thailand	Steel coil processing and distributing	88,679	88,694	408,000	34	192,566	(27,737)	-	Associate
CSGT International Corporation	Mahindra Auto Steel Private Limited	India	Cutting and processing of steel products	-	84,699	-	-	-	19,499	-	Associate
CSGT (Singapore) Pte. Ltd.	CSCD SA	Switzerland	International trade and investment	118,828	116,736	1,876,795	49	875,298	468,520	-	Associate
CSC Steel Australia Holdings Pty Ltd	CSC Sonoma Pty Ltd	Australia	Investments in mining industry	344,911	342,445	16,440,001	100	192,391	6,031	-	Subsidiary
CSC Steel Australia Holdings Pty Ltd	9404-5515 Quebec Inc.	Canada	Investments in mining industry	5,539,219	5,499,616	270,122,727	25	8,120,954	1,288,959	-	Associate
China Steel Asia Pacific Holdings Pte Ltd	CSC Steel Holdings Berhad	Malaysia	General investment	1,112,640	1,112,821	171,000,000	46	2,672,593	324,137	-	Subsidiary
CSC Steel Holdings Berhad	CSC Steel Sdn. Bhd.	Malaysia	Manufacture and sale of steel products	2,800,280	2,926,076	359,000,000	100	5,638,950	323,963	-	Subsidiary
CSC Steel Holdings Berhad	Group Steel Corporation (M) Sdn. Bhd.	Malaysia	General investment	-	497,957	-	-	-	-	-	Subsidiary
CSC Steel Sdn. Bhd.	Constant Mode Sdn. Bhd.	Malaysia	General investment	4,808	5,024	750,000	100	6,750	216	-	Subsidiary

TABLE 10

CHINA STEEL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE PERIOD ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (Note 1)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
Betacera (Su Zhou) Co., Ltd.	Manufacturing and trading of electronic ceramics	135,102	2	135,102	-	-	135,102	66,059	100	66,059	650,387	-	Note 3 (1)
CSGT (Shanghai) Co., Ltd.	Buy and sell, and act as an agency for steel products	18,423	2	18,423	-	-	18,423	1,151	100	1,151	29,726	65,205	Note 3 (1)
Changzhou China Steel Precision Materials Co., Ltd.	Production and sale of titanium and titanium alloys, nickel and nickel alloys	1,562,270	2	937,117	711,384	468,558	1,179,943	69,151	70	47,136	1,146,000	-	Note 3 (1)
China Steel Precision Metals Qingdao Co., Ltd.	Cutting and processing of steel products	614,100	1	429,870	-	-	429,870	16,752	70	11,726	387,965	24,649	Note 3 (1)
Changzhou China Steel New Materials Technology Co., Ltd.	Mesophase sales and trading	172,864	1	199,767	-	-	199,767	13,693	100	13,693	190,359	-	Note 3 (1)
CSGT (Shenzhen) Co., Ltd.	Buy and sell, and act as an agency for steel products	24,564	1	15,967	-	-	15,967	(892)	65	(580)	15,415	7,875	Note 3 (1)
HC&C Auto Parts Co., Ltd.	Manufacture of automotive components	1,228,200	2	122,820	-	-	122,820	20,191	10	2,019	118,638	-	Note 3 (1)
Ningbo Huayang Aluminium-Tech Co., Ltd.	Production of aluminum products	-	2	1,190,433	-	1,190,433	-	48,224	-	48,354	-	93,743	Note 3 (1)
Suzhou Betacera Technology Co., Ltd.	Manufacturing and trading of aeronautical or marine life saving products	460,575	2	460,575	-	-	460,575	25,359	100	25,359	635,673	-	Note 3 (1)
Shanghai Xike Ceramic Electronic Co., Ltd.	Manufacturing and trading of electronic ceramics	36,846	2	36,662	-	-	36,662	3,689	100	3,670	147,746	-	Note 3 (1)
Taicang Thintech Materials Co., Ltd.	Sputtering target manufacturing and sales	208,794	2	208,794	-	-	208,794	(6,890)	100	(6,890)	52,224	-	Note 3 (1)
China Steel Precision Metals Kunshan Co., Ltd.	Cutting and processing of steel products	460,575	1	493,122	-	-	493,122	(4,848)	100	(4,848)	444,479	1,102	Note 3 (1)
Wuhan InfoChamp I.T. Co., Ltd.	Enterprise information system integration services	6,141	2	6,141	-	-	6,141	3,904	100	3,904	35,313	55,453	Note 3 (1)
Xiamen Ecotek PRC Company Limited	Equipment materials import and export	184,230	2	184,230	-	-	184,230	417	100	417	181,681	-	Note 3 (1)

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023 (Note 1)	Investment Amount Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 4)
China Steel Corporation	591,379	1,216,409	183,459,894
China Steel Chemical Corporation	199,767	199,767	4,928,682
China Ecotek Corporation	184,230	184,230	2,196,689
C.S.Aluminium Corporation	-	-	5,117,986
Gains Investment Corporation	711,384	711,384	5,516,672
Thintech Materials Technology Co., Ltd.	208,794	208,794	717,393
Betacera Inc.	632,339	632,339	1,326,130
China Steel Global Trading Corporation	957,382	957,382	-
Infochamp Systems Corporation	6,141	6,141	546,678
CHC Resources Corporation	-	-	3,635,092

Note 1: The amounts were calculated based on the foreign exchange rate as of December 31, 2023.

Note 2: Methods of investment are classified as below:

1) Direct investment.

2) Investments through a holding company registered in a third region.

Note 3: The basis for recognition of investment income (loss) is based on the following:

1) From the financial statements reviewed and attested by R.O.C. parent company's CPA.

2) From the investee company, which had not been audited and attested by independent accountants.

Note 4: As the subsidiary CSGT has obtained the certificate of qualified for operating headquarters, which is due on April 28, 2024, issued by the Industrial Development Bureau, MOEA, the limit on investment in Mainland China pursuant to "Principle of investment or Technical Cooperation in Mainland China" is not applicable, while other companies, investments shall not exceed 60% of their net worth.

TABLE 11

CHINA STEEL CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of The Shareholder	Shares	
	Number of Shares Owned	Percentage of Ownership
The Ministry of Economic Affairs, R.O.C.	3,154,709,357	20%

Note 1: Major shareholders in the Table above are shareholders owning 5% or more of the Corporation's common and preferred stocks (only ones that have completed dematerialized registration and delivery) based on calculations performed by the Taiwan Depository & Clearing Corporation using data as of the last business date at the end of each quarter. The amount of capital in the consolidated financial statements may differ from the Corporation's actual number of stocks that have completed dematerialized registration and delivery due to different calculation bases.

Note 2: Where the stocks are entrusted by shareholders, information is disclosed by the individual account of settlor who has segregated trust accounts opened by trustees. As for shareholders filing shareholdings of insiders with 10% or more of the Corporation's stocks pursuant to the securities and exchange laws and regulations, the number of stocks owned shall be ones owned by the persons plus ones entrusted where the shareholders have the power to decide how to utilize the trust property. Please access the Market Observation Post System website for information on insiders' shareholding filings.

TABLE 12

CHINA STEEL CORPORATION AND SUBSIDIARIES

MOVEMENT OF PROPERTY, PLANT AND EQUIPMENT
FOR THE PERIOD ENDED DECEMBER 31, 2023 AND 2022
(Amounts in Thousands of New Taiwan Dollars)

For the Year Ended December 31, 2023

	Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Spare Parts	Construction in Progress and Equipment to be Inspected	Total
Cost									
Balance at January 1, 2023	$ 69,443,571	$ 6,125,121	$ 135,336,886	$ 669,660,202	$ 33,826,263	$ 20,453,998	$ 10,039,124	$ 38,765,928	$ 983,651,093
Additions	21,536	36,223	3,097,041	13,909,304	386,154	856,955	1,133,498	17,327,480	36,768,191
Disposals	-	(2,165)	(166,024)	(3,263,094)	(2,997,993)	(247,954)	(1,058,570)	-	(7,735,800)
Reclassification	-	(168)	3,642,140	(2,349,173)	-	(1,424,655)	(14,452)	(3,616)	(149,924)
Effect of foreign currency exchange differences	(2,922)	(3,120)	(79,453)	(243,625)	(4,260)	(14,653)	(1,237)	(4,976)	(354,246)
Balance at December 31, 2023	$ 69,462,185	$ 6,155,891	$ 141,830,590	$ 677,713,614	$ 31,210,164	$ 19,623,691	$ 10,098,363	$ 56,084,816	$ 1,012,179,314
Accumulated depreciation and impairment									
Balance at January 1, 2023	$ 6,370	$ 4,941,239	$ 67,411,386	$ 505,590,018	$ 13,887,222	$ 17,009,155	$ 4,557,669	$ -	$ 613,403,059
Depreciation	-	79,714	3,905,981	22,663,954	1,887,324	1,000,824	982,884	-	30,520,681
Disposals	-	(1,914)	(108,439)	(3,200,415)	(2,392,356)	(246,850)	(1,058,570)	-	(7,008,544)
Impairment	-	-	-	2,005	-	-	-	-	2,005
Reclassification	-	(168)	2,040,643	(1,003,953)	-	(1,134,562)	-	-	(98,040)
Effect of foreign currency exchange differences	-	(2,114)	(41,386)	(180,552)	(13,038)	(12,099)	-	-	(249,189)
Balance at December 31, 2023	$ 6,370	$ 5,016,757	$ 73,208,185	$ 523,871,057	$ 13,369,152	$ 16,616,468	$ 4,481,983	$ -	$ 636,569,972
Carrying amount at December 31, 2023	$ 69,455,815	$ 1,139,134	$ 68,622,405	$ 153,842,557	$ 17,841,012	$ 3,007,223	$ 5,616,380	$ 56,084,816	$ 375,609,342

For the Year Ended December 31, 2022

	Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Spare Parts	Construction in Progress and Equipment to be Inspected	Total
Cost									
Balance at January 1, 2022	$ 69,583,597	$ 6,059,884	$ 133,925,047	$ 659,574,656	$ 33,488,150	$ 19,914,635	$ 10,334,441	$ 24,889,753	$ 957,770,163
Additions	43,902	33,864	1,618,354	13,535,326	614,305	892,554	1,045,802	13,798,362	31,582,469
Disposals	-	(520)	(520,706)	(5,317,325)	(1,121,820)	(429,035)	(1,273,891)	-	(8,663,297)
Reclassification	(184,436)	27,317	(33,340)	(29,450)	-	32,955	(67,862)	39,816	(215,000)
Effect of foreign currency exchange differences	508	4,576	347,531	1,896,995	845,628	42,889	634	37,997	3,176,758
Balance at December 31, 2022	$ 69,443,571	$ 6,125,121	$ 135,336,886	$ 669,660,202	$ 33,826,263	$ 20,453,998	$ 10,039,124	$ 38,765,928	$ 983,651,093
Accumulated depreciation and impairment									
Balance at January 1, 2022	$ 6,370	$ 4,866,267	$ 63,610,591	$ 485,134,247	$ 12,478,921	$ 16,317,861	$ 4,692,205	$ -	$ 587,106,462
Depreciation	-	75,777	3,986,525	24,425,313	2,028,488	1,045,884	1,139,355	-	32,701,342
Disposals	-	(520)	(298,987)	(4,940,413)	(804,664)	(411,519)	(1,273,891)	-	(7,729,994)
Impairment	-	-	-	26,491	-	-	-	-	26,491
Reclassification	-	(2,406)	372	(17,997)	-	19,720	-	-	(311)
Effect of foreign currency exchange differences	-	2,121	112,885	962,377	184,477	37,209	-	-	1,299,069
Balance at December 31, 2022	$ 6,370	$ 4,941,239	$ 67,411,386	$ 505,590,018	$ 13,887,222	$ 17,009,155	$ 4,557,669	$ -	$ 613,403,059
Carrying amount at December 31, 2022	$ 69,437,201	$ 1,183,882	$ 67,925,500	$ 164,070,184	$ 19,939,041	$ 3,444,843	$ 5,481,455	$ 38,765,928	$ 370,248,034

TABLE 13

CHINA STEEL CORPORATION AND SUBSIDIARIES

CHANGES OF DEFERRED TAX ASSETS AND LIABILITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

For the Year Ended December 31, 2023

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Exchange Differences	Balance, End of Year
Deferred tax assets						
Temporary differences						
Defined benefit plan and estimated preferential severance pay	$ 1,119,206	$ (83,142)	$ 59,391	$ -	$ -	$ 1,095,455
Unrealized loss on inventories	2,722,288	(829,529)	-	-	(696)	1,892,063
Provisions	474,907	427,399	-	-	-	902,306
Impairment loss on financial assets	1,084	(29)	-	-	-	1,055
Unrealized loss on construction	388,912	(120,244)	-	-	-	268,668
Difference between tax reporting and financial reporting - revenue recognition	(20,154)	4,540	-	-	(95)	(15,709)
Unrealized gain on the transactions with subsidiaries and associates	178,803	2,554	-	-	-	181,357
Unrealized settlement loss on foreign exchange forward for hedging	21,622	17,336	-	-	-	38,958
Foreign investment loss	140,623	(100,340)	-	-	-	40,283
Others	3,065,097	(328,668)	16,141	-	(230)	2,752,340
	8,092,388	(1,010,123)	75,532	-	(1,021)	7,156,776
Loss carryforwards	169,948	1,823,375	-	-	(92)	1,993,231
	$ 8,262,336	$ 813,252	$ 75,532	$ -	$ (1,113)	$ 9,150,007
Deferred tax liabilities						
Temporary differences						
Land value increment tax	$ 10,314,586	$ -	$ -	$ -	$ -	$ 10,314,586
Difference between tax reporting and financial reporting - depreciation methods	473,827	(38,552)	-	-	(5,639)	429,636
Foreign investment income	3,112,208	200,152	(1,758)	-	-	3,310,602
Unrealized gains and losses on financial assets	(248,442)	-	270,689	-	-	22,247
Others	105,208	796	(20,397)	(316)	-	85,291
	$ 13,757,387	$ 162,396	$ 248,534	$ (316)	$ (5,639)	$ 14,162,362

For the Year Ended December 31, 2022

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Exchange Differences	Balance, End of Year
Deferred tax assets						
Temporary differences						
Defined benefit plan and estimated preferential severance pay	$ 1,668,287	$ (185,530)	$ (363,551)	$ -	$ -	$ 1,119,206
Unrealized loss on inventories	1,630,240	1,089,600	-	-	2,448	2,722,288
Provisions	668,098	(193,191)	-	-	-	474,907
Impairment loss on financial assets	22,478	(21,394)	-	-	-	1,084
Unrealized loss on construction	592,551	(203,639)	-	-	-	388,912
Difference between tax reporting and financial reporting - revenue recognition	206,439	(227,016)	-	-	423	(20,154)
Unrealized gain on the transactions with subsidiaries and associates	295,650	(116,847)	-	-	-	178,803
Unrealized settlement loss on foreign exchange forward for hedging	27,511	(5,889)	-	-	-	21,622
Foreign investment loss	165,713	(25,090)	-	-	-	140,623
Others	3,540,518	(359,440)	(116,851)	-	870	3,065,097
	8,817,485	(248,436)	(480,402)	-	3,741	8,092,388
Loss carryforwards	64,128	105,844	-	-	(24)	169,948
	$ 8,881,613	$ (142,592)	$ (480,402)	$ -	$ 3,717	$ 8,262,336
Deferred tax liabilities						
Temporary differences						
Land value increment tax	$ 10,314,586	$ -	$ -	$ -	$ -	$ 10,314,586
Difference between tax reporting and financial reporting - depreciation methods	542,129	(75,526)	-	-	7,224	473,827
Foreign investment income	2,538,268	573,940	-	-	-	3,112,208
Unrealized gains and losses on financial assets	1,172,166	-	(1,420,608)	-	-	(248,442)
Others	15,855	136,927	(47,128)	(446)	-	105,208
	$ 14,583,004	$ 635,341	$ (1,467,736)	$ (446)	$ 7,224	$ 13,757,387

China Steel Corporation

Standalone Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

China Steel Corporation

Opinion

We have audited the accompanying standalone financial statements of China Steel Corporation (the "Corporation"), which comprise the standalone balance sheets as of December 31, 2023 and 2022, the standalone statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the standalone financial statements, including a summary of significant accounting policies (collectively referred to as the "standalone financial statements").

In our opinion, the accompanying standalone financial statements present fairly, in all material respects, the standalone financial position of the Corporation as of December 31, 2023 and 2022, its standalone financial performance and its standalone cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Corporation's standalone financial statements for the year ended December 31, 2023 are stated as follows:

<u>Recognition of Revenue from Sale of Goods of Steel Department</u>

The Corporation manufactures and sells steel products and engages in mechanical, communications, and electrical engineering. Revenue from sale of goods of steel department represented over 90% of the total operating revenue. Revenue recognition is presumed to be significant risk as revenue is subject to fluctuation in terms of market demand and it is the main focus of the users of financial report; therefore, revenue recognition was deemed to be a key audit matter. Refer to Notes 4 and 23 to the Corporation's standalone financial statements for the related accounting policies and disclosures on sales revenue.

Our audit procedures performed included the following:

1. We understood the design and implementation of the procedures regarding approval of sales order, shipping and cash collection process of the Corporation's steel department.

2. We evaluated the appropriateness of the recorded sales amounts by checking the nature, quantities, unit price, sales to major customers and sales of major goods of the Corporation's steel department sales; we also reviewed comparative information of a two-year period.

3. We verified the occurrence and validity of the specific customers by confirming the customer information, the correctness on the shipping documents or bill of lading and cash collection receipts.

4. We obtained subsequent details of the abovementioned specific customers and checked whether there were any material and unusual sales returns and allowances and confirmed the appropriateness of accounting treatment and presentation.

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

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

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the standalone financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Jui-Hsuan Hsu and Jr-Shian Ke.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 29, 2024

Notice to Readers

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

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

China Steel Corporation

STANDALONE BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,761,956	-	$ 3,900,823	1
Financial assets for hedging - current (Notes 4, 9 and 28)	3,271,645	1	1,044,981	-
Contract assets - current (Notes 4 and 23)	621,028	-	839,682	-
Notes receivable (Notes 4 and 10)	505,960	-	627,670	-
Accounts receivable, net (Notes 4 and 10)	1,739,257	-	2,670,527	1
Accounts receivable - related parties (Notes 4, 10 and 29)	1,080,698	-	910,033	-
Other receivables	1,746,724	-	2,133,633	1
Other receivables - loans to related parties (Note 29)	4,500,000	1	5,960,000	1
Current tax assets	51,255	-	7,675	-
Inventories (Notes 4, 5 and 11)	62,085,674	13	67,110,255	14
Other financial assets - current (Notes 13 and 30)	6,006,067	2	5,950,000	1
Other current assets	994,644	-	1,187,304	-
Total current assets	84,364,908	17	92,342,583	19
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 7)	658,398	-	712,241	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 5 and 8)	42,500,958	9	39,490,069	8
Financial assets for hedging - noncurrent (Notes 4, 9 and 28)	14,207	-	59,177	-
Investments accounted for using the equity method (Notes 4, 12 and 30)	185,908,051	40	189,718,151	40
Property, plant and equipment (Notes 4, 14 and 29)	147,681,864	31	144,919,933	30
Right-of-use assets (Notes 4 and 15)	1,004,907	-	1,173,620	-
Investment properties (Notes 4 and 16)	7,292,007	2	7,316,012	2
Intangible assets	107	-	-	-
Deferred tax assets (Notes 4 and 25)	2,697,266	1	2,948,391	1
Refundable deposits	169,182	-	442,230	-
Total noncurrent assets	387,926,947	83	386,779,824	81
TOTAL	$ 472,291,855	100	$ 479,122,407	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings and bank overdraft (Notes 17, 29 and 30)	$ 15,569,648	3	$ 25,365,690	5
Short-term bills payable (Note 17)	36,528,507	8	13,476,961	3
Financial liabilities for hedging – current (Notes 4, 9, 17 and 28)	-	-	1,242	-
Contract liabilities – current (Notes 4 and 23)	1,099,953	-	1,452,353	-
Accounts payable	5,671,295	1	4,468,055	1
Accounts payable – related parties (Note 29)	929,631	-	954,646	-
Other payables (Notes 19 and 29)	11,974,448	3	15,931,393	3
Current tax liabilities	316	-	2,135,370	-
Provisions – current (Notes 4 and 20)	4,018,876	1	2,990,709	1
Lease liabilities – current (Notes 4 and 15)	309,201	-	353,725	-
Current portion of bonds payable (Note 18)	8,336,585	2	8,349,635	2
Refund liabilities – current	1,452,514	-	2,275,656	1
Other current liabilities	486,188	-	406,548	-
Total current liabilities	86,377,162	18	78,161,983	16
NONCURRENT LIABILITIES				
Financial liabilities for hedging – noncurrent (Notes 4, 9, 17 and 28)	978,033	-	1,046,139	-
Bonds payable (Note 18)	42,538,962	9	39,880,933	8
Long-term bank borrowings (Note 17)	5,500,000	1	11,500,000	3
Long-term bills payable (Note 17)	13,984,428	3	11,495,715	2
Deferred tax liabilities (Notes 4 and 25)	12,190,455	3	11,992,858	3
Lease liabilities – noncurrent (Notes 4 and 15)	688,449	-	820,848	-
Net defined benefit liabilities (Note 21)	4,267,876	1	4,321,704	1
Total noncurrent liabilities	80,148,203	17	81,058,197	17
Total liabilities	166,525,365	35	159,220,180	33
EQUITY (Notes 4 and 22)				
Share capital				
Ordinary shares	157,348,610	33	157,348,610	33
Preference shares	382,680	-	382,680	-
Total share capital	157,731,290	33	157,731,290	33
Capital surplus	40,688,818	9	40,275,115	9
Retained earnings				
Legal reserve	74,683,304	16	72,765,975	15
Special reserve	26,913,635	6	26,914,657	6
Unappropriated earnings	19,642,513	4	35,708,731	7
Total retained earnings	121,239,452	26	135,389,363	28
Other equity	(1,498,330)	-	(4,844,120)	(1)
Treasury shares	(12,394,740)	(3)	(8,649,421)	(2)
Total equity	305,766,490	65	319,902,227	67
TOTAL	$ 472,291,855	100	$ 479,122,407	100

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

China Steel Corporation

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4, 23 and 29)	$ 197,149,158	100	$ 250,600,629	100
OPERATING COSTS (Notes 11 and 29)	190,093,873	96	232,344,138	93
GROSS PROFIT	7,055,285	4	18,256,491	7
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	(34,951)	-	583,055	-
REALIZED GROSS PROFIT	7,020,334	4	18,839,546	7
OPERATING EXPENSES				
Selling and marketing expenses	2,499,891	1	2,693,404	1
General and administrative expenses	2,725,903	2	3,116,084	1
Research and development expenses	2,033,249	1	2,148,436	1
Total operating expenses	7,259,043	4	7,957,924	3
PROFIT (LOSS) FROM OPERATIONS	(238,709)	-	10,881,622	4
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 24 and 29)	258,627	-	167,477	-
Other income (Notes 24 and 29)	1,343,660	1	1,893,385	1
Other gains and losses (Notes 24 and 29)	80,023	-	199,705	-
Finance costs (Notes 24 and 29)	(1,394,276)	(1)	(996,693)	-
Share of profit or loss of subsidiaries and associates	2,057,901	1	8,221,073	3
Total non-operating income and expenses	2,345,935	1	9,484,947	4
PROFIT BEFORE INCOME TAX	2,107,226	1	20,366,569	8
INCOME TAX EXPENSE (Notes 4 and 25)	425,547	-	2,582,794	1
NET PROFIT FOR THE YEAR	1,681,679	1	17,783,775	7
OTHER COMPREHENSIVE INCOME (Notes 4, 22 and 25)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	(50,635)	-	1,292,493	1

(Continued)

China Steel Corporation

STANDALONE STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	$ 3,010,889	2	$ 238,791	-
Gains and losses on hedging instruments	(189,919)	-	224,031	-
Share of the other comprehensive income of subsidiaries and associates	610,561	-	(3,293,217)	(1)
Income tax benefit (expense) relating to items that will not be reclassified subsequently to profit or loss	51,801	-	(301,338)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	45,795	-	2,256,946	1
Share of the other comprehensive income of subsidiaries and associates	(33,218)	-	601,370	-
Other comprehensive income for the year, net of income tax	3,445,274	2	1,019,076	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 5,126,953	3	$ 18,802,851	8
EARNINGS PER SHARE (Note 26)				
Basic	$ 0.11		$ 1.15	
Diluted	$ 0.11		$ 1.15	

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

(Concluded)

China Steel Corporation

STANDALONE STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Share Capital			Retained Earnings			Other Equity					
	Ordinary Shares	Preference Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Gains and Losses on Hedging Instruments	Total Other Equity	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2022	$ 157,348,610	$ 382,680	$ 39,238,636	$ 66,611,343	$ 27,639,574	$ 70,863,295	$ (9,167,082)	$ 951,977	$ 3,809,153	$ (4,405,952)	$ (8,649,421)	$ 349,028,765
Appropriation of 2021 earnings (Note 22)												
Legal reserve	-	-	-	6,154,632	-	(6,154,632)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(723,473)	723,473	-	-	-	-	-	-
Cash dividends to ordinary shareholders – NT$3.1 per share	-	-	-	-	-	(48,778,069)	-	-	-	-	-	(48,778,069)
Cash dividends to preference shareholders – NT$3.1 per share	-	-	-	-	-	(118,631)	-	-	-	-	-	(118,631)
Reversal of special reserve	-	-	-	-	(1,444)	1,444	-	-	-	-	-	-
Net profit for the year ended December 31, 2022	-	-	-	-	-	17,783,775	-	-	-	-	-	17,783,775
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	1,510,147	2,858,316	(4,051,776)	702,389	(491,071)	-	1,019,076
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	19,293,922	2,858,316	(4,051,776)	702,389	(491,071)	-	18,802,851
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	992,493	-	-	-	-	-	-	-	-	992,493
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	36,424	-	-	-	-	-	-	-	-	36,424
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(52,903)	-	52,903	-	52,903	-	-
Adjustment from changes in equity of subsidiaries and associates	-	-	7,562	-	-	(69,168)	-	-	-	-	-	(61,606)
BALANCE AT DECEMBER 31, 2022	157,348,610	382,680	40,275,115	72,765,975	26,914,657	35,708,731	(6,308,766)	(3,046,896)	4,511,542	(4,844,120)	(8,649,421)	319,902,227
Appropriation of 2022 earnings (Note 22)												
Legal reserve	-	-	-	1,917,329	-	(1,917,329)	-	-	-	-	-	-
Cash dividends to ordinary shareholders – NT$1.0 per share	-	-	-	-	-	(15,734,861)	-	-	-	-	-	(15,734,861)
Cash dividends to preference shareholders – NT$1.4 per share	-	-	-	-	-	(53,575)	-	-	-	-	-	(53,575)
Reversal of special reserve	-	-	-	-	(1,022)	1,022	-	-	-	-	-	-
Net profit for the year ended December 31, 2023	-	-	-	-	-	1,681,679	-	-	-	-	-	1,681,679
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(130,319)	12,577	3,550,681	12,335	3,575,593	-	3,445,274
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,551,360	12,577	3,550,681	12,335	3,575,593	-	5,126,953
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	(3,564,348)	(3,564,348)
Acquisition of the Corporation's shares held by subsidiaries	-	-	-	-	-	-	-	-	-	-	(74,939)	(74,939)
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	320,186	-	-	-	-	-	-	-	-	320,186
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	229,803	-	(229,803)	-	(229,803)	-	-
Adjustment from changes in equity of subsidiaries and associates	-	-	93,517	-	-	(142,638)	-	-	-	-	(106,032)	(155,153)
BALANCE AT DECEMBER 31, 2023	$ 157,348,610	$ 382,680	$ 40,688,818	$ 74,683,304	$ 26,913,635	$ 19,642,513	$ (6,296,189)	$ 273,982	$ 4,523,877	$ (1,498,330)	$ (12,394,740)	$ 305,766,490

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

China Steel Corporation

STANDALONE STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 2,107,226	$ 20,366,569
Adjustments for:		
Depreciation expense	13,516,027	15,236,313
Amortization expense	-	4,978
Net loss (gain) on financial assets at fair value through profit or loss	3,934	(7,640)
Finance costs	1,394,276	996,693
Interest income	(258,627)	(167,477)
Dividend income	(397,495)	(428,438)
Share of profit of subsidiaries and associates	(2,057,901)	(8,221,073)
Loss on disposal of property, plant and equipment	91,124	19,298
Gain on disposal of investments	(15,364)	(28,415)
Write-down (reversal) of inventories	(2,318,492)	1,827,517
Unrealized (realized) gain on the transactions with subsidiaries and associates	34,951	(583,055)
Recognition (reversal) of provisions	1,035,741	(1,328,143)
Others	162,127	(110,620)
Changes in operating assets and liabilities		
Financial assets for hedging	(2,391,052)	(536,825)
Contract assets	239,237	(621,077)
Notes receivable	121,710	370,769
Accounts receivable	931,270	996,255
Accounts receivable – related parties	(170,665)	1,335,262
Other receivables	400,230	613,631
Inventories	7,184,772	113,976
Other current assets	192,660	(290,547)
Contract liabilities	(352,400)	(248,978)
Accounts payable	1,203,240	(1,979,703)
Accounts payable – related parties	(25,015)	(2,343,457)
Other payables	(2,162,108)	(6,186,646)
Provisions	(7,574)	-
Other current liabilities	79,640	(76,024)
Net defined benefit liabilities	(104,463)	(688,044)
Refund liabilities	(823,142)	(1,180,908)
Cash generated from operations	17,613,867	16,854,191
Income taxes paid	(2,103,658)	(6,933,089)
Net cash generated from operating activities	15,510,209	9,921,102
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments accounted for using the equity method	247,256	-
Acquisition of property, plant and equipment	(17,486,149)	(13,246,704)
Proceeds from disposal of property, plant and equipment	24	45
Acquisition of intangible assets	(107)	-

(Continued)

China Steel Corporation

STANDALONE STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2023	**2022**
Decrease in refundable deposits	$ 273,048	$ 262,899
Decrease in other receivables – loans to related parties	1,460,000	1,002,000
Increase in other financial assets	(56,067)	-
Interest received	254,545	155,397
Dividends received from subsidiaries and associates	6,066,860	21,349,387
Dividends received from others	388,256	435,748
Proceeds from liquidation of subsidiaries	-	408,554
Proceeds from the capital reduction of associates	105,000	233,361
Net cash generated from (used in) investing activities	(8,747,334)	10,600,687
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	45,080,000	63,264,960
Repayments of short-term borrowings	(56,588,671)	(49,474,183)
Proceeds from short-term bills payable	86,651,546	34,876,961
Repayments of short-term bills payable	(63,600,000)	(21,400,000)
Proceeds from bonds payable	11,000,000	-
Repayments of bonds payable	(8,350,000)	(12,350,000)
Proceeds from long-term bank borrowings	19,500,000	19,500,000
Repayments of long-term bank borrowings	(25,500,000)	(9,500,000)
Proceeds from long-term bills payable	11,588,713	8,597,781
Repayments of long-term bills payable	(9,100,000)	(3,000,000)
Repayments of principal of lease liabilities	(402,333)	(356,283)
Dividends paid	(15,759,055)	(48,872,707)
Payments for buy-back of ordinary shares	(3,564,348)	-
Acquisition of additional interests in subsidiaries	(418,710)	-
Interest paid	(1,712,753)	(1,203,648)
Proceeds from the capital reduction of subsidiaries	561,240	125,720
Net cash used in financing activities	(10,614,371)	(19,791,399)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,851,496)	730,390
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	885,116	154,726
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ (2,966,380)	$ 885,116
Reconciliation of the amounts in the standalone statements of cash flows with the equivalent items reported in the standalone balance sheets as of December 31, 2023 and 2022:		
Cash and cash equivalents in the standalone balance sheets	$ 1,761,956	$ 3,900,823
Bank overdraft	(4,728,336)	(3,015,707)
Cash and cash equivalents in the standalone statements of cash flows	$ (2,966,380)	$ 885,116

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

(Concluded)

1. GENERAL INFORMATION

China Steel Corporation (the "Corporation") was incorporated on December 3, 1971. It manufactures and sells steel products and engages in mechanical, communications, and electrical engineering.

The shares of the Corporation have been listed on the Taiwan Stock Exchange since December 1974. As of December 31, 2023, the Ministry of Economic Affairs (MOEA), Republic of China owned 20% of the Corporation's issued shares.

The standalone financial statements are presented in the Corporation's functional currency, the New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The standalone financial statements were approved by the Corporation's board of directors and authorized for issue on February 29, 2024.

3. APPLICATION OF NEW , AMENDED REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Corporation's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note1)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the standalone financial statements were authorized by the board of director for issue, the Corporation has assessed that the application of other standards and interpretations will not have a material impact on the Corporation's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the standalone financial statements were authorized by the board of director for issue, the Corporation is continuously assessing the possible impact that the application of other standards and interpretations will have on the Corporation's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

d. Presentation reclassification

The management of the Corporation considers that the restrictions on the use of repatriated funds in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act have not changed the nature of the deposit as the Corporation can access those amounts on demand. It is more appropriate to present the deposits in the account as cash and cash equivalents; therefore, this has changed the presentation of the standalone balance sheets and standalone statements of cash flows in 2023. The other financial assets were reclassified to cash and cash equivalents with a carrying amount of $26,480 thousand, $339,568 thousand and $731,289 thousand on December 31, 2023, December 31, 2022 and January 1, 2022. The impact on cash flows for the year ended December 31, 2022 was as follows:

	Adjustments
Net cash used in investing activities	$ (391,721)
Net increase in cash and cash equivalents	(391,721)

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

For readers' convenience, the accompanying standalone financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If inconsistencies arise between the English version and the Chinese version or if differences arise in the interpretations between the two

versions, the Chinese version of the financial statements shall prevail. However, the accompanying standalone financial statements do not include English translation of the additional footnote disclosures that are not required under generally accepted accounting principles but are required by the Securities and Futures Bureau for their oversight purposes.

A. Statement of compliance

The standalone financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The standalone financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

The subsidiaries and associates are incorporated in the standalone financial statements under the equity method. To make net profit for the year, other comprehensive income and equity in the standalone financial statements equal to those attributed to owners of the Corporation on consolidated financial statements, the effect of the differences between basis of standalone and basis of consolidation are adjusted in the investments accounted for using equity method, the related share of the profit or loss, the related share of other comprehensive income of subsidiaries and associates and related equity.

c. Classification of current and noncurrent assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being used for an exchange or used to settle a liability for more than twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities expected to be settled within twelve months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the standalone financial statements are authorized for issue; and

3) Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as abovementioned are classified as noncurrent.

d. Foreign currencies

In preparing the standalone financial statements of the Corporation, transactions in currencies other than the Corporation's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the closing rates. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are recognized in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting standalone financial statements, the investments of the Corporation's foreign operations (including subsidiaries and associates operating in other countries or using currencies different from the Corporation's currencies) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the year. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Corporation's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Corporation losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of raw materials, supplies, finished goods, work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at moving average cost.

f. Investments in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation. Under the equity method, an investment is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the share of other equity of subsidiaries.

Changes in the Corporation's ownership interests in subsidiaries that do not result in the Corporation losing of control of the subsidiary are accounted for as equity transactions. Differences between the carrying amounts of the investment and the fair value of the consideration paid or received are directly recognized in equity.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Corporation recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets or liabilities.

Unrealized profits or losses on downstream transactions with subsidiaries are eliminated in the standalone financial statements. Profits and losses on transactions with subsidiaries other than downstream are recognized in standalone financial statements only to the extent of interests in the subsidiary that are not related to the Corporation.

g. Investment in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Corporation uses equity method to account for investment in associates. Under the equity method, an investment is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the share of equity of associates.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of the associate, at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in the associate. The Corporation records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Corporation's ownership interest is reduced due to non-subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive

income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using equity method is insufficient, the shortage is debited to retained earnings.

When the Corporation's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the associate), the Corporation discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

When impairment loss is evaluated, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, which forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

When the Corporation ceases to have significant influence over the associate, the Corporation will measure the retained investment at fair value at that date. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Corporation transacts with its associates, profits or losses on these transactions are recognized in the standalone financial statements only to the extent of interests in the associate that are not related to the Corporation.

h. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Property, plant, and equipment in the course of construction are carried at cost. Cost includes professional fees and borrowing costs eligible for capitalization. Samples produced when testing whether an item of property, plant and equipment is functioning properly before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those samples and the cost of those samples are recognized in profit or loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use and depreciated accordingly.

Except that depreciation of the rollers (spare parts) is calculated based on their level of wear, other depreciation is recognized using the straight-line method. Each significant component is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each balance sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation. Depreciation is

recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting year with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right – of use assets, investment properties and intangible assets

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment properties and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to the individual cash-generating units; otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount with the resulting impairment loss recognized in profit or loss.

When an impairment loss subsequently is reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined for the asset or cash-generating unit (net of amortization or depreciation) had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted

from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, investments in equity instruments at FVTOCI, and financial assets at amortized cost.

I Financial assets at FVTPL

Financial assets classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset.

Ii Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

Iii Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost (including cash and cash equivalents, notes and accounts receivable at amortized cost, net (including related parties), other receivables (including loans to related parties), refundable deposits and other financial assets) are measured at amortized cost, which equals the gross carrying amount determined

using the effective interest method less any impairment loss. Foreign currency exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

Cash equivalents include time deposits and commercial papers with original maturities within 3 months from the date of acquisition, high liquidity, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

In the Corporation's statements of cash flows, bank overdraft, which is deemed to be repayable at any time and forms part of cash management, is classified as cash and cash equivalents. Bank overdraft is recorded under current liabilities in the balance sheets.

b) Impairment of financial assets and contract assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables) as well as contract assets.

The Corporation always recognizes lifetime expected credit losses (ECLs) for accounts receivable, and contract assets. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

The Corporation recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Corporation are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

Except for the following situation, financial liabilities are measured at amortized cost using the effective interest method:

Financial guarantee contracts

Financial guarantee contracts issued by the Corporation, if not designated as at FVTPL, are subsequently measured at the higher of the amount of the loss allowance reflecting expected credit losses and amortized cost.

b) Derecognition of financial liabilities

The Corporation derecognizes financial liabilities only when the obligations are discharged, canceled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

The Corporation enters the derivative financial instruments and foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

5) Hedge accounting

The Corporation designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

a) Fair value hedges

Gains or losses on derivatives that are designated and qualified as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in profit or loss in the line item relating to the hedged item.

The Corporation discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

b) Cash flow hedges

The effective portion of gains or losses on derivatives that are designated and qualified as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and are included in the initial cost of the non-financial asset or non-financial liability.

The Corporation discontinues hedge”acco’nting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

c) Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similar to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion is recognized in gains and losses on hedging instruments. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The amount recognized in gains and losses on hedging instruments relating to the effective portion are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

m. Provisions

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. Provisions are measured using the cash flows estimated to settle the present obligation.

n. Treasury shares

Treasury shares represent the outstanding shares that the Corporation buys back from the market, which are stated at cost and shown as a deduction in equity.

Shares of the Corporation held by subsidiaries are reclassified to treasury shares from investments accounted for using equity method at the acquisition cost.

o. Revenue recognition

The Corporation identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

1) Revenue from sale of goods

Revenue from the sale of goods is recognized when the committed goods are delivered from the Corporation to customers to satisfy performance obligations, as follows: domestic sales – when products are moved out of the Corporation premises for delivery to customers; exports – when products are loaded onto vessels. Transaction price received is recognized as a contract liability until performance obligations are satisfied.

Revenue is measured at the fair value, which is the discounted present value of the price (net of commercial discounts and quantity discounts) agreed to by the Corporation with customers. Estimated discount or other allowances of the consideration received are recognized as refund liabilities. For a contract where the period between the date the Corporation transfers a promised good or service to a customer and the date the customer pays for that good or service is one year or less, the Corporation does not adjust the promised amount of consideration for any effect of a significant financing component.

2) Construction contract revenue

As property is being constructed and construction is in progress, the Corporation recognizes revenue from construction contract over time. The Corporation measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligation. A contract asset is recognized during the construction and is reclassified to accounts receivable at the point at which it is Invoiced to the customer. If the milestone payments exceed the revenue recognized to date, then the Corporation recognizes a contract liability for the difference.

p. Leases

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease.

1) The Corporation as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Corporation assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Corporation as lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets, which comprise the initial measurement of lease liabilities, are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the standalone balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Corporation uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in a lease term, an index or a rate used to determine those payments, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Corporation accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease. Lease liabilities are presented on a separate line in the standalone balance sheets.

The Corporation negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Corporation elects to apply the practical expedient to rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Corporation recognizes the reduction in lease payment in profit or loss as a deduction of expenses of variable lease payments, in the period in which the events or conditions that trigger the concession occur, and make a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

q. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all borrowing costs are recognized in profit or loss in the year in which they are incurred.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, past service cost, as well as gains and losses on settlements) and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability represents the actual deficit in the Corporation's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plan except that remeasurement is recognized in profit or loss.

4) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Corporation can no longer withdraw the offer of the termination benefit and when the Corporation recognizes any related restructuring costs.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Current tax is the amount of tax at statutory rate calculated on the taxable profit at the balance sheet date. According to the Income Tax Law, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable

temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, loss carryforwards, and research and development expenditures to the extent that it is probable that taxable profits will be available against which those deductible differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation's accounting policies, management is required to make judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key sources of estimation uncertainty

a. Write-down of inventory

Inventories are stated at the lower of cost or net realizable value, and the Corporation uses judgment and estimate to determine the net realizable value of inventory at the end of the reporting period. Since the net realizable value of inventory is mainly determined on the basis of future selling price, it might be adjusted significantly.

b. Unlisted equity securities

As described in Note 28, the Corporation applied valuation techniques commonly used by market practitioners to evaluate fair value of the financial instruments that do not have listed market price in an active market. The measurement for the unlisted equity securities includes assumptions not based on

observable market prices or interest rates; therefore, the fair value may change significantly.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	**2022**
Cash on hand	$ 18,275	$ 18,412
Checking accounts and demand deposits	1,743,681	3,882,411
	$ 1,761,956	$ 3,900,823

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	**2022**
Noncurrent		
Foreign unlisted preference shares	$ 658,398	$ 712,241

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – EQUITY INSTRUMENTS

	December 31	
	2023	**2022**
Noncurrent		
Domestic investments		
Listed shares	$ 10,113,150	$ 9,302,598
Unlisted shares	843,775	718,344
	10,956,925	10,020,942
Foreign investments		
Listed shares	3,033,509	2,023,916
Unlisted shares	28,510,524	27,445,211
	31,544,033	29,469,127
	$ 42,500,958	$ 39,490,069

These investments in equity instruments are not held for trading; instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Corporation's strategy of holding these investments for long-term purposes.

9. FINANCIAL INSTRUMENTS FOR HEDGING

	December 31	
	2023	2022
Financial assets for hedging – current		
Foreign exchange forward contracts	$ 65,552	$ 61,685
Hedging foreign-currency deposits	3,206,093	983,296
	$ 3,271,645	$ 1,044,981
Financial assets for hedging – noncurrent		
Foreign exchange forward contracts	$ 14,207	$ 59,177
Financial liabilities for hedging – current		
Foreign exchange forward contracts	$ -	$ 1,242
Financial liabilities for hedging – noncurrent		
Foreign exchange forward contracts	$ 1,176	$ 920
Bank loans (Note 17)	976,857	1,045,219
	$ 978,033	$ 1,046,139

Refer to Note 28 for information relating to financial instruments for hedging.

10. NOTES AND ACCOUNTS RECEIVABLE, NET (INCLUDING RELATED PARTIES)

	December 31	
	2023	2022
Notes receivable		
Operating	$ 505,960	$ 627,670
Non-operating	-	-
	505,960	627,670
Less: Allowance for impairment loss	-	-
	$ 505,960	$ 627,670
Accounts receivable	$ 2,819,955	$ 3,580,560
Less: Allowance for impairment loss	-	-
	$ 2,819,955	$ 3,580,560

The Corporation makes prudent assessment of their customers. The counterparties are creditworthy companies; as a result, the significant credit risk is unexpected. The Corporation did transactions with a large number of unrelated customers and no concentration of credit risk was observed. The Corporation continues to manage the financial condition and entire credit risk of their customers, and obtain sufficient collateral if needed to mitigate the risk of financial loss from late payment.

The expected credit losses on notes and accounts receivable are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast GDP and direction of economic conditions at the reporting date.

The Corporation continues to monitor the collection of receivables to ensure that proper actions are made to collect past due receivables. Additionally, the Corporation reviews the recoverable amount of receivables one by one on the balance sheet date to ensure that proper allowances are recognized for unrecoverable receivables.

The following table details the loss allowance of notes and accounts receivable based on the impaired aging analysis.

December 31, 2023

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 365 Days	Total
Gross carrying amount	$ 3,259,325	$ 66,590	$ -	$ -	$ 3,325,915
Loss allowance (Lifetime ECL)	-	-	-	-	-
Amortized cost	$ 3,259,325	$ 66,590	$ -	$ -	$ 3,325,915

December 31, 2022

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 365 Days	Total
Gross carrying amount	$ 4,208,223	$ 7	$ -	$ -	$ 4,208,230
Loss allowance (Lifetime ECL)	-	-	-	-	-
Amortized cost	$ 4,208,223	$ 7	$ -	$ -	$ 4,208,230

The Corporation entered into accounts receivable factoring agreements (without recourse) with Mega Bank, Bank of Taiwan, Taishin Bank, CTBC Bank and Mizuho Bank. Under the agreements, the Corporation sells accounts receivable to the banks upon the delivery of products to customers and is required to complete related formalities at the next banking day.

The related information for the Corporation's sale of accounts receivable was as follows:

Counterparty	Advances Received at Year – Beginning	Receivables Sold	Amounts Collected by Bank	Advances Received at Year – End	Annual Interest Rate on Advances Received (%)	Credit Line
For the Year Ended December 31, 2023						
Mega Bank	$ 1,168,020	$ 2,901,882	$ 3,086,337	$ 983,565	1.00-2.62	NT$9 billion
Bank of Taiwan	476,666	1,067,196	1,172,928	370,934	1.00-2.62	NT$2.1 billion
Bank of Taiwan	389,518	3,804,421	3,928,002	265,937	0.60-6.79	USD130,000 thousand
Taishin Bank	1,813,047	6,995,701	6,140,735	2,668,013	3.60-6.22	USD250,000 thousand
CTBC Bank	764,251	3,258,594	3,198,600	824,245	2.10-6.24	USD60,000 thousand
Mizuho Bank	3,044	666,636	652,897	16,783	3.25-6.32	USD10,000 thousand
	$ 4,614,546	$ 18,694,430	$ 18,179,499	$ 5,129,477		

Counterparty	Advances Received at Year – Beginning	Receivables Sold	Amounts Collected by Bank	Advances Received at Year – End	Annual Interest Rate on Advances Received (%)	Credit Line
For the Year Ended December 31, 2022						
Mega Bank	$ 2,045,351	$ 4,456,176	$ 5,333,507	$ 1,168,020	0.98-2.09	NT$9 billion
Bank of Taiwan	575,436	1,284,295	1,383,065	476,666	0.98-2.09	NT$2.1 billion
Bank of Taiwan	368,790	4,333,017	4,312,289	389,518	0.62-4.10	USD130,000 thousand
Taishin Bank	3,790,809	8,866,702	10,844,464	1,813,047	0.80-5.73	USD250,000 thousand
CTBC Bank	1,632,110	3,483,166	4,351,025	764,251	0.82-3.06	USD60,000 thousand
Mizuho Bank	7,431	1,032,436	1,036,823	3,044	0.94-4.50	USD10,000 thousand
	$ 8,419,927	$ 23,455,792	$ 27,261,173	$ 4,614,546		

11. INVENTORIES

	December 31	
	2023	2022
Finished goods	$ 13,532,749	$ 15,541,497
Work in progress	21,329,702	23,170,817
Raw materials	12,350,577	12,932,434
Supplies	4,965,992	4,984,118
Inventory in transit	9,809,990	10,444,128
Others	96,664	37,261
	$ 62,085,674	$ 67,110,255

The costs of inventories recognized as operating costs for the years ended December 31, 2023 and 2022 were NT$185,645,639 thousand and NT$228,460,142 thousand, respectively, including reversal of loss on inventory NT$2,318,492 thousand and loss on inventory NT$1,827,517 thousand, respectively. Reversal of loss on inventory was due to the disappearance of the factors that previously caused the net realizable value of inventories to be lower than the cost.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investments in subsidiaries	$ 183,891,193	$ 187,240,753
Investments in associates	2,016,858	2,477,398
	$ 185,908,051	$ 189,718,151

a. Investments in subsidiaries

	December 31			
	2023		2022	
	Amount	% of Owner – ship	Amount	% of Owner – ship
Listed companies				
Chung Hung Steel Corporation (CHS)	$ 6,572,290	41	$ 6,696,923	41
China Steel Chemical Corporation (CSCC)	2,449,670	29	2,350,858	29
China Steel Structure Co., Ltd. (CSSC)	1,234,108	33	1,351,785	33
CHC Resources Corporation (CHC)	1,130,433	20	1,091,665	20
China Ecotek Corporation (CEC)	968,771	45	1,048,403	45
	12,355,272		12,539,634	
Less: Shares held by subsidiaries accounted for as treasury shares	2,221,523		2,077,752	
	10,133,749		10,461,882	
Unlisted companies				
Dragon Steel Corporation (DSC)	96,238,323	100	100,847,872	100
CSC Steel Australia Holdings Pty Ltd. (CSC SAH)	21,569,840	100	20,732,125	100
China Steel Express Corporation (CSE)	12,969,440	100	12,980,932	100
Gains Investment Corporation (GIC)	9,356,951	100	8,069,762	100
C.S.Aluminium Corporation (CSAC)	8,579,001	100	9,010,764	100
China Steel and Nippon Steel Vietnam Joint Stock Company (CSVC)	7,033,612	56	7,517,232	56
China Steel Asia Pacific Holdings Pte. Ltd. (CSAP)	4,951,968	100	4,900,289	100
China Prosperity Development Corporation (CPDC)	4,938,127	100	4,919,191	100
China Steel Power Holding Corporation (CPHC)	4,474,076	51	3,864,987	51
China Steel Global Trading Corporation (CSGT)	3,023,595	100	3,253,223	100
CSCI Steel Corporation India Pvt. Ltd. (CSCI)	1,286,953	100	1,384,769	100
Kaohsiung Rapid Transit Corporation (KRTC)	1,154,135	43	1,181,775	43
CSC Solar Corporation (CSCSOLAR)	1,086,021	55	1,052,452	55
China Steel Resources Corporation (CSRC)	1,003,661	100	1,001,575	100
China Steel Machinery Corporation (CSMC)	752,859	74	510,795	74
China Steel Security Corporation (CSS)	511,392	100	476,621	100
Infochamp Systems Corporation (Info Champ)	484,050	100	557,293	100
Sing Da Marine Structure Corporation (SDMS)	466,852	47	578,236	47
HIMAG Magnetic Corporation (HIMAG)	465,321	69	490,574	69
China Steel Management Consulting Corporation (CMCC)	20,136	100	20,073	100
China Steel Power Corporation (ZN)	-		-	-
	180,366,313		183,350,540	
Less: Shares held by subsidiaries accounted for as treasury shares	6,608,869		6,571,669	
	173,757,444		176,778,871	
	$ 183,891,193		$ 187,240,753	

In December 2023 and November 2022, the subsidiary CSAP reduced its capital by NT$561,240 thousand and NT$125,720 thousand, respectively; the Corporation's percentage of shareholding remained unchanged.

Due to the resolution of the board of directors to simplify the investment structure, the subsidiary USICL went through the liquidation and dissolution procedures. Taking October 18, 2022 as the liquidation base date, the liquidation funds returned NT$408,554 thousand in cash.

In November and December 2023, the Corporation subscribed for 19,941 thousand shares and 21,930 thousand shares of its subsidiary CPHC for cash consideration of NT$199,410 thousand and NT$219,300 thousand, respectively; the Corporation's percentage of shareholding remained unchanged.

Refer to Note 30 for information relating to investments accounted for using equity method as collateral.

Fair values (Level 1) of the listed companies accounted for using equity method with available published price quotation are summarized as follows:

	December 31	
	2023	**2022**
CHS	$ 15,178,636	$ 15,586,507
CSCC	$ 8,151,281	$ 7,257,048
CSSC	$ 3,676,778	$ 3,922,783
CEC	$ 3,124,173	$ 2,373,596
CHC	$ 2,839,081	$ 2,267,321

The above market prices are calculated on the basis of the closing price at the end of the reporting period.

b. Investments in associates

	December 31			
	2023		**2022**	
	Amount	**% of Owner – ship**	**Amount**	**% of Owner – ship**
Taiwan Rolling Stock Co., Ltd. (TRSC)	$ 719,391	48	$ 790,811	48
Kaohsiung Arena Development Corporation (KADC)	575,030	18	558,955	18
Hsin Hsin Cement Enterprise Corporation (HHCEC)	398,449	31	377,680	31
Eminent II Venture Capital Corporation (EVCII)	130,390	46	281,306	46
Honley Auto. Parts Co., Ltd. (HONLEY)	104,744	35	125,588	35
Overseas Investment & Development Corporation (OIDC)	65,909	6	65,254	6
TaiAn Technologies Corporation (TAIAN)	22,945	17	23,599	17
Dyna Rechi Co., Ltd. (DRC)	-	-	254,205	23
	$ 2,016,858		$ 2,477,398	

The Corporation's total equity in KADC is 29%, including 18% directly owned and 11% indirectly owned through United Steel Engineering & Construction Corporation and CPDC. The Corporation's total equity in TAIAN is 22%, including 17% directly owned and 5% indirectly owned through CSCC. The Corporation's total equity in OIDC is 22%, including 6% directly owned and 16% indirectly owned through the subsidiaries CSMC and Union Steel Development Corporation.

In September 2022, the associate DRC reduced its capital by NT$655,288 thousand to offset a deficit; the Corporation's percentage of shareholding remained unchanged. In December 2023, the Corporation sold the ownership of DRC for a disposal consideration of NT$247,256 thousand and recognized gain on disposal of investments NT$15,364 thousand.

In November 2022, the associate HONLEY reduced its capital by NT$233,361 thousand; the Corporation's percentage of shareholding remained unchanged.

In March 2023, the associate EVCII reduced its capital by NT$105,000 thousand; the Corporation's percentage of shareholding remained unchanged.

The above associates are not individually material. The related summarized information was as follows:

	For the Year Ended December 31	
	2023	2022
The Corporation's share of		
Net gain (loss) for the year	$ (27,370)	$ 106,044
Other comprehensive income	20,469	16,394
Total comprehensive income	$ (6,901)	$ 122,438

Refer to Table 8 "Information on Investees" for the above investees' main business nature, principal places of business and countries of incorporation.

13. OTHER FINANCIAL ASSETS

	December 31	
	2023	2022
Current		
Pledged time deposits (Note 30)	$ 5,850,000	$ 5,850,000
Time deposits with original maturities more than 3 months	100,000	100,000
Deposits for projects	56,067	-
	$ 6,006,067	$ 5,950,000

14. PROPERTY, PLANT AND EQUIPMENT

For the Year Ended December 31, 2023

	Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Spare Parts	Construction in Progress and Equipment to be Inspected	Total
Cost									
Balance at January 1, 2023	$ 51,408,190	$ 4,772,418	$ 69,103,622	$ 388,097,311	$ 2,457,183	$ 7,596,065	$ 6,653,792	$ 20,303,071	$ 550,391,652
Additions	-	-	229,616	9,684,750	141,536	569,554	610,474	4,723,895	15,959,825
Disposals	-	-	(89,671)	(1,998,616)	(34,567)	(127,577)	(708,954)	-	(2,959,385)
Reclassification	-	-	2,267	-	-	-	-	-	2,267
Balance at December 31, 2023	$ 51,408,190	$ 4,772,418	$ 69,245,834	$ 395,783,445	$ 2,564,152	$ 8,038,042	$ 6,555,312	$ 25,026,966	$ 563,394,359
Accumulated depreciation and impairment									
Balance at January 1, 2023	$ -	$ 4,604,767	$ 46,193,231	$ 343,396,686	$ 2,036,187	$ 6,425,993	$ 2,814,855	$ -	$ 405,471,719
Depreciation	-	13,195	1,780,088	10,122,816	99,633	476,076	607,530	-	13,099,338
Disposals	-	-	(30,347)	(1,957,620)	(34,514)	(127,172)	(708,954)	-	(2,858,607)
Reclassification	-	-	45	-	-	-	-	-	45
Balance at December 31, 2023	$ -	$ 4,617,962	$ 47,943,017	$ 351,561,882	$ 2,101,306	$ 6,774,897	$ 2,713,431	$ -	$ 415,712,495
Carrying amount at December 31, 2023	$ 51,408,190	$ 154,456	$ 21,302,817	$ 44,221,563	$ 462,846	$ 1,263,145	$ 3,841,881	$ 25,026,966	$ 147,681,864

For the Year Ended December 31, 2022

	Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Spare Parts	Construction in Progress and Equipment to be Inspected	Total
Cost									
Balance at January 1, 2022	$ 51,408,190	$ 4,771,647	$ 68,637,064	$ 381,526,367	$ 2,361,306	$ 7,223,530	$ 6,741,476	$ 18,832,688	$ 541,502,268
Additions	-	771	520,213	9,319,257	139,111	595,951	639,208	1,470,383	12,684,894
Disposals	-	-	(50,984)	(2,748,813)	(43,234)	(222,916)	(726,892)	-	(3,792,839)
Reclassification	-	-	(2,671)	500	-	(500)	-	-	(2,671)
Balance at December 31, 2022	$ 51,408,190	$ 4,772,418	$ 69,103,622	$ 388,097,311	$ 2,457,183	$ 7,596,065	$ 6,653,792	$ 20,303,071	$ 550,391,652
Accumulated depreciation and impairment									
Balance at January 1, 2022	$ -	$ 4,588,951	$ 44,258,558	$ 334,552,518	$ 1,974,658	$ 6,203,510	$ 2,804,628	$ -	$ 394,382,823
Depreciation	-	15,816	1,985,748	11,574,770	104,658	445,314	737,119	-	14,863,425
Disposals	-	-	(50,042)	(2,731,101)	(43,129)	(222,332)	(726,892)	-	(3,773,496)
Reclassification	-	-	(1,033)	499	-	(499)	-	-	(1,033)
Balance at December 31, 2022	$ -	$ 4,604,767	$ 46,193,231	$ 343,396,686	$ 2,036,187	$ 6,425,993	$ 2,814,855	$ -	$ 405,471,719
Carrying amount at December 31, 2022	$ 51,408,190	$ 167,651	$ 22,910,391	$ 44,700,625	$ 420,996	$ 1,170,072	$ 3,838,937	$ 20,303,071	$ 144,919,933

The following items of property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

Land improvements	20-40 years
Buildings	
Main structure	5-60 years
Others	3-40 years
Machinery and equipment	
Power equipment	3-25 years
Process equipment	8-18 years
Lifting equipment	5-12 years
Others	3-17 years
Transportation equipment	5-20 years
Other equipment	3-12 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amounts		
Land	$ 649,802	$ 722,208
Land improvements	208,888	242,366
Buildings	130,685	195,657
Transportation equipment	11,101	4,526
Others	4,431	8,863
	$ 1,004,907	$ 1,173,620

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 243,427	$ 372,183
Depreciation charge for right-of-use assets		
Land	$ 228,320	$ 204,930
Land improvements	51,973	48,473
Buildings	106,219	87,864
Transportation equipment	3,962	4,685
Others	4,432	4,431
	$ 394,906	$ 350,383

b. Lease liabilities

	December 31	
	2023	2022
Carrying amounts		
Current	$ 309,201	$ 353,725
Non-current	$ 688,449	$ 820,848

Range of discount rate (%) for lease liabilities was as follows:

	December 31	
	2023	2022
Land	0.59-2.07	0.59-1.14
Land improvements	1.31-1.74	1.31
Buildings	0.59-1.74	0.59-0.95
Transportation equipment	0.59-1.74	0.59-0.95
Others	0.59	0.59

c. Material lease activities and terms

The Corporation leases land with a total of 261,207.62 square meter from Taiwan International Ports Corporation, Ltd. The rent is calculated by an annual rate of 5% based on the aforementioned announced land value. The lease term is from January 2008 to December 2027.

The Corporation leases No. 101 berth in Kaohsiung Harbor from Taiwan International Ports Corporation, Ltd. For the use of cargo handling of raw materials, including coal and iron ore, as well as GBFS with a lease term from December 2016 to December 2027.

The Corporation enters into lease arrangements with the subsidiary CSE to cope with shipment of foreign raw materials. The payment terms are calculated based on actual shipping amount and thus classified as variable lease payment.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases and low-value asset leases	$ 64,367	$ 83,825
Expenses relating to variable leases payments	$ 1,812,798	$ 2,460,034
Covid-19-related rent concessions	-	(1,357)
Expenses relating to variable leases payments not included in the measurement of lease liabilities	$ 1,812,798	$ 2,458,677
Total cash outflow for leases	$ (2,292,958)	$ (2,909,227)

For land, buildings and some transportation equipment which qualify as short-term leases and office equipment which qualify as low-value asset leases, the Corporation has elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

For the Year Ended December 31, 2023

	Land	Buildings	Total
Cost			
Balance at January 1, 2023	$ 6,392,083	$ 1,289,256	$ 7,681,339
Reclassification	-	(2,267)	(2,267)
Balance at December 31, 2023	$ 6,392,083	$ 1,286,989	$ 7,679,072
Accumulated depreciation			
Balance at January 1, 2023	$ -	$ 365,327	$ 365,327
Depreciation	-	21,783	21,783
Reclassification	-	(45)	(45)
Balance at December 31, 2023	$ -	$ 387,065	$ 387,065
Carrying amount at December 31, 2023	$ 6,392,083	$ 899,924	$ 7,292,007

For the Year Ended December 31, 2022

	Land	Buildings	Total
Cost			
Balance at January 1, 2022	$ 6,392,083	$ 1,286,585	$ 7,678,668
Reclassification	-	2,671	2,671
Balance at December 31, 2022	$ 6,392,083	$ 1,289,256	$ 7,681,339

	Land	Buildings	Total
Accumulated depreciation			
Balance at January 1, 2022	$ -	$ 341,789	$ 341,789
Depreciation	-	22,505	22,505
Reclassification	-	1,033	1,033
Balance at December 31, 2022	$ -	$ 365,327	$ 365,327
Carrying amount at December 31, 2022	$ 6,392,083	$ 923,929	$ 7,316,012

The following items of investment properties are depreciated on a straight-line basis over the following useful lives:

Buildings	8-60 years

The determination of fair value was performed by independent qualified professional valuers or the management of the Corporation, which used the valuation model that market participants would use in determining the fair value, and the fair value was measured using Level 3 inputs. The valuation was measured under the comparative approach, income approach, cost approach and land developing analysis approach similar to the transaction price of the real estate market. The significant unobservable inputs used include discount rates and depreciation rates. The fair value as appraised was as follows:

	December 31	
	2023	2022
Fair value	$ 24,420,413	$ 24,450,280

All of the Corporation's investment properties are held under freehold interests.

17. BORROWINGS

a. Short-term borrowings and bank overdraft

	December 31	
	2023	2022
Unsecured loans	$ 8,500,000	$ 19,100,000
Bank overdraft (Note 30)	4,728,336	3,015,707
Letters of credit and export bill loans	671,312	1,459,983
Loans from related parties (Note 29)	1,670,000	1,790,000
	$ 15,569,648	$ 25,365,690
Range of interest rates p.a. (%)	0.09-6.66	0-5.29

b. Short-term bills payable

	December 31	
	2023	**2022**
Commercial paper	$ 36,600,000	$ 13,500,000
Less: Unamortized discounts	71,493	23,039
	$ 36,528,507	$ 13,476,961
Range of interest rates p.a. (%)	1.42-1.57	1.48-1.58

The above commercial paper was unsecured.

c. Long-term borrowings

	December 31	
	2023	**2022**
Unsecured loans	$ 6,476,857	$ 12,545,219
Less: Financial liabilities for hedging – noncurrent	976,857	1,045,219
	$ 5,500,000	$ 11,500,000
Range of interest rates p.a. (%)	0.29-1.75	0.27-1.57

The above unsecured loans included those obtained by the Corporation in JPY to hedge the exchange rate fluctuations on equity investments, which were reclassified to financial liabilities for hedging-noncurrent.

d. Long-term bills payable

	December 31	
	2023	**2022**
Commercial paper	$ 14,000,000	$ 11,500,000
Less: Unamortized discounts	15,572	4,285
	$ 13,984,428	$ 11,495,715
Range of interest rates p.a. (%)	1.51-1.55	1.27-1.37

The Corporation entered into unsecure commercial paper contracts with CTBC Bank, Cathay United Bank, Taishin Bank and China Bills Finance Corporation in April 2020, December 2022 , January 2023, March 2023 and June 2023, respectively. The duration of the contracts is three to four years . In the fourth year, the contracts can only be issued after negotiating between the counterparties. During the cycle of issuance, the Corporation only has to pay service fees and interests. Therefore, the Corporation recorded those commercial papers issued as long-term bills payable.

18. BONDS PAYABLE

	December 31	
	2023	2022
Unsecured domestic bonds	$ 50,900,000	$ 48,250,000
Less: Issuance cost of bonds payable	24,453	19,432
Current portion	8,336,585	8,349,635
	$ 42,538,962	$ 39,880,933

The major terms of unsecured domestic bonds are as follows:

Issuance Period	Total Amount	Coupon Rate (%)	Repayment and Interest Payment
December 2020 to December 2025	$ 1,600,000	0.39	Repayable 50% in December 2024 and 50% in December 2025; interest payable annually
May 2018 to May 2025	6,000,000	0.95	Repayable 50% in May 2024 and 50% in May 2025; interest payable annually
October 2018 to October 2025	4,150,000	0.90	Repayable 25% in October 2024 and 75% in October 2025; interest payable annually
December 2020 to December 2027	4,200,000	0.43	Repayable 70% in December 2026 and 30% in December 2027; interest payable annually
July 2013 to July 2023	9,700,000	1.60	Repayable 50% in July 2022 and 50% in July 2023; interest payable annually
January 2014 to January 2024	7,000,000	1.95	Repayable 50% in January 2023 and 50% in January 2024; interest payable annually
August 2018 to August 2028	5,600,000	1.10	Repayable 50% in August 2027 and 50% in August 2028; interest payable annually
October 2018 to October 2028	2,250,000	1.05	Repayable 50% in October 2027 and 50% in October 2028; interest payable annually
July 2013 to July 2028	3,600,000	1.88	Repayable 30% in July 2026, 30% in July 2027 and 40% in July 2028; interest payable annually
January 2014 to January 2029	9,000,000	2.15	Repayable 30% in January 2027, 30% in January 2028 and 40% in January 2029; interest payable annually
July 2023 to July 2026	7,200,000	1.50	Repayable in July 2026; interest payable annually
July 2023 to July 2028	3,800,000	1.57	Repayable 50% in July 2027 and 50% in July 2028; interest payable annually

19. OTHER PAYABLES

	December 31	
	2023	2022
Salaries and bonus	$ 2,820,387	$ 4,234,327
Purchase of equipment	1,649,491	3,401,242
Consignment payable	1,266,468	579,400
Outsourced repair and construction	607,835	447,675
Interest payable	462,156	534,623
Compensation of employees and remuneration of directors	119,893	1,288,749
Others	5,048,218	5,445,377
	$ 11,974,448	$ 15,931,393

20. PROVISIONS

	December 31	
	2023	2022
Onerous contracts (a)	$ 3,665,773	$ 2,522,824
Construction warranties (b)	353,103	467,885
	$ 4,018,876	$ 2,990,709

	Onerous Contracts	Construction Warranties	Total
Balance at January 1, 2023	$ 2,522,824	$ 467,885	$ 2,990,709
Recognition (reversal)	1,142,949	(107,208)	1,035,741
Paid	-	(7,574)	(7,574)
Balance at December 31, 2023	$ 3,665,773	$ 353,103	$ 4,018,876
Balance at January 1, 2022	$ 4,318,852	$ -	$ 4,318,852
Recognition (reversal)	(1,796,028)	467,885	(1,328,143)
Balance at December 31, 2022	$ 2,522,824	$ 467,885	$ 2,990,709

a. The provision for onerous contracts of the Corporation comes from the non-cancellable purchase contracts of which the provision amounts are measured using the difference between the unavoidable costs of meeting the contractual obligations and the economic benefits expected to be received from the contracts; and the non-cancellable construction contracts of which the provision amounts are measured using the difference between the expected unavoidable costs of meeting the contractual obligations and the economic benefits expected to be received from the contracts.

b. The provision for construction warranties represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Corporation's obligations for warranties. The estimate had been made on the basis of historical warranty trends.

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (the LPA), which is a state-managed defined contribution plan. Based on the LPA, the Corporation makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The Corporation adopted the defined benefit plan under the Labor Standards Law, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Corporation makes contributions, equal to a certain percentage of total monthly salaries, to a pension fund, which is deposited in the Bank of Taiwan in the name of and administered by the pension fund monitoring committee. Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the Bureau); the Corporation has no right to influence the investment policy and strategy. Starting from August 1999, the Corporation has also made contributions, equal to a certain percentage of salaries of management personnel (vice president above), to another pension fund, which are deposited and administered by the officers' pension fund management committee. The Corporation has also set up rules of consolation payment and holiday benefits, which are defined benefit plans.

The amount of defined benefit plans included in the standalone balance sheets were as follows:

	December 31	
	2023	**2022**
Present value of defined benefit obligation	$ 14,248,229	$ 15,546,313
Fair value of plan assets	(9,926,368)	(11,135,494)
Deficit	4,321,861	4,410,819
Net defined benefit liabilities – recognized in other payables	(53,985)	(89,115)
Net defined benefit liabilities	$ 4,267,876	$ 4,321,704

Movements of net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2023	$ 15,546,313	$ (11,135,494)	$ 4,410,819
Service cost			
Current service cost	359,178	-	359,178
Interest expense (income)	174,896	(131,327)	43,569
Recognized in profit or loss	534,074	(131,327)	402,747
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(103,659)	(103,659)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Actuarial gain – changes in financial assumptions	$ (108,242)	$ -	$ (108,242)
Actuarial loss – experience adjustments	262,536	-	262,536
Recognized in other comprehensive income (loss)	154,294	(103,659)	50,635
Contributions from the employer	-	(482,383)	(482,383)
Benefits paid	(1,994,288)	1,934,331	(59,957)
Contributions of employee returning to the Corporation	7,836	(7,836)	-
	(1,986,452)	1,444,112	(542,340)
Balance at December 31, 2023	$ 14,248,229	$ (9,926,368)	$ 4,321,861
Balance at January 1, 2022	$ 18,099,065	$ (11,725,253)	$ 6,373,812
Service cost			
Current service cost	435,757	-	435,757
Interest expense (income)	67,872	(45,028)	22,844
Recognized in profit or loss	503,629	(45,028)	458,601
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(956,641)	(956,641)
Actuarial gain – changes in financial assumptions	(759,672)	-	(759,672)
Actuarial loss – experience adjustments	423,820	-	423,820
Recognized in other comprehensive income (loss)	(335,852)	(956,641)	(1,292,493)
Contributions from the employer	-	(1,060,993)	(1,060,993)
Benefits paid	(2,723,692)	2,655,584	(68,108)
Contributions of employee returning to the Corporation	3,163	(3,163)	-
	(2,720,529)	1,591,428	(1,129,101)
Balance at December 31, 2022	$ 15,546,313	$ (11,135,494)	$ 4,410,819

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2023	2022
Operating costs	$ 250,296	$ 279,861
Operating expenses	152,315	178,728
Others	136	12
	$ 402,747	$ 458,601

Through the defined benefit plans under the Labor Standards Law, the Corporation is exposed to the following risks:

1) Investment risk

   The plan assets are invested in domestic and foreign equity securities, debt securities, and bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk

   A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk

   The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2023	**2022**
Discount rate (%)	1.250	1.125
Expected rate of salary increase (%)	3.000	3.000
Turnover rate (%)	0.000-0.100	0.000-0.100

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2023	**2022**
Discount rate		
0.25% increase	$ (211,570)	$ (238,003)
0.25% decrease	$ 218,171	$ 245,384
Expected rate of salary increase		
0.25% increase	$ 215,688	$ 240,746
0.25% decrease	$ (210,247)	$ (234,736)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	2022
The expected contributions to the plan for the next year	$ 485,252	$ 1,076,093
The average duration of the defined benefit obligation	5.4 years	5.7 years

22. EQUITY

a. Share capital

	December 31	
	2023	2022
Number of shares authorized (in thousands)	17,000,000	17,000,000
Shares authorized	$ 170,000,000	$ 170,000,000
Number of shares issued and fully paid (in thousands)		
Ordinary shares (in thousands)	15,734,861	15,734,861
Preference shares (in thousands)	38,268	38,268
	15,773,129	15,773,129
Shares issued		
Ordinary shares	$ 157,348,610	$ 157,348,610
Preference shares	382,680	382,680
	$ 157,731,290	$ 157,731,290

1) Ordinary shares

Fully paid ordinary shares, which have a par value of NT$10, carry one vote per share and the right to dividends.

2) Preference shares

The Corporation's Articles of preference shareholders have the following entitlements or rights:

a) 14% annual dividends, with dividend payments ahead of those to ordinary shareholders;

b) Preference over ordinary shares in future payment of dividends in arrears;

c) The sequence and percentage of appropriation of residual property are the same with ordinary shares;

d) The same rights as ordinary shareholders, except the right to vote for directors; and

e) Redeemable by the Corporation and convertible to ordinary shares by preference shareholders with the ratio of 1:1.

3) Overseas depositary receipts

In May 1992, February 1997, October 2003 and August 2011, the Corporation issued 126,512,550 units of GDR in the Europe U.S., and Asia. The depositary receipts then increased by 6,924,354

units resulting from the capital increase out of retained earnings. Each unit represents 20 shares of the Corporation's ordinary shares and the issued GDRs account for the Corporation's ordinary shares totaling 2,668,738,370 shares (including 290 fractional shares). Under relevant regulations, the GDR holders may also request the conversion to the shares represented by the GDR. The foreign investors may also request the reissuance of such depositary receipts within the originally approved units. As of December 31, 2023 and 2022, the outstanding depositary receipts were 633,752 units and 682,975 units, equivalent to 12,675,350 ordinary shares (including 310 fractional shares), and 13,659,810 ordinary shares (including 310 fractional shares), which represented 0.08% of all the outstanding ordinary shares.

b. Capital surplus

	December 31	
	2023	**2022**
May be used to offset deficit, distribute cash or transfer to share capital (see 1 below)		
Additional paid-in capital	$ 31,154,766	$ 31,154,766
Treasury share transactions	8,649,345	8,329,159
Others	44,523	44,523
	39,848,634	39,528,448
May be used to offset deficit only (see 2 below)		
Share of change in equity of subsidiaries	708,127	587,117
Share of change in equity of associates	132,057	159,550
	840,184	746,667
	$ 40,688,818	$ 40,275,115

1) The capital surplus could be used to offset a deficit and distribute as cash dividends or transfer to capital when the Corporation has no deficit (limited to a certain percentage of the Corporation's paid-in capital and once a year).

2) The capital surplus included the share of change in equity of subsidiaries recognized without any actual acquisition or disposal of subsidiaries' share by the Corporation or the adjustments to capital surplus of subsidiaries under equity method.

c. Retained earnings and dividend policy

The Corporation's Articles of Incorporation provide that the annual net income, less any deficit, should be appropriated in the following order:

1) 10% as legal reserve;

2) Preference share dividends at 14% of par value;

3) Ordinary share dividends at no more than 14% of par value; and

4) The remainder, if any, as additional dividends divided equally between the holders of preference and ordinary shares.

The board of directors should propose the appropriation of earnings. If necessary, it may, after appropriating for preference shares dividends, propose to appropriate a special reserve or to retain certain earnings. These proposals should be submitted to the shareholders' meeting for approval.

The Corporation's steel business is in a phase of stable growth; thus, 75% or more of the appropriation for dividends should be in cash and 25% or less in shares.

Appropriation of earnings to legal reserve could be made until the legal reserve equals the Corporation's paid-in capital. Legal reserve may be used to offset deficit. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under Rule issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Corporation should appropriate or reverse a special reserve. In addition, if the market price of the Corporation's ordinary shares held by subsidiaries is lower than the carrying value of the Corporation's shares held by subsidiaries, the Corporation should appropriate a special reserve equal to the difference between market price and carrying value multiplied by the percentage of ownership. Any special reserve appropriated may be reversed to the extent of the increase in valuation.

The appropriations of earnings for 2022 and 2021 had been approved in the shareholders' meeting in June 2023 and 2022, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividend Per Share (NT$)	
	2022	2021	2022	2021
Legal reserve	$ 1,917,329	$ 6,154,632		
Reversal of special reserve	-	(723,473)		
Preference shares				
Cash dividends	53,575	118,631	$ 1.40	$ 3.10
Ordinary shares				
Cash dividends	15,734,861	48,778,069	$ 1.00	$ 3.10

The appropriations of earnings for 2023 had been proposed by the Corporation's board of directors on February 29, 2024 as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 163,955	
Preference shares		
Cash dividends	53,575	$ 1.40
Ordinary shares		
Cash dividends	5,454,701	$ 0.35

The appropriations of earnings for 2023 are subject to the resolution of the shareholder's meeting to be held in June 2024.

d. Special reserves

	For the Year Ended December 31	
	2023	2022
Balance, beginning of the year	$ 26,914,657	$ 27,639,574
Reversal of special reserve		
Appreciation of the Corporation's shares held by subsidiaries	-	(723,473)
Disposal of property, plant and equipment	(1,022)	(1,444)
Balance, end of the year	$ 26,913,635	$ 26,914,657

e. Other equity items

1) Exchange differences on translating foreign operations

	For the Year Ended December 31	
	2023	2022
Balance, beginning of the year	$ (6,308,766)	$ (9,167,082)
Recognized during the year		
Exchange differences arising from translating foreign operations	45,795	2,256,946
Share from accounted for using the equity method	(33,218)	601,370
Other comprehensive income recognized in the year	12,577	2,858,316
Balance, end of the year	$ (6,296,189)	$ (6,308,766)

2) Unrealized gains and losses on financial assets at fair value through other comprehensive income

	For the Year Ended December 31	
	2023	2022
Balance, beginning of the year	$ (3,046,896)	$ 951,977
Recognized during the year		
Unrealized gains and losses – equity instruments	3,010,889	238,791
Share from accounted for using the equity method	539,792	(4,290,567)
Other comprehensive income (loss) recognized in the year	3,550,681	(4,051,776)
Cumulative unrealized gain or loss of equity instruments transferred to retained earnings due to disposal	(229,803)	52,903
Balance, end of the year	$ 273,982	$ (3,046,896)

3) Gains and losses on hedging instrument

	Cash Flow Hedges	Fair Value Hedges	Hedges of Net Investments in Foreign Operations	Total
Balance at January 1, 2023	$ 557,741	$ 165,015	$ 3,788,786	$ 4,511,542
Increase (decrease) in the year	(6,118)	18,453	-	12,335
Balance at December 31, 2023	$ 551,623	$ 183,468	$ 3,788,786	$ 4,523,877
Balance at January 1, 2022	$ (134,815)	$ 155,182	$ 3,788,786	$ 3,809,153
Increase in the year	692,556	9,833	-	702,389
Balance at December 31, 2022	$ 557,741	$ 165,015	$ 3,788,786	$ 4,511,542

a) Cash flow hedges

	For the Year Ended December 31	
	2023	2022
Balance, beginning of the year	$ 557,741	$ (134,815)
Recognized during the year		
Foreign currency risk – hedging foreign – currency deposits	(156,343)	47,968
Foreign currency risk – foreign exchange forward contracts	(40,117)	150,054
Tax effect	39,292	(39,604)
Share from accounted for using the equity method	160,578	521,197
Reclassification adjustment		
Foreign currency risk – hedging foreign – currency deposits	(11,912)	16,176
Tax effect	2,384	(3,235)
Other comprehensive income (loss) recognized in the year	(6,118)	692,556
Balance, end of the year	$ 551,623	$ 557,741

b) Fair value hedges

	For the Year Ended December 31	
	2023	2022
Balance, beginning of the year	$ 165,015	$ 155,182
Recognized during the year		
Foreign currency risk – bank loans	18,453	9,833
Other comprehensive income recognized in the year	18,453	9,833
Balance, end of the year	$ 183,468	$ 165,015

c) Hedges of net investments in foreign operations

	For the Year Ended December 31	
	2023	2022
Balance, beginning/end of the year	$ 3,788,786	$ 3,788,786

f. Treasury shares

	Thousand Shares			December 31	
Purpose of Treasury Shares	Beginning of Year	Addition	Reduction	Thousand Shares	Book Value
For the year ended December 31, 2023					
Shares Transferred to Employees	-	137,426	-	137,426	$ 3,564,348
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	320,159	7,654	-	327,813	8,830,392
	320,159	145,080	-	465,239	$ 12,394,740

Purpose of Treasury Shares	Thousand Shares			December 31	
	Beginning of Year	Addition	Reduction	Thousand Shares	Book Value
For the year ended December 31, 2022					
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	320,159	-	-	320,159	$ 8,649,421

The Corporation's shares held by subsidiaries for the purpose of investment are accounted for as treasury shares (subsidiaries recorded those shares as financial assets at fair value through other comprehensive income – current and financial assets at fair value through other comprehensive income – noncurrent) based on the percentage of ownership held by the Corporation. The Corporation's shares held by more than 50%-owned subsidiaries are not allowed to participate in the Corporation's capital increase in cash and have no voting rights; other rights are the same as other ordinary shareholders. The increase or decrease of treasury shares was mainly due to acquisition and sale of the Corporation's shares by subsidiaries or change in percentage of ownership.

Refer to Table 3 for the Corporation's shares held by subsidiaries as of December 31, 2023 were 524,286 thousand shares regardless of the percentage of ownership held by the Corporation. As of December 31, 2023 and 2022 the market values of the treasury shares calculated by combined holding percentage were NT$8,852,083 thousand and NT$9,541,857 thousand, respectively.

In November 2023, the Corporation's Board of Directors resolved to buy back 150,000 thousand shares of ordinary shares from the open market to transfer to employees. As of the end date of the scheduled purchase period in January 2024, the actual buy back shares amounted to 150,000 thousand shares, with a payment of NT$3,898,320 thousand, which had not yet been transferred to employees.

Under the Securities and Exchange Act, the number of shares bought back may not exceed 10% of the total number of issued and outstanding shares of the Corporation. The total amount of the shares bought back may not exceed the amount of retained earnings plus premium on capital stock plus realized capital reserve. The shares bought back for transfer to employees shall be transferred within five years from the date of buyback. The shares not transferred within the announced time limit shall be deemed as not issued by the Corporation, and amendment registration shall be processed.

The shares bought back for transfer to employees shall not be pledged and have no rights to vote and receive dividends.

23. OPERATING REVENUES

a. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes and accounts receivable (Note 10)	$ 3,325,915	$ 4,208,230	$ 6,910,516
Contract assets			
Construction contracts	$ 621,028	$ 839,682	$ 179,901
Contract liabilities			
Sale of goods	$ 827,881	$ 1,098,460	$ 1,367,560
Construction contracts	272,072	353,893	333,771
	$ 1,099,953	$ 1,452,353	$ 1,701,331

b. Disaggregation of revenue

For the year ended December 31, 2023

Type of goods or services	Steel Department	Others	Total
Sale of goods	$ 191,708,554	$ -	$ 191,708,554
Others	-	5,440,604	5,440,604
	$ 191,708,554	$ 5,440,604	$ 197,149,158

For the year ended December 31, 2022

Type of goods or services	Steel Department	Others	Total
Sale of goods	$ 244,865,758	$ -	$ 244,865,758
Others	-	5,734,871	5,734,871
	$ 244,865,758	$ 5,734,871	$ 250,600,629

c. Partially completed contracts

As of December 31, 2023 and 2022, the transaction prices allocated to the performance obligations that were not fully satisfied amounted to NT$2,004,439 thousand and NT$3,505,475 thousand, respectively. The Corporation will recognize revenue as the construction is being completed and the expected timing for recognition of revenue is on various dates through April 2026.

24. PROFIT BEFORE INCOME TAX

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 140,779	$ 94,421
Others	117,848	73,056
	$ 258,627	$ 167,477

b. Other income

	For the Year Ended December 31	
	2023	2022
Rental income	$ 463,770	$ 442,187
Dividend income	397,495	428,438
Royalty income	152,258	178,133
Others	330,137	844,627
	$ 1,343,660	$ 1,893,385

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net foreign exchange gain	$ 570,870	$ 711,924
Gain on disposal of investments	15,364	28,415
Gain (loss) arising from financial assets at fair value through profit or loss	(3,934)	7,640
Loss on disposal of property, plant and equipment	(91,124)	(19,298)
Other losses	(411,153)	(528,976)
	$ 80,023	$ 199,705

The components of net foreign exchange gain were as follows:

	For the Year Ended December 31	
	2023	2022
Foreign exchange gain	$ 1,207,476	$ 2,043,988
Foreign exchange loss	(636,606)	(1,332,064)
Net exchange gain	$ 570,870	$ 711,924

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest of bonds payable	$ 669,431	$ 794,603
Interest of short-term borrowings and bank overdraft	264,698	233,459
Interest of bills payable	692,697	162,288
Interest of lease liabilities	13,460	10,442
Total interest expense for financial liabilities measured at amortized cost	1,640,286	1,200,792
Less: Amounts included in the cost of qualifying assets	246,010	204,099
	$ 1,394,276	$ 996,693

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2023	2022
Capitalized amounts	$ 246,010	$ 204,099
Capitalized annual rates (%)	1.28-1.53	0.95-1.47

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 13,099,338	$ 14,863,425
Right-of-use assets	394,906	350,383
Investment properties	21,783	22,505
Intangible assets	-	4,978
	$ 13,516,027	$ 15,241,291
An analysis of depreciation by function		
Operating costs	$ 12,843,443	$ 14,572,118
Operating expenses	644,600	641,690
Others	27,984	22,505
	$ 13,516,027	$ 15,236,313
An analysis of amortization by function		
Operating costs	$ -	$ 4,978

f. Employee benefits

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits		
Salaries	$ 12,468,519	$ 16,144,582
Labor and health insurance	1,027,955	1,128,873
Others	518,469	641,644
	14,014,943	17,915,099
Post-employment benefits		
Defined contribution plans	425,408	387,861
Defined benefit plans (Note 21)	402,747	458,601
	828,155	846,462
Termination benefits	68,768	66,833
	$ 14,911,866	$ 18,828,394
Analysis of employee benefits by function		
Operating costs	$ 12,272,385	$ 15,388,306
Operating expenses	2,489,650	3,166,307
Others	149,831	273,781
	$ 14,911,866	$ 18,828,394

g. Compensation of employees and remuneration of directors

According to the Articles of Incorporation, the article stipulates the Corporation distributed compensation of employees and remuneration of directors at the rates no less than 0.1% and no higher than 0.15%, respectively, of the pre-tax profit prior to deducting compensation of employees and remuneration of directors.

The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022 which have been approved by the Corporation's board of directors in February 2024 and 2023, respectively, were as follows:

	For the Year Ended December 31	
	2023	2022
Compensation of employees	$ 117,132	$ 1,265,030
Remuneration of directors	2,196	23,719

If there is a change in the amounts after the annual financial statements are authorized for issue, the difference is recorded as a change in accounting estimate in the next following year.

There is no difference between the amounts of compensation of employees and remuneration of directors approved in the board of directors and the amounts recognized in the financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors resolved by the board of directors are available on the Market Observation Post System website of the Taiwan Stock Exchange.

25. INCOME TAX

a. Income tax recognized in profit or loss

The major components of income tax were as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ -	$ 2,180,663
In respect of prior years	(75,292)	(101,188)
Deferred tax		
In respect of the current year	488,710	515,709
In respect of prior years	12,129	(12,390)
	$ 425,547	$ 2,582,794

The reconciliation of accounting profit and income tax expense was as follows:

	For the Year Ended December 31	
	2023	2022
Profit before income tax	$ 2,107,226	$ 20,366,569
Income tax expense calculated at the statutory rate	$ 421,445	$ 4,073,314
Non-deductible expenses in determining taxable income	19,591	11,918
Tax-exempt income	(181,865)	(1,344,740)
Realized investment loss	-	(27,686)
Investment credits in respect of the current year	-	(16,434)
Unrecognized loss carryforwards	229,539	-
Adjustments for prior years' tax in respect of the current year	(63,163)	(113,578)
	$ 425,547	$ 2,582,794

b. Income tax recognized directly in equity

	For the Year Ended December 31	
	2023	2022
Current tax		
Reversal of special reserve due to disposal of property, plant and equipment	$ 316	$ 446
Deferred tax		
Reversal of special reserve due to disposal of property, plant and equipment	(316)	(446)
	$ -	$ -

c. Income tax benefit (expense) recognized in other comprehensive income (loss)

	For the Year Ended December 31	
	2023	2022
Current – fair value changes of cash flow hedges	$ 39,292	$ (39,604)
Current – remeasurement of defined benefit plan	10,125	(258,499)
Fair value changes of hedging instruments in cash flow hedges transferred to adjust carrying amounts of hedged items	2,384	(3,235)
	$ 51,801	$ (301,338)

d. Deferred tax assets and liabilities

Movements of deferred tax assets and liabilities were as follows:

For the Year Ended December 31, 2023

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Balance, End of Year
Deferred tax assets					
Temporary differences					
Defined benefit pension plan	$ 882,163	$ (27,916)	$ 10,125	$ -	$ 864,372
Unrealized loss on inventories	1,228,750	(463,698)	-	-	765,052
Provision	598,142	205,633	-	-	803,775
Unrealized gain on the transactions with subsidiaries and associates	150,992	6,990	-	-	157,982
Others	88,344	5,519	12,222	-	106,085
	$ 2,948,391	$ (273,472)	$ 22,347	$ -	$ 2,697,266
Deferred tax liabilities					
Temporary differences					
Land value increment tax	$ 10,011,916	$ -	$ -	$ -	$ 10,011,916
Depreciation	335,003	(25,360)	-	-	309,643
Foreign investment gain	1,512,036	254,205	-	-	1,766,241
Others	133,903	(1,478)	(29,454)	(316)	102,655
	$ 11,992,858	$ 227,367	$ (29,454)	$ (316)	$ 12,190,455

For the Year Ended December 31, 2022

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Balance, End of Year
Deferred tax assets					
Temporary differences					
Defined benefit pension plan	$ 1,274,762	$ (134,100)	$ (258,499)	$ -	$ 882,163
Unrealized loss on inventories	863,247	365,503	-	-	1,228,750
Provision	863,771	(265,629)	-	-	598,142
Unrealized gain on the transactions with subsidiaries and associates	267,603	(116,611)	-	-	150,992
Others	203,196	(101,466)	(13,386)	-	88,344
	$ 3,472,579	$ (252,303)	$ (271,885)	$ -	$ 2,948,391
Deferred tax liabilities					
Temporary differences					
Land value increment tax	$ 10,011,916	$ -	$ -	$ -	$ 10,011,916
Depreciation	404,011	(69,008)	-	-	335,003
Foreign investment gain	1,180,596	331,440	-	-	1,512,036
Others	116,312	(11,416)	29,453	(446)	133,903
	$ 11,712,835	$ 251,016	$ 29,453	$ (446)	$ 11,992,858

e. Income tax assessments

The Corporation's income tax returns through 2019 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

The net profit and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net profit for the year

	For the Year Ended December 31	
	2023	2022
Net profit for the year attributable to owners of the Corporation	$ 1,681,679	$ 17,783,775
Less: Dividends on preference shares	53,575	53,575
Net profit used in computation of basic earnings per share	1,628,104	17,730,200
Add: Dividends on preference shares	-	-
Net profit used in computation of diluted earnings per share	$ 1,628,104	$ 17,730,200

Number of shares (in thousand shares)

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in computation of basic earnings per share	15,395,916	15,414,702
Effect of dilutive potential ordinary shares:		
Compensation of employees	10,332	62,148
Convertible preference shares	-	-
Weighted average number of ordinary shares used in computation of diluted earnings per share	15,406,248	15,476,850

Preference shares were not included in the calculation of diluted earnings per share for the years ended December 31, 2023 and 2022 because of their anti-dilutive effect.

Since the Corporation offered to settle the compensation paid to employees in cash or shares, the Corporation assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. CAPITAL MANAGEMENT

The management of the Corporation optimized the balances of working capital, debt and equity as well as the related cost through monitoring the Corporation's capital structure and capital demand by reviewing quantitative data and considering industry characteristics, domestic and international economic environment, interest rate fluctuation, strategies for development, etc.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The management believes the carrying amounts of financial instruments, including cash and cash equivalents, receivables and payables recognized in the consolidated financial statements approximated their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Financial assets at fair value through profit or loss				
Foreign unlisted preference shares	$ -	$ -	$ 658,398	$ 658,398
Financial assets at fair value through other comprehensive income				
Equity instruments				
Domestic listed shares	$ 10,113,150	$ -	$ -	$ 10,113,150
Foreign listed shares	3,033,509	-	-	3,033,509
Domestic unlisted shares	-	-	843,775	843,775
Foreign unlisted shares	-	-	28,510,524	28,510,524
	$ 13,146,659	$ -	$ 29,354,299	$ 42,500,958

	Level 1	Level 2	Level 3	Total
Financial assets for hedging				
Foreign exchange forward contracts	$ -	$ 79,759	$ -	$ 79,759
Financial liabilities for hedging				
Foreign exchange forward contracts	$ -	$ 1,176	$ -	$ 1,176
December 31, 2022				
Financial assets at fair value through profit or loss				
Foreign unlisted preference shares	$ -	$ -	$ 712,241	$ 712,241
Financial assets at fair value through other comprehensive income				
Equity instruments				
Domestic listed shares	$ 9,302,598	$ -	$ -	$ 9,302,598
Foreign listed shares	2,023,916	-	-	2,023,916
Domestic unlisted shares	-	-	718,344	718,344
Foreign unlisted shares	-	-	27,445,211	27,445,211
	$ 11,326,514	$ -	$ 28,163,555	$ 39,490,069
Financial assets for hedging				
Foreign exchange forward contracts	$ -	$ 120,862	$ -	$ 120,862
Financial liabilities for hedging				
Foreign exchange forward contracts	$ -	$ 2,162	$ -	$ 2,162

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2023 and 2022.

2) Reconciliation of Level 3 fair value measurements of financial assets

For the year ended December 31, 2023

Financial Assets	Financial Assets at Fair Value Through Profit or Loss	Financial Assets at Fair Value Through Other Comprehensive Income	Total
Balance, beginning of the year	$ 712,241	$ 28,163,555	$ 28,875,796
Recognized in profit or loss	(53,843)		(53,843)

Financial Assets	Financial Assets at Fair Value Through Profit or Loss	Financial Assets at Fair Value Through Other Comprehensive Income	Total
Recognized in other comprehensive income (loss)	$ -	$ 1,190,744	$ 1,190,744
Balance, end of the year	$ 658,398	$ 29,354,299	$ 30,012,697

For the year ended December 31, 2022

Financial Assets	Financial Assets at Fair Value Through Profit or Loss	Financial Assets at Fair Value Through Other Comprehensive Income	Total
Balance, beginning of the year	$ 731,198	$ 27,356,974	$ 28,088,172
Recognized in profit or loss	(18,957)	-	(18,957)
Recognized in other comprehensive income (loss)	-	806,581	806,581
Balance, end of the year	$ 712,241	$ 28,163,555	$ 28,875,796

3) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement.

Derivative instruments – A discounted cash flow analysis was performed using the applicable yield curve for the duration of the derivative instruments for foreign exchange forward contracts. The estimates and assumptions used by the Corporation were consistent with those that market participants would use in setting a price for the financial instrument.

4) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

a) For domestic unlisted shares, fair values were determined based on industry types or valuations of similar companies and operations.

b) For other foreign unlisted shares, fair values were measured under income approach and calculated by the present value of the expected returns by using a discounted cash flow model. Significant unobservable inputs were as follows; if the long-term pre-tax operating income rate increased or discount rate decreased, the fair value of the investments would increase.

	December 31	
	2023	2022
Long-term pre-tax operating income rate (%)	9.26	13.38
Discount rate (%)	9.79	10.50

If the below input to the valuation model was changed to reflect reasonably possible alternative assumptions while all other variables were held constant, the fair value of the equity investment would increase (decrease) as follows:

	December 31	
	2023	2022
Long-term pre-tax operating income rate		
Increase 1%	$ 220,195	$ 174,148
Decrease 1%	$ (220,195)	$ (174,792)
Discount rate		
Increase 1%	$ (243,379)	$ (264,893)
Decrease 1%	$ 316,245	$ 335,073

c) For parts of foreign unlisted shares, their fair values were measured under the market approach. In particular significant unobservable inputs included discount for lack of marketability and control premium. If discount for lack of marketability decreased or control premium increased, the fair values of the investments would increase.

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
Financial assets at fair value through profit or loss	$ 658,398	$ 712,241
Financial assets for hedging	3,285,852	1,104,158
Financial assets at amortized cost 1)	17,509,844	22,594,916
Financial assets at fair value through other comprehensive income	42,500,958	39,490,069
Financial liabilities		
Financial liabilities for hedging	978,033	1,047,381
Financial liabilities at amortized cost 2)	142,231,317	133,458,993

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties), other receivables (including loans to related parties), refundable deposits and other financial assets.

2) The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings and bank overdraft, short-term bills payable, notes and accounts payable (including related parties), other payables, refund liabilities, bonds payable, long-term bank borrowings, long-term bills payable and deposits received.

d. Financial risk management objectives and policies

The Corporation places great emphasis on financial risk management. By tracking and managing the market risk, credit risk, and liquidity risk efficiently, the management ensured that the Corporation was equipped with sufficient and cost – efficient working capital, which reduced financial uncertainty that may have adverse effects on the operations.

The significant financial activities of the Corporation are reviewed by the board of directors in accordance with relevant regulations and internal controls. The finance department follows the accountability and related financial risk control procedures required by the Corporation for executing financial projects. Compliance with policies and exposure limits is continually reviewed by the internal auditors. The Corporation did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

a) Foreign currency risk

The Corporation was exposed to foreign currency risk due to purchases, construction undertaking, capital expenditures and equity investments denominated in foreign currencies. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts, foreign deposits or foreign borrowings.

The carrying amounts of the significant non-functional currency monetary assets and liabilities at the end of the reporting period were referred to Note 32.

The Corporation was mainly exposed to the USD. The following table details the sensitivity to a 1% increase in NTD against the relevant foreign currency.

	USD Impact			
	For the Year Ended December 31			
	2023		2022	
Pre-tax profit or loss	$ 30,422	i	$ (6,918)	i
Equity	(1,992)	ii	(5,196)	ii

i. These were mainly attributable to the exposure of cash, outstanding receivables, other financial assets and payables and short-term borrowings which were not hedged at the balance sheet date.

ii. These were attributable to financial assets for hedging that were designated as hedging instruments in cash flow hedges.

In management's opinion, the sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the balance sheet date did not reflect the exposure during the year.

Hedge accounting

The Corporation's hedging strategies were as follows:

i. The Corporation and its subsidiaries' hedging strategy is to enter into foreign exchange forward contracts and purchase foreign currency to hedge. Those transactions are designated as cash flow hedges.

ii. The Corporation has designated certain foreign currency bank borrowing as a hedge to manage its foreign currency risk:

i) Currency risks on foreign equity investments are accounted for as fair value hedge. Changes in the fair value of hedging instruments are recognized, based on the nature of hedged items, either in other gains or losses or other comprehensive income. The Corporation performs assessment of hedging effectiveness and it expects that the value of foreign currency borrowing and the value of the foreign equity investment will systematically change in opposite direction in response to movements in the underlying exchange rates.

ii) Foreign currency risk on investments in foreign operations is managed by using foreign currency bank borrowing as a hedge instrument to hedge the investments.

The following tables summarize the information relating to the hedges of foreign currency risk.

December 31, 2023

Hedging Instruments/ Hedged Items	Line Item in Balance Sheet	Carrying Amount	
		Asset	Liability
Cash flow hedge			
Foreign exchange forward contracts/Forecast purchases contracts	Financial assets/ liabilities for hedging	$ 79,759	$ 1,176
Hedging foreign-currency deposits/Forecast purchases and construction contracts	Financial assets for hedging	3,206,093	-
Net investment hedge in foreign operations			
Foreign currency bank borrowings/Investment in foreign operations	-	-	-
Fair value hedge			
Foreign currency bank borrowings/Financial assets at FVTOCI	Financial liabilities for hedging	-	263,681
Foreign currency bank borrowings/Financial assets at FVTPL	Financial liabilities for hedging	-	713,176

Hedging Instruments/ Hedged Items	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Other Equity		Fair Value Hedge – Hedged Items' Carrying Amount	Fair Value Hedge – Accumulated Amount of Fair Value Hedge Adjustments
			Continuing Hedges	Discontinuing Hedges	Asset	Asset
Cash flow hedge						
Foreign exchange forward contracts/ Forecast purchases contracts	$ (40,117)	$ (40,117)	$ 78,583	$ -	NA	NA
Hedging foreign-currency deposits/ Forecast purchases and construction contracts	(168,255)	168,255	(139,688)	-	NA	NA
Net investment hedge in foreign operations						
Foreign currency bank borrowings/Investment in foreign operations	-	-	-	3,788,786	NA	NA
Fair value hedge						
Foreign currency bank borrowings/Financial assets at FVTOCI	18,453	(18,271)	94,548	88,920	$ 331,447	$ (84,757)
Foreign currency bank borrowings/Financial assets at FVTPL	49,909	(50,661)	NA	NA	658,398	(294,366)

December 31, 2022

Hedging Instruments/ Hedged Items	Line Item in Balance Sheet	Carrying Amount	
		Asset	Liability
Cash flow hedge			
Foreign exchange forward contracts/Forecast purchases contracts	Financial assets/ liabilities for hedging	$ 120,862	$ 2,162
Hedging foreign-currency deposits/Forecast purchases and construction contracts	Financial assets for hedging	983,296	-
Net investment hedge in foreign operations			
Foreign currency bank borrowings/Investment in foreign operations	-	-	-
Fair value hedge			
Foreign currency bank borrowings/Financial assets at FVTOCI	Financial liabilities for hedging	-	282,134
Foreign currency bank borrowings/Financial assets at FVTPL	Financial liabilities for hedging	-	763,085

Hedging Instruments/ Hedged Items	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Other Equity		Fair Value Hedge – Hedged Items' Carrying Amount	Fair Value Hedge – Accumulated Amount of Fair Value Hedge Adjustments
			Continuing Hedges	Discontinuing Hedges	Asset	Asset
Cash flow hedge						
Foreign exchange forward contracts/ Forecast purchases contracts	$ 150,054	$ (150,054)	$ 118,700	$ -	NA	NA
Hedging foreign-currency deposits/ Forecast purchases and construction contracts	64,144	(64,144)	28,567	-	NA	NA
Net investment hedge in foreign operations						
Foreign currency bank borrowings/Investment in foreign operations	-	-	-	3,788,786	NA	NA
Fair value hedge						
Foreign currency bank borrowings/Financial assets at FVTOCI	9,833	(9,736)	76,095	88,920	$ 236,118	$ (66,486)
Foreign currency bank borrowings/Financial assets at FVTPL	26,597	(26,998)	NA	NA	712,241	(243,705)

For the year ended December 31, 2023

Effect on Comprehensive Income (Loss)	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in P/L	Line Item in Which Hedge Ineffectiveness is Included	Amount Reclassified to P/L and the Adjusted Line Item	
				Due to Hedged Item Affecting P/L	Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedge					
Foreign exchange forward contracts	$ (40,117)	$ -	-	$ -	$ -
Hedging foreign – currency deposits	(168,255)	-	-	-	-

For the year ended December 31, 2022

Effect on Comprehensive Income (Loss)	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in P/L	Line Item in Which Hedge Ineffectiveness is Included	Amount Reclassified to P/L and the Adjusted Line Item	
				Due to Hedged Item Affecting P/L	Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedge					
Foreign exchange forward contracts	$ 150,054	$ -	-	$ -	$ -
Hedging foreign – currency deposits	64,144	-	-	-	-

The outstanding foreign exchange forward contracts of the Corporation at the balance sheet date were as follows:

	Currency	Period for Generating Cash Flows and Maturity Date	Contract Amount (In Thousands)
December 31, 2023			
Buy	NTD/USD	2024.02-2026.08	NTD1,130,698/USD40,877
December 31, 2022			
Buy	NTD/USD	2023.01-2026.08	NTD2,008,860/USD73,194
Buy	NTD/JPY	2023.03	NTD6,248/JPY21,500

b) Interest rate risk

The Corporation was exposed to interest rate risk because the Corporation borrowed funds at both fixed and floating interest rates. The risk is managed by the Corporation by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Corporation's financial liabilities with exposure to interest rates at the balance sheet date were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial liabilities	$ 88,401,704	$ 62,882,102
Cash flow interest rate risk		
Financial liabilities	36,030,933	49,406,624

If interest rates had been 1% higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the years ended December 31, 2023 and 2022 would have been lower/higher by NT$ 360,309 thousand and NT$494,066 thousand, respectively.

c) Other price risk

The Corporation was exposed to equity price risk through its investments in domestic and foreign listed shares.

If equity prices had been 1% lower/higher, the other comprehensive income for the year ended December 31, 2023 and 2022 would have been lower/higher by NT$131,467 thousand and NT$113,265 thousand, respectively, as a result of the changes in fair value of financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. As of the balance sheet date, the Corporation's maximum exposure to credit risk is the carrying amount of the financial assets on the standalone balance sheets and the amount of contingent liabilities in relation to financial guarantee issued by the Corporation.

The Corporation does not expect significant credit risk because the counterparties are creditworthy financial institutions and companies. The Corporation did transactions with a large number of unrelated customers and no concentration of credit risk was observed.

As of December 31, 2023 and 2022, the maximum credit risk of off-balance-sheet guarantees provided to related parties for procurement and investment compliance was NT$5,293,503 thousand and NT$4,492,540 thousand, respectively.

3) Liquidity risk

The management of the Corporation continuously monitors the movement of cash flows, net cash position, significant capital expenditures and the utilization of bank loan commitments to control proportion of the long-term and short-term bank loans or issue bonds payable, and ensures compliance with loan covenants.

The following table details the undiscounted cash flows of the Corporation's remaining contractual maturity for its non-derivative financial liabilities from the earliest date on which they can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time span regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

As of December 31, 2023, the Corporation's current liabilities exceeded current assets by NT$2,012,254 thousand. However, the Corporation's management considers that there are sufficient cash flows and loan covenants to support their operations.

The following table presents the maturity analysis of financial liabilities:

	Less Than 1 Year	**1-5 Years**	**Over 5 Years**	**Total**
December 31, 2023				
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 18,113,218	$ -	$ -	$ 18,113,218
Lease liabilities	319,085	573,401	152,874	1,045,360
Variable interest rate liabilities	15,708,388	20,543,114	-	36,251,502
Fixed interest rate liabilities	45,988,952	40,436,568	3,605,089	90,030,609
Refund liabilities	1,452,514	-	-	1,452,514
Financial guarantee liabilities	-	291,755	5,001,748	5,293,503
	$ 81,582,157	$ 61,844,838	$ 8,759,711	$ 152,186,706

December 31, 2022	Less Than 1 Year	1-5 Years	Over 5 Years	Total
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 20,819,471	$ -	$ -	$ 20,819,471
Lease liabilities	362,146	698,415	150,261	1,210,822
Variable interest rate liabilities	25,644,543	24,235,194	-	49,879,737
Fixed interest rate liabilities	22,879,118	29,693,220	11,793,344	64,365,682
Refund liabilities	2,275,656	-	-	2,275,656
Financial guarantee liabilities	-	90,094	4,402,446	4,492,540
	$ 71,980,934	$ 54,716,923	$ 16,346,051	$ 143,043,908

The amounts included above for financial guarantee contracts were the maximum amounts the Corporation could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the balance sheet date, the Corporation considers that it is more likely than not that none of the amount will be payable under the arrangement.

29. TRANSACTIONS WITH RELATED PARTIES

a. The name of the company and its relationship with the Corporation

Company	Relationship
C. S. Aluminium Corporation (CSAC)	Subsidiary
China Steel Express Corporation (CSE)	Subsidiary
China Steel Chemical Corporation (CSCC)	Subsidiary
China Steel Global Trading Corporation (CSGT)	Subsidiary
CHC Resources Corporation (CHC)	Subsidiary
China Ecotek Corporation (CEC)	Subsidiary
China Steel Structure Co., Ltd. (CSSC)	Subsidiary
Chung Hung Steel Corporation (CHS)	Subsidiary
China Steel Machinery Corporation (CSMC)	Subsidiary
Gains Investment Corporation (GIC)	Subsidiary
China Steel Security Corporation (CSS)	Subsidiary
China Prosperity Development Corporation. (CPDC)	Subsidiary
InfoChamp Systems Corporation (Info Champ)	Subsidiary
Ever Wealthy International Corporation	Subsidiary
China Steel Management Consulting Corporation	Subsidiary
Himag Magnetic Corporation	Subsidiary
Magnpower Corporation	Subsidiary
Dragon Steel Corporation (DSC)	Subsidiary
China Steel Nippon Steel Vietnam Joint Stock Company (CSVC)	Subsidiary
CSGT (Singapore) Pte. Ltd.	Subsidiary
CSE Transport Corporation	Subsidiary
Mentor Consulting Corporation	Subsidiary
Steel Castle Technology Corporation	Subsidiary
Union Steel Development Corp.	Subsidiary

Company	Relationship
Betacera Inc.	Subsidiary
Wabo Global Trading Corporation	Subsidiary
Universal Exchange Inc.	Subsidiary
United Steel Engineering & Construction Corporation (USEC)	Subsidiary
Thintech Materials Technology Co., Ltd.	Subsidiary
CSGT Metals Vietnam Joint Stock Company (CSGT-VTM)	Subsidiary
CSC Steel Sdn. Bhd. (CSCM)	Subsidiary
CSGT Japan Co., Ltd.	Subsidiary
CSGT (Shenzhen) Co., Ltd.	Subsidiary
CSGT (Shanghai) Co., Ltd.	Subsidiary
Gau Ruei Investment Corporation	Subsidiary
Chiun Yu Investment Corporation	Subsidiary
Taiwan Intelligent Transportation Co., Ltd.	Subsidiary
Changzhou China Steel Precision Materials Co., Ltd. (CSPM)	Subsidiary
CSCI Steel Corporation India Pvt. Ltd. (CSCI)	Subsidiary
China Steel Precision Metals-Qingdao Co., Ltd. (CSMQ)	Subsidiary
China Steel Precision Metals Kunshan Co., Ltd. (CSPK)	Subsidiary
Hung Kao Investment Corporation	Subsidiary
China Steel Resources Corporation (CSRC)	Subsidiary
CK Japan Co., Ltd.	Subsidiary
China Steel Management and Maintenance for Buildings Corporation	Subsidiary
Kaohsiung Rapid Transit Corporation (KRTC)	Subsidiary
Kaoport Stevedoring Corporation	Subsidiary
Pao Good Industrial Co., Ltd.	Subsidiary
CSC Sonoma Pty Ltd	Subsidiary
CSC Solar Corporation	Subsidiary
Sing Da Marine Structure Corporation (SDMS)	Subsidiary
China Steel Power Holding Corporation (CPHC)	Subsidiary
China Steel Power Corporation (ZN)	Subsidiary
CSGT Trading India Private Limited	Subsidiary
CSC Steel Australia Holdings Pty Ltd	Subsidiary
TaiAn Technologies Corporation	Associate
Hsin Hsin Cement Enterprise Corporation	Associate
TSK Steel Company Limited	Associate
Fukuta Electric & Machinery Co., Ltd.	Associate
Honley Auto. Parts Co., Ltd. (HONLEY)	Associate
Taiwan Rolling Stock Company Ltd.	Associate
Eminent II Venture Capital Corporation	Associate
Overseas Investment & Development Corporation	Associate
Kaohsiung Arena Development Corporation	Associate
Dyna Rechi Co., Ltd.	The Corporation as key management of parent company; Associate before November 2023 (included)
Changchun CECK Auto. Parts Co., Ltd. (CCCA)	Subsidiary of associates before November 2022
Dyna Rechi (Jiujiang) Co., Ltd.	The Corporation as key management of ultimate parent company; Subsidiary of associates before November 2023 (included)
Formosa Ha Tinh (Cayman) Limited (FHC)	Other related party
Formosa Ha Tinh Steel Corporation	Other related party

Company	Relationship
CSC Educational Foundation	Other related party
CSBC Corporation, Taiwan	The Corporation as key management of other related parties; Discharge in June 2022
CDIB Bioscience Ventures I, Inc.	The Corporation as key management of other related parties
Rechi Precision Co., Ltd.	The Corporation as key management of other related parties
East Asia United Steel Corporation	The Corporation as key management of other related parties
Taiwan High Speed Rail Corporation	The Corporation as key management of other related parties
Tang Eng Iron Works Co., Ltd.	The Corporation as key management of other related parties
Taiwan International Wind power Training Corporation	The Corporation as key management of other related parties
Sakura Ferroalloys Sdn. Bhd.	The Corporation as key management of other related parties
TCL Rechi (Huizhou) Refrigeration Equipment Ltd.	The Corporation as key management of parent company
Rechi Refrigeration (Dongguan) Co, Ltd.	The Corporation as key management of parent company
CSC Labor Union	Director of the Corporation
Ministry of Economic Affairs, R.O.C	Director of the Corporation

b. Operating revenue

Account Items	Related Parties Types	For the Year Ended December 31 2023	2022
Revenue from sales of goods	Subsidiaries	$ 24,408,140	$ 31,577,175
	Associates	1,326,236	1,038,035
	Others	-	534,737
		$ 25,734,376	$ 33,149,947

Sales to related parties were made at arm's length and at terms applicable to similar transactions in the market except for terms of sales to CSCM, CSCI, CSVC and CSGT-VTM, in which the receivables were collected within 14 days after shipment, terms of sales to CSMQ, in which the receivables were collected within 60 days after shipment, terms of sales to CSPK, in which the receivables were collected within 85 days after shipment, and terms of sales to some subsidiaries without similar transactions with other unrelated parties.

c. Purchase of goods

Related Parties Types/Names	For the Year Ended December 31 2023	2022
Subsidiaries		
DSC	$ 10,294,034	$ 20,842,445
Others	12,281,306	16,998,983
Others	166,895	123,542
	$ 22,742,235	$ 37,964,970

Purchases from related parties were made at arm's length and at terms applied to similar transactions in the market except for terms of purchases from some subsidiaries without similar transactions with other unrelated parties.

d. Receivables from related parties (not including loans to related parties)

Account Items	Related Parties Types	December 31 2023	2022
Accounts receivable	Subsidiaries	$ 1,034,561	$ 895,123
	Others	46,137	14,910
		$ 1,080,698	$ 910,033

No guarantee had been received for receivables from related parties. For the years ended December 31, 2023 and 2022, no impairment loss was recognized for receivables from related parties.

e. Payables to related parties (not including loans from related parties)

Account Items	Related Parties Types	December 31 2023	2022
Accounts payable	Subsidiaries	$ 901,864	$ 935,074
	Others	27,767	19,572
		$ 929,631	$ 954,646

The outstanding accounts payable to related parties are unsecured.

f. Loans to related parties (recognized as other receivables – loans to related parties)

Related Parties Types/Names	December 31 2023	2022
Subsidiaries		
SDMS	$ 2,000,000	$ 2,000,000
KRTC	1,100,000	1,000,000
CSRC	800,000	900,000
CSAC	600,000	2,060,000
	$ 4,500,000	$ 5,960,000

The Corporation provided short-term loans to its subsidiaries, with the interest rate calculated at the latest 30-day average rate of the Corporation's short-term loans in the same currencies from ordinary financial institutions. As of December 31, 2023 and 2022, the interest rate was 1.62%-1.73% p.a. and 1.52%-1.63% p.a., respectively.

Loans to the Corporation's subsidiaries were unsecured loans with interest income of NT$75,372 thousand and NT$51,352 thousand for the years ended December 31, 2023 and 2022, respectively.

g. Loans from related parties (recognized as short-term borrowings and bank overdraft)

Related Parties Types/Names	December 31 2023	December 31 2022
Subsidiaries		
CPDC	$ 850,000	$ 850,000
CSMC	700,000	600,000
CHS	-	300,000
Others	120,000	40,000
	$ 1,670,000	$ 1,790,000

The rate of loans from subsidiaries is calculated at the latest 30-day average rate of the Corporation's short-term loans in the same currencies from ordinary financial institutions and adjusted based on the circumstances. As of December 31, 2023 and 2022, the interest rate was 1.61%-1.62% p.a. and 1.53%-1.54% p.a., respectively.

Loans from the Corporation's subsidiaries were unsecured loans with interest expense of NT$28,092 thousand and NT$16,428 thousand for the years ended December 31, 2023 and 2022, respectively.

h. Other related parties transactions

1) The Corporation signed brokerage contract with its subsidiary DSC. For the years ended December 31, 2023 and 2022, the commission revenue was NT$492,446 thousand and NT$396,416 thousand, respectively.

The balances of consignment payable to related parties, which were included in other payables, were as follows:

Related Parties Types/Names	December 31 2023	December 31 2022
Subsidiary		
DSC	$ 1,266,468	$ 579,400

2) Other revenue which pertained to services, processing of products, utilities, royalties and other services to related parties was recognized as operating revenue and non-operating income as follows:

Related Parties Types	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Subsidiaries	$ 2,122,670	$ 1,692,383
The Corporation as key management of other related parties	176,178	477,591
Other related parties	101,763	180,006
Others	4,342	4,595
	$ 2,404,953	$ 2,354,575

3) Other expenditures paid to related parties which pertained to commissions for processing services, maintenance and repairs, construction, commissions for export and import services, etc. were recognized as operating costs, manufacturing expenses, operating expenses and non-operating expenses.

Related Parties Types	For the Year Ended December 31	
	2023	2022
Subsidiaries	$ 10,752,204	$ 10,676,372
Others	366,766	91,297
	$ 11,118,970	$ 10,767,669

4) Capital expenditures

Related Parties Types/Names	For the Year Ended December 31	
	2023	2022
Subsidiaries		
CEC	$ 3,501,774	$ 3,796,203
CSMC	2,352,387	1,247,070
USEC	1,574,683	877,283
Others	1,016,764	1,099,353
	$ 8,445,608	$ 7,019,909

The balances of outsourced repair and construction payable (recognized as other payables) were as follows:

Related Parties Types/Names	December 31	
	2023	2022
Subsidiaries		
USEC	$ 314,238	$ 116,206
CEC	298,954	398,641
Others	122,888	147,050
	$ 736,080	$ 661,897

5) As of December 31, 2023 and 2022, guarantees provided to the related parties for investment compliance were as follows:

Related Parties Types/Names	December 31	
	2023	2022
Subsidiaries – ZN		
Amount endorsed	$ 7,156,210	$ 7,156,210
Amount utilized	(4,498,303)	(3,889,215)
	$ 2,657,907	$ 3,266,995

Related Parties Types/Names	December 31 2023	December 31 2022
The Corporation as key management of other related parties		
Amount endorsed	$ 1,234,629	$ 1,263,979
Amount utilized	(795,200)	(603,325)
	$ 439,429	$ 660,654

i. Compensation of key management personnel

The remuneration of directors and other members of key management personnel was as follows:

	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Short-term employee benefits	$ 52,469	$ 107,115
Post-employment benefits	1,490	1,175
	$ 53,959	$ 108,290

30. ASSETS PLEDGED AS COLLATERAL OR SECURITY

The Corporation's assets mortgaged or pledged as collateral for bank overdraft and ZN's long-term borrowings and financing amount were as follows:

	December 31 2023	December 31 2022
Other financial assets – time deposits	$ 5,850,000	$ 5,850,000
Investments accounted for using the equity method – shares	4,498,303	3,889,215
	$ 10,348,303	$ 9,739,215

The shares of the Subsidiaries CPHC and ZN was mortgaged or pledged as collateral for their long-term borrowings and financing amount.

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Corporation as of December 31, 2023 were as follows:

a. The Corporation provided letters of credits for NT$1.3 billion guaranteed by financial institutions for several construction, lease contracts and payment.

b. Unused letters of credit for importation of materials and machinery amounted to NT$5.2 billion.

c. Property purchase and construction contracts for NT$32 billion were signed but not yet recorded.

d. The Corporation entered into raw material purchase contracts with suppliers in Australia, Brazil, Canada, China, Japan, Philippines, Vietnam, Indonesia and domestic companies with contract terms of 1 to 3 years. Contracted annual purchases of 6,770,000 metric tons of coal, 13,480,000 metric tons of iron ore, and 1,880,000 metric tons of limestone are at prices negotiable with the counterparties. Purchase commitments as of December 31, 2023 were US$3.4 billion (including 2,370,000 metric tons

of coal, 21,340,000 metric tons of iron ore, and 420,000 metric tons of limestone).

e. The amount utilized for guarantees provided to related parties and investees of co-investment for procurement and investment compliances was NT$5,293,503 thousand.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Corporation and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of New Taiwan Dollars)
December 31, 2023			
Monetary foreign currency assets			
USD	$ 79,248	30.7050	$ 2,433,325
JPY	15,155,399	0.2172	3,291,753
Non-monetary foreign currency assets			
Financial assets at fair value through other comprehensive income			
USD	903,000	30.7050	27,726,602
JPY	8,864,000	0.2172	1,925,261
MYR	295,144	6.4110	1,892,170
Investments accounted for using the equity method			
USD	390,278	30.7050	11,985,580
AUD	1,028,114	20.9800	21,569,840
INR	3,506,685	0.3670	1,286,953
Monetary foreign currency liabilities			
USD	171,838	30.7050	5,276,286
JPY	5,829,015	0.2172	1,266,062
December 31, 2022			
Monetary foreign currency assets			
USD	188,871	30.7100	5,800,220
Non-monetary foreign currency assets			
Financial assets at fair value through other comprehensive income			
USD	828,641	30.7100	25,447,550
JPY	6,422,000	0.2324	1,492,472
MYR	377,535	6.6990	2,529,105

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of New Taiwan Dollars)
Investments accounted for using the equity method			
USD	$ 404,469	30.7100	$ 12,417,521
AUD	995,301	20.8300	20,732,125
INR	3,734,391	0.3710	1,384,769
Monetary foreign currency liabilities			
USD	149,425	30.7100	4,588,842
JPY	6,113,685	0.2324	1,420,820

It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of each entity. Please refer to Note 24 for information relating to net foreign exchange gains and losses.

33. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees:

1) Financing provided to others (Table 1) (Please refer to Annex Page 96-97)

2) Endorsements/guarantees provided (Table 2) (Please refer to Annex Page 98-99)

3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 3) (Please refer to Annex Page 100-122)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (Table 4) (Please refer to Annex Page 123)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (Table 5) (Please refer to Annex Page 124)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 6) (Please refer to Annex Page 125-131)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 7) (Please refer to Annex Page 132)

9) Trading in derivative instruments (Note 28)

10) Information on investees (Table 8) (Please refer to Annex Page 139-145 Table 9)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income (loss) of the investee, investment gain (loss), carrying amount of

the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 9) (Please refer to Annex Page 146-147 Table 10)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices and payment terms:

   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period (Table 6) (Please refer to Annex Page 125-131)

   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period (Table 6) (Please refer to Annex Page 125-131)

   c) The amount of property transactions and the amount of the resultant gains or losses (None)

   d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes (Table 2) (Please refer to Annex Page 98-99)

   e) The highest balance, the end of period balance and the interest rate range with respect to financing of funds (Table 1) (Please refer to Annex Page 96-97)

   f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services (None)

d. Information of major shareholders: List all shareholders with a stake of 5 percent or greater in shareholding percentage and the number of shares. (Table 10) (Please refer to Annex Page 148 Table 11)

34. SEGMENT INFORMATION

Disclosure of the segment information in standalone financial statements is waived.