

Stock Code: 2002



China Steel Corporation

2025 Annual General Meeting Meeting Handbook

Form of meeting: Physical AGM

June 19, 2025

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

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China Steel Corporation
2025 Annual General Meeting
Meeting Procedures

1. Call the Meeting to Order
2. Chairman Takes the Chair
3. All Arise in Silence
4. Sing the National Anthem
5. Three Bows to the National Flag and the Portrait of Dr. Sun Yat-Sen
6. Chairman's Remarks
7. Report Items
8. Proposals for Ratification
9. Proposals for Discussion
10. Directors Election
11. Other Proposals
12. Extraordinary Motions
13. Meeting Adjourned

China Steel Corporation 2025 Annual General Meeting Meeting Agenda

Form of meeting: Physical AGM

Time: 9:00 a.m., June 19, 2025 (Thursday)

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

Attendants: shareholders and proxies entrusted by shareholders

Chairman: Chairman of the Board, Mr. Chien-Chih Hwang

1. Chairman's Remarks

2. Report Items

- (1) Report on the Operations of 2024.
- (2) Report on Audit Committee's audit report of 2024.
- (3) Report on the distribution of remuneration for employees and directors of 2024.
- (4) Report on the issuance of domestic unsecured corporate bonds in 2024.

3. Proposals for Ratification

- (1) Adoption of the 2024 Business Report and Financial Statements.
- (2) Adoption of the proposal for distribution of 2024 profits.

4. Proposals for Discussion

- (1) Amendments to the Articles of Incorporation.

5. Directors Election

- (1) Election of 11 Directors (including 4 Independent Directors) of the 19th Board of Directors.

6. Other Proposals

- (1) Proposal to release the prohibition on Mr. Chien-Chih Hwang from holding the positions in China Ecotek Corporation and Taiwan High Speed Rail Corporation.
- (2) Proposal to release the prohibition on Mr. Chien-Hsin Lai from holding the position in CSBC Corporation, Taiwan.
- (3) Proposal to release the prohibition on Mr. Shou-Tao Chen from holding the positions in China Steel Machinery Corporation, China Ecotek Corporation, and Chung Hung Steel Corporation.
- (4) Proposal to release the prohibition on Mr. Jih-Jau Jeng from holding the positions in China Steel Structure Co., Ltd., Formosa Ha Tinh (Cayman) Limited, and Formosa Ha Tinh Steel Corporation.
- (5) Proposal to release the prohibition on Ms. Chia-Chi Lu from holding the position in Song Chuan Precision Co., Ltd.

7. Extraordinary Motions

8. Meeting Adjourned

Report Items

1. Report on the Operations of 2024.

2. Report on Audit Committee's audit report of 2024.

(Please refer to Page 19 in this handbook)

3. Report on the distribution of remuneration for employees and directors of 2024

Proposed by the Board of Directors

Explanatory Note:

- (1) The distribution is proposed pursuant to Paragraph 1, Article 6 of the Company's Articles of Incorporation and Letter No. Economics-Commerce-10402436190 dated January 4, 2016 issued by the Ministry of Economic Affairs, R. O. C.
- (2) The explanation in the comparison table concerning the amendment to Article 6 of the Articles of Incorporation adopted by the Shareholders' Meeting on June 23, 2016 states the following: The Company refers to the actual amount of the remunerations based on the previous post-tax calculation basis (8% to employees and 0.15% to directors from the after-tax earnings after deducting the legal reserve, appropriation or reverse of special reserve and distribution of preferred dividends at 14% of the par value) and adjusts the percentage to pre-tax basis accordingly.
- (3) According to Letter No. Economic-Commerce-10402436190 dated January 4, 2016 issued by the Ministry of Economic Affairs, R. O. C., the term "profit" is defined as the earnings before taxes and remunerations for employees and directors
- (4) The amount of remuneration for employees of 2024 calculated based on the aforesaid ratio was NT\$0, but NT\$2,852,696 was allocated to comply with Article 6 of the Articles of Incorporation, which was

equivalent to 0.1% of the amount of earnings before taxes and remunerations for employees and directors, and the amount is to be fully distributed in cash; whereas the amount of remuneration for directors of 2024 calculated based on the aforesaid ratio was NT\$0, which was equivalent to 0% of the amount of earnings before taxes and remunerations for employees and directors.

4. Report on the issuance of domestic unsecured corporate bonds in 2024

Proposed by the Board of Directors

Explanatory Note:

- (1) The report is proposed in accordance with Article 246 of the Company Act.
- (2) To invest in a subsidiary to support its green investment plan, the Company completed the issuance of 1st domestic unsecured corporate bond (green bond) of 2024. The condition for the issuance is reported as follows:
 - A. Total amount: NT\$1.57 billion.
 - B. Issuance period: 5 years, from May 28, 2024 to May 28, 2029.
 - C. Par value: NT\$1 million.
 - D. Issue price: Fully issued at par value.
 - E. Coupon rate: Fixed rate at 1.84%.
 - F. Interest payment method: Simple interest will be paid once a year based on the coupon rate from the issue date.
 - G. Principal repayment method: 100% of the principal will be paid at the maturity date from the issue date.

Proposals for Ratification

1. Proposal:

Adoption of the 2024 Business Report and Financial Statements

Proposed by the Board of Directors

Explanatory Note:

Please refer to Attachment 1 and 2 for the 2024 Business Report and the financial statements for the year ended December 31st, 2024.

Resolution:

Attachment 1

2024 Business Report of China Steel Corporation

I. Operating Directives

- Intelligent Operations & Digitalization
- Green Energy Supply Chain & Decarbonization
- Technology-Driven Marketing & Value-Added Enhancement
- Optimized Production Capacity & Premiumization

II. Implementation of Operating Targets

- (I) The global steel market remained sluggish, exacerbated by low-priced competition from overseas steel products, leading to lower-than-expected shipment volumes of steel products and sales volume of high-end products. However, overall demand is expected to improve as economic stimulus measures implemented by various countries take effect. The Company continues to monitor market trends, expand its customer base, and implement marketing strategies focused on high-end steel and Advanced Premium Steel (APS). Additionally, it has introduced diversified flexible projects to increase orders while prioritizing supply for customers with premium steel demands and fostering strategic partnerships to drive order growth momentum.
- (II) The Company continues to advance cost reduction initiatives this year by incorporating cost reduction and profit enhancement measures with significant benefits into its management framework. Simultaneously, it reinforces the spirit of "Lean Manufacturing", enhancing internal process improvements and minimizing waste to achieve the annual cost reduction and profit enhancement targets.
- (III) The Company established carbon intensity reduction targets for each department, strengthened internal greenhouse gas management, and announced and implemented the incentive guidelines for greenhouse gas reduction. Additionally, it continues to promote large-scale decarbonization initiatives and develop

carbon reduction action plans, with ongoing reviews conducted by the Task Force on Energy Saving & Carbon Neutrality and its Energy Efficiency Raising Unit to ensure goal attainment.

- (IV) To achieve the goal of establishing high-quality smart manufacturing capabilities, we employ system intelligence focusing on intelligent production lines, smart energy resources, and intelligent scheduling. Starting from past modeling feedback, we digitize the process and further optimize the digitalization through collaborative efforts across departments. Ultimately, we accomplish digital transformation by integrating operations across divisions into a cloud-based platform. This aims to drive the development of high value-added steel mill and the construction of intelligent production lines.
- (V) Two occupational safety incidents involving contractors occurred this year. The Company remains committed to promoting the refinement of occupational safety, strengthening safety inspections, enhancing the safety awareness of all employees, promoting group safety exchanges and on-site safety observations, and strengthening the occupational safety awareness of safety and hygiene supervisory personnel from contractors. The Company is dedicated to achieving zero major occupational incidents.

III. Business Results

(I) Production

The production volume was 7.28 million metric tons in 2024, a decrease of 0.04 million metric tons or approximately 1% from 7.32 million metric tons in 2023.

(II) Sales

The sales volume was 7.59 million metric tons in 2024, a decrease of 0.16 million metric tons or approximately 2% from 7.75 million metric tons in 2023.

IV. Profit Comparison with Last Year

(I) Operating revenues

The operating revenues in 2024 was NT\$193,545,508 thousand, a decrease of NT\$3,603,650 thousand from NT\$197,149,158 thousand in 2023. This was mainly due to the decrease in sales volume and average selling price of steel products.

(II) Gross profit

The gross profit in 2024 was NT\$10,937,891 thousand, an increase of NT\$3,882,606 thousand from NT\$7,055,285 thousand in 2023. This was mainly because the average cost of goods sold fell more than the average selling price of steel products.

(III) Profit from operations

The profit from operations in 2024 was NT\$3,464,528 thousand, an increase of NT\$3,703,237 thousand from NT\$238,709 thousand loss from operations in 2023. This was mainly due to the increase in gross profit.

(IV) Net non-operating income (expenses)

The net non-operating income (expenses) in 2024 was (NT\$614,685) thousand, a decrease of NT\$2,960,620 thousand from NT\$2,345,935 thousand in 2023. This was mainly due to the decrease in share of profit of subsidiaries and associates.

(V) Income tax expense

The income tax expense in 2024 was NT\$871,491 thousand, an increase of NT\$445,944 thousand from NT\$425,547 thousand in 2023. This was mainly due to the increase in net profit before income tax.

(VI) In summary, the net profit in 2024 was NT\$1,978,352 thousand, an increase of NT\$296,673 thousand from NT\$1,681,679 thousand in 2023.

V. Research and Development

The Company enjoyed a fruitful year in the area of R&D with a total of 30 new product development projects completed in 2024, 17 of which were classified as Advanced Premium Steel (APS). The proportion of orders for APS and high-end steel reached 11.1% and 51.8% 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," the Company's current R&D strategy is to actively promote its "dual cores and three transformation strategies," which is not only implementing two cores of "becoming a high value-added steel mill" and "developing the green energy industry" but also focusing on three transformative endeavors: "Digital Transformation, Low-Carbon Transformation, and Supply Chain Transformation," and to improve its core technical capabilities. These initiatives encompass the development of APS and establishment of intelligent manufacturing technologies and energy saving, carbon reduction, and environmental protection technologies. R&D resources are mainly invested in key research projects, in the hope of cultivating technology and achieving sustainable development. In 2024, the Company has accomplished outstanding R&D results; major R&D outcomes are listed as follows:

(I) Development of Advanced Premium Steel

A. Superior Hand Tool Steels: In response to the demand for high-strength and high-toughness steel applications, the Company has developed a series of new steel grades utilizing the fine-grain toughening effect of microalloying element, niobium (Nb). This innovation enhances the torsional resistance and fatigue durability of standard hand tools, while provides more superior

toughness and extended fatigue life for premium hand tool steel.

- B. High Performance Structural Steels: In response to the trend of "high piers, large spans, deep foundations" in bridge design and construction, the Company has actively developed high performance steel bridge construction that meets CNS and U.S. standards. These steels feature not only higher strength and toughness compared to traditional steel materials, facilitating lightweight bridge design, but also excellent weldability and reliable welding quality benefited from low-carbon composition design. These products have been successfully applied in domestic landmark construction projects.
- C. 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 brand manufacturers have requested the supply of high recycled content steel. Through advancements in steel making technology and breakthroughs in critical bottlenecks, we have established a revolutionary steel production method to use more scrap in basic oxygen furnace, successfully developing RC60 galvanized steel products with over 60% of recycled material and obtaining the UL 2809 certification.
- D. Advanced Alloy Steels: In response to the demand of high-quality products for mechanical hardware, hand tools and automotive parts, the Company has increased the carbon content of steels and added hardening alloy elements with the aim of enhancing its heat treatment property and hardenability. To meet the demand of customers for materials that are easy to process and form, the Company has also actively engaged in the development of a series of products with low hardness, high spheroidization rates, and high dimensional accuracy to continually lead industrial upgrading and expand business opportunities.

- E. Cross-Generational Automotive Steels: To meet the lightweight and safety requirement for automotive bodies, 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, 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 automobile brands.
- F. Ultra-High Efficiency Electrical steels: In response to demand for drive motors in electric vehicles, the Company keeps developing ultra-thin electrical steel 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 steel, 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 steel.

(II) Intelligent manufacturing technology

- A. The development and application of steel strip intelligent plate shape dynamic control system at No.2 Hot Dip Galvanizing Line have been completed. This system provides operators with real-time shape variation data as a reference for adjusting process parameters. Moving forward, an AI prediction model and feedback control module will be integrated into the system to achieve dynamic control of plate shape.
- B. The development and on-site application of intelligent coil ID verification system have been completed. Since its launch, the system has effectively intercepted material mix-ups. In addition to avoiding customer claims caused by product misdelivery and saving costs associated with

outsourced solutions, it also helps ensure product quality and strengthens customer confidence.

- C. The development of intelligent width control model for the casting of electrical steel slab has been completed. This model provides continuous casting station with the optimal mold width recommendations, assisting the steelmaking department in optimizing the slab width control capabilities and improving the slab width accuracy.
- D. The development of crane remote control system for the indoor storage area of hot-rolled coils has been completed. Operators can now control the crane remotely from the office, enhancing workplace safety and improving the working environment for personnel.

(III) Energy and environmental protection technologies

- A. Regarding the progress on deepening the "Development of Blast Furnace Low-Carbon Iron Making Technology," in 2024, the Company successfully completed the testing of adding low-carbon iron source, pellet, in the blast furnace. Through slagging calculation and burden charging research, the Company premixed pellet and sinter before charging into the blast furnace to avoid uneven reactions inside the furnace resulted from uneven distribution of iron ore types, which may lead to abnormal furnace conditions.
- B. In the ongoing development of "By-Product Gas Carbon Capture and High-Value Utilization Technology," the Company has established energy-saving operational techniques for the pilot line of co-production of steel and chemicals, resulting in an 11% reduction in energy consumption for CO production. Additionally, research on concentrating CO₂ to 99% purity is underway in the production process of the pilot line.
- C. The Company continues to implement the "Development of Low Energy Consumption Carbon Capture and Utilization Technology" in A+ Industrial Innovative R&D Program organized by the Department of Industrial

Technology, Ministry of Economic Affairs (MOEA). The construction and performance acceptance of pilot plant for flue gas carbon capture has been completed. Furthermore, the technology and application of sinter low-temperature heat recovery has been established.

- D. The Company applied for the three-year Industrial Energy Technology Program organized by the Energy Administration, Ministry of Economic Affairs (MOEA) with the project “Development and Demonstration of Industrial Furnace Hydrogen/Ammonia Blends Combustion Technology,” which includes the following implementations: (1) Demonstration of natural gas mixed with 40% hydrogen in the coil annealing furnace, (2) Demonstration of natural gas mixed with 10% ammonia in the coil annealing furnace, and (3) Demonstration of combustion technology using 60% hydrogen/ammonia blends in experimental furnace at CSC.
- E. By utilizing AI algorithms, the Company has integrated production line information to develop the “Intelligent Operating Guide System for Nitrogen Compressor,” which is capable of predicting the downstream demand for medium- and high-pressure nitrogen, preventing issues such as overproduction or short supply. Based on the prediction, the system further provides recommendations for the optimal unit commitment with minimal energy consumption, as well as the required number and combination of compressors.
- F. In response to global trends in energy saving, carbon reduction, and environmental protection, the Company has developed the only domestically available plate-shaped medium-low temperature SCR DeNO_x catalyst. This innovation reduces the DeNO_x temperature from high temperature (300°C) to medium-low temperature (220°C). The key catalyst formulation, small plate-shaped catalyst products, and pilot verification have been completed.

The technology is now transitioning into mass production for commercial use and will be applied in the sinter and coke oven plants within CSC Group to achieve significant reduction in carbon emissions. Future applications are also planned for domestic industries such as cement, glass, and incineration.

Attachment 2

China Steel Corporation Audit Committee's Audit Report

The Board of Directors has prepared the Company's 2024 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:

2025 Annual General Shareholders' Meeting

China Steel Corporation

Convener of the Audit Committee:

A handwritten signature in black ink, reading "Lan-Feng Kao", is written over a horizontal line.

Lan-Feng Kao

February 27, 2025

China Steel Corporation and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2024 and 2023 and
Independent Auditors' Report**

INDEPENDENT AUDITORS’ REPORT

The Board of Directors and Shareholders
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, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (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, 2024 and 2023, and 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, 2024. 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, 2024 are stated as follows:

Recognition of Revenue from Sale of Goods of Steel Department

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 38 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 parent company only financial statements of China Steel Corporation as of and for the years ended December 31, 2024 and 2023, 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, 2024, 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 27, 2025

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)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 17,828,047	3	\$ 16,417,322	2
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	4,252,624	1	3,547,380	1
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	9,111,712	1	7,869,663	1
Financial assets for hedging - current (Notes 4 and 9)	3,674,587	1	4,750,248	1
Contract assets - current (Notes 4 and 24)	9,180,905	1	8,925,903	1
Notes receivable (Notes 4 and 10)	1,646,347	-	2,107,041	-
Accounts receivable, net (Notes 4 and 10)	14,118,383	2	10,634,221	2
Accounts receivable - related parties (Notes 4, 10 and 31)	66,297	-	150,588	-
Other receivables (Notes 4 and 31)	1,811,987	-	1,329,886	-
Current tax assets	105,690	-	69,316	-
Inventories (Notes 4, 5 and 11)	107,682,955	15	120,350,416	18
Other financial assets - current (Notes 13 and 32)	18,275,667	3	16,365,286	2
Other current assets	5,143,302	1	4,843,160	1
Total current assets	192,898,503	28	197,360,430	29
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 7)	802,175	-	806,416	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 5 and 8)	46,292,740	7	51,596,610	8
Financial assets at amortized cost - noncurrent	20,000	-	20,000	-
Financial assets for hedging - noncurrent (Notes 4 and 9)	1,257,410	-	1,009,417	-
Investments accounted for using the equity method (Notes 4 and 12)	14,705,994	2	13,886,283	2
Property, plant and equipment (Notes 4, 14 and 32)	397,633,498	57	375,609,342	55
Right-of-use assets (Notes 4, 15 and 32)	12,625,727	2	12,443,142	2
Investment properties (Notes 4, 16 and 32)	10,035,899	2	9,765,146	1
Intangible assets (Note 4)	1,136,536	-	1,223,326	-
Deferred tax assets (Notes 4 and 26)	11,615,773	2	9,150,007	2
Refundable deposits	594,345	-	669,864	-
Other financial assets - noncurrent (Notes 13 and 32)	3,041,404	-	2,568,649	-
Other noncurrent assets	2,399,333	-	2,648,699	1
Total noncurrent assets	502,160,834	72	481,396,901	71
TOTAL	\$ 695,059,337	100	\$ 678,757,331	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings and bank overdraft (Notes 17 and 32)	\$ 36,169,577	5	\$ 33,811,068	5
Short-term bills payable (Note 17)	25,608,233	4	62,945,799	9
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	1,055	-	-	-
Financial liabilities for hedging - current (Notes 4 and 9)	1,120,637	-	91,676	-
Contract liabilities - current (Notes 4 and 24)	5,120,893	1	3,864,261	1
Notes payable	609,229	-	1,120,155	-
Accounts payable (Note 19)	18,189,691	3	17,218,448	3
Accounts payable - related parties (Notes 19 and 31)	357,633	-	88,779	-
Other payables (Notes 20 and 31)	26,948,594	4	19,550,224	3
Current tax liabilities	1,121,303	-	1,301,176	-
Provisions - current (Notes 4 and 21)	3,505,488	-	6,210,206	1
Lease liabilities - current (Notes 4 and 15)	1,027,307	-	1,021,341	-
Current portion of bonds payable (Note 18)	13,536,337	2	11,961,585	2
Current portion of long-term bank borrowings (Notes 17 and 32)	10,871,064	2	5,459,281	1
Refund liabilities - current	1,245,936	-	1,613,902	-
Other current liabilities	1,510,307	-	1,466,538	-
Total current liabilities	146,943,284	21	167,724,439	25
NONCURRENT LIABILITIES				
Financial liabilities for hedging - noncurrent (Notes 4 and 9)	-	-	978,252	-
Contract liabilities - noncurrent (Notes 4 and 24)	45,116	-	48,399	-
Bonds payable (Note 18)	54,134,815	8	58,838,793	9
Long-term bank borrowings (Notes 17 and 32)	71,419,133	10	52,165,054	8
Long-term bills payable (Note 17)	49,227,680	7	24,700,264	4
Provisions - noncurrent (Notes 4 and 21)	1,629,694	-	947,916	-
Deferred tax liabilities (Notes 4 and 26)	14,918,196	2	14,162,362	2
Lease liabilities - noncurrent (Notes 4 and 15)	9,824,040	2	10,226,901	1
Net defined benefit liabilities (Notes 4 and 22)	4,259,939	1	5,513,544	1
Other noncurrent liabilities	1,171,546	-	1,199,909	-
Total noncurrent liabilities	206,630,159	30	168,781,394	25
Total liabilities	353,573,443	51	336,505,833	50
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	41,082,914	6	40,688,818	6
Retained earnings				
Legal reserve	74,847,259	11	74,683,304	11
Special reserve	26,912,231	4	26,913,635	4
Unappropriated earnings	17,127,981	2	19,642,513	3
Total retained earnings	118,887,471	17	121,239,452	18
Other equity	(3,478,031)	(1)	(1,498,330)	(2)
Treasury shares	(12,923,473)	(2)	(12,394,740)	(2)
Total equity attributable to owners of the Corporation	301,300,171	43	305,766,490	45
NON-CONTROLLING INTERESTS	40,185,723	6	36,485,008	5
Total equity	341,485,894	49	342,251,498	50
TOTAL	\$ 695,059,337	100	\$ 678,757,331	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			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4, 24, 31 and 38)	\$ 360,535,714	100	\$ 363,326,498	100
OPERATING COSTS (Notes 11, 25 and 31)	<u>345,474,550</u>	<u>96</u>	<u>346,553,753</u>	<u>95</u>
GROSS PROFIT	<u>15,061,164</u>	<u>4</u>	<u>16,772,745</u>	<u>5</u>
OPERATING EXPENSES				
Selling and marketing expenses	4,094,332	1	4,325,020	1
General and administrative expenses	6,875,982	2	6,731,382	2
Research and development expenses	2,266,904	1	2,132,186	1
Expected credit loss recognized (reversed)	<u>31,951</u>	<u>-</u>	<u>(1,785)</u>	<u>-</u>
Total operating expenses	<u>13,269,169</u>	<u>4</u>	<u>13,186,803</u>	<u>4</u>
PROFIT FROM OPERATIONS	<u>1,791,995</u>	<u>-</u>	<u>3,585,942</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 25)	1,254,622	1	906,213	-
Other income (Notes 25 and 31)	4,034,199	1	3,002,420	1
Other gains and losses (Note 25)	811,433	-	152,090	-
Finance costs (Notes 4 and 25)	(4,046,420)	(1)	(3,623,661)	(1)
Share of the profit of associates	<u>731,736</u>	<u>-</u>	<u>567,090</u>	<u>-</u>
Total non-operating income and expenses	<u>2,785,570</u>	<u>1</u>	<u>1,004,152</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	4,577,565	1	4,590,094	1
INCOME TAX EXPENSE (Notes 4 and 26)	<u>701,577</u>	<u>-</u>	<u>1,058,889</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>3,875,988</u>	<u>1</u>	<u>3,531,205</u>	<u>1</u>
OTHER COMPREHENSIVE INCOME (Notes 23 and 26)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	1,246,247	-	(246,799)	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	(3,504,446)	(1)	4,092,938	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			
	2024		2023	
	Amount	%	Amount	%
Gains and losses on hedging instruments	\$ (388,895)	-	\$ (5,098)	-
Share of the other comprehensive loss of associates	(57,609)	-	(48,709)	-
Income tax benefit (expense) relating to items that will not be reclassified subsequently to profit or loss	341,556	-	(177,320)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	1,415,004	-	(121,107)	-
Unrealized gains and losses on investments in debt instruments designated as at fair value through other comprehensive income	3,929	-	2,464	-
Gains and losses on hedging instruments	940,835	-	120,708	-
Share of the other comprehensive income (loss) of associates	783,605	-	(20,620)	-
Income tax benefit (expense) relating to items that may be reclassified subsequently to profit or loss	<u>(66,164)</u>	<u>-</u>	<u>4,318</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>714,062</u>	<u>(1)</u>	<u>3,600,775</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 4,590,050</u>	<u>-</u>	<u>\$ 7,131,980</u>	<u>2</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 1,978,352	1	\$ 1,681,679	-
Non-controlling interests	<u>1,897,636</u>	<u>-</u>	<u>1,849,526</u>	<u>1</u>
	<u>\$ 3,875,988</u>	<u>1</u>	<u>\$ 3,531,205</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 1,420,180	-	\$ 5,126,953	1
Non-controlling interests	<u>3,169,870</u>	<u>-</u>	<u>2,005,027</u>	<u>1</u>
	<u>\$ 4,590,050</u>	<u>-</u>	<u>\$ 7,131,980</u>	<u>2</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 0.13</u>		<u>\$ 0.11</u>	
Diluted	<u>\$ 0.13</u>		<u>\$ 0.11</u>	

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													
							Other Equity							
	Share Capital			Retained 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
	Ordinary Shares	Preference Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings								
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\$1.00 per share	-	-	-	-	-	(15,734,861)	-	-	-	-	-	(15,734,861)	-	(15,734,861)
Cash dividends to preference shareholders - NT\$1.40 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
BALANCE AT JANUARY 1, 2024	\$ 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
Appropriation of 2023 earnings (Note 23)														
Legal reserve	-	-	-	163,955	-	(163,955)	-	-	-	-	-	-	-	-
Cash dividends to ordinary shareholders - NT\$0.35 per share	-	-	-	-	-	(5,454,701)	-	-	-	-	-	(5,454,701)	-	(5,454,701)
Cash dividends to preference shareholders - NT\$1.40 per share	-	-	-	-	-	(53,575)	-	-	-	-	-	(53,575)	-	(53,575)
Reversal of special reserve	-	-	-	-	(1,404)	1,404	-	-	-	-	-	-	-	-
Net profit for the year ended December 31, 2024	-	-	-	-	-	1,978,352	-	-	-	-	-	1,978,352	1,897,636	3,875,988
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	-	904,977	1,482,391	(3,203,719)	258,179	(1,463,149)	-	(558,172)	1,272,234	714,062
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	2,883,329	1,482,391	(3,203,719)	258,179	(1,463,149)	-	1,420,180	3,169,870	4,590,050
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	(333,972)	(333,972)	-	(333,972)
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	117,485	-	-	-	-	-	-	-	-	117,485	-	117,485
Adjustment of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	530,845	530,845
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	516,552	-	(516,552)	-	(516,552)	-	-	-	-
Adjustment of other equity	-	-	276,611	-	-	(243,586)	-	-	-	-	(194,761)	(161,736)	-	(161,736)
BALANCE AT DECEMBER 31, 2024	\$ 157,348,610	\$ 382,680	\$ 41,082,914	\$ 74,847,259	\$ 26,912,231	\$ 17,127,981	\$ (4,813,798)	\$ (3,446,289)	\$ 4,782,056	\$ (3,478,031)	\$ (12,923,473)	\$ 301,300,171	\$ 40,185,723	\$ 341,485,894

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	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 4,577,565	\$ 4,590,094
Adjustments for:		
Depreciation expense	32,146,850	32,043,661
Amortization expense	187,763	234,858
Expected credit loss recognized (reversed)	31,951	(1,785)
Net gain on financial assets and liabilities at fair value through profit or loss	(157,353)	(62,110)
Finance costs	4,046,420	3,623,661
Interest income	(1,254,622)	(906,213)
Dividends income	(2,803,348)	(2,303,920)
Share of the profit of associates	(714,558)	(524,282)
Loss (gain) on disposal of property, plant and equipment	73,375	(509,525)
Gain on disposal of non-current assets held for sale	(255,677)	(33,742)
Loss (gain) on disposal of investments	(100,657)	130,762
Write-down (reversal) of inventories	1,585,718	(4,723,294)
Impairment losses recognized (reversed) on non-financial assets	283,938	(85,072)
Recognition (reversal) of provisions	(2,568,749)	685,044
Others	(115,688)	(22,761)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	160,240	(501,290)
Financial assets for hedging	1,364,827	(1,811,813)
Contract assets	(402,396)	(1,522,806)
Notes receivable	460,694	(200,977)
Notes receivable - related parties	-	272
Accounts receivable	(3,488,501)	692,098
Accounts receivable - related parties	84,291	(35,756)
Other receivables	(298,744)	806,810
Inventories	10,976,691	15,895,113
Other current assets	(361,905)	1,724,793
Financial liabilities for hedging	107,227	(160,869)
Contract liabilities	1,253,349	(469,296)
Notes payable	(510,926)	(425,063)
Accounts payable	1,057,314	2,629,549
Accounts payable - related parties	268,854	65,179
Other payables	(564,803)	(4,790,148)
Provisions	(98,724)	(43,920)
Other current liabilities	43,769	69,687
Net defined benefit liabilities	(7,358)	(338,725)
Refund liabilities	(367,966)	(852,508)
Cash generated from operations	44,638,861	42,865,706
Income taxes paid	(2,352,364)	(4,175,916)
Net cash generated from operating activities	<u>42,286,497</u>	<u>38,689,790</u>

(Continued)

CHINA STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	\$ (5,062,970)	\$ (5,033,796)
Proceeds from disposal of financial assets at fair value through other comprehensive income	5,139,278	3,661,054
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	74,980	-
Acquisition of financial assets at amortized cost	-	(20,000)
Acquisition of financial assets at fair value through profit or loss	(2,946,745)	(4,345,764)
Proceeds from disposal of financial assets at fair value through profit or loss	2,557,074	3,914,449
Acquisition of investments accounted for using the equity method	(75,590)	-
Proceeds from disposal of investments accounted for using the equity method	75,091	379,245
Disposal of subsidiaries	7,187	(29,832)
Proceeds from the capital reduction of investments accounted for using the equity method	-	105,000
Proceeds from disposal of non-current assets held for sale	278,814	62,293
Acquisition of property, plant and equipment	(42,768,491)	(37,595,610)
Proceeds from disposal of property, plant and equipment	44,083	1,236,781
Decrease in refundable deposits	112,716	508,586
Acquisition of intangible assets	(63,897)	(52,875)
Acquisition of right-of-use assets	-	(120)
Acquisition of investment properties	-	(1,191)
Increase in other financial assets	(2,383,136)	(7,840,036)
Increase in other noncurrent assets	(16,813)	(231,005)
Interest received	969,327	871,889
Dividends received from associates	616,573	852,925
Dividends received from others	2,818,758	2,289,210
Net cash used in investing activities	<u>(40,623,761)</u>	<u>(41,268,797)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	296,071,527	283,628,333
Repayments of short-term borrowings	(291,076,463)	(300,955,244)
Proceeds from short-term bills payable	140,482,693	181,096,886
Repayments of short-term bills payable	(177,820,259)	(156,131,965)
Proceeds from bonds payable	9,020,461	20,714,263
Repayments of bonds payable	(11,962,500)	(12,225,000)
Proceeds from long-term bank borrowings	119,046,891	73,698,105

(Continued)

CHINA STEEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2024	2023
Repayments of long-term bank borrowings	\$ (94,644,512)	\$ (72,868,850)
Proceeds from long-term bills payable	32,176,312	12,691,823
Repayments of long-term bills payable	(7,648,895)	(14,549,139)
Repayments of principal of lease liabilities	(1,165,484)	(1,338,743)
Decrease in other noncurrent liabilities	(25,654)	(29,595)
Dividends paid to owners of the Corporation	(5,505,817)	(15,759,055)
Payments for buy-back of ordinary shares	(333,972)	(3,564,348)
Acquisition of additional interests in the Corporation held by subsidiaries	-	(74,939)
Acquisition of additional interests in subsidiary	(223,248)	(403,117)
Partial disposal of interests in subsidiaries without loss of control	110,610	-
Interest paid	(5,233,505)	(4,569,955)
Increase (decrease) in non-controlling interests	<u>314,719</u>	<u>(2,281,830)</u>
Net cash generated from (used in) financing activities	<u>1,582,904</u>	<u>(12,922,370)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>899,982</u>	<u>(2,527)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,145,622	(15,503,904)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>10,919,515</u>	<u>26,423,419</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 15,065,137</u>	<u>\$ 10,919,515</u>
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, 2024 and 2023:		
Cash and cash equivalents in the consolidated balance sheets	\$ 17,828,047	\$ 16,417,322
Bank overdraft	<u>(2,762,910)</u>	<u>(5,497,807)</u>
Cash and cash equivalents in the consolidated statements of cash flows	<u>\$ 15,065,137</u>	<u>\$ 10,919,515</u>

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

(Concluded)

China Steel Corporation

**Parent Company Only Financial Statements for the
Years Ended December 31, 2024 and 2023 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
China Steel Corporation

Opinion

We have audited the accompanying parent company only financial statements of China Steel Corporation (the "Corporation"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Corporation as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only 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 Parent Company Only 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 parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only 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 parent company only financial statements for the year ended December 31, 2024 are stated as follows:

Recognition of Revenue from Sale of Goods of Steel Department

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 parent company only 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 Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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 Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only 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 parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only 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 parent company only 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 parent company only financial statements for the year ended December 31, 2024 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 27, 2025

Notice to Readers

The accompanying parent company only financial statements are intended only to present the 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 parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

China Steel Corporation

PARENT COMPANY ONLY BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 4,002,599	1	\$ 1,761,956	-
Financial assets for hedging - current (Notes 4, 9 and 28)	2,646,813	1	3,271,645	1
Contract assets - current (Notes 4 and 23)	1,107,403	-	621,028	-
Notes receivable (Notes 4 and 10)	401,953	-	505,960	-
Accounts receivable, net (Notes 4 and 10)	2,472,964	1	1,739,257	-
Accounts receivable - related parties (Notes 4, 10 and 29)	486,985	-	1,080,698	-
Other receivables	1,375,220	-	1,746,724	-
Other receivables - loans to related parties (Note 29)	4,010,000	1	4,500,000	1
Current tax assets	23,277	-	51,255	-
Inventories (Notes 4, 5 and 11)	55,169,177	12	62,085,674	13
Other financial assets - current (Notes 13 and 30)	5,993,002	1	6,006,067	2
Other current assets	943,936	-	994,644	-
Total current assets	78,633,329	17	84,364,908	17
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 7)	648,129	-	658,398	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 5 and 8)	38,114,125	8	42,500,958	9
Financial assets for hedging - noncurrent (Notes 4, 9 and 28)	9,060	-	14,207	-
Investments accounted for using the equity method (Notes 4, 12 and 30)	184,216,719	39	185,908,051	40
Property, plant and equipment (Notes 4, 14 and 29)	152,519,303	33	147,681,864	31
Right-of-use assets (Notes 4 and 15)	938,449	-	1,004,907	-
Investment properties (Notes 4 and 16)	7,284,237	2	7,292,007	2
Intangible assets	10	-	107	-
Deferred tax assets (Notes 4 and 25)	2,336,044	1	2,697,266	1
Refundable deposits	189,351	-	169,182	-
Total noncurrent assets	386,255,427	83	387,926,947	83
TOTAL	\$ 464,888,756	100	\$ 472,291,855	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings and bank overdraft (Notes 17, 29 and 30)	\$ 15,211,826	3	\$ 15,569,648	3
Short-term bills payable (Note 17)	15,175,393	3	36,528,507	8
Financial liabilities for hedging - current (Notes 4, 9, 17 and 28)	944,025	-	-	-
Contract liabilities - current (Notes 4 and 23)	1,444,455	-	1,099,953	-
Accounts payable	7,360,483	2	5,671,295	1
Accounts payable - related parties (Note 29)	814,490	-	929,631	-
Other payables (Notes 19 and 29)	10,753,520	2	11,974,448	3
Current tax liabilities	317,318	-	316	-
Provisions - current (Notes 4 and 20)	2,079,034	1	4,018,876	1
Lease liabilities - current (Notes 4 and 15)	362,882	-	309,201	-
Current portion of bonds payable (Note 18)	6,911,758	2	8,336,585	2
Refund liabilities - current	1,551,246	-	1,452,514	-
Other current liabilities	473,914	-	486,188	-
Total current liabilities	63,400,344	13	86,377,162	18
NONCURRENT LIABILITIES				
Financial liabilities for hedging - noncurrent (Notes 4, 9, 17 and 28)	-	-	978,033	-
Bonds payable (Note 18)	37,202,275	8	42,538,962	9
Long-term bank borrowings (Note 17)	16,500,000	4	5,500,000	1
Long-term bills payable (Note 17)	29,972,493	6	13,984,428	3
Deferred tax liabilities (Notes 4 and 25)	12,499,763	3	12,190,455	3
Lease liabilities - noncurrent (Notes 4 and 15)	569,010	-	688,449	-
Net defined benefit liabilities (Note 21)	3,444,700	1	4,267,876	1
Total noncurrent liabilities	100,188,241	22	80,148,203	17
Total liabilities	163,588,585	35	166,525,365	35
EQUITY (Notes 4 and 22)				
Share capital				
Ordinary shares	157,348,610	34	157,348,610	33
Preference shares	382,680	-	382,680	-
Total share capital	157,731,290	34	157,731,290	33
Capital surplus	41,082,914	9	40,688,818	9
Retained earnings				
Legal reserve	74,847,259	16	74,683,304	16
Special reserve	26,912,231	6	26,913,635	6
Unappropriated earnings	17,127,981	4	19,642,513	4
Total retained earnings	118,887,471	26	121,239,452	26
Other equity	(3,478,031)	(1)	(1,498,330)	-
Treasury shares	(12,923,473)	(3)	(12,394,740)	(3)
Total equity	301,300,171	65	305,766,490	65
TOTAL	\$ 464,888,756	100	\$ 472,291,855	100

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

China Steel Corporation

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4, 23 and 29)	\$ 193,545,508	100	\$ 197,149,158	100
OPERATING COSTS (Notes 11 and 29)	<u>182,607,617</u>	<u>94</u>	<u>190,093,873</u>	<u>96</u>
GROSS PROFIT	10,937,891	6	7,055,285	4
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>(28,137)</u>	<u>-</u>	<u>(34,951)</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>10,909,754</u>	<u>6</u>	<u>7,020,334</u>	<u>4</u>
OPERATING EXPENSES				
Selling and marketing expenses	2,308,823	1	2,499,891	1
General and administrative expenses	2,849,209	2	2,725,903	2
Research and development expenses	<u>2,287,194</u>	<u>1</u>	<u>2,033,249</u>	<u>1</u>
Total operating expenses	<u>7,445,226</u>	<u>4</u>	<u>7,259,043</u>	<u>4</u>
PROFIT (LOSS) FROM OPERATIONS	<u>3,464,528</u>	<u>2</u>	<u>(238,709)</u>	<u>-</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 24 and 29)	248,647	-	258,627	-
Other income (Notes 24 and 29)	1,452,488	1	1,343,660	1
Other gains and losses (Notes 24 and 29)	247,782	-	80,023	-
Finance costs (Notes 24 and 29)	(1,532,739)	(1)	(1,394,276)	(1)
Share of profit or loss of subsidiaries and associates	<u>(1,030,863)</u>	<u>-</u>	<u>2,057,901</u>	<u>1</u>
Total non-operating income and expenses	<u>(614,685)</u>	<u>-</u>	<u>2,345,935</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	2,849,843	2	2,107,226	1
INCOME TAX EXPENSE (Notes 4 and 25)	<u>871,491</u>	<u>1</u>	<u>425,547</u>	<u>-</u>
NET PROFIT FOR THE YEAR	<u>1,978,352</u>	<u>1</u>	<u>1,681,679</u>	<u>1</u>
OTHER COMPREHENSIVE INCOME (Notes 4, 22 and 25)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	857,061	-	(50,635)	-

(Continued)

China Steel Corporation

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2024		2023	
	Amount	%	Amount	%
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	\$ (4,386,833)	(2)	\$ 3,010,889	2
Gains and losses on hedging instruments	5,467	-	(189,919)	-
Share of the other comprehensive income of subsidiaries and associates	1,654,475	1	610,561	-
Income tax benefit (expense) relating to items that will not be reclassified subsequently to profit or loss	(170,733)	-	51,801	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	1,043,586	1	45,795	-
Share of the other comprehensive income of subsidiaries and associates	<u>438,805</u>	<u>-</u>	<u>(33,218)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(558,172)</u>	<u>-</u>	<u>3,445,274</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,420,180</u>	<u>1</u>	<u>\$ 5,126,953</u>	<u>3</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 0.13</u>		<u>\$ 0.11</u>	
Diluted	<u>\$ 0.13</u>		<u>\$ 0.11</u>	

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

(Concluded)

China Steel Corporation

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Other Equity											
	Share Capital			Retained 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
	Ordinary Shares	Preference Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings						
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
Appropriation of 2022 earnings (Note 22)												
Legal reserve	-	-	-	1,917,329	-	(1,917,329)	-	-	-	-	-	-
Cash dividends to ordinary shareholders - NT\$1.00 per share	-	-	-	-	-	(15,734,861)	-	-	-	-	-	(15,734,861)
Cash dividends to preference shareholders - NT\$1.40 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 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 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
Appropriation of 2023 earnings (Note 22)												
Legal reserve	-	-	-	163,955	-	(163,955)	-	-	-	-	-	-
Cash dividends to ordinary shareholders - NT\$0.35 per share	-	-	-	-	-	(5,454,701)	-	-	-	-	-	(5,454,701)
Cash dividends to preference shareholders - NT\$1.40 per share	-	-	-	-	-	(53,575)	-	-	-	-	-	(53,575)
Reversal of special reserve	-	-	-	-	(1,404)	1,404	-	-	-	-	-	-
Net profit for the year ended December 31, 2024	-	-	-	-	-	1,978,352	-	-	-	-	-	1,978,352
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	904,977	1,482,391	(3,203,719)	258,179	(1,463,149)	-	(558,172)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	2,883,329	1,482,391	(3,203,719)	258,179	(1,463,149)	-	1,420,180
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	(333,972)	(333,972)
Acquisition of the Corporation's shares held by subsidiaries	-	-	-	-	-	-	-	-	-	-	(194,761)	(194,761)
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	117,485	-	-	-	-	-	-	-	-	117,485
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	516,552	-	(516,552)	-	(516,552)	-	-
Adjustment from changes in equity of subsidiaries and associates	-	-	276,611	-	-	(243,586)	-	-	-	-	-	33,025
BALANCE AT DECEMBER 31, 2024	\$ 157,348,610	\$ 382,680	\$ 41,082,914	\$ 74,847,259	\$ 26,912,231	\$ 17,127,981	\$ (4,813,798)	\$ (3,446,289)	\$ 4,782,056	\$ (3,478,031)	\$ (12,923,473)	\$ 301,300,171

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

China Steel Corporation

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 2,849,843	\$ 2,107,226
Adjustments for:		
Depreciation expense	13,443,993	13,516,027
Net loss (gain) on financial assets at fair value through profit or loss	(13,701)	3,934
Finance costs	1,532,739	1,394,276
Interest income	(248,647)	(258,627)
Dividend income	(498,534)	(397,495)
Share of loss (profit) of subsidiaries and associates	1,030,863	(2,057,901)
Loss (gain) on disposal of property, plant and equipment	(6,644)	91,124
Gain on disposal of investments	-	(15,364)
Write-down (reversal) of inventories	1,072,560	(2,318,492)
Unrealized gain on the transactions with subsidiaries and associates	28,137	34,951
Recognition (reversal) of provisions	(1,915,277)	1,035,741
Others	(135,762)	162,127
Changes in operating assets and liabilities		
Financial assets for hedging	625,408	(2,391,052)
Contract assets	(486,375)	239,237
Notes receivable	104,007	121,710
Accounts receivable	(733,707)	931,270
Accounts receivable - related parties	593,713	(170,665)
Other receivables	360,010	400,230
Inventories	5,993,178	7,184,772
Other current assets	50,708	192,660
Contract liabilities	344,502	(352,400)
Accounts payable	1,689,188	1,203,240
Accounts payable - related parties	(115,141)	(25,015)
Other payables	(1,270,060)	(2,162,108)
Provisions	(24,565)	(7,574)
Other current liabilities	(12,274)	79,640
Net defined benefit liabilities	33,885	(104,463)
Refund liabilities	98,732	(823,142)
Cash generated from operations	24,390,779	17,613,867
Income taxes paid	(26,714)	(2,103,658)
Net cash generated from operating activities	<u>24,364,065</u>	<u>15,510,209</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using the equity method	(10,000)	-
Proceeds from disposal of investments accounted for using the equity method	-	247,256
Acquisition of property, plant and equipment	(17,355,773)	(17,486,149)
Proceeds from disposal of property, plant and equipment	-	24
Increase in refundable deposits	(20,169)	-
Decrease in refundable deposits	-	273,048
Decrease in other receivables - loans to related parties	490,000	1,460,000

(Continued)

China Steel Corporation

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2024	2023
Acquisition of intangible assets	\$ -	\$ (107)
Increase in other financial assets	-	(56,067)
Decrease in other financial assets	13,065	-
Interest received	248,775	254,545
Dividends received from subsidiaries and associates	5,333,078	6,066,860
Dividends received from others	509,902	388,256
Proceeds from the capital reduction of associates	-	105,000
Net cash used in investing activities	<u>(10,791,122)</u>	<u>(8,747,334)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	52,063,158	45,080,000
Repayments of short-term borrowings	(49,700,000)	(56,588,671)
Proceeds from short-term bills payable	55,446,886	86,651,546
Repayments of short-term bills payable	(76,800,000)	(63,600,000)
Proceeds from bonds payable	1,570,000	11,000,000
Repayments of bonds payable	(8,337,500)	(8,350,000)
Proceeds from long-term bank borrowings	41,500,000	19,500,000
Repayments of long-term bank borrowings	(30,500,000)	(25,500,000)
Proceeds from long-term bills payable	21,588,065	11,588,713
Repayments of long-term bills payable	(5,600,000)	(9,100,000)
Repayments of principal of lease liabilities	(445,472)	(402,333)
Dividends paid	(5,505,817)	(15,759,055)
Payments for buy-back of ordinary shares	(333,972)	(3,564,348)
Acquisition of additional interests in subsidiaries	(2,515,690)	(418,710)
Interest paid	(1,958,538)	(1,712,753)
Proceeds from the capital reduction of subsidiaries	917,560	561,240
Net cash used in financing activities	<u>(8,611,320)</u>	<u>(10,614,371)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,961,623	(3,851,496)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>(2,966,380)</u>	<u>885,116</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,995,243</u>	<u>\$ (2,966,380)</u>
Reconciliation of the amounts in the parent company only statements of cash flows with the equivalent items reported in the parent company only balance sheets as of December 31, 2024 and 2023:		
Cash and cash equivalents in the parent company only balance sheets	\$ 4,002,599	\$ 1,761,956
Bank overdraft	<u>(2,007,356)</u>	<u>(4,728,336)</u>
Cash and cash equivalents in the parent company only statements of cash flows	<u>\$ 1,995,243</u>	<u>\$ (2,966,380)</u>

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

(Concluded)

2. Proposal:

Adoption of the Proposal for Distribution of 2024 Profits

Proposed by the Board of Directors

Explanatory Note:

- (1) The Company's earnings distribution of 2024, as shown in the attached table, is proposed in accordance with the provisions in Article 6 of the Articles of Incorporation of the Company.
- (2) The proposed dividend distribution for preferred shares totaled NT\$1.4 per share in cash. The proposed bonus distribution for common shares totaled NT\$0.33 per share in cash.
- (3) Upon approval of this earnings distribution 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 an NT dollar shall be rounded up to the next NT dollar. The resulting difference shall be recognized as a Company expense.

Resolution:

Attachment 3

China Steel Corporation		
2024 Earnings Distribution Table		Unit: NT\$
Undistributed earnings at the beginning of the period		13,970,282,176.48
After-tax earnings of 2024	1,978,351,679.48	
Reverse of special reserve: disposal of fixed assets	1,403,980.00	
Actuarial gains (losses) from defined benefit pension plans (included in retained earnings)	685,648,450.00	
Effects resulting from changes in long-term equity investment	492,295,166.00	
Amount to be included in undistributed earnings by adding up after-tax earnings of 2024 and other items (A)		3,157,699,275.48
Deduct: Legal reserve = (A) *10%		(315,769,928.00)
Deduct: Appropriation of special reserve as required by the law (Note 1)		(2,431,769,646.00)
Subtotal of distributable earnings		14,380,441,877.96
Distribution of dividends for 38,267,999 preferred shares - NT\$1.4 per share (NT\$1.4 in cash)	53,575,199.00	
Distribution of bonus for 15,584,860,997 common shares - NT\$0.33 per share (NT\$0.33 in cash)	5,143,004,129.00	
Subtotal of distribution items		(5,196,579,328.00)
Undistributed earnings at the end of the period		9,183,862,549.96
Note 1: As required by applicable law, the difference between the lower market price and the book value of the Company's shares holding by subsidiaries on December 31, 2024 was recognized as special reserves in proportion of shareholding.		

Proposals for Discussion

1. Proposal:

Amendments to Article 6 and Article 42 of the Articles of Incorporation

Proposed by the Board of Directors

Explanatory Note:

- (1) Paragraph 6, Article 14 of the Securities and Exchange Act stipulates that a TWSE/TPEX listed company shall specify in its articles of incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or compensation distributions for its non-executive employees. Also, according to the Order No. Financial-Supervisory-Securities-Corporate-1130385442 issued by the Financial Supervisory Commission (FSC) on November 8, 2024, the non-executive employee means an employee who is not a managerial officer and his/her salary level is below a “certain amount.” The “certain amount” is determined by the company taking into account its operating conditions and industry characteristics, but it shall not be lower than the salary level of non-executive employees defined in the “Regulations Governing Additional Deduction of Salary Expenses Incurred by Employee Salary Raise of Small and Medium-sized Enterprises (SMEs).”
- (2) To comply with the aforesaid law amendment and its definition, comprehensively taking into account the Company’s past distribution method and salary development, an amendment is made to Article 6 of

the Articles of Incorporation of the Company, specifying that 30%-50% of the remuneration for employees shall be distributed to non-executive employees. As for the scope of the non-executive employees of the Company, it is defined as employees who are not first echelon supervisors and above and whose basic salary are also less than 75 thousand, which is calculated by the integer of average basic salary of non-supervisors. Additionally, an amendment is made to Article 42 for adding the date and version of the amendments this time.

(3) A comparison table of draft clauses and the clauses in force is attached.

Resolution:

Attachment 4

Comparison Table for Draft Amendments to Article 6 and Article 42 of the Articles of Incorporation of China Steel Corporation

Revised clause	Clause in force	Explanation
<p>Article 6</p> <p>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, <u>out of which 30%-50% shall be distributed to non-executive employees</u>, 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.</p>	<p>Article 6</p> <p>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.</p>	<p>Amendment is made to specify the percentage of remuneration for employees distributed to non-executive employees in the Articles of Incorporation of the Company in compliance with the amendment to Article 14 of the Securities and Exchange Act.</p>
<p>Article 42</p> <p>This Articles of Incorporation are agreed and signed on Nov. 2, 1971, firstly amended on Dec. 28, 1973, (the middle omitted), forty-fifthly amended on Jun. 21, 2018 <u>and forty-sixthly amended on Jun. 19, 2025.</u></p>	<p>Article 42</p> <p>This Articles of Incorporation are agreed and signed on Nov. 2, 1971, firstly amended on Dec. 28, 1973, (the middle omitted) and forty-fifthly amended on Jun. 21, 2018.</p>	<p>Add the date and version of the amendments this time.</p>

Directors Election

1. Proposal:

Election of 11 Directors (including 4 Independent Directors) of the 19th Board of Directors

Proposed by the Board of Directors

Explanatory Note:

- (1) The term of the 11 Directors (including 3 Independent Directors) of the 18th Board of Directors expired on June 16, 2025. It is planned to elect all of the 11 Directors (including 4 Independent Directors) of the 19th Board of Directors, serving a term of three years from June 19, 2025 to June 18, 2028.
- (2) The candidate nomination system is adopted in the election of the 19th Board of Directors. Shareholders shall elect the Directors from the list of the nominated candidates as follows.

Election result:

List of Candidates for Directors of the 19th Board of Directors						
No.	Title (Director, Independent Director)	Name	Education	Experience	Current Position	Juristic Person Represented & Number of Shares Held by the Juristic Person
1	Director	Chien-Chih Hwang	Bachelor of Economics, Tunghai University	Executive Vice President, China Steel Corporation	Chairman, China Steel Corporation	Ministry of Economic Affairs; 3,154,709,357 shares
2	Director	Chien-Hsin Lai	Ph.D. in Soil and Water Conservation, National Chung Hsing University	Director-General, Water Resources Agency, Ministry of Economic Affairs	Vice Minister, Ministry of Economic Affairs	Ministry of Economic Affairs; 3,154,709,357 shares
3	Director	Wen-Chung Hu	Ph.D. in Social Science, Maxwell School of Citizenship and Public Affairs, Syracuse University, New York, USA	Deputy Director, Department of State-owned Enterprise Affairs, Ministry of Economic Affairs	Director, Department of State-owned Enterprise Affairs, Ministry of Economic Affairs	Ministry of Economic Affairs; 3,154,709,357 shares
4	Director	Shou-Tao Chen	Bachelor of Power Mechanical Engineering Department, National Tsing Hua University	Vice President of Production Division, China Steel Corporation	President, China Steel Corporation	Gau Ruei Investment Corporation; 1,493,318 shares
5	Director	Jih-Jau Jeng	Ph.D. in Mining, Metallurgy and Mechanical Engineering, Clausthal University of Technology, Germany	Vice President of Technology Division, China Steel Corporation	Executive Vice President, China Steel Corporation	Ever Wealthy International Corporation; 4,226,265 shares
6	Director	Jung-Chi Chang	Master of Laws (LL.M.) in Intellectual Property Law, George Washington University, USA	Deputy General Manager of Legal Department, China Steel Corporation	General Manager of Legal Department, China Steel Corporation	Chiun Yu Investment Corporation; 1,623,289 shares
7	Director	Chun-Sheng Chen	Electrical Engineering, National Taitung Junior College	Executive Director, Labor Union of China Steel Corporation, Kaohsiung City	President, Labor Union of China Steel Corporation, Kaohsiung City	Labor Union of China Steel Corporation, Kaohsiung City; 7,221,487 shares

List of Candidates for Independent Directors of the 19th Board of Directors

No.	Title (Director, Independent Director)	Name	Education	Experience	Current Position	Number of Shares Held
8	Independent Director	Shih-Kun Wang	Master of Industrial Management, National Cheng Kung University	Certified Public Accountant, Deloitte & Touche, CPAs and Liyang, CPAs	Managing Partner and Certified Public Accountant, Liyi, CPAs	0 shares
9	Independent Director	Chia-Chi Lu	Ph.D. in Accounting, National Chengchi University	Member of the CPA Disciplinary Rehearing Committee, Financial Supervisory Commission	Associate Professor, Graduate Institute of Accounting and Department of Finance, National Central University	0 shares
10	Independent Director	Wan-Ru Yang	Ph.D. in Economics, the University of California, Santa Barbara, USA	Associate Professor, Department of Finance, National University of Kaohsiung	Professor and Chairman, Department of Finance, National University of Kaohsiung	0 shares
11	Independent Director	Yu-Chin Liao	Master of Laws (LL.M.), Pritzker School of Law, Northwestern University, USA	Deputy Secretary- General, Taipei Bar Association	Partner, Wen Hui Attorneys at Law	0 shares

Other Proposals

1. Proposal:

To release the prohibition on Mr. Chien-Chih Hwang, when elected as the Director of the 19th Board of Directors, from holding the positions in China Ecotek Corporation and Taiwan High Speed Rail Corporation to protect the investment rights of the Company.

Proposed by the Board of Directors

Explanatory Note:

- (1) The agenda is proposed in compliance with Paragraph 1, Article 209 of the Company Act: A director who does anything for himself/herself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) Mr. Chien-Chih Hwang is holding the following positions in these two companies:

Invested Company	Concurrent Post	Business Relationship with CSC
China Ecotek Corporation	Director	Steel secondary processing, Mechanical equipment manufacturing, etc.
Taiwan High Speed Rail Corporation	Director	Machinery installation

- (3) Although the Company is related to the aforesaid invested companies in part of its business, the products and services provided by the Company and these companies belong to different market segments. The Company may thereby protect its investment rights and benefit from Mr. Chien-Chih Hwang's serving in the board of the aforesaid

companies by participating in their important operating decisions and monitoring the execution of business strategies.

Resolution:

2. Proposal:

To release the prohibition on Mr. Chien-Hsin Lai, when elected as the Director of the 19th Board of Directors, from holding the position in CSBC Corporation, Taiwan.

Proposed by the Board of Directors

Explanatory Note:

- (1) The agenda is proposed in compliance with Paragraph 1, Article 209 of the Company Act: A director who does anything for himself/herself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) Mr. Chien-Hsin Lai is holding the following position in the company:

Company	Concurrent Post	Business Relationship with CSC
CSBC Corporation, Taiwan	Director	Mechanical equipment manufacturing; Iron and steel casting

- (3) Although the Company is related to the aforesaid company in part of its business, the products and services provided by the two companies belong to different market segments. The Company may thereby benefit from Mr. Chien-Hsin Lai's serving in the board of the aforesaid company by monitoring the execution of the Company's business strategies with his expertise.

Resolution:

3. Proposal:

To release the prohibition on Mr. Shou-Tao Chen, when elected as the Director of the 19th Board of Directors, from holding the positions in China Steel Machinery Corporation, China Ecotek Corporation, and Chung Hung Steel Corporation to protect the investment rights of the Company.

Proposed by the Board of Directors

Explanatory Note:

- (1) The agenda is proposed in compliance with Paragraph 1, Article 209 of the Company Act: A director who does anything for himself/herself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) Mr. Shou-Tao Chen is holding the following positions in these three companies:

Invested Company	Concurrent Post	Business Relationship with CSC
China Steel Machinery Corporation	Chairman	Steel secondary processing, Mechanical equipment manufacturing, etc.
China Ecotek Corporation	Director	Steel secondary processing, Mechanical equipment manufacturing, etc.
Chung Hung Steel Corporation	Director	Manufacturing and processing of steel products

- (3) Although the Company is related to the aforesaid invested companies in part of its business, the products and services provided by the Company and these companies belong to different market segments. The Company may thereby protect its investment rights and benefit from Mr. Shou-Tao Chen's serving in the board of these aforesaid

companies by participating in their important operating decisions and monitoring the execution of business strategies.

Resolution:

4. Proposal:

To release the prohibition on Mr. Jih-Jau Jeng, when elected as the Director of the 19th Board of Directors, from holding the positions in China Steel Structure Co., Ltd., Formosa Ha Tinh (Cayman) Limited, and Formosa Ha Tinh Steel Corporation to protect the investment rights of the Company.

Proposed by the Board of Directors

Explanatory Note:

- (1) The agenda is proposed in compliance with Paragraph 1, Article 209 of the Company Act: A director who does anything for himself/herself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) Mr. Jih-Jau Jeng is holding the following positions in these three companies:

Invested Company	Concurrent Post	Business Relationship with CSC
China Steel Structure Co., Ltd.	Director	Steel Secondary Processing, Mechanical Equipment Manufacturing, etc.
Formosa Ha Tinh (Cayman) Limited	Director	The holding company of Formosa Ha Tinh Steel Corporation, an integrated steel mill
Formosa Ha Tinh Steel Corporation	Director	Also an integrated steel mill

- (3) Although the Company is related to the aforesaid invested companies in part of its business, the products and services provided by the Company and these companies belong to different market segments. The Company may thereby protect its investment rights and benefit

from Mr. Jih-Jau Jeng's serving in the board of these aforesaid companies by participating in their important operating decisions and monitoring the execution of business strategies.

Resolution:

5. Proposal:

To release the prohibition on Ms. Chia-Chi Lu, when elected as the Independent Director of the 19th Board of Directors, from holding the position in Song Chuan Precision Co., Ltd.

Proposed by the Board of Directors

Explanatory Note:

- (1) The agenda is proposed in compliance with Paragraph 1, Article 209 of the Company Act: A director who does anything for himself/herself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) Ms. Chia-Chi Lu is holding the following position in the company:

Company	Concurrent Post	Business Relationship with CSC
Song Chuan Precision Co., Ltd.	Independent Director	Heat treatment; Mechanical equipment manufacturing

- (3) Although the Company is related to the aforesaid company in part of its business, the products and services provided by the two companies belong to different market segments. The Company may thereby benefit from Ms. Chia-Chi Lu's serving in the board of the aforesaid company by monitoring the execution of the Company's business strategies with her expertise.

Resolution:

Extraordinary Motions

Rules and Regulations

1.

China Steel Corporation Rules Governing Procedures for Shareholders' Meeting

The Rules are agreed and signed on 1975, firstly amended on 1982, secondly amended on 1984, thirdly amended on 1997, fourthly amended on 2004, fifthly amended on 2006, sixthly amended on 2008, seventhly amended on 2011, eighthly amended on 2012, ninthly amended on 2015, tenthly amended on 2016, eleventhly amended on 2019, twelfthly amended on 2021.

Article 1 Shareholders' Meeting of the Company (the "Meeting"), except as otherwise stipulated by law or the Articles of Incorporation, shall be conducted in accordance with these Rules.

Article 2 Unless relevant laws and regulations provide otherwise, the Company's Meeting shall be convened by the Board of Directors.

Reasons for convening the Regular Meeting or Extraordinary Meeting shall be specified in the notice and announcement given to the shareholders at least thirty days or fifteen days prior to the Meeting date. The notice may be given by means of electronic communication if the Company obtains prior consent by the recipients. The announcement for shareholders who own less than 1,000 shares of nominal stocks may be made as referred to the next paragraph of this Article.

Thirty days before the Company convenes a Regular Meeting or fifteen days before an Extraordinary Meeting, the Company shall prepare electronic files of the Meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or dismissal of directors, and other matters on the Meeting agenda, and upload them to the Market Observation Post System.

Where there are proposals relating to election or dismissal of directors, amendments to the Articles, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger or spin-off of the Company, or relating to Paragraph 1, Article 185 of the Company Act, Article 43-6 of the Securities Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, these proposals shall be enumerated in the notice of the reasons for convening the Meeting and extraordinary motions for such proposals shall be prohibited. The essential contents of the above proposals may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.

Where re-election of all Directors as well as their inauguration date is stated in the notice of the reasons for convening the Shareholders' Meeting, such inauguration date shall not be altered by any extraordinary motion or otherwise in the said meeting after the completion of the re-election in the same meeting.

Shareholders holding one percent or more of the total number of outstanding shares may propose in writing to the Company a proposal for discussion at a Regular Meeting, provided only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. Proposals that are under the circumstances as specified in Paragraph 4, Article 172-1 of the Company Act may not be included in the agenda by the Board of Directors.

Prior to the date on which share transfer registration is suspended before convening the Regular

Meeting, the Company shall give a public notice announcing the place and the period for shareholders to submit proposals in writing or by way of electronic transmission. The period for accepting such proposals shall be no less than ten days.

The number of words of a proposal to be submitted by a shareholder shall be limited to no more than three hundred. The shareholder who has submitted a proposal shall attend, in person or by proxy, the Meeting where his/her proposal is to be discussed and shall take part in the discussion of such proposal.

The Company shall, prior to preparing and delivering the Meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the Meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the Meeting, the cause of exclusion of such proposals and explanation shall be made by the Board of Directors at the Meeting to be convened.

Article 2-1 The Company shall prepare the agenda handbook for the Meeting in compliance with the rules by the competent authorities.

Twenty-one days before the Company is to convene a Regular Meeting, or 15 days before an Extraordinary Meeting, it shall prepare an electronic file of the annual report, annual financial statements, the Meeting notice, the Meeting agenda handbook and the supplemental materials in both Chinese and English, and upload it to the Market Observation Post System. Fifteen days before the Company is to convene a Meeting, it shall prepare the Meeting agenda handbook and supplemental materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and the professional stock registrar and transfer agent designated by the Company, and distributed on-site at the Meeting.

Article 3 A shareholder may appoint a proxy to attend a Meeting in his/her behalf by executing a proxy form printed and issued by the Company stating therein the scope of power authorized to the proxy.

A shareholder may only execute one proxy form and appoint one proxy only, and shall serve such written proxy form on the Company no later than five days prior to the date of the Meeting. When two or more written proxy forms are received from one shareholder, the first one received by the Company shall prevail; unless an explicit statement to rescind the previous written proxy form is made in the proxy form which comes later.

After the service of the proxy form on the Company, in case the shareholder issuing the said proxy form intends to attend the Meeting in person or to exercise his/her voting rights in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the Company two days prior to the date of the Meeting. Otherwise, the voting rights exercised by the authorized proxy at the Meeting shall prevail.

Article 3-1 The Company shall state in the Meeting notice that a shareholder who does not attend the Meeting nor authorize a proxy to attend the Meeting may exercise his/her voting rights in writing or by way of electronic transmission. A shareholder who exercises voting rights at a Meeting in writing or by way of electronic transmission shall be deemed to have attended the said Meeting in person, but shall be deemed to have waived his/her voting rights with respect to any extraordinary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said Meeting.

A shareholder who intends to exercise voting rights in writing or by way of electronic transmission as in the preceding paragraph shall serve a declaration of intent on the Company

two days prior to the date of the Meeting, whereas if two or more declarations of the same intention are served on the Company, the first declaration of such intention received shall prevail; unless an explicit statement to rescind the previous declaration is made in the declaration which comes later.

In case a shareholder who has exercised voting rights in writing or by way of electronic transmission intends to attend the Meeting in person, he/she shall, two days prior to the date of the Meeting and in the same manner previously used in exercising his/her voting rights, serve a separate declaration of intent to rescind previous declaration of intent made in exercising the voting rights under the preceding paragraph. In the absence of a timely rescission of the previous declaration of intent, the voting rights exercised in writing or by way of electronic transmission shall prevail. In case a shareholder has exercised voting rights in writing or by way of electronic transmission, and has also authorized a proxy to attend the Meeting, then the voting rights exercised by the authorized proxy for the said shareholder shall prevail.

Article 4 The Meeting shall be convened at the location of the Company or at any place that facilitates shareholder attendance and is suitable for the convening of a Meeting. Starting times of Meetings shall not be earlier than nine o'clock in the morning or later than three o'clock in the afternoon.

Article 5 The Company shall specify the timeframe and location for shareholders' attendance registration, and other important notes.

The aforementioned timeframe for shareholders' attendance registration shall be at least thirty minutes before the time scheduled to start the Meeting. The Company shall set clear sign and assign sufficient numbers of suitable personnel to handle attendance registrations at the location.

Shareholders themselves or the proxies designated by the shareholders (hereinafter, "shareholders") shall be admitted to attend Meetings based on the attendance badge, the attendance sign-in card, and other evidentiary documents. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Solicitors soliciting proxy forms shall also carry proof of identification and have such proof ready for checking.

The Company shall deliver the agenda booklet, the annual report, the attendance badge, the attendance sign-in card, the comments form, the ballot and other Meeting materials to shareholders who attend the Meeting; if Directors are being elected, election ballots should also be enclosed.

For government and corporate shareholders, the number of representatives present at a Meeting is not limited to one person. When a juristic person is commissioned to attend a Meeting, it may only appoint one representative to attend.

Article 6 If the Board of Directors convenes a Meeting, the position of the Chairman of the Meeting is filled by the Chairman of the Board. If the Chairman of the Board takes leave or is unable to exercise functional responsibilities with cause, the Chairman of the Board shall appoint one Director to act as agent. In cases where the Chairman of the Board has not appointed an agent, the Directors will nominate one person from among themselves to act on his/her behalf.

In the case that a Director is appointed to act as the aforementioned Chairman of the Meeting, the Director shall be the one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same provision shall apply mutatis mutandis to the case that the Chairman of the Meeting is acted by the representative of a Juristic Director.

If the Meeting is convened by a person with convening authority other than the Chairman of the

Board, the position of the Chairman of the Meeting is filled by the said authorized convener. If there are two or more authorized conveners, they shall nominate one person from among themselves to fill the position.

Article 7 Meetings convened by the Board of Directors shall be hosted by the Chairman of the Board and attended in person by a majority of the Directors on the Board, the convener of the Audit Committee, and at least one representative from each Board Committees. The attendance shall be recorded in minutes of the Meeting.

The Company may designate retained attorneys, accountants or relevant personnel as nonvoting attendees at Meetings.

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the Meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9 The calculation basis for attendance at the Meeting shall be shares. Number of shares of shareholders present at the meeting shall be calculated based on the sign-in cards submitted. Should the voting rights at the Meeting be exercised in writing or by way of electronic transmission as in Paragraph 1, Article 3-1, the number of votes thereof shall be included.

During the course of Meetings, the number of votes of shareholders present at the meeting shall be continuously projected on a screen located on the rostrum. If the total number increases, the number should be updated real-time.

Article 10 When the Meeting time arrives, the Chairman of the Meeting shall immediately announce the start of the Meeting and the information on shares with no voting rights as well as the number of shares in attendance, except when a quorum of shareholders representing more than half of the outstanding shares is not present, in which case the Chairman of the Meeting shall announce a postponement of the Meeting. The number of postponements is limited to two, and the total time of the postponements must not exceed one hour. If, after two postponements, there is still not a quorum of shareholders representing more than half of the number of outstanding shares present, with the exception of instances handled in accordance with Paragraph 2, the Chairman of the Meeting shall announce failure to convene the Meeting due to the lack of a quorum.

If, after the two postponements in the preceding paragraph, there is still an insufficient quorum, but shareholders representing one-third or more of outstanding shares are present, the Meeting may be stipulated as a tentative resolution in accordance with Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another Meeting shall be reconvened within one month. However, special resolution matters stipulated by the Company Act and other regulations or Articles are not applicable in this case.

Prior to the conclusion of the current Meeting, if the number of shares represented by the shareholders present reaches a majority of outstanding shares, the Chairman of the Meeting may resubmit tentative resolutions already made for a vote by the shareholders in accordance with the provisions of Article 174 of the Company Act.

Article 11 For Meetings convened by the Board of Directors, the Meeting agenda shall be set by the Board of Directors. Meetings shall proceed according to the arranged agenda, which must not be changed without a resolution of the Meeting.

For Meetings convened by authorized conveners other than the Board of Directors, the provisions of the preceding paragraph shall apply mutatis mutandis.

Prior to the conclusion of proceedings for the arranged agendas in the preceding two paragraphs (including extraordinary motions), without a resolution, the Chairman of the Meeting must not declare the Meeting adjourned; in the event that the Chairman of the Meeting declares the Meeting adjourned in violation of these rules, the other members of the Board of Directors shall quickly assist shareholders present to follow legal procedures to elect someone to serve as Chairman of the Meeting by a majority vote of the number of votes of shareholders present at the Meeting, in order to continue with the Meeting.

When procedures conclude, after the Chairman of the Meeting has declared the Meeting adjourned in accordance with these rules, shareholders must not elect another Chairman of the Meeting to hold a Meeting at the same site or another site.

Article 12 The Chairman of the Meeting shall strictly enforce these rules from a position of impartiality and detachment to enable the Meeting to proceed smoothly.

Shareholders present are obligated to adhere to these rules, to take the floor politely, and to maintain order in the Meeting venue.

Article 13 Prior to taking the floor, shareholders present must complete a speech note stating the key points to be expressed and the account number and name of the shareholder. The sequence of speakers will be arranged by the Chairman of the Meeting.

Shareholders present that only submit speech notes but do not speak shall be deemed as not having spoken. In the event that the content expressed does not match that of the speech note, the content expressed shall prevail.

Without the consent of the Chairman of the Meeting, each shareholder may speak no more than two times on the same agenda item, and each time may not exceed five minutes. If shareholders' speeches violate provisions or exceed the scope of the agenda item, the Chairman of the Meeting may restrain shareholders from speaking.

When shareholders present take the floor, the other shareholders must not speak to interrupt them unless they have solicited and received the consent of the Chairman of the Meeting and the speaking shareholder; the Chairman of the Meeting shall restrain violators.

In the event that corporate shareholders have designated two or more representatives to attend the Meeting, only one person may speak on the same agenda item.

After the shareholders present have spoken, the Chairman of the Meeting may reply personally or designate the relevant personnel to reply.

Article 14 When the agenda items and the amended and substitute items thereof or extraordinary motions have been well discussed, the Chairman of the Meeting may end the discussion and put them to a vote if he/she deems it appropriate.

Article 15 Each share in a shareholder's possession shall have one voting right, except for shares having restricted/ no voting rights as regulated in Subparagraph 3, Paragraph 1, Article 157 and Paragraph 2, Article 179 of the Company Act, and other related laws and regulations.

For the purposes of resolutions by the Meeting, the number of shares owned by shareholders bearing no voting rights shall be excluded from the calculation of the total number of shares outstanding.

Except when exercising their right to elect Directors, when shareholders have personal interests

in meeting matters, such that there is concern that they may damage the Company's interest, they must not participate in voting, and must not exercise voting rights on behalf of other shareholders. Therefore, the number of such shares not permitted to exercise voting rights is not counted in the number of votes of shareholders present at the Meeting.

With the exception of trust enterprises or stock affairs agency institutions approved by the competent securities authority, the number of voting rights represented by any one person commissioned by two or more shareholders must not exceed three percent of the voting rights for total outstanding shares; when exceeded, the voting rights in excess of the limit will not be counted, but they will still be counted among the number of votes of shareholders present at the Meeting.

Article 15-1 Except for the exercise of voting rights in writing or by way of electronic transmission as regulated in Paragraph 1 of Article 3-1, the means of voting will be determined by the Chairman of the Meeting at one of the following methods:

(1) Ballot voting

(2) Voting by means of electronic transmission, such as key in by barcode and keyboard.

Article 16 Unless otherwise stipulated in the Company Act, other regulations, and the Articles of Incorporation, resolutions shall be adopted by a majority of the number of votes of shareholders present at the Meeting.

When proposals are putting to the vote, the Chairman of the Meeting or the one who is designated by the Chairman of the Meeting shall announce the number of votes of shareholders present at the Meeting and arrange for shareholders to vote on each separate proposal in the Meeting agenda. Following conclusion of the meeting, the Company shall enter the voting results on the same day, namely the numbers of votes cast for and against and the number of abstentions, through the Market Observation Post System.

Article 17 If amended proposals or substitute proposals exist for the same proposal, the Chairman of the Meeting will determine the sequence of voting together with the original proposal. If one of these proposals has already passed, the other proposals shall be deemed rejected, therefore unnecessary to put them to a vote.

Article 18 Before voting, three ballot examiners appointed by the Chairman of the Meeting and several ballot counters shall be ready to perform their related duties. The ballot examiners shall be the Company's shareholders.

Ballot counting for proposals or election shall proceed publicly in the meeting venue. On counting ballots, the results shall be reported, including the number of votes, and recorded on site.

Article 19 Where there is an election of Directors, elections shall be handled in accordance with Rules Governing the Election of Directors formulated separately by the Company.

Article 20 Resolutions adopted at a Meeting shall be recorded in the minutes of the Meeting, which shall be affixed with the signature or seal of the Chairman of the Meeting and distributed to all shareholders within twenty days after the close of the Meeting.

The minutes of the Meeting as required in the preceding paragraph may be prepared by means of electronic transmission; the minutes may be distributed by means of a public notice via Market Observation Post System.

The minutes of the Meeting shall record the date and venue of the Meeting, the name of the

Chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the Meeting. The minutes shall be kept permanently throughout the life of the Company and fully disclosed on the Company's official website.

The method of adopting resolutions in the preceding paragraph where the shareholders' opinions are solicited and the proposal are unanimously agreed, the minutes of the Meeting shall state "the resolution is unanimously adopted by all shareholders attending the shareholders' meeting after the Chairman inquires all attending shareholders' opinion". However, as to any proposal that has received any dissent and been adopted in Meeting, the minutes of the Meeting shall record the method and result of the voting. With respect to the election of Directors, the minutes of the Meeting shall record the method of voting adopted and the total number of votes for the Directors who were elected.

Article 21 The Company shall, on the date of the Meeting, draw up a statistics table of the number of shares obtained by solicitors and the number of shares represented by proxy, in accordance with the required format, and display it prominently in the Meeting venue.

Article 22 If matters resolved by the Meetings include material information as stipulated by law or the regulations of the Taiwan Stock Exchange Corporation, the Company shall enter the contents into the Market Observation Post System within the required time limit.

Article 23 Meeting affairs personnel shall wear identification badges or armbands.

The Chairman of the Meeting may direct the sergeants at arms or security guards to assist in maintaining order in the Meeting venue. When assisting in maintaining on-site order, the sergeants at arms or security guards shall wear armbands or badges with the words "Sergeant at Arms".

If the Meeting venue is equipped with amplification equipment, and shareholders use their own amplification equipment rather than the equipment provided by the Company, the Chairman of the Meeting may stop them.

In the event that shareholders violate these rules by failing to take corrective action as instructed by the Chairman of the Meeting, thereby obstructing the proceedings, or exhibit other conduct that is obstructive to Meeting venue order, the Chairman of the Meeting may direct the sergeant at arms or security guards to ask those failing to comply with the Chairman's efforts to stop such conduct to leave the Meeting venue.

Article 24 While the Meeting is in progress, the Chairman of the Meeting may announce at his/her own discretion a recess time; should force majeure events occur, the Chairman of the Meeting may exercise his/her judgment to temporarily suspend the Meeting, and to announce the time at which the Meeting will continue.

In the event that use of the Meeting venue cannot be continued before the agenda (including extraordinary motions) is concluded, the Meeting may resolve to find another venue to continue the Meeting.

The Meeting may resolve to postpone or continue the Meeting within five days, in accordance with the provisions of Article 182 of the Company Act.

Article 25 These Rules shall be implemented upon approval by a Shareholders' Meeting; the same shall apply when amendments are made hereto.

2.

China Steel Corporation Rules Governing the Election of Directors

twelfthly amended on August 30, 2021

Article 1 Except where prescribed laws and regulations or the Articles of Incorporation of China Steel Corporation (herein referred to as “the Company”), the election of Directors shall in all cases be pursuant to the rules stipulated herein.

Article 1-1 The election of the Company’s Directors shall be considered the overall composition of the Board of Directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advised that the policy include, without being limited to, the following two general standards:

- (1) Basic requirements and values: Gender, age, nationality, and culture.
- (2) Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, and technology), professional skills, and industry experience.

Board members shall commonly possess the knowledge, skills, general capacity and disposition required to perform their duties. The Board as a whole shall encompass the following abilities:

- (1) Judgment of business operations;
- (2) Accounting and financial analysis;
- (3) Operational management;
- (4) Crisis handling;
- (5) Industrial knowledge;
- (6) International market outlook;
- (7) Leadership skills; and
- (8) Decision making.

More than half of the Company’s Directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of relationship with any other Director.

Article 2 The Company adopts the candidate nomination system for election of Directors, carefully reviews the qualifications, education background and work experience and the existence of any other matters set forth in Article 30 of the Company Act with respect to director candidates, and acts in accordance with Article 192-1 of the Company Act. Independent Directors and Non-independent Directors shall be nominated and listed separately, and shall be elected by shareholders from the respective candidate list.

In case of special regulation(s) stipulated in Article 5 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies regarding the nomination of Independent Directors shall be applied.

The qualification of the Company's Independent Directors shall be pursuant to Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of the Company's Independent and Non-independent Directors shall be held together, but the voting shares of ballots for respective winners shall be separately calculated in accordance with the respective seats.

When the number of Directors falls below that prescribed in the Articles of Incorporation due to the dismissal of a Director for any reason, a by-election shall be held to fill the vacancy at the

next Shareholders' Meeting. When the number of Directors falls short by one third of the total number prescribed in the Articles of Incorporation, an extraordinary Shareholders' Meeting shall be convened within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of Independent Directors falls below that required under the proviso of paragraph 1, Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the next Shareholders' Meeting to fill the vacancy. When all independent directors are dismissed, an extraordinary Shareholders' Meeting shall be convened within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 3 The Company's preferred shareholders do not have the voting rights for Directors.

Article 4 The cumulative voting method shall be used for election of the Directors of the Company. Each common share will have voting rights in number equal to the Directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 5 The Board of Directors shall prepare the same number of ballots as the number of Directors to be elected, print out the attendance card numbers, specifies the number of voting rights, and then distribute to each common shareholder who attends the Shareholders' Meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

For common shareholders who exercise their voting rights by electronic transmission, no printed ballots are furnished.

Article 6 The candidates of independent Directors, non-independent Directors who acquire the cast ballots standing for more voting shares shall be elected sequentially according to the positions available. When two or more candidates receive the same number of votes, thus exceeding the specified number of positions available, they shall draw lots to determine the winner. The Chairman of Shareholders' Meeting (herein referred to as "the Chairman") shall draw lots on behalf of such candidate(s) absent.

Article 7 Before the commencement of election, three ballot examiners appointed by the Chairman and several ballot counters shall be ready to perform their related duties. The ballot examiners shall be the Company's shareholders.

Article 8 The duties of ballot examiners are as follows:

- (1) To examine the ballot boxes before the commencement of casting votes
- (2) To seal the ballot boxes when the voting is finished, and unseal the ballot boxes subsequently to take out the ballots for the ballot counters' counting before the immediate commencement of ballot counting
- (3) To inspect or confirm the invalid ballots
- (4) To check the numbers of ballots and voting shares counted by the ballot counters
- (5) To assist Chairman to maintain the order of ballot casting and counting.

The Board of Directors shall prepare the ballot boxes mentioned in Subparagraph 1 of the preceding Paragraph.

Article 9 The voter shall fill the following data in the "candidate" column on ballots according to the candidate list of Independent Directors or Non-independent Directors and casts his/her ballots into the ballot boxes:

- (1) The candidate's full name and candidate's number if the candidate is a natural person with or without an identity as a shareholder.

- (2) The name and candidate's number of the juristic person or government shareholder if the candidate is a juristic person or government shareholder.
- (3) The name of the juristic person or government shareholder, the full name of the representative, and candidate's number if the candidate is a representative of the juristic person or government shareholder.

Article 10 The ballot is invalid under any of the following circumstances:

- (1) Who fails to submit the attendance registration card to complete the registration procedure.
- (2) The ballot is not prepared by the authorized convener.
- (3) Two or more candidates' names are filled in.
- (4) Other words or marks are written in addition to the candidate's full name and candidate's number.
- (5) The ballot is torn into incomplete one.
- (6) The ballot is contaminated to make the filled candidate(s) hard to distinguish.
- (7) The ballot is totally blank.
- (8) The handwriting is blurred and hard to identify or the handwriting is altered, but correction, addition or deletion for a slip of the pen does not apply.
- (9) The filled candidate's name or candidate's number is incomplete or inconsistent with the candidate list.
- (10) The name filled for Independent Director or Non-independent Director is not in the list of nominated candidates for Independent Directors or Non-independent Directors.

Article 11 The ballots shall be calculated on the spot immediately after the end of the poll. When a ballot's validity is suspected, its validity shall be decided by the ballot examiners. If there is still a controversy over such a ballot, its validity shall be decided by all ballot examiners' votes. When the number of "for" and "against" votes by all ballot examiners is equal, such a ballot shall be deemed invalid.

Article 12 After finishing the voting calculation, the ballot examiners shall verify the total number of valid and invalid ballots and fill the respective number of valid and invalid ballots and the respective voting shares in the documentary record. The documentary record shall be passed on to the Chairman to announce the list of Directors elected and the voting shares with which they were elected as well as the list of defeated candidates and the voting shares they received on the spot.

Article 13 The ballot examiners shall separate the valid and invalid ballots to seal in respective packages, jointly sign their names on the seals, as well as remark the written words of "invalid ballots" on the seal-side cover of the package. All packages shall be handed over to the Company for safekeeping. All ballots shall be kept for at least one year. However, if a lawsuit regarding election of Directors has been filed by any shareholder in accordance with Article 189 of the Company Act, the ballots shall be kept until the legal proceedings of the foregoing lawsuit have been concluded.

Article 14 The Board of Directors shall issue the respective notices for Directors elected.

Article 15 The Rule, as well as any amendments to it, shall enter into force after it has been adopted by the Shareholders' Meeting.

3.

CHINA STEEL CORPORATION ARTICLES OF INCORPORATION

CHAPTER ONE GENERAL PROVISIONS

Article 1 This company is organized and established under the provisions of "Company Limited by Shares" of the R.O.C Company Act, and is named CHINA STEEL CORPORATION (hereinafter referred to as "the Company").

Article 2 The scope of the business engaged in by the Company is as follows:

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. ZZ99999Any other businesses that are not prohibited or restricted by laws, except for businesses requiring special approvals.

Article 2-1The Company may endorse and guarantee for business needs according to its operation procedure of endorsement and guaranty.

Article 2-2The Company's total investment in other companies as one of their limited liability shareholders shall not exceed one hundred and eighty percent of the Company's paid-in capital, and that among such investments, those made in non-steel-related businesses shall not exceed twenty percent of the Company's paid-in capital.

Article 3 The Company is located in Kaohsiung, Taiwan, Republic of China, and may establish branch offices at proper places in domestic area or overseas.

Article 4 Unless otherwise stipulated by the competent authority in charge of securities affairs, any announcement of the Company shall be made in the prominent section of vernacular daily newspaper issued at where the Company is located.

CHAPTER TWO SHARES

Article 5 The total capital of the Company is one hundred and seventy billion New Taiwan Dollars (NT\$170,000,000,000), which is divided into seventeen billion shares (17,000,000,000), at a par value of ten New Taiwan Dollars (NT\$10) per share. The shares shall be issued in installments. Preferred shares may be issued within the number of aforementioned shares.

Article 6 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.

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.

Article 7 Except for shares not physically printed, shares of the Company shall be numbered and more than three members of the Board of Directors shall affix their names or seals thereto. Shares shall then be issued upon certification by competent authorities or issuance registration authorities approved thereby.

For shares of the Company not physically printed, the central securities depository business agencies shall be contacted to record them.

Article 8 Except for shares of the Company not physically printed, all shares shall be nominal stocks. The true names of shareholders shall be indicated on the shares. Where the government or a juristic person is a shareholder, the addresses and true names of the government, the juristic person, or the representative thereof shall be recorded on the shareholder roster of the Company. In the event that a share shall be jointly owned by two or more shareholders, one of the persons shall be elected as a representative.

Article 9 Anything in relation to transfer/assignment, loss or destruction of share certificates shall be handled in accordance with the Company Act and the Criteria for Handling Stock Affairs of Public Company promulgated by the Authority concerned.

Article 10 The Company may charge the necessary fees and costs for replacement or re-issue of share certificates due to detachment, stain/damage, loss or destruction, or conversion of preferred shares into common shares.

Article 11 The shareholder of the Company shall submit specimens of signature or registered seal (chop) to the Company for the purpose of transferring/assigning share certificates and exercising shareholder's right specified in Part 3, Chapter 5 of the Company Act.

Article 12 In case the registered seal (chop) as recorded in the Company is lost, destroyed or replaced by another seal style for other reasons, the Shareholder shall take a new seal for replacing the original one in accordance with the Criteria for Handling Stock Affairs of Public Company promulgated by the Authority concerned.

Article 13 The register of share transfer shall not be made within sixty (60) days prior to a shareholders' regular meeting or within thirty (30) days prior to a shareholders' extraordinary meeting or within five (5) days prior to the date fixed for allocating dividends, bonuses or other benefits.

CHAPTER THREE SHAREHOLDERS' MEETING

Article 14 The Company shall hold the following two types of shareholders' meetings:

1. A regular shareholders' meeting.
2. An extraordinary shareholders' meeting.

A regular shareholders' meeting shall be convened by the Board of Directors in accordance with law within six months after the end of each fiscal year, and an extraordinary shareholders' meeting shall be held in accordance with law when necessary.

Article 15 The procedure for convening shareholders' meeting is in accordance with the Company Act, Securities and Exchange Law, and other regulations concerned.

Article 16 Unless otherwise provided by the Company Act and other laws or this Articles of Incorporation, a shareholders' meeting shall only be held when shareholders representing a majority of total number of outstanding shares are present. A resolution at such a meeting shall be adopted by a majority vote of shareholders present, who represent more than one-half of the total number of voting shares.

Article 17 In the event that the shareholders present at a shareholders' meeting fall short of representing the required number of shares in the preceding paragraph, provided, however, that where shareholders representing more than one-third of the total number of outstanding shares are present, upon consent of shareholders representing more than one-half of the voting shares present, a tentative resolution may be adopted. This tentative resolution may be sent to the shareholders in writing at the latest addresses of the shareholders on the shareholders' directory. Another shareholders' meeting shall be convened within one month. In the event that at the reconvened shareholders' meeting, shareholders representing more than one-third of the total number of outstanding shares are again present, upon consent of shareholders representing more than half of the voting shares present, an official resolution may be adopted.

The tentative resolution in the preceding paragraph shall not apply to any special item for resolution as provided in the Company Act and other laws or this Articles of Incorporation.

Article 18 Each shareholder of the Company shall have one vote per share, unless otherwise the vote is subject to restrictions or the voting power does not exist pursuant to item 3 of Article 157, Paragraph 2 of Article 179 of the Company Act and any other related laws and regulations.

Article 19 In case a shareholder is unable to attend the shareholders' meeting, he may delegate an agent to attend and to exercise all rights at the meeting for him by submitting a letter of consignor signed or sealed by the shareholder himself. A proxy needs not to be a shareholder of the Company.

Article 20 Chairman of the Board shall preside at the shareholders' meeting. When Chairman of the Board is on leave or absent, he may designate a Director to act on his behalf, and if no proxy is designated, one Director shall be elected from among the Directors to preside the meeting. When a shareholders' meeting is convened by any person who is not a member of Board of Directors but has the convening right, he/she shall act as the chairman of that meeting; provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 21 The resolution of the shareholders' meeting shall be recorded in the minutes, and such minutes which are kept in the record of the Company shall be signed by the chairman of the meeting and shall be sent, together with attendance list and letter of consignor, to the Board of Directors.

CHAPTER FOUR DIRECTORS

Article 22 The Company shall have nine to fifteen Directors, who shall be nominated as candidates and elected by shareholders from a list of candidates.

When Directors are elected at a shareholders' meeting, the number of votes exercisable per share shall be the same as the number of Directors to be elected. Such votes may be cast collectively to elect one person or allocated to elect several persons, and the person(s) who receive(s) ballots representing a plurality of votes shall be elected as Directors.

The number of Independent Directors among the number of Directors to be elected in each term in accordance with the paragraph 1 of this article shall be no less than three and no less than one-fifth of the number of persons to be elected

The professional qualifications, restriction on the number of shares held and simultaneous positions served, the determination of independence, the methods of nomination, and other matters to be observed by the Independent Directors shall be governed by applicable provisions of the securities-related laws.

Independent Directors and non-Independent Directors shall be separately nominated and elected together, and the number of Directors elected shall be calculated separately.

Article 23 Directors shall be elected for a term of three years and may be reappointed upon reelection.

Article 24 The Board of Directors shall elect its Chairman of the Board from among the Directors by a majority of the Directors in a meeting attended by over two-third of all Directors. The Chairman of the Board shall externally represent the Company to handle all related business.

Article 25 Except for the first meeting of a newly elected Board of Directors, which shall be convened by the Director who has won votes representing the largest number of the voting power at a shareholders' meeting, meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors.

Meetings of the Board of Directors shall be convened once every quarter. However, the frequency of convening the meetings may increase when necessary.

When convening a Board meeting, members of the Board of Directors shall be notified of the date, location, agenda of the meeting and sufficient meeting materials seven days in advance. In the event of an emergency, such a meeting may be convened at any time.

The notice set forth in the preceding paragraph may be effected by means of writing or electronic transmission. In the event of an emergency, such a meeting may be notified by any other appropriate means. Any member of the Board of Directors may declare a waiver of the notice in writing.

Article 26 The Chairman of the Board shall preside at all meetings of the Board of Directors. In case of his absence, Chairman of the Board may designate a Director to act on his behalf; if no Director is designated, the Directors may designate one from among themselves.

Article 27 Unless otherwise provided by the Company Act and other laws, a meeting of the Board of Directors shall only be held when a majority of incumbent Directors present and a resolution shall be adopted upon consents by a majority of the Directors present.

Article 28 Unless otherwise provided by securities-related laws, a Director may authorize another Director to attend a meeting of the Board of Directors by a letter of consignor, and to exercise his right to vote with respect to all matters submitted to the meeting, provided, however, each Director may not act as proxy for more than one other director.

Article 29 The Board of Directors shall perform its duties in compliance with the statutes, the Article of Incorporation, and the resolution of the shareholders' meeting.

Article 30 The powers of the Board of Directors are listed as follows:

1. To increase or decrease capital;
2. To approve the Company's organization rules;
3. To establish or abolish the branch offices;
4. To review and approve the annual directives and operational budgets;
5. To review and approve the annual Business Report and Financial Reports;
6. To review and approve the project-type capital expenditure budget;
7. To appropriate the earnings or make up the loss;
8. To approve the borrowing money from domestic or foreign loans of which the amount and term are over the delegated power of the Board of Directors;
9. To approve the offering, issuance or private placement of any equity-type securities as well as the issuance of non equity-type corporate bonds;
10. To adopt or amend the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others, and the internal control system as well as to approve other important by-laws;
11. To approve the primary rights and obligation of important agreements;
12. To approve the appointment or discharge of Vice President and higher position, and financial, accounting and internal audit officers;
13. To approve the standards of salary for employees;
14. To approve investments and other equity interests;
15. To approve endorsement and guaranty within the Company's operation procedure of endorsement and guaranty;
16. To approve loaning of funds to other parties within the Company's procedures for loaning of funds to other parties; and
17. To review and approve the authorities which are empowered by other statutes

Article30-1The Company shall establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. Other matters not mentioned in Article shall be handled in accordance with Company Act, Securities Exchange Act, other relevant laws or regulations, and procedures of the Company.

The provisions regarding the power of supervisors in the Securities and Exchange Act, the Company Act, and other laws and regulations shall apply to the audit committee, except the provisions listed in Paragraph 4 of Article 14-4 of the Securities and Exchange Act. A resolution of the audit committee shall have the concurrence of one-half or more of all members; the convener of audit committee shall externally on behalf of the committee.

Article 30-2 (Has been deleted)

Article 31 (Has been deleted)

Article 32 (Has been deleted)

Article32-1The traveling allowance of Directors, the remuneration of Independent Directors and the salary of Chairman of Board are discussed and approved by the Board of the Directors referring to the standard payments of related crafts and listing companies. Other payments shall also be given to Chairman of Board pursuant to related by-laws in respect of employee's compensation.

The retirement provisions referred to in the "Labor Standards Act" shall apply mutatis mutandis to Chairman of the Board in calculating the severance or retirement payment, and are not restricted by age, or tenure of the Chairman himself.

Article32-2In the event that any Director is engaged in any act in competition with the Company, such a Director shall report to the shareholders' meeting in advance and obtain shareholders' approval in accordance with the provisions of Article 209 of the Company Act.

Article32-3The Company may take out liability insurance for directors with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the Company and shareholders arising from the wrongdoings or negligence of a Director .

CHAPTER FIVE MANAGERIAL PERSONNEL AND EMPLOYEES

Article 33 The Company shall have one President, one Executive Vice President, and several Vice Presidents.

The appointment, discharge and remuneration of managerial personnel as enumerated in the preceding paragraph shall be pursuant to the Article 29 of the Company Act.

The Directors may concurrently act as managerial personnel as enumerated in the first paragraph of this Article.

Article 34 President manages the execution of the Company's all businesses in accordance with the resolutions of the Board of Directors, as well as has the right of signature for the Company. Executive Vice President and Vice Presidents have their respective rights of signature for the

Company within the scope of the Company's rules or written authorization approved by President.

Article 35 Assistant Vice Presidents and the same ranking personnel, and the first echelon supervisors shall be appointed by the Chairman of the Board under the proposal of President. The other employees shall be appointed or employed by President. If such appointment shall be approved by the Board of Directors as provided by law, it shall be pursuant to the law.

Article 36 Unless otherwise provided by laws, ordinances, or employment contracts, the discharge or employment of employees shall be handled in accordance with the Personnel Administration Rules or other relevant work regulations of the Company.

CHAPTER SIX FINANCIAL REPORTS

Article 37 The fiscal year for the Company shall be from January 1 to December 31 of every calendar year. The name of the operation year shall be the calendar year of Republic of China. After the close of every operation year, the following reports shall be prepared by the Board of Directors, and shall be submitted by the Board of Directors to the regular shareholders' meeting for acceptance:

1. The business report;
2. The financial statements; and
3. The surplus earning distribution or loss off-setting proposals.

Article 38 (Has been deleted)

CHAPTER SEVEN SUPPLEMENTARY PROVISIONS

Article 39 Any person made a party to any action, suit or proceeding by reason of the fact that he, his testator or intestate, is or was a Director, official or employee of the Company, or any corporation which he services as such position at the request of the Company, shall be indemnified by the Company against any loss, liability or other reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with the defense of such action, suit or filing appeal. However, such a Director, official or employee is personally liable for negligence or misconduct in the performance of his duties. Such right of indemnification shall not be deemed exclusive of any other rights which such a Director, official or employee may be entitled to.

Article 40 (Has been deleted)

Article 41 In regard to any matters not provided in this Articles of Incorporation, they shall be in pursuance of Company Act and other related laws or regulations.

Article 42 This Articles of Incorporation are agreed and signed on Nov. 2, 1971, firstly amended on Dec. 28, 1973, secondly amended on Jun. 25, 1974, thirdly amended on Oct. 5, 1974, fourthly amended on Jun. 28, 1975, fifthly amended on Jun. 6, 1976, sixthly amended on Jun. 25, 1977, seventhly amended on Oct. 14, 1978, eighthly amended on Oct. 20, 1979, ninthly amended on Sep. 20, 1980, tenthly amended on Sep. 26, 1981, eleventh amended on Nov. 20, 1982, twelfth amended on Sep. 22, 1984, thirteenth amended on Feb. 16, 1985, fourteenth amended on Nov. 23, 1985, fifteenth amended on Dec. 20, 1986, sixteenth amended on Sep. 17, 1988, seventeenth amended on Sep. 27, 1989, eighteenth amended on Sep. 27, 1990, nineteenth amended on Sep. 26, 1991, twentieth amended on Sep. 25, 1992, twenty-firstly amended on Sep. 24, 1993, twenty-secondly amended on Sep. 22, 1994, twenty-thirdly amended on May 26, 1995, twenty-fourthly amended on Oct. 20, 1995, twenty-fifthly amended on Nov. 6, 1996, twenty-sixthly amended on

Dec. 30, 1997, twenty-seventhly amended on Apr. 30, 1999, twenty-eighthly amended on Jun. 8, 2000, twenty-ninthly amended on May 31, 2001, thirtieth amended on Jun. 20, 2002, thirty-firstly amended on Jun. 18, 2003, thirty-secondly amended on Jun. 17, 2004, thirty-thirdly amended on Jun. 14, 2005, thirty-fourthly amended on Jun. 15, 2006, thirty-fifthly amended on Jun. 21, 2007, thirty-sixthly amended on Jun. 19, 2008, thirty-seventhly amended on Jun. 19, 2009, thirty-eighthly amended on Jun. 23, 2010, thirty-ninthly amended on Jun. 15, 2011 and fortieth amended on Jun. 15, 2012, and forty-firstly amended on Jun. 19, 2013, forty-secondly amended on Jun. 18, 2014, forty-thirdly amended on Jun. 23, 2015, forty-fourthly amended on Jun. 23, 2016 and forty-fifthly amended on Jun. 21, 2018.

List of Shareholding by Current Directors

(As of the start date of suspension of share registration, April 21, 2025)

Title	Name		Number of Shares Held (Common shares)	Percentage Held (%)
Chairman	Chien-Chih Hwang	The representative of Ministry of Economic Affairs	3,154,709,357	20.00
Director	Chien-Hsin Lai			
Director	Wen-Chung Hu			
Director	Shou-Tao Chen	The representative of Gau Ruei Investment Corporation	1,493,318	0.01
Director	Jih-Jau Jeng	The representative of Ever Wealthy International Corporation	4,226,265	0.03
Director	Cheng-I Weng	The representative of Hung Kao Investment Corporation	1,003,980	0.01
Director	Kuan-Fu Chen	The representative of Chiun Yu Investment Corporation	1,623,289	0.01
Director	Chun-Sheng Chen	The representative of Labor Union of China Steel Corporation, Kaohsiung City	7,221,487	0.05
Independent Director	Shyue-Bin Chang		0	0
Independent Director	Min-Hsiung Hon		0	0
Independent Director	Lan-Feng Kao		4,216	0
Total number of shares held by all Directors			3,170,281,912	20.11
Required minimum number of shares held by all Directors			160,000,000	

Note: The Company has issued 15,734,860,997 common shares (including 150,000,000 treasury shares) and 38,267,999 preferred shares, with a total of 15,773,128,996 shares.