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China Steel Corporation 2024 Annual Report



Stock Code: 2002

Smart Innovation
Green Energy & Carbon Reduction
Value Co-creation

Be a Sustainable Growth Enterprise



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Notice to readers: This English-version annual report is a translation of the Chinese version.

If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

2024 Annual Report

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Luxembourg Stock Exchange

Disclosed information can be found at:

<https://citiadr.factsetdigitalsolutions.com/stocks/profile.idms?pageId=15&subpageID=151&cusip=Y15041125>

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

Chapter I. Letter to Shareholders

Dear Shareholders,

In 2024, steel manufacturers worldwide encountered significant challenges due to the oversupply and heightened competition in the steel market. At the beginning of 2024, supported by the optimistic sentiment carried over from late 2023, steel prices increased temporarily driven by the recovered market demand. However, with the ongoing weakness in China's real estate sector and the continued stagnation of European manufacturing industries, the global economy grew slower than the previous year even with the stable growth in the United States, leading to a decline in steel demand for a third consecutive year. On the cost side, coking coal and iron ore prices declined quarter by quarter, alleviating some pressure for steel mills in the second half of the year. However, with a large volume of low-priced steel from China flooding the global market, steel prices remained weak and the steel-using demand stayed sluggish, making the overall business environment still very challenging.

Facing tough market conditions and challenges in the steel industry, CSC has actively promoted breakthrough transformation to increase the sales proportion of advanced premium steel (APS) with high profitability. In 2024, APS accounted for 11.1% of total sales volume but contributed 75.2% of gross profit, creating profits through products with high technical content and industrial benefit. In addition, to address global steel overcapacity and the trend toward carbon neutrality, CSC has launched the planning of optimal capacity and consolidated under-utilized and aging production lines. Shifting the focus from production-oriented to quality-oriented, CSC is now concentrating resources on high-value products to boost efficiency and reduce costs. With the support and dedication of all employees, both parent-only and consolidated profits in 2024 saw a modest increase over 2023.

In recent years, amid the global shift toward low-carbon transformation, governments worldwide have successively implemented carbon control policies. In August 2024, the Ministry of Environment announced three carbon fee sub-laws, including the “Regulations

Governing the Collection of Carbon Fees.” According to the regulations, starting in 2026, business entities will be required to declare and pay carbon fees based on their greenhouse gas emissions from the previous year. In response, CSC will actively propose self-determined reduction plans to qualify for preferential rates and mitigate the impact of carbon fees. In response to the arrival of the carbon pricing era, in addition to the continuing development and adoption of low-carbon technologies, CSC is also adjusting its business strategy from the traditional “sales-driven production” to a new model of “carbon-driven sales” approach. This means that production and sales plans will be guided by carbon emissions. By considering carbon costs in sales strategies and planning the lowest-emission production paths, CSC aims to maximize profitability.

To move toward net-zero, CSC has introduced steel products with high recycled content since 2021 and obtained relevant UL recycled content certification. In recent years, the sales volume of steel products with scrap ratio of 12% and 20% has increased significantly from about 26 thousand tons in 2023 to 49 thousand tons in 2024, showing strong demand potential for green steel. In 2024, connecting the EAF manufacturing process at DSC, CSC developed galvanized steel products with scrap ratio of more than 60%, and obtained relevant certification. This is expected to expand the supply of green steel products.

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

I. Business and Financial Performance in 2024

(I) Business and Profitability Analysis

In 2024, as global steel demand recovery fell short of expectations, selling prices increased in the first half of the year, but persistently high raw material costs limited profit growth. In the third quarter, typically a low season, demand hit the bottom due to summer shutdowns in Europe and sluggish domestic demand and investment in

China. Although costs declined steadily, steel prices dropped even more sharply, further squeezing profit margins. In the fourth quarter, steel prices rebounded, and operations gradually improved, supported by profit contributions from the Zhong Neng Offshore Wind Farm grid connection. For 2024, the consolidated net income after tax reached NT\$3.876 billion, and the parent-only net income after tax was NT\$1.978 billion, marking a 10% and 18% increase from the previous year respectively.

Information on the Company's consolidated and parent company only financial statements are presented as follows:

1. Consolidated Financial Statements

Unit: NT\$ million/million tons

Year Item	2024	2023	Change	
Operating Revenues	360,536	363,326	(2,790)	(1%)
Gross Profit	15,061	16,773	(1,712)	(10%)
Profit from Operations	1,792	3,586	(1,794)	(50%)
Non-operating Income and Expenses	2,786	1,004	1,782	177%
Profit before Income Tax	4,578	4,590	(12)	0%
Net Profit for the Year	3,876	3,531	345	10%
Sales volume of steel products	11.85	12.13	(0.28)	(2%)

2. Parent Company Only Financial Statements

Unit: NT\$ million/million tons

Year Item	2024	2023	Change	
Operating Revenues	193,546	197,149	(3,603)	(2%)
Gross Profit	10,938	7,055	3,883	55%
Profit from Operations	3,465	(239)	3,704	1550%
Non-operating Income and Expenses	(615)	2,346	(2,961)	(126%)
Profit before Income Tax	2,850	2,107	743	35%
Net Profit for the Year	1,978	1,682	296	18%
Sales volume of steel products	7.59	7.75	(0.16)	(2%)

(II) Research and Development (R&D)

CSC 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). With APS and high-end steel reaching 11% and 52% of total orders respectively, CSC is making continuous efforts to enhance our competitive advantage through product differentiation. Based on the operational and developmental cores, “the high value-added steel mill” and “development of green energy industry”, as well as the three transformational focus: digital, low-carbon, and supply chain. These efforts aim to cultivate specialized and robust core capabilities. Major R&D outcomes are listed as follows:

1. Development of Advanced Premium Steel

- (1) Superior Hand Tool Steels: By utilizing the fine-grain toughening effect of microalloying element, niobium (Nb), the torsional resistance and fatigue durability of standard hand tools can be improved, while provides more superior toughness and extended fatigue life for premium hand tool steel.
- (2) High Performance Structural Steels: In response to the trend of “high piers, large spans, and deep foundations” in bridge construction, CSC has developed high performance steel specifically for bridges. The steel exhibits higher strength and toughness, as well as superior weldability, with low-carbon composition design. These products have been successfully applied in domestic landmark construction projects.
- (3) Steel for Green Energy & Home Appliance: To meet the demand for high recycled content steel from computer and server chassis brand manufacturers, CSC has established a revolutionary steelmaking technology to use more scrap in basic oxygen furnace. The galvanized steel products with over 60% of recycled material has been successfully produced and has passed the recycled content certification.

- (4) **Advanced Alloy Steels:** In response to the demand of high-quality products for mechanical hardware, hand tools and automotive parts, CSC 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, CSC 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.
- (5) **Cross-Generational Automotive Steels:** CSC has developed a series of advanced ultra-high strength steels for automotive application, featuring higher strength, hole-expansion, and ductility. The steels meet the lightweight and safety requirement for automobile.
- (6) **Ultra-High Efficiency Electrical Steels:** CSC has established key technologies which continuously refine ultra-thin electrical steels with low iron loss, high magnetic flux and high strength. These advancements enhance motor operational efficiency. CSC has successfully made such products sourced by major electric vehicle manufacturers, and continues to play a critical role in supplying electrical steels.

2. Intelligent manufacturing technologies

- (1) **Intelligent Shape Inspection System for Steel Strip:** Providing 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.
- (2) **Intelligent Coil ID Verification System:** Effectively intercepting material mix-ups to ensure product quality.
- (3) **Intelligent Width Control Model for the Casting of Electrical Steel Slab:** Providing the optimal mold width recommendations to assist the steelmaking

department in optimizing the slab width control capabilities and improving the slab width accuracy, thus to reduce the amount of edge trim for high-end electrical steel.

- (4) Crane Remote Control System for the Indoor Storage Area: Enhancing workplace safety through remote control.

3. Energy saving, carbon reduction and environmental protection technologies

- (1) Blast Furnace Low-Carbon Iron Making Technology: In 2024, CSC successfully completed the testing of adding low carbon ferrous burden, pellet, in the blast furnace. Through slagging calculation and burden charging research, CSC 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.
- (2) By-product Gas Carbon Capture and High-Value Utilization Technology: Establishing 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.
- (3) Low Energy Consumption Carbon Capture and Utilization Technology: 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.
- (4) Development and Demonstration of Industrial Furnace Hydrogen/Ammonia Blends Combustion Technology: Demonstration of the application of natural gas mixed with 40% hydrogen and with 10% ammonia, and demonstration of combustion technology using 60% hydrogen/ammonia blends.
- (5) Intelligent Operating Guide System for Nitrogen Compressor: By utilizing AI algorithms and integrating production line information, the system is capable

of predicting the downstream demand for medium- and high-pressure nitrogen. 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.

- (6) Plate-shaped Medium-low Temperature SCR DeNO_x Catalyst: CSC 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 to medium-low temperature. 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 CSC Group to achieve significant reduction in carbon emissions. Future applications are also planned for domestic industries such as cement, glass, and incineration.

II. 2025 Business Plan and Business Development Strategies

Looking ahead to 2025, investment and consumption momentum are expected to improve, benefitting from the cooling inflation and the continuation of easing policies in various countries. A possible peace talk between Russia and Ukraine may help reduce geopolitical risks and further support economic recovery. The Chinese government announced policies to strengthen employment and stimulate consumption in the Two Sessions, accelerating the economic momentum. Although the uncertainty from US tariff policy and the trade tensions may suppress global economic growth, the International Monetary Fund (IMF) estimates that the global economic growth rate in 2025 will still remain moderate. Despite the risk of US reciprocal tariffs and the fluctuation in exchange rates, Taiwan's Directorate-General of Budget, Accounting and Statistics (DGBAS) predicts that Taiwan's economic growth to maintain a positive trend, thanks to the steady growth in investment and consumption.

As for the steel industry, unfavorable factors in the market are gradually fading, and a relatively eased financial environment is expected to support a recovery in steel demand. The potential peace talks between Russia and Ukraine may further bring reconstruction demand. Since 2024, multiple countries have initiated anti-dumping measures against Chinese steel products, which is expected to help bring regional steel prices back to more reasonable levels. CSC also filed an anti-dumping complaint against imported hot-rolled steel products from China, which was officially accepted by Taiwan's Customs Administration, Ministry of Finance in March 2025. In April, the Ministry of Economic Affairs made affirmative preliminary injury determinations in the anti-dumping case. In addition, during the Two Sessions of this year, China announced that it will promote the reduction and restructuring of its steel industry in 2025, which should help improve industry structure and bring supply and demand closer to balance. In 2025, CSC anticipates a moderate recovery in the production and sales volume of steel products of the Group. However, the U.S. President Donald Trump's inconstant tariff policy have increased the risks of global trade protectionism, impacting the global trade order and prompting supply chain adjustments. This creates uncertainty for the recovery in the global steel market. CSC will closely monitor related developments and implement appropriate strategies to adapt.

With a long-term commitment to environmental sustainability, social engagement, and corporate governance, CSC was selected as a component of both the Dow Jones Sustainability Indices (DJSI) World Index and Emerging Markets Index in 2024, and have received high recognition across all three DJSI criteria, "Economic & Governance, Environmental, and Social," and ranked first in the global steel industry. This demonstrates that CSC's ESG efforts are on par with leading international companies. Given the rapidly changing business environment and the major challenge of carbon neutrality in recent years, CSC has formulated the 10-year business development strategies for the period 2025 to 2034, guided by the vision of "We aspire to be a sustainable growth enterprise that distinguishes itself through a firm commitment to smart innovation, green energy, carbon reduction, and value co-creation." The

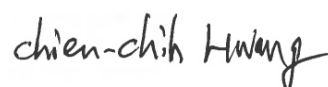
10-year business development strategies actively promotes the “dual cores and three transformations strategies”: The “dual cores” are the high value-added steel mill and the development of green energy industry. The “three transformations strategies” consist of digital transformation, low-carbon transformation, and supply chain transformation. CSC have also outlined 4 business performance goals, 10 core strategies, and various action plans. The main focuses include:

1. Continuously promote the development of advanced premium steel (APS), nurture the potential APS, and collaborate with relevant entities to refine manufacturing process improvements, thereby enhancing the margin of quasi-APS.
2. Continuously expand photovoltaic installations with an installation target of over 120MW in total capacity. Additionally, the Zhong Neng Offshore Wind Farm completed the connection to the grid in 2024, with an estimated annual power generation of approximately 1.1 billion kilowatt-hours, contributing to a reduction in carbon emissions of about 550,000 metric tons of CO₂e per year.
3. Actively advancing data-driven infrastructure, developing a specialized AI model for the steel industry, and integrating AI into the operation processes to boost productivity. These initiatives lay the groundwork for supporting low-carbon and supply chain transformations.
4. To pragmatically advance low-carbon transformation, CSC has set long-term carbon neutrality goal. Besides, CSC has utilized renewable energy and intensified efforts to improve energy efficiency, aiming at achieving a 7% short-term carbon reduction target by 2025 compared to the base year 2018. Additionally, we are developing innovative and forward-looking process technologies such as charging low carbon ferrous burden in the blast furnaces, injecting hydrogen-rich gas into blast furnaces, co-production of steel and chemicals, and increasing scrap use to achieve the 25% medium-term carbon reduction target by 2030.
5. Increasing the proportion of orders from domestic direct user customers, accelerating

the development of low-carbon products, and strengthening sales channel loyalty. Additionally, through Early Vendor Involvement (EVI) technology marketing, CSC collaborates with customers to actively implement a dual-value (value and price) enhancement action plan, creating value for customers and generating pricing power for CSC.

Looking ahead, CSC will tackle the challenges of carbon neutrality by advancing low-carbon transformation and developing the green energy industry. CSC will continue to strengthen R&D and production and sales, with a focus on high-margin and low-substitutability steel products with strong market competitiveness. These efforts will bring a complementary effect between transformation into a high value-added steel mill and supply chain transformation. At the same time, CSC will reduce cost through digital transformation and operational efficiency improvement, in order to maximize profit and value, and minimize expenses and carbon emissions. Upholding the concept of respond rapidly, try boldly, and think flexibly, CSC is committed to enhancing the Group's overall competitiveness.

Chien-Chih Hwang
Chairman



Shou-Tao Chen
President



Chapter II. Corporate Governance

I. Information on Directors and Management Team

(I) Information on Directors

As of March 31, 2025

Title	Nationality	Name	Gender/ Age	Date of Appointment	Term	Date of Initial Appointment	Shareholding on Date of Appointment		Current Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Other Current Assignments/Positions	Spouse or Relative within the Second Degree of Relationship Holding A Position as Manager, Director or Supervisor			Remarks (Note 7)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	Taiwan, R.O.C.	Ministry of Economic Affairs	--	2022.06.17	3 years	1971.12.03	3,154,709,357	20	3,154,709,357	20	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	None
	Taiwan, R.O.C.	Representative: Chien-Chih Hwang (Note 1)	Male/ 65	2022.06.17	3 years	Assumed office on 2019.09.30	33,233	0	33,233	0	0	0	0	0	Bachelor of Economics, Tungshai University Executive Vice President and Chief Information Security Officer and Corporate Governance Officer, China Steel Corporation	Chairman, China Steel Chemical Corporation; Director, Taiwan High Speed Rail Corporation; Director, China Ecotek Corporation; Director, Dragon Steel Corporation; Director, China Steel Global Trading Corporation Director, Gains Investment Corporation	None	None	None	
Director	Taiwan, R.O.C.	Ministry of Economic Affairs	--	2022.06.17	3 years	1971.12.03	3,154,709,357	20	3,154,709,357	20	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Taiwan, R.O.C.	Representative: Chien-Hsin Lai (Note 2)	Male/ 57	Assumed office on 2025.03.24	3 years	Assumed office on 2025.03.24	781	0	781	0	0	0	0	0	PhD in Soil and Water Conservation, National Chung Hsing University Director-General, Water Resource Agency, Ministry of Economic Affairs	Vice Minister, Ministry of Economic Affairs; Director, CSBC Corporation, Taiwan	None	None	None	None
Director	Taiwan, R.O.C.	Ministry of Economic Affairs	--	2022.06.17	3 years	1971.12.03	3,154,709,357	20	3,154,709,357	20	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Taiwan, R.O.C.	Representative: Wen-Chung Hu (Note 3)	Male/ 62	Assumed office on 2024.09.10	3 years	Assumed office on 2024.09.10	0	0	0	0	0	0	0	0	PhD in Social Science, Maxwell School of Citizenship & Public Affairs, Syracuse University, New York, USA Deputy Director and acting as Director, Department of State- owned Enterprise Affairs, Ministry of Economic Affairs	Director, Department of State- owned Enterprise Affairs, Ministry of Economic Affairs	None	None	None	None
Director	Taiwan, R.O.C.	Gau Ruei Investment Corporation	--	2022.06.17	3 years	Elected on 1997.12.30 Assumed office on 1998.05.26	1,493,318	0.01	1,493,318	0.01	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Taiwan, R.O.C.	Representative: Shou-Tao Chen	Male/ 63	2023.08.04	3 years	Assumed office on 2023.08.04	91,064	0	91,064	0	1,275	0	0	0	Bachelor of Power Mechanical Engineering, National Tsing Hua University Vice President of Production Division, China Steel Corporation	President, China Steel Corporation; Chairman, China Steel Machinery Corporation; Director, Chung Hung Steel Corporation; Director, China Ecotek Corporation; Director, Dragon Steel Corporation; Director, Gains Investment Corporation	None	None	None	None

Title	Nationality	Name	Gender/ Age	Date of Appointment	Term years	Date of Initial Appointment	Shareholding on Date of Appointment		Current Shareholding		Spouse and Minor's Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Other Current Assignments/Positions	Spouse or Relative within the Second Degree of Relationship Holding A Position as Manager, Director or Supervisor			Remarks (Note 7)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
	Taiwan, R.O.C.	Ever Wealthy International Corporation	--	2022.06.17	3 years	2004.06.17	4,226,265	0.03	4,226,265	0.03	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
Director	Taiwan, R.O.C.	Representative: Jhi-lau Jeng (Note 4)	Male/ 63	Assumed office on 2024.09.10	3 years	Assumed office on 2024.09.10	50,348	0	50,348	0	0	0	0	0	Ph.D. in Mining, Metallurgy and Mechanical Engineering, Clausthal University of Technology, Germany Vice President, Technology Division, China Steel Corporation	Executive Vice President and Chief Information Security Officer, China Steel Corporation; Chairman, Transglory Investment Corporation; Director, China Steel Structure Co., Ltd.; Director, Dragon Steel Corporation; Director, China Steel Express Corporation; Director, Gains Investment Corporation; Director, Formosa Ha Tinh (Cayman) Limited; Director, Formosa Ha Tinh Steel Corporation	None	None	None	
	Taiwan, R.O.C.	Hung Kao Investment Corporation	--	2022.06.17	3 years	2010.06.23	1,003,980	0.01	1,003,980	0.01	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
Director	Taiwan, R.O.C.	Representative: Cheng-I Weng (Note 5)	Male/ 80	2022.06.17	3 years	2001.05.31	9,000	0	9,000	0	0	0	0	0	PhD in Mechanical Engineering, University of Rochester, U.S.A. President, National Cheng Kung University Mechanical Engineering, National Cheng Kung University	Adjunct Chair Professor, Kun Shan University; Honorary Professor, Department of Mechanical Engineering, National Cheng Kung University	None	None	None	
	Taiwan, R.O.C.	Chiun Yu Investment Corporation	--	2022.06.17	3 years	Elected on 1997.12.30 Assumed office on 1998.05.26	1,623,289	0.01	1,623,289	0.01	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
Director	Taiwan, R.O.C.	Representative: Kian-Fu Chen (Note 6)	Male/ 55	Assumed office on 2024.09.10	3 years	Assumed office on 2024.09.10	57,613	0	57,613	0	11,078	0	0	0	Master of Management, University of Surrey, England Assistant Vice President of Corporate Planning Division, China Steel Corporation	Vice President of Corporate Planning Division and Corporate Governance Officer, China Steel Corporation; Chairman, Eminent II Venture Capital Corporation; Director, Kaohsiung Rapid Transit Corporation; Director, China Steel Machinery Corporation; Director, China Steel Power Holding Corporation; Director, China Steel Power Corporation; Director, Formosa Ha Tinh (Cayman) Limited; Director, Formosa Ha Tinh Steel Corporation	None	None	None	
	Taiwan, R.O.C.	Labor Union of China Steel Corporation, Kaohsiung City	--	2022.06.17	3 years	2001.05.31	7,221,487	0.05	7,221,487	0.05	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
Director	Taiwan, R.O.C.	Representative: Chun-Sheng Chen	Male/ 63	2022.06.17	3 years	Assumed office on 2018.01.05	19,743	0	0	0	0	0	0	0	Electrical Engineering, National Taitung Junior College Technician, China Steel Corporation	President, Labor Union of China Steel Corporation, Kaohsiung City; Director, Kang Fu Recreation Co., Ltd.	None	None	None	

Title	Nationality	Name	Gender/ Age	Date of Appointment	Term	Date of Initial Appointment	Shareholding on Date of Appointment		Current Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Other Current Assignments/Positions	Spouse or Relative within the Second Degree of Relationship Holding A Position as Manager, Director or Supervisor			Remarks (Note 7)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Independent Director	Taiwan, R.O.C.	Shyue-Bin Chang	Male/ 76	2022.06.17	3 years	2016.06.23									PhD in Mechanical and Aerospace Engineering, Cornell University, U.S.A.; Professor Emeritus/Chair Professor and Vice President, Kao Yuan University; Member, National Defense Technology Industry Development Council, Executive Yuan; Adjunct Research Fellow / Chief Reviewer, Board of Science & Technology, Executive Yuan; Director, Hua's Aero Industry Development Foundation; Chairman, Nansiang Innovation Consultant Company Limited; Director, Air Asia Company Limited; Executive Director, Ship and Ocean Industries R&D Center; Supervisor, Metal Industries Research & Development Centre; Supervisor, China Engine Corporation; Technology Consultant, Department of Industrial Technology, Ministry of Economic Affairs; Senior Vice President, International Turbine Engine Company LLC; Chief engineer, Aerospace Technology Research And Development Center of ROCAF/Aerospace Industrial Development Corporation	Independent Director, Hiwin Mikrosystem Corp.; Independent Director, Advanced International Multitech Co., Ltd.;	None	None	None	Not applicable
							0	0	0	0	0	0	0	0	PhD in Materials Science and Engineering, North Carolina State University, U.S.A.; President, Dayeh University; Professor, Department of Materials Science and Engineering, National Cheng Kung University; Chairman, The Materials Research Society-Taiwan; Director, Metal Industries Research & Development Centre; Independent Director, INPAQ Technology Co., Ltd.	Emeritus Professor, Department of Materials Science and Engineering, National Cheng Kung University	None	None	None	
Independent Director	Taiwan, R.O.C.	Min-Hsiung Hon	Male/ 81	2022.06.17	3 years	2016.06.23								0						

Title	Nationality	Name	Gender/ Age	Date of Appointment	Term	Date of Initial Appointment	Shareholding on Date of Appointment		Current Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Other Current Assignments/Positions	Spouse or Relative within the Second Degree of Relationship Holding A Position as Manager, Director or Supervisor		Remarks (Note 7)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	
Independent Director	Taiwan, R.O.C.	Lan-Feng Kao	Female/ 59	2022.06.17	3 years	2016.06.23	4,216	0	4,216	0	1,000	0	0	0	PhD in Accounting, National Cheng Kung University; Chairman, Department of Finance, National University of Kaoliung; Member of Professional Review Committee, Taiwan Industry Innovation Platform Program Office, Industry Development Bureau, MOEA; External Member of TPEx Listing Review Committee, Taipei Exchange	Professor, Department of Finance, National University of Kaoliung	None	None	None

Note 1: Ministry of Economic Affairs re-designated Mr. Shyi-Chin Wang to replace Mr. Chao-Tung Wong as its representative with effect on May 18, 2024, and it subsequently re-designated Mr. Chien-Chih Hwang to replace Mr. Shyi-Chin Wang with effect on September 10, 2024. Mr. Chien-Chih Hwang has assumed the position as Director of the Company from September 30, 2019 to date, however the juristic person he represented has changed during the period.

Note 2: Ministry of Economic Affairs re-designated Mr. Ching-Chang Lien to replace Mr. Wen-Sheng Tseng as its representative with effect on August 5, 2024, and it subsequently re-designated Mr. Chien-Hsin Lai to replace Mr. Ching-Chang Lien as its representative with effect on March 24, 2025.

Note 3: Ministry of Economic Affairs re-designated Mr. Wen-Chung Hu to replace Mr. Ming-Long Liou as its representative with effect on September 10, 2024.

Note 4: Ever Wealthy International Corporation re-designated Mr. Jih-Jau Jeng to replace Mr. Chien-Chih Hwang as its representative with effect on September 10, 2024.

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

Note 6: Mr. Shyi-Chin Wang resigned from his position as the representative of Chiun Yu Investment Corporation on May 18, 2024. Chiun Yu Investment Corporation appointed Mr. Kuan-Fu Chen as its representative with effect on September 10, 2024.

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

Table 1: Major shareholders of institutional shareholders

As of March 31, 2025

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

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

As of March 31, 2025

Institutional Shareholders	Major Shareholders of Institutional Shareholders
China Steel Chemical Corporation	China Steel Corporation 29.04%; International CSRC Investment Holdings Co., Ltd. 4.96%; Fubon Life Insurance Co., Ltd. 3.93%; Ever Wealthy International Corporation 2.01%; Chi Cheng Teh Investment Co., Ltd. 1.46%; KGI Life Insurance Co., Ltd. 1.10%; Hsin Yang Investment Co. Ltd. 1.01%; Vanguard Total International Stock Index Fund 0.96%; Chang Gung Medical Foundation 0.93%; Trust Asset Fund of China Steel Chemical Corporation under the custody of Mega International Commercial Bank Co., Ltd. 0.84%
CHC Resources Corporation	China Steel Corporation 19.83%; Taiwan Cement Corporation 12.15%; China Steel Structure Co., Ltd. 9.33%; Asia Cement Corporation 9.17%; Universal Cement Corporation 6.85%; China Steel Chemical Corporation 6.04%; Southeast Cement Corporation 5.26%; Employee's Stock Trust of CHC Resources Corporation under the custody of Mega International Commercial Bank Co., Ltd. 2.69%; Der Ching Investment Corporation 1.94%; Chia Hsin Cement Corporation 1.72%
Eminence Investment Corporation	Gains Investment Corporation 100%
Chung Hung Steel Corporation	China Steel Corporation 40.59%; Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch 0.63%; Vanguard Total International Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch 0.49%; Vanguard Equity Index II Investment Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch 0.42%; TransGlobe Life Insurance Inc. 0.28%; Emerging Markets under the custody of JP Morgan Chase Bank N.A. Taipei Branch 0.21%; Vanguard FTSE All-World ex-US Small-Cap Index Fund under the custody of HSBC (Taiwan) 0.20%; Chen-Hsiung Liu 0.20%; Chun-Tian Lai 0.18%; Labor Pension Fund 0.17%
China Ecotek Corporation	China Steel Corporation 44.76%; Hua Eng Wire & Cable Co., Ltd. 9.57%; Trust Asset Fund of China Ecotek Corporation under the custody of Mega International Commercial Bank Co., Ltd. 4.86%; Great Grandeul Steel Co., Ltd. 3.20%; Chin Ho Fa Steel & Iron Co., Ltd. 2.92%; Bai Chien Investment Corporation 2.43%; Chun Yuan Steel Industry Co., Ltd. 2.42%; Taiwan Sugar Corporation 2.33%; C. Hao Corporation 0.96%; Ting-Li Ren 0.38%
China Steel Structure Co., Ltd.	China Steel Corporation 33.24%; Yu Chuan Investment Co., Ltd. 12.50%; Taiwan Mask Corporation 7.17%; IHI Corporation 5.53%; Berlin Co., Ltd. 4.52%; Yung Chi Paint & Varnish MFG Co., Ltd. 2.50%; Hui-Chen Wu Lai 2.19%; Dragon Steel Corporation 2.11%; Chao-Yi Wu 2.03%; Great Grandeul Steel Co., Ltd. 1.95%

Note: For listed companies in Table 2, the data of major shareholders are based on the latest book closure date before the publication date of this annual report.

(II) Information on Directors' Professional Qualification and Independent Directors' Independence Criteria As of March 31, 2025

Condition		Professional Qualification and Experience		Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Name				
Chairman	Chien-Chih Hwang	<p>Expertise: Relevant industry experiences (Steel/Logistics and trading); Marketing</p> <p>Education: Bachelor of Economics, Tunghai University</p> <p>Other major current positions: Chairman, China Steel Chemical Corporation; Chairman of 23rd, Taiwan Steel & Iron Industries Association;</p> <p>Past experience: Executive Vice President and Chief Information Security Officer and Corporate Governance Officer, China Steel Corporation; Vice President of Commercial Division, China Steel Corporation; Chairman, Dragon Steel Corporation; Chairman, China Steel Global Trading Corporation; Representative of Japan Office of CSCT Japan Co., Ltd.; Vice President of Commercial Division, China Steel and Nippon Steel Vietnam Joint Stock Company; Director of 21st, International Steel Management Society of Kaohsiung; Director of 6th, Chinese International Economic Cooperation Association, Taiwan; Executive Director of 22nd, Taiwan Steel & Iron Industries Association</p>	0	
Director	Chien-Hsin Lai	<p>Expertise: Sustainable development; Energy transition; Carbon management</p> <p>Education: PhD in Soil and Water Conservation, National Chung Hsing University</p> <p>Other major current positions: Vice Minister, Ministry of Economic Affairs; Director, CSBC Corporation, Taiwan</p> <p>Past experience: Director-General, Water Resource Agency, Ministry of Economic Affairs</p>	0	
Director	Wen-Chung Hu	<p>Expertise: Public administration</p> <p>Education: PhD in Social Science, Maxwell School of Citizenship & Public Affairs, Syracuse University, New York, USA</p> <p>Other major current positions: Director, Department of State-owned Enterprise Affairs, Ministry of Economic Affairs</p> <p>Past experience: Deputy Director and acting as Director, Department of State-owned Enterprise Affairs, Ministry of Economic Affairs</p>	0	
Director	Shou-Tao Chen	<p>Expertise: Relevant industry experiences (Steel); Corporate administration</p> <p>Education: Bachelor of Power Mechanical Engineering, National Tsing Hua University</p> <p>Other major current positions: President, China Steel Corporation; Chairman, China Steel Machinery Corporation; Executive Director of 23rd, Taiwan Steel & Iron Industries Association</p> <p>Past experience: Vice President of Production Division, China Steel Corporation</p>	0	
Director	Jih-Jau Jeng	<p>Expertise: Relevant industry experiences (Steel); Artificial intelligence; Carbon reduction technology</p> <p>Education: PhD in Mining, Metallurgy and Mechanical Engineering, Clausthal University of Technology, Germany</p> <p>Other major current positions: Executive Vice President and Chief Information Security Officer, China Steel Corporation; Chairman, Transglory Investment Corporation; Executive Director of 23rd, Taiwan Steel & Iron Industries Association</p> <p>Past experience: Vice President of Technology Division, China Steel Corporation; Chairman of 61st, Chinese Institute of Mining and Metallurgical Engineers</p>	0	
Director	Cheng-I Weng	<p>Expertise: Relevant industry experiences (Steel/Machinery); Mechanical manufacturing system; Reverse problem; Molecular dynamics simulation</p> <p>Education: PhD in Mechanical Engineering, University of Rochester, U.S.A</p> <p>Other major current positions: Adjunct Chair Professor, Kun Shan University; Honorary Professor, Department of Mechanical Engineering, National Cheng Kung University</p> <p>Past experience: President, National Cheng Kung University; President, Fo Guang University; Chairman, Industrial Technology Research Institute; Chairman, National Science Council, Executive Yuan; Chairman, Taiwan Machinery Manufacturing Corporation</p>	0	
Director	Kuan-Fu Chen	<p>Expertise: Relevant industry experiences (Steel); Business management; Corporate governance</p> <p>Education: Master of Management, University of Surrey, England</p> <p>Other major current positions: Vice President of Corporate Planning Division and Corporate Governance Officer, China Steel Corporation; Chairman, Eminent II Venture Capital Corporation; Director of 7th, Chinese International Economic Cooperation Association</p> <p>Past experience: Assistant Vice President of Corporate Planning Division, China Steel Corporation</p>	0	
Director	Chun-Sheng Chen	<p>Expertise: Union affairs; Labor rights</p> <p>Education: Electrical Engineering, National Taitung Junior College</p> <p>Other major current positions: President, Labor Union of China Steel Corporation, Kaohsiung City</p> <p>Past experience: Technician, China Steel Corporation</p>	0	
Independent Director	Shyue-Bin Chang	<p>Expertise: Aviation industry; Electrical and mechanical engineering; Board member of other listed companies</p> <p>Education: PhD in Mechanical and Aerospace Engineering, Cornell University, U.S.A</p> <p>Other major current positions: Member, Scientific Research Industrialization Platform, National Science and Technology Council; Convener of Expert Review Committee on Evaluation of Localization, Technology and Achievement of Electric Bus, Ministry of Economic Affairs; Independent Director, Hiwin Mikrosystem Corp.; Independent Director, Advanced International Multitech Co., Ltd</p> <p>Past experience: Professor Emeritus / Chair Professor and Vice President, Kao Yuan University; Member, National Defense Technology Industry Development Council, Executive Yuan; Adjunct Research Fellow / Chief Reviewer, Board of Science & Technology, Executive Yuan; Director, Hua's Aero Industry Development Foundation; Chairman, Nansiang Innovation Consultant Company Limited; Director, Air Asia Company Limited; Executive Director, Ship and Ocean Industries R&D Center; Supervisor, Metal Industries Research & Development Centre; Supervisor, China Engine Corporation; Technology Consultant, Department of Industrial Technology, Ministry of Economic Affairs; Senior Vice President, International Turbine Engine Company LLC; Chief engineer, Aerospace Technology Research And Development Center of ROCAF/Aerospace Industrial Development Corporation</p>	2	
Independent Director	Min-Hsiung Hon	<p>Expertise: Materials science</p> <p>Education: PhD in Materials Science and Engineering, North Carolina State University, U.S.A.</p> <p>Other major current positions: Emeritus Professor, Department of Materials Science and Engineering, National Cheng Kung University</p> <p>Past experience: President, Dayeh University; Professor, Department of Materials Science and Engineering, National Cheng Kung University; Director, Metal Industries Research & Development Centre; Independent Director, Member of Audit Committee and Member of Remuneration Committee, INPAQ Technology Co., Ltd.</p>	0	
Independent Director	Lan-Feng Kao	<p>Expertise: Accounting/Finance; Corporate Governance</p> <p>Education: PhD in Accounting, National Cheng Kung University</p> <p>Other major current positions: Professor, Department of Finance, National University of Kaohsiung; Member of Urban Bus Review Committee, Kaohsiung City Government</p> <p>Past experience: Chairman, Department of Finance, National University of Kaohsiung; Member of Professional Review Committee, Taiwan Industry Innovation Platform Program Office, Industry Development Bureau, MOEA; External Member of TPEx Listing Review Committee, Taipei Exchange</p>	0	
None of the Directors of the Company (Independent Directors included) has any conditions defined in Article 30 of the Company Act				

Criteria		Independence Criteria			
		The person and the person's spouse as well as relatives within the second degree of relationship are not a director, supervisor, or employee of the Company or any of its affiliates.	The person is not a shareholder who holds shares, together with those held by the person's spouse as well as relatives within the second degree of relationship (or under others' names), in an aggregate amount of 1% or more of total shares issued by the Company or ranking as one of its top ten natural-person shareholders.	The person is not a director, supervisor, or employee of a company or organization that has a specific relationship with the Company.	The person did not receive any remuneration for providing commercial, legal, financial, accounting or related services from the Company or any of its affiliates in the recent 2 years.
Name	Chairman	Chien-Chih Hwang	✓		✓
	Director	Chien-Hsin Lai		✓	✓
	Director	Wen-Chung Hu		✓	✓
	Director	Shou-Tao Chen		✓	✓
	Director	Jih-Jau Jeng		✓	✓
	Director	Cheng-I Weng		✓	✓
	Director	Kuan-Fu Chen		✓	✓
	Director	Chun-Sheng Chen		✓	✓
Independent Director	Shyue-Bin Chang	✓	The person: 0 shares (0%) Spouse: 0 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)	✓	✓
Independent Director	Min-Hsiung Hon	✓	The person: 0 shares (0%) Spouse: 5,000 shares (0%) Other relatives within the second degree of relationship: 25,000 shares (0%)	✓	✓
Independent Director	Lan-Feng Kao	✓	The person: 4,216 shares (0%) Spouse: 1,000 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)	✓	✓
The Independent Directors Shyue-Bin Chang, Min-Hsiung Hon and Lan-Feng Kao meet the qualification requirements stipulated in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of Securities and Exchange Act in the two years prior to the date of appointment and during term of office. Additionally, all Independent Directors have been fully empowered to participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act, thereby performing their duties independently.					

(III) Board Diversity and Independence

1. Board Diversity:

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

The Board of Directors is set up with the specific aim of appointing Directors of different gender and age and with different professional knowledge and background, consisting of at least 1 Director with finance or accounting background, at least 1 Director with management experience in the steel industry and at least 1 female Director. At present, the Board of Directors is composed of 11 Directors with 3 Independent Directors, including 1 female Director, 1 Director recommended by the labor union of the Company as labor representative, and 3 Directors holding a management position, whose professional knowledge and skills cover different areas, including steel, economics, soil and water conservation, social science, machinery, mining engineering, business administration, electrical engineering, aerospace, materials, and finance and accounting. Out of the current Directors, there are 2 with finance and accounting backgrounds and 4 with management experience in the steel industry. Hence, the Company fully implements the concept of diversity in the composition of Board of Directors, which is beneficial to promote the “Dual cores and three transformation strategies” of the Company, including two cores “High Value-added Steel Mill” and “Development of Green Energy Industry”, and driving three transformational initiatives “Digital Transformation,” “Low-Carbon Transformation,” and “Supply Chain Transformation.” The appointment of the Company’s Directors is based on the objective of building a sound and effective Board of Directors. Consideration is given to candidates’ diverse professional expertise and backgrounds to meet the Company's future operational and development needs. As experts or practitioners with backgrounds in the steel industry are predominantly male, the pool of female director candidates remains relatively limited. As a result, the proportion of female directors of the Board of the Company has not yet reached one-third (1 out of 11 Directors is female). The Company will continue to

expand the pool of potential candidates and actively seek outstanding talent with expertise in finance, law, marketing, technology, or management. The Company will also communicate with shareholders to encourage consideration of gender diversity objectives as a factor during the nomination process for Board elections.

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

The three main areas of expertise for each Director are ranked as 1, 2, and 3, while other areas of expertise are indicated with a ✓ mark without any particular order.

As of March 31, 2025

Core Diversity Element Name of Director	Composition								Business Management	Decision - Making	Industry Knowledge	Steel Industry Management Experience	Finance and Accounting	Marketing	Technology	Risk Management	Sustainable Development	Climate Change Response
	Gender	Employed by the Company	Ages			Tenure of Independent Directors												
			50~59	60~69	>70	< 3 yrs	4~8 yrs	> 9 yrs										
Chairman Chien-Chih Hwang	Male			✓		Not applicable			1	✓	2	3		✓		✓	✓	
Director Chien-Hsin Lai	Male		✓						✓	1	✓				✓	2	3	
Director Wen-Chung Hu	Male			✓					✓	2	3				✓	1	✓	
Director Shou-Tao Chen	Male	✓		✓					3	✓	2	1			✓	✓	✓	
Director Jih-Jau Jeng	Male	✓		✓					✓	3	2	1			✓	✓	✓	
Director Cheng-I Weng	Male				✓					2	✓				1	3	✓	
Director Kuan-Fu Chen	Male	✓	✓						1	✓	2	3	✓			✓	✓	✓
Director Chun-Sheng Chen	Male	✓		✓					3	1	2					✓	✓	
Independent Director Shyue-Bin Chang	Male				✓		✓		3	✓	2			1		✓	✓	
Independent Director Min-Hsiung Hon	Male				✓		✓		✓	3	1			2		✓	✓	
Independent Director Lan-Feng Kao	Female		✓				✓				3		1			2	✓	

2. Board Independence:

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

None of the Directors (including Independent Directors) has a marital relationship or falls within the second degree of relationship with each other, also Chairman and the President of the Company are held by different persons. Meanwhile in Paragraph 1, Article 20 of Rules of Procedure for Board of Directors Meetings of the Company

stipulates that "With regard to Board Meeting proposals, a Director shall explain, to the Board of Directors, the important content of interests if he/she, the corporate he/she represents or the following persons and enterprises have conflict of interests in such proposals. If there are concerns that such conflict of interests may impair the interests of the Company, the Director shall not take part in discussion and voting, nor exercise voting rights on behalf of other Directors, and shall recuse him/herself from discussion and voting." All directors of the Company have complied with the aforementioned requirements and have ensured independence on the Board.

(IV) Information on Management Team

As of March 31, 2025

Title	Nationality	Name	Gender	Date of Assumption of Office	Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Academic and Career Background	Positions Currently Held in Other Companies	Managers with spouses or relatives within the second degree of kinship			Remarks (Note 2)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
President	Taiwan, R.O.C.	Shou-Tao Chen	Male	2024.09.10	91,064	0	1,275	0	0	0	Bachelor of Power Mechanical Engineering, National Tsing Hua University Vice President of Production Division, China Steel Corporation	Chairman, China Steel Machinery Corporation; Director, Chung Hung Steel Corporation; Director, China Ecotek Corporation; Director, Dragon Steel Corporation; Director, Gains Investment Corporation	None	None	None	Not applicable
Executive Vice President / Chief Information Security Officer	Taiwan, R.O.C.	Jih-Iau Jeng	Male	2024.09.10	50,348	0	0	0	0	0	Ph.D. in Mining, Metallurgy and Mechanical Engineering, Clausthal University of Technology, Germany Vice President, Technology Division, China Steel Corporation	Chairman, Transglory Investment Corporation; Director, China Steel Structure Co., Ltd; Director, Dragon Steel Corporation; Director, China Steel Express Corporation; Director, Gains Investment Corporation; Director, Formosa Ha Tinh (Cayman) Limited;	None	None	None	
Vice President, Administration Division	Taiwan, R.O.C.	I-Chung Huang	Male	2021.09.24	168,827	0	13,952	0	0	0	Masters of Labor Science, Chinese Culture University Assistant Vice President of Administration Division, China Steel Corporation	Director, Formosa Ha Tinh Steel Corporation Director, China Steel Express Corporation; Director, China Steel Security Corporation; Director, Kaohsiung Arena Development Corporation; Supervisor, Dragon Steel Corporation	None	None	None	
Vice President, Commercial Division	Taiwan, R.O.C.	Chia-Cheng Lee	Male	2025.02.01	0	0	0	0	0	0	Bachelor of Power Mechanical Engineering, National Tsing Hua University Assistant Vice President of Commercial Division, China Steel Corporation	Chairman, China Steel Global Trading Corporation; Chairman, China Steel and Nippon Steel Vietnam Joint Stock Company	None	None	None	
Vice President, Finance Division	Taiwan, R.O.C.	Yueh-Kun Yang	Male	2018.07.01	32,427	0	599	0	0	0	Master of Business Management, National Sun Yat-sen University Assistant Vice President of Finance Division, China Steel Corporation	Chairman, Kaohsiung Rapid Transit Corporation; Director, C.S.A. Aluminium Corporation	None	None	None	
Vice President, Corporate Planning Division / Corporate Governance Officer	Taiwan, R.O.C.	Kuan-Fu Chen	Male	2023.08.04 (Note 1)	57,613	0	11,078	0	0	0	Master of Management, University of Surrey, England Assistant Vice President of Corporate Planning Division, China Steel Corporation	Chairman, Eminent II Venture Capital Corporation Director, Kaohsiung Rapid Transit Corporation; Director, China Steel Machinery Corporation; Director, China Steel Power Holding Corporation; Director, China Steel Power Corporation; Director, Formosa Ha Tinh (Cayman) Limited;	None	None	None	
											Director, Formosa Ha Tinh Steel Corporation					

Title	Nationality	Name	Gender	Date of Assumption of Office	Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee		Academic and Career Background	Positions Currently Held in Other Companies	Managers with spouses or relatives within the second degree of kinship			Remarks (Note 2)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Vice President, Technology Division	Taiwan, R.O.C.	Hong-Yih Liou	Male	2024.09.10	8,304	0	0	0	0	0	Ph.D. in Materials Science and Engineering, National Cheng Kung University Assistant Vice President, Technology Division, China Steel Corporation	Director, China Steel Chemical Corporation; Director, InfoChamp Systems Corporation; Director, China Steel Power Holding Corporation; Director, China Steel Power Corporation; Director, Rechi Precision Co., Ltd.	None	None	None	
Vice President, Engineering Division	Taiwan, R.O.C.	Kuei-Sung Tseng	Male	2024.09.10	415,501	0	1,000	0	0	0	Bachelor of Naval Architecture and Mechatronic Engineering, National Cheng Kung University President, Chung Hung Steel Corporation	Chairman, Chung Hung Steel Corporation; Director, Kaohsiung Rapid Transit Corporation	None	None	None	
Vice President, Production Division	Taiwan, R.O.C.	Wen-Hsien Chou	Male	2024.09.10	49,623	0	1,000	0	0	0	Master of Executive Master of Business Administration, Shih Chien University Assistant Vice President, Production Division, China Steel Corporation	Director, China Steel Express Corporation; Director, InfoChamp Systems Corporation; Director, Tang Eng Iron Works Co., Ltd.;	None	None	None	
General Manager, Finance Department	Taiwan, R.O.C.	Shih-Hsin Chen	Male	2019.07.01	306	0	0	0	0	0	Master of Finance, National Chengchi University; Assistant Vice President of Finance Division, Dragon Steel Corporation	Supervisor, Wuxi Teco Electric & Machinery Co., Ltd.	None	None	None	
General Manager, Accounting Department	Taiwan, R.O.C.	Pei-Yu Lee	Female	2023.03.01	0	0	0	0	0	0	Master of Public Finance, National Chengchi University; Acting Manager of Group Accounting Section, Accounting Department, China Steel Corporation	Director, HIMAG Magnetic Corporation	None	None	None	

Note 1: The Board of Directors approved the appointment of Mr. Kuan-Fu Chen, Vice President of Corporate Planning Division, to hold a concurrent post as Corporate Governance Officer on September 10, 2024.

Note 2: Where the Chairman, President or person holds an equivalent position (the highest level management) of the Company are the same person, spouses, or relatives within the first degree of relationship, an relevant explanation shall be given regarding the information on the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (including methods such as increasing the number of seats for Independent Directors and more than half of the Directors shall not hold a position as employees or managements).

II. Compensations of Directors, President and Vice Presidents

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

Unit: NT\$ thousands, as of December 31, 2024

Title	Name	Compensation Paid to Directors						Compensation Received by a Director Who is Also an Employee						Sum of A, B, C, D, E, F and G/ The Sum as a Percentage of Net Income (%)			Compensation Paid to Directors by Non-Parent Company			
		Base Compensation (A)		Severance Pay and Pension(B)		Remuneration to Directors(C)		Allowances (D)		Salary, Bonus and Allowance (E)		Severance Pay and Pension (F)		Remuneration to Employees (G)		The Company		Consolidated Entities	stock	
		The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	Cash	stock	Cash	stock					
Chairman	Chao-Tung Wong (Note 1) (Representative of Ministry of Economic Affairs)																			
	Chien-Chih Hwang (Note 2) (Representative of Ministry of Economic Affairs)																			
	Ministry of Economic Affairs																			
	Chiun Yu Investment Corporation																			
	Ever Wealthy International Corporation																			
	Gau Ruel Investment Corporation																			
	Hung Kao Investment Corporation																			
	Labor Union of China Steel Corporation, Kaohsiung City																			
	Wen-Sheng Tseng (Note 3) (Representative of Ministry of Economic Affairs)																			
	Ching-Chang Lien (Note 3) (Representative of Ministry of Economic Affairs)																			
	Ming-Jong Liou (Note 3) (Representative of Ministry of Economic Affairs)																			
	Wen-Chung Hu (Note 3) (Representative of Ministry of Economic Affairs)																			
	Director	Shyi-Chin Wang (Note 1 and 2) (Representative of Chiun Yu Investment Corporation / Ministry of Economic Affairs)	1,382	2,777	0	0	0	0	1,338	1,772	18,881	18,881	531	531	14	0	14	0	22,146 1.119%	23,975 1.212%
Chien-Chih Hwang (Note 4) (Representative of Ever Wealthy International Corporation)																				
Shou-Iao Chen (Representative of Gau Ruel Investment Corporation)																				
Jih-Jau Jeng (Note 4) (Representative of Ever Wealthy International Corporation)																				
Cheng-I Weng (Representative of Hung Kao Investment Corporation)																				
Kuan-Fu Chen (Note 5) (Representative of Chiun Yu Investment Corporation)																				
Chun-Sheng Chen (Representative of Labor Union of China Steel Corporation, Kaohsiung City)																				
Shyue-Bin Chang (Representative of Min-Hsiung Hon Lan-Feng Kao)		2,160	2,160	0	0	0	0	881	881	0	0	0	0	0	0	0	0	3,041 0.154%	3,041 0.154%	0
Min-Hsiung Hon																				
Lan-Feng Kao																				

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

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

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

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

★ In addition to the disclosure above, compensation paid to Directors for their services (e.g. providing consulting services as a non-employee to parent company, all the consolidated entities in the financial statements, and non-consolidated affiliates): Director Kuan-Fu Chen served as a member of the Investment Review Committee of the subsidiary, Gains Investment Corporation and received a meeting attendance fee of NT\$2,000 during his tenure as the Board of director in 2024.

Note:

1. Chairman Chao-Tung Wong retired and stepped down from the position on May 18, 2024, and Ministry of Economic Affairs re-designated Mr. Shyi-Chin Wang to replace Mr. Chao-Tung Wong as its representative. Mr. Shyi-Chin Wang resigned from his position as the representative of Chiun Yu Investment Corporation.

2. The Ministry of Economic Affairs re-designated Mr. Chien-Chih Hwang to replace Mr. Shyi-Chin Wang as its representative with effect on September 10, 2024. The Board of Directors elected Mr. Chien-Chih Hwang as Chairman on the same day.

3. The Ministry of Economic Affairs re-designated Mr. Ching-Chang Lien to replace Mr. Wen-Sheng Tseng as its representative with effect on August 5, 2024, and it subsequently re-designated Mr. Wen-Chung Hu to replace Mr. Ming-Jong Liou as its representative with effect on September 10, 2024.

4. Ever Wealthy International Corporation re-designated Mr. Jih-Jau Jeng to replace Mr. Chien-Chih Hwang as its representative with effect on September 10, 2024.

5. Chiun Yu Investment Corporation appointed Mr. Kuan-Fu Chen as its representative with effect on September 10, 2024.

6. Compensations paid to Non-independent Directors and Independent Directors only include the compensations received by juristic person directors and representatives during their tenure in 2024.

7. Remuneration to Directors of the Company is fully received by juristic person directors. The travel expenses for the Ministry of Economic Affairs are shared by juristic person and its representatives in an agreed ratio, whereas the travel expenses for Labor Union of China Steel Corporation are received by juristic person.

8. Consolidated entities include the Company, however where juristic person directors of the Company are one of the consolidated entities, various types of compensations received by juristic persons shall be eliminated under the column headed "Consolidated Entities".

9. Directors of the Company (juristic persons and representatives) do not receive or contribute to severance pay and pension upon resignation or retirement. Meanwhile, for representatives of juristic person who serve as employees at the Company, the total amount of severance pay and pension contributed in 2024 according to the law was NT\$531 thousand.

Range of Compensation

Range of compensation paid to Directors of the Company	Directors' Name			
	Sum of A+B+C+D	Consolidated Entities	The Company	Sum of A+B+C+D+E+F+G
Under NT\$1,000,000	The Company	Chao-Tung Wong, Chien-Chih Hwang, Wen-Sheng Tseng, Ching-Chang Lien, Ming-Jong Liou, Wen-Chung Hu, Shou-Tao Chen, Jih-Jau Jeng, Cheng-I Weng, Kuan-Fu Chen, Chun-Sheng Chen, Ministry of Economic Affairs, Chiun Yu Investment Corporation, Ever Wealthy International Corporation,	Chao-Tung Wong, Chien-Chih Hwang, Wen-Sheng Tseng, Ching-Chang Lien, Ming-Jong Liou, Wen-Chung Hu, Shou-Tao Chen, Jih-Jau Jeng, Cheng-I Weng, Ministry of Economic Affairs, Chiun Yu Investment Corporation, Ever Wealthy International Corporation, Gau Ruei Investment Corporation, Hung Kao Investment Corporation, and Labor Union of China Steel Corporation, Kaohsiung City	Parent Company and Affiliates
	Chao-Tung Wong, Chien-Chih Hwang, Wen-Sheng Tseng, Ching-Chang Lien, Ming-Jong Liou, Wen-Chung Hu, Shou-Tao Chen, Jih-Jau Jeng, Cheng-I Weng, Kuan-Fu Chen, Chun-Sheng Chen, Ministry of Economic Affairs, Chiun Yu Investment Corporation, Ever Wealthy International Corporation, Gau Ruei Investment Corporation, Hung Kao Investment Corporation, and Labor Union of China Steel Corporation, Kaohsiung City	Chao-Tung Wong, Chien-Chih Hwang, Wen-Sheng Tseng, Ching-Chang Lien, Ming-Jong Liou, Wen-Chung Hu, Shou-Tao Chen, Jih-Jau Jeng, Cheng-I Weng, Ministry of Economic Affairs, Chiun Yu Investment Corporation, Ever Wealthy International Corporation, Gau Ruei Investment Corporation, Hung Kao Investment Corporation, and Labor Union of China Steel Corporation, Kaohsiung City	Chao-Tung Wong, Chien-Chih Hwang, Wen-Sheng Tseng, Ching-Chang Lien, Ming-Jong Liou, Wen-Chung Hu, Shou-Tao Chen, Jih-Jau Jeng, Cheng-I Weng, Ministry of Economic Affairs, Chiun Yu Investment Corporation, Ever Wealthy International Corporation, Gau Ruei Investment Corporation, Hung Kao Investment Corporation, and Labor Union of China Steel Corporation, Kaohsiung City	Wen-Sheng Tseng, Ching-Chang Lien, Ming-Jong Liou, Wen-Chung Hu, Cheng-I Weng, Ministry of Economic Affairs, Chiun Yu Investment Corporation, Ever Wealthy International Corporation, Gau Ruei Investment Corporation, Hung Kao Investment Corporation, and Labor Union of China Steel Corporation, Kaohsiung City
NT\$1,000,000 (inclusive) - NT\$2,000,000 (not inclusive)	Shyi-Chin Wang, Shyue-Bin Chang, Min-Hsiung Hon, and Lan-Feng Kao	Shyue-Bin Chang, Min-Hsiung Hon, and Lan-Feng Kao	Shyi-Chin Wang, Jih-Jau Jeng, Kuan-Fu Chen, Chun-Sheng Chen, Shyue-Bin Chang, Min-Hsiung Hon, and Lan-Feng Kao	Jih-Jau Jeng, Kuan-Fu Chen, Chun-Sheng Chen, Shyue-Bin Chang, Min-Hsiung Hon, and Lan-Feng Kao
NT\$2,000,000 (inclusive) - NT\$3,500,000 (not inclusive)	None	Shyi-Chin Wang	Chao-Tung Wong	Chao-Tung Wong
NT\$3,500,000 (inclusive) - NT\$5,000,000 (not inclusive)	None	None	None	Shyi-Chin Wang
NT\$5,000,000 (inclusive) - NT\$10,000,000 (not inclusive)	None	None	Chien-Chih Hwang and Shou-Tao Chen	Chien-Chih Hwang and Shou-Tao Chen
NT\$10,000,000 (inclusive) - NT\$15,000,000 (not inclusive)	None	None	None	None
NT\$15,000,000 (inclusive) - NT\$30,000,000 (not inclusive)	None	None	None	None
NT\$30,000,000 (inclusive) - NT\$50,000,000 (not inclusive)	None	None	None	None
NT\$50,000,000 (inclusive) - NT\$100,000,000 (not inclusive)	None	None	None	None
NT\$100,000,000 and above	None	None	None	None
Total number of persons in each amount range	21	21	21	21

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

(II) Compensations Paid to President and Vice Presidents

Unit: NT\$ thousands, as of December 31, 2024

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)		Remuneration to Employees(D)				Sum of A, B, C and D/ The Sum as A Percentage of Net Income (%)		Compensation Paid by Non- consolidated Affiliates or Parent Company	
		The Company	Consolidated Entities	The Company	Consolidated Entities	The Company		Consolidated Entities		The Company	Consolidated Entities				
						Cash	Stock	Cash	Stock						
Managers	President	Shyi-Chin Wang (Note 1)													
		Shou-Tao Chen (Note 2)													
	Executive Vice President	Chien-Chih Hwang Jih-Jau Jeng (Note 3)													
		I-Chung Huang Min-Hsiung Liu (Note 4)													
	Vice President	Ming-Yuan Chen (Note 4)													
		Yueh-Kun Yang Kuan-Fu Chen Jih-Jau Jeng (Note 3)	30,672	30,672	1,482	1,482	8,175	10,835	43	0	43	0	40,372 2.041%	43,032 2.175%	48
		Hong-Yih Liou (Note 3)													
		Jui-Teng Chen (Note5)													
		Kuei-Sung Tseng (Note5)													
		Shou-Tao Chen (Note 2)													
		Wen-Hsien Chou (Note 2)													

Note:

1. President of the Company, Mr. Shyi-Chin Wang reached retirement age on May 31, 2022. On August 5, 2022, the Board of Directors approved the appointment of Mr. Shyi-Chin Wang to hold a concurrent post as President of the Company while serving as one of the Directors. Prior to being nominated to serve as Acting Chairman by the Board of Directors on May 18, 2024, Mr. Shyi-Chin Wang only received compensations as a representative of juristic person director and did not receive salaries, bonus and remuneration from the Company.
2. The Vice President of Production, Mr. Shou-Tao Chen, was promoted to the President on September 10, 2024, and Wen-Hsien Chou was promoted to the Vice President of Production.

3. On September 10, 2024, The Board of Directors elected Mr. Chien-Chih Hwang as Chairman. Meanwhile, Vice President of Technology, Mr. Jih-Jau Jeng, was promoted to the Vice President, and Mr. Horng-Yih was promoted to the Vice President of Technology.
4. The Vice President of Commercial, Mr. Min-Hsiung Liu, reached retirement age on January 31, 2024, and Mr. Ming-Yuan Chen was promoted to the Vice President of Commercial on February 1, 2024.
5. The Vice President of Engineering, Mr. Jui-Teng Chen, was assigned to a subsidiary on September 10, 2024, and Mr. Kuei-Sung Tseng was promoted as the Vice President of Engineering.
6. Consolidated entities include the Company.
7. Compensations paid to President and Vice Presidents only include the compensations received by them during their tenure of this position in 2024.

Range of Compensation

Range of compensation paid to Presidents and Vice Presidents of the Company	The Company	Name of President and Vice President	Consolidated Entities
Under NT\$1,000,000	Min-Hsiung Liu		Min-Hsiung Liu
NT\$1,000,000 (inclusive) - NT\$2,000,000 (not inclusive)	Shyi-Chin Wang, Horng-Yih Liou, Kuei-Sung Tseng and Wen-Hsien Chou	Horng-Yih Liou, Kuei-Sung Tseng and Wen-Hsien Chou	
NT\$2,000,000 (inclusive) - NT\$3,500,000 (not inclusive)	Jui-Teng Chen	Jui-Teng Chen	
NT\$3,500,000 (inclusive) - NT\$5,000,000 (not inclusive)	Chien-Chih Hwang, Jih-Jau Jeng, I-Chung Huang, Ming-Yuan Chen, Yueh-Kun Yang and Kuan-Fu Chen	Shyi-Chin Wang, Chien-Chih Hwang, Jih-Jau Jeng, I-Chung Huang, Ming-Yuan Chen, Yueh-Kun Yang and Kuan-Fu Chen	
NT\$5,000,000 (inclusive) - NT\$10,000,000 (not inclusive)	Shou-Tao Chen	Shou-Tao Chen	
NT\$10,000,000 (inclusive) - NT\$15,000,000 (not inclusive)	None	None	None
NT\$15,000,000 (inclusive) - NT\$30,000,000 (not inclusive)	None	None	None
NT\$30,000,000 (inclusive) - NT\$50,000,000 (not inclusive)	None	None	None
NT\$50,000,000 (inclusive) - NT\$100,000,000 (not inclusive)	None	None	None
NT\$100,000,000 and above	None	None	None
Total number of persons in each amount range	13		13

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

As of December 31, 2024

Unit: NT\$ thousands

	Title	Name	Amount of Stock	Amount of Cash	Total	Total Amount as A Percentage of Net Income (%)
Managerial Personnel	President	Shou-Tao Chen	0	44	44	0.002%
	Executive Vice President	Chien-Chih Hwang				
		Jih-Jau Jeng				
	Vice President	I-Chung Huang				
		Min-Hsiung Liu				
		Ming-Yuan Chen				
		Yueh-Kun Yang				
		Kuan-Fu Chen				
		Jih-Jau Jeng				
		Horng-Yih Liou				
		Jui-Teng Chen				
		Kuei-Sung Tseng				
		Shou-Tao Chen				
		Wen-Hsien Chou				
	General Manager, Finance Department	Shih-Hsin Chen				
	General Manager, Accounting Department	Pei-Yu Lee				
Director	President of Labor Union	Chun-Sheng Chen				

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

1. In 2024, total compensation paid to Directors, President and Vice Presidents of the Company accounted for 2.63% of the Company's net income. In 2023, total compensation paid to Directors, President and Vice Presidents of the Company constituted 3.23% of the Company's net income. Independent Directors of the Company only receive fixed compensation and are not entitled to the distribution of remuneration for Directors. The policies and standards for compensations paid by the Company to Directors, President and Vice Presidents are clearly stated in Paragraph 1, Article 6 of the Company's Articles of Incorporation, which stipulates that "If there is profit in any given fiscal year, the Company shall set aside no less than 0.1% as the remuneration in stock or cash for employees, and no more than 0.15% as the remuneration for Directors...." Also in Article 9 of Rules Governing the Performance Evaluation of the Board of Directors stated that "The results of the performance evaluation for the Board of Directors shall be used as a reference and the basis for the election or nomination of Directors, while the results of performance evaluation for each Director (excluding Independent Directors) will also

serve as a reference and the basis for determining the remuneration allocation for Directors." With regard to employee remuneration for Presidents and Vice Presidents, the Board of Directors has approved that 1.5% of the total amount of employee remuneration shall be distributed to them. Travel expenses for Directors are determined referring to the standards set by industry peers. Incentives for President and Vice Presidents are distributed according to a certain proportion of the Company's profit in the previous year.

2. The compensation paid by the Company, according to the Organization Regulations for Remuneration Committee, includes cash remuneration, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures, which is consistent with the scope of the compensation for directors and managerial officers as set out in the Regulations Governing Information to be Published in Annual Reports of Public Companies.
3. As for the procedures for determining compensation, the Company has formulated the Rules Governing the Performance Evaluation of the Board of Directors and Performance Appraisal Rules applicable to managements and employees as the basis for performance evaluation and appraisal and as a reference for determining reasonable allocation of remuneration, which is also linked to the Company's operating performance. The evaluation criteria used to measure the performance of the Board of Directors include understanding of the Company targets and missions, awareness of directors' responsibilities, level of participation in the Company's operations, internal relationship management and communication, directors' professionalism and continuous learning, and internal controls. The appraisal items for managements consist of financial indicators (e.g. sales volume of steel products, order of steel products, amount of cost savings, return on assets, etc.) and non-financial indicators (e.g. number of major occupational accidents, performance in information security, number of completion of smart manufacturing and technology projects, execution outcomes of engineering projects, and other ESG performance indicators). Compensation paid to Directors as well as the remuneration for employees and incentive bonus paid to the managements are determined according to the results of performance evaluation. Furthermore, 10% of the remuneration for employees paid to the managements is linked to the Company's ESG performance indicators. The reasonableness of performance appraisal and remuneration is also reviewed by the Remuneration Committee and the Board of Directors on an annual basis.

III. Implementation of Corporate Governance

(I) Operation of the Board of Directors

1. In 2024, the 18th Board of Directors convened a total of 8 meetings. Attendance of Directors is listed as follows:

(January 1, 2024 to December 31, 2024)

Title	Name		Attendance in Person	Attendance by Proxy	Required Attendance	Percentage of Attendance in Person (%)	Remarks
Chairman	Representative of Ministry of Economic Affairs	Chao-Tung Wong	2	0	2	100%	Shyi-Chin Wang was appointed as the representative on May 18, 2024, and was recommended by the Board to serve as the acting Chairman on the same day; Chien-Chih Hwang was appointed as the representative on September 10, 2024, and was elected by the Board of Directors as the Chairman on the same day.
		Shyi-Chin Wang (Acting Chairman)	2	0	2	100%	
		Chien-Chih Hwang	4	0	4	100%	
Director	Representative of Ministry of Economic Affairs	Wen-Sheng Tseng	3	0	3	100%	Ching-Chang Lien was appointed as the representative on August 5, 2024.
		Ching-Chang Lien	5	0	5	100%	
Director	Representative of Ministry of Economic Affairs	Ming-Jong Liou	4	0	4	100%	Wen-Chung Hu was appointed as the representative on September 10, 2024.
		Wen-Chung Hu	4	0	4	100%	
Director	Representative of Chiun Yu Investment Corporation	Shyi-Chin Wang	2	0	2	100%	Shyi-Chin Wang resigned from his position as the representative on May 18, 2024, and the Director's position was vacant; Kuan- Fu Chen was appointed as the representative on September 10, 2024.
		Kuan-Fu Chen	4	0	4	100%	
Director	Representative of Ever Wealthy International Corporation	Chien-Chih Hwang	4	0	4	100%	Jih-Jau Jeng was appointed as the representative on September 10, 2024.
		Jih-Jau Jeng	4	0	4	100%	
Director	Representative of Hung Kao Investment Corporation	Cheng-I Weng	7	1	8	87.5%	None
Director	Representative of Gau Ruei Investment Corporation	Shou-Tao Chen	7	1	8	87.5%	None
Director	Representative of Labor Union of China Steel Corporation, Kaohsiung City	Chun-Sheng Chen	6	2	8	75%	None
Independent Director	Shyue-Bin Chang		8	0	8	100%	None
Independent Director	Min-Hsiung Hon		8	0	8	100%	None
Independent Director	Lan-Feng Kao		8	0	8	100%	None

Other matters to be noted:

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

- (1) Items listed in Article 14-3 of the Securities and Exchange Act: The Company has an Audit Committee. Pursuant to Article 14-5 of the Securities and Exchange Act, the provisions of Article 14-3 of the same Act shall not apply. For relevant information, please refer to page 38-41 Operation of the Audit Committee of this annual report.
 - (2) In addition to the preceding matters, other resolutions of Board Meetings on which Independent Directors have dissenting opinions or qualified opinions, and that are documented or issued through written statements: None.
2. Recusal of Directors due to conflict of interests (the name of the Directors, the content of proposals, reasons for recusal, and participation in voting shall be stated):
- All the Directors of the Company follow the regulation of Paragraph 1 and 2, Article 20 of the China Steel Corporation Rules of Procedure for Board of Directors Meetings, which stipulates that "With regard to Board Meeting proposals, a Director shall explain, to the Board of Directors, the important content of interests if he/she or the corporate he/she represents have conflict of interests in such proposals. If there are concerns that such conflict of interests may impair the interests of the Company, the Director shall not take part in discussion and voting, nor exercise voting rights on behalf of other Directors, and shall recuse him/herself from discussion and voting. Where the spouse or a blood relative within the second degree of kinship of a Director, or a company which has a controlling or subordinate relation with a Director, has conflict of interests in the proposals as described in the preceding paragraph, he/she shall be deemed to have conflict of interests with respect to that proposal."
- (1) The 10th meeting of the 18th Board of Directors on February 29, 2024: Proposal regarding the loaning of funds totaling NT\$1.6 billion to 5 subsidiaries, including Chung Hung Steel Corporation, etc.: Chairman Chao-Tung Wong recused himself according to applicable laws.
 - (2) The 10th meeting of the 18th Board of Directors on February 29, 2024: Proposal regarding the 2023 Year-End Performance Evaluation of Executive Vice President and Vice Presidents (From January to December): Directors Chien-Chih Hwang and Shou-Tao Chen recused themselves according to applicable laws.
 - (3) The 11th meeting of the 18th Board of Directors on May 7, 2024: Proposal regarding the salary and benefit adjustments for appointed managements: Directors Chien-Chih Hwang and Shou-Tao Chen recused themselves according to applicable laws.
 - (4) The 11th meeting of the 18th Board of Directors on May 7, 2024: Proposal to appoint the Company's Chairman Chao-Tung Wong as the Honorary Advisor following his retirement and resignation as Chairman: Chairman Chao-Tung Wong recused himself according to applicable laws.
 - (5) The 12th meeting of the 18th Board of Directors on May 31, 2024: Proposal regarding appointment of the Company's President: Acting Chairman Shyi-Chin Wang recused himself according to applicable laws.
 - (6) The 13th meeting of the 18th Board of Directors on August 13, 2024: Proposal regarding the 2024 Mid-Year Performance Evaluation of Executive Vice President, and Vice Presidents (From January to June): Directors Chien-Chih Hwang and Shou-Tao Chen recused themselves according to applicable laws.
 - (7) The 14th meeting of the 18th Board of Directors on September 10, 2024: Proposal regarding the appointment of the Company's President: Directors Shou-Tao Chen, Jih-Jau Jeng, and Kuan-Fu Chen recused themselves according to applicable laws.
 - (8) The 14th meeting of the 18th Board of Directors on September 10, 2024: Proposal regarding the appointment of the Company's Executive Vice President: Directors Jih-Jau Jeng and Kuan-Fu Chen recused themselves according to applicable laws.
 - (9) The 14th meeting of the 18th Board of Directors on September 10, 2024: Proposal regarding the appointment of the Company's Corporate Governance Officer: Director Kuan-Fu Chen recused himself according to applicable laws.
 - (10) The 14th meeting of the 18th Board of Directors on September 10, 2024: Proposal regarding the appointment of the Company's Chief Information Security Officer: Director Jih-Jau Jeng recused himself according to applicable laws.
3. TWSE/TPEX listed companies shall disclose the information of self-evaluation (or peer evaluation) of the Board of Directors, such as evaluation cycle, period, scope, method and contents:
- The Company has formulated the Rules Governing the Performance Evaluation of the Board of Directors approved by the Board of Directors, which specifies that the Company shall conduct internal evaluation every year and external evaluation by an external independent professional institution or a panel of external experts and scholars at least once every three years. The scope of the performance evaluation includes Board of Directors, Board Members, and functional committees of the Board of Directors.
- (1) External Evaluation: The Company commissioned an external independent professional institution, the

Taiwan Corporate Governance Association (TCGA) in 2022, to conduct an external performance evaluation of the Board of Directors for the year ended 2021. The evaluation results were submitted to the Board Meeting on May 6, 2022. The Company has planned to implement the items suggested by the external evaluation institution to strengthen corporate governance. In addition, the Company has commissioned an external independent professional institution, the Taipei Foundation of Finance (TFF) in 2025, to conduct an external performance evaluation of the Board of Directors for year 2024. The evaluation results will be submitted to the most recent Board Meeting and disclosed on the corporate website.

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

(2) Internal Self-Evaluation

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
To conduct once in a year	2024.01.01 ~ 2024.12.31	Board of Directors, Board Members, and Functional Committees of the Board of Directors	Self-Evaluation Questionnaire	<p>(1) The measurement items for the performance evaluation of the Board of Directors include the following five aspects:</p> <ul style="list-style-type: none"> A. Involvement in the Company's operations B. Improvement in the quality of decision-making of the Board of Directors C. Composition and structure of the Board of Directors D. Election and continuing education of Directors E. Internal Control <p>(2) The measurement items for the performance evaluation of the Board Members include the following six aspects:</p> <ul style="list-style-type: none"> A. Alignment of the Company's goals and missions B. Awareness of the duties of the Director C. Involvement in the Company's operations D. Management of internal relations and communication E. Professionalism and continuing education of Directors F. Internal Control <p>(3) The measurement items for the performance evaluation of the Functional Committees include the following five aspects:</p> <ul style="list-style-type: none"> A. Involvement in the Company's operations B. Awareness of the duties of the functional committees C. Improvement in the quality of decisionmaking of the functional committees D. Composition of the functional committees, and election of its members E. Internal Control

Internal performance evaluation of the Board of Directors in 2024 comprises 20 self-evaluation indicators. The full mark for each indicator is 5. The evaluation results have been reported to the Board Meeting on February 27, 2025 and are summarized as follows:

Type of self-evaluation	Average indicator score	Average total score of the questionnaire
Board of Directors	4.95	98.91
Board Members	4.94	98.73
Audit Committee	5.00	100
Remuneration Committee	5.00	100
Corporate Governance and Sustainability Committee	4.99	99.80

- A. Performance evaluation of the Board of Directors: All of the individual indicators were scored between 5 (very satisfactory) to 4 (satisfactory). The Board of Directors is well-functioning, and the operation of the Board of Directors meets the requirements of corporate governance and directors' expectations.
- B. Performance evaluation of the Board Members: All of the individual indicators were scored between 5 (very satisfactory) to 4 (satisfactory). The Board of Directors is well-functioning, and the operation of the Board of Directors meets the requirements of corporate governance and directors' expectations.
- C. Performance evaluation of each Functional Committee: All of the individual indicators were scored between 5 (very satisfactory) to 4 (satisfactory). The operational performance of each functional committee is satisfactory, meeting corporate governance requirements.
4. Measures for strengthening the functions of Board of Directors in the current year and the most recent year, and relevant implementation assessment
- (1) To enhance the Board of Directors' oversight capabilities on climate change issues and improve the Company's decision-making efficiency and effectiveness in addressing climate-related risks, in addition to relevant external training programs attended by the Directors themselves, the Company also offered a training course titled "Carbon Next to Carbon – A Discussion on Carbon Fees, Taxes, Credits, and Trading" in November 2024. The course is intended for the Company's Directors, managements, and supervisors of each division, as well as Directors and Supervisors of invested companies, and managers of subsidiaries designated by the Company.
 - (2) To help the newly appointed directors understand the Company's operations, the Company established the "Operational Standards for Handling Matters for Newly Appointed Directors" in 2024. These standards stipulate that the Company shall provide materials such as relevant orientation manuals, corporate governance regulations, and business reports to the Directors. Business briefings for each division may also be arranged as needed to enhance the competencies of Directors and the operational efficiency of the Board.
 - (3) In order to properly respond to relevant issues of concern to stakeholders and understand their reasonable expectations and needs, the Company has delegated various departments to be responsible for stakeholder communication. In addition, the Company arranges engagements between domestic and foreign investors and the Board members from time to time. CSC's Corporate Governance and Sustainability Committee reported the annual stakeholder engagement results to the Board of Directors in August 2024, and also reported topics of concern to institutional investors for 2024 and their suggestions for improvement to the Board of Directors in February 2025.
 - (4) The Company discloses the important resolutions of the Board Meetings on the corporate website, and maintains directors and officers (D&O) liability insurance for Directors.
5. Operation of the Corporate Governance and Sustainability Committee
- (1) The Board of Directors approved the establishment of the Corporate Governance and Sustainability Committee in November 2019, consisting of 5 Directors, including 3 Independent Directors, whose expertise covers areas including mechanical engineering, materials science, and finance and accounting, as well as the Employee Director who concerns about labor rights and the Director with practical management experience. This composition meets the professional requirements for corporate governance and sustainable development of this Committee.
 - (2) To implement policies on sustainable operations and fulfill the risk management, the authority of the Committee includes:
 - I. Promoting and improving the corporate governance structure and systems
 - II. Promoting and implementing ethical corporate management related work
 - III. Promoting and implementing policies of sustainable development and matters related to sustainable management

- IV. Implementing and assisting in supervision of matters related to risk management
- V. Planning and promoting matters related to energy saving & carbon reduction and carbon neutrality
- VI. Planning and promoting matters related to digital transformation
- VII. Implementing other matters resolved by the Board of Directors

(3) Operation of the Corporate Governance and Sustainability Committee

In 2024, the Corporate Governance and Sustainability Committee of the 18th Board of Directors convened a total of 2 meetings, discussing the amendments of the organization regulations of the Committee and the implementation of sustainable development.

(2024.01.01~2024.12.31)

Title	Name	Attendance in Person	Attendance by Proxy	Percentage of Attendance in Person (%)	Remarks
Independent Director (Convener)	Shyue-Bin Chang	2	0	100%	None
Independent Director	Min-Hsiung Hon	2	0	100%	None
Independent Director	Lan-Feng Kao	2	0	100%	None
Director	Chien-Chih Hwang	2	0	100%	Chien-Chih Hwang was elected as the Chairman by the Board of Directors on September 10, 2024; Jih-Jau Jeng was nominated by the Board of Directors to succeed as the Committee member on September 27, 2024.
	Jih-Jau Jeng	NA	NA	NA	
Director	Chun-Sheng Chen	2	0	100%	None

(II) Operation of the Audit Committee

The Company established the Audit Committee on June 23, 2016. In 2024, the Audit Committee of the 18th Board of Directors convened a total of 6 meetings. Attendance of Independent Directors is listed as follows:

(2024.01.01~2024.12.31)

Title	Name	Attendance in Person	Attendance by Proxy	Percentage of Attendance in Person (%)	Remarks
Independent Director (Convener)	Lan-Feng Kao	6	0	100%	None
Independent Director	Shyue-Bin Chang	6	0	100%	None
Independent Director	Min-Hsiung Hon	6	0	100%	None

1. Professional qualifications and experience of Audit Committee members

Title	Name	Professional qualifications and experience
Independent Director	Lan-Feng Kao	Expertise: Accounting/Finance, Corporate governance Education: Ph.D.in Accounting, National Cheng Kung University
Independent Director	Shyue-Bin Chang	Expertise: Aviation industry; Electrical and mechanical engineering, Board member of other listed companies. Education: Ph.D.in Mechanical and Aerospace Engineering, Cornell University, U.S.A.
Independent Director	Min-Hsiung Hon	Expertise: Materials science Education: Ph.D. in Materials Science and Engineering, North Carolina State University, U.S.A.
For the experience and other current positions of Independent Directors, please refer to page 16-17 Information on Directors of this annual report.		

2. Annual focus of the Audit Committee:
 - (1) Audit of the annual business report and financial statements, focusing on the strategic developments such as advanced premium steel.
 - (2) Review of planned capital expenditure projects.
 - (3) Review of the investment in the government-affiliated power sales company.
3. Other matters to be noted:
 - (1) If any of the following applies to the operation of Audit Committee, please specify the date and session of Audit Committee Meetings; the content of proposals; the content of Independent Directors' dissenting opinion, qualified opinion, or material suggestion; resolutions of the Audit Committee; and the Company's actions in response to opinions from the Audit Committee.

A. Items listed in Article 14-5 of the Securities and Exchange Act:

Date and Session of Audit Committee Meeting	Proposal	Independent Directors' Opinions or Major Suggestions	Resolution of the Audit Committee
2024.02.23 The 8th meeting of the Audit Committee of the 18th Board of Directors	Discussion Item 1: The Company's 2023 Business Report and Financial Statements	Suggestions: Expressed approval of the Company's progress towards developing advanced premium steel. Although the products of advanced premium steel account for a relatively small portion of sales, they contribute significantly to overall profitability. It is recommended that the Company adjust its product mix accordingly. Additionally, in terms of strategic planning, the strategies of other subsidiaries should also be reviewed to improve overall profitability.	Unanimously approved by all the Committee members present.
	Discussion Item 3: Proposal for Distribution of 2023 Profits	None	Unanimously approved by all the Committee members present.
	Discussion Item 4: Proposal regarding the loaning of funds totaling NT\$1.6 billion to 5 subsidiaries, including Chung Hung Steel Corporation, etc.	None	Unanimously approved by all the Committee members present.
	Discussion Item 5: Proposal to invest NT\$641 million in the Revamping project of #23 Hot Blast Stove.	None	Unanimously approved by all the Committee members present.
	Discussion Item 6: Proposal to invest NT\$315 million in the "Revamping project of Turbine Rotor of Turbogenerator No. 5 at Power Plant".	None	Unanimously approved by all the Committee members present.
	Discussion Item 7: Proposal to adjust Stages 5, 6, and 7 of the Replacement project of Phase I and II Coke Ovens, and postpone the initiation of Stage 8.	Suggestions: Given the large scale of this project, significant changes have occurred in its project management and risk control planning. It is expected that the management team will approach the planning and evaluation of such a major undertaking with greater prudence and continued improvement.	Unanimously approved by all the Committee members present.
	Discussion Item 8: The Company's "2023 Statement on Internal Control System"	None	Unanimously approved by all the Committee members present.

Date and Session of Audit Committee Meeting	Proposal	Independent Directors' Opinions or Major Suggestions	Resolution of the Audit Committee
	Discussion Item 9: Amendments to the Company's "Internal Control System Provisions"	None	Unanimously approved by all the Committee members present.
	Discussion Item 11: The Company's Chief Auditor, Shih-Chung Chang, will retire on February 29, 2024. The vacancy will be filled by Kai-Ching Huang, currently assigned as the Vice President of the Financial Division at Dragon Steel Corporation (who was the Company's General Manager of the Accounting Department prior to the assignment), on March 1, 2024.	None	Unanimously approved by all the Committee members present.
2024.05.03 The 9th meeting of the Audit Committee of the 18th Board of Directors	Discussion Item 1: The Company's 2024 1st quarter Financial Statements.	None	Unanimously approved by all the Committee members present.
	Discussion Item 2: Proposal regarding the loaning of funds totaling NT\$2.6 billion to 5 subsidiaries, including Chung Hung Steel Corporation, etc.	None	Unanimously approved by all the Committee members present.
	Discussion Item 3: Proposal to approve Director Chien-Chih Hwang to concurrently serve in related positions at the invested company, Taiwan High Speed Rail Corporation, to protect the investment rights of the Company.	None	Unanimously approved by all the Committee members present.
	Discussion Item 4: Proposal to approve Director Shou-Tao Chen to concurrently serve in related positions at the invested companies, China Steel Machinery Corporation and Tang Eng Iron Works Co., Ltd., to protect the investment rights of the Company.	None	Unanimously approved by all the Committee members present.
2024.08.02 The 10th meeting of the Audit Committee of the 18th Board of Directors	Discussion Item 1: The Company's 2024 2nd quarter Financial Statements.	None	Unanimously approved by all the Committee members present.
	Discussion Item 2: Proposal regarding the loaning of funds totaling NT\$1.6 billion to Kaohsiung Rapid Transit Company and Sing Da Marine Structure Corporation.	None	Unanimously approved by all the Committee members present.
	Discussion Item 3: Proposal to acquire 1,286,063 shares of Kaohsiung Rapid Transit Company currently held by International Engineering & Construction Co., Ltd. in priority.	None	Unanimously approved by all the Committee members present.
	Discussion Item 4: Amendments to the "Internal Control System Provisions" of the Company	None	Unanimously approved by all the Committee members present.
2024.09.26 The 11th meeting of the Audit Committee of the 18th Board of Directors	Discussion Item 1: Proposal to invest NT\$12 million to establish a "Government-affiliated Power Sales Company".	Suggestions: 1. Although the total investment amount of this project is relatively small, CSC is advised to carefully assess the obligations and risks borne by being the shareholders of that company. 2. The rights and obligations outlined in the documents such as joint venture agreement and memorandum	Unanimously approved by all the Committee members present.

Date and Session of Audit Committee Meeting	Proposal	Independent Directors' Opinions or Major Suggestions	Resolution of the Audit Committee
		<p>of understanding (MOU) must be clarified as a prerequisite for any subsequent capital injection review.</p> <p>3. While CSC's entry into the green energy industry represents a promising development opportunity, we advise the management team to remain vigilant in fulfilling corporate governance responsibilities and to protect the interests of all shareholders.</p>	
2024.11.01 The 12th meeting of the Audit Committee of the 18th Board of Directors	Discussion Item 1: The Company's 2024 3rd quarter Financial Statements.	<p>Suggestions:</p> <p>1. When upgrading equipment, automation and artificial intelligence should be taken into account. The Company is also encouraged to actively explore new products to address emerging challenges, and to consider developing areas such as special alloy steel.</p> <p>2. It is suggested to establish a project team or holding regular meetings to review market trends, investments, profitability, and equipment updates, thereby enhancing the Company's flexibility in responding to changes in the external environment. Additionally, seeking external expert opinions could offer new perspectives.</p> <p>3. CSC is encouraged to further strengthen its technical innovation and develop innovative products to enhance its competitiveness.</p>	Unanimously approved by all the Committee members present.
	Discussion Item 2: Proposal regarding the loaning of funds totaling NT\$2.3 billion to 5 subsidiaries, including Kaohsiung Rapid Transit Company, etc.	None	Unanimously approved by all the Committee members present.
	Discussion Item 3: Proposal to invest NT\$367 million in the replacement project of the Phase II Scarfing Machine for Slab in Steelmaking Department.	None	Unanimously approved by all the Committee members present.
	Discussion Item 4: Proposal to invest NT\$2.41 billion in the "Installation of De-NOX and De-SOX Systems for No.9, No.10, and No.12 Boilers in the Power Plant."	<p>Suggestions:</p> <p>As Independent Directors and external Directors are not directly involved in the progress of relevant projects, it is difficult for them to fully grasp the subsequent actual benefits of significant investments. It is recommended to regularly update in the Board</p>	Unanimously approved by all the Committee members present.

Date and Session of Audit Committee Meeting	Proposal	Independent Directors' Opinions or Major Suggestions	Resolution of the Audit Committee
		Meetings on the specific outcomes of major projects, such as whether they have met or exceeded expectations, to help the Board of Directors stay informed about their progress and effectiveness.	
2024.12.24 The 13th meeting of the Audit Committee of the 18th Board of Directors	The draft of the Guidelines for Sustainability Information Management Practice of the Company.	None	Unanimously approved by all the Committee members present.
The Company's actions in response to opinions from the Audit Committee: The proposals above were unanimously approved by all members of the Audit Committee. Suggestions have been duly addressed accordingly.			

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

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

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

A. Communication between Independent Directors and Chief Auditor:

Apart from attending the Board Meetings and the Audit Committee meetings, the Company's Chief Auditor also communicates with Independent Directors individually and fully through interviews in respect of the implementation of internal audit work, including audit content, internal control deficiencies found, and the improvement and follow-up on anomalies. The Internal Audit Office submits audit reports and follow-up reports on anomalies to Independent Directors on a monthly and quarterly basis, and Chief Internal Auditor also directly communicates with Independent Directors via e-mails, phone calls, or meetings in person as needed. Communication between Independent Directors and Chief Auditor in 2024 is listed as follows:

Date and Session of Audit Committee Meeting	Proposal	Independent Directors' Opinions	Actions in Response to Independent Directors' Opinions
2024.02.23 The 8th meeting of the Audit Committee of the 18th Board of Directors	The "2023 Statement on Internal Control System" of the Company	1. No opinion. 2. Unanimously approved.	Not applicable
Date and Session of Communication with Independent Directors	Key Points	Independent Directors' Opinions	Actions in Response to Independent Directors' Opinions
2024.02.23 The 1st communication between Independent Directors and Chief Auditor in 2024	Audit implementation from October 2023 to January 2024	Unanimously approved.	Not applicable

2024.05.03 The 2nd communication between Independent Directors and Chief Auditor in 2024	Audit implementation from February to March 2024	<ol style="list-style-type: none"> 1. Has a real-time system been established to monitor the usage of materials in engineering contracts where materials are supplied by CSC? 2. It appears that sustainability information management has recently been added to the internal control cycle. Was this item newly introduced by the competent authority? Or has it already been incorporated into the audit cycle? 	<ol style="list-style-type: none"> 1. There have been regulations and system to manage the storage and usage of materials by contractors in engineering contracts. The Engineering Division consolidates the remaining materials during the settlement process to ensure control. 2. This item was recently introduced by the competent authority, and it has not been included in the 2024 audit plan. According to the audit guidelines, it shall be included in the 2025 audit plan.
2024.08.02 The 3rd communication between Independent Directors and Chief Auditor in 2024	Audit implementation from April to June 2024	<ol style="list-style-type: none"> 1. The Employee Stock Ownership Trust mechanism has been in place for a long time, but the system still includes former and retired employees, which is unreasonable. 2. Regarding Proposal 4 of the Audit Committee concerning the revision of the internal control system to include sustainability information management, what is the substantive content of the related audit work? 	<ol style="list-style-type: none"> 1. The business should establish routine control measures to review the situation when an employee leaves. The Stock Ownership Trust Committee has revised relevant regulations, allowing for forced disposal and timely processing if departing employees fail to resign or provide securities account information. 2. The Financial Supervisory Commission (FSC) revised the guidelines in April 2024 and recently (July 2024) announced the implementation timeline. Listed companies with capital exceeding NT\$10 billion must comply with Sustainability Disclosure Standards starting in 2026, and report the implementation plan and progress to the Board of Directors quarterly beginning in the next year (2025). As the guidelines were announced recently, CSC is actively introducing various plans. The audit work will focus on reviewing the processes being introduced and the status of their internal execution.
2024.11.01 The 4th communication between Independent Directors and Chief Auditor in 2024	Audit implementation from July to September 2024	<ol style="list-style-type: none"> 1. Which division of CSC is responsible for sustainability information management? 2. Has a dedicated unit been designated for sustainability information management? 	<ol style="list-style-type: none"> 1. The responsible unit is currently being discussed and is expected to be finalized and reported to the Board of Directors by Q4. The Finance Division has engaged an accounting firm to serve as the implementation consultant, and initiated related tasks. 2. Regardless of whether a dedicated unit is established, the requirements must still be carried out in accordance with the timeline set by the FSC.

			Given the involvement of multiple divisions, a cross-functional task force may also be formed. Current planning is aligned toward setting up a dedicated unit.
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B. Communication between Independent Directors and CPAs:

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

Communication between Independent Directors and CPAs in 2024 is listed as follows:

Date and Session of Board Meeting	Proposal	Independent Directors' Opinions	Actions in Response to Independent Directors' Opinions
2024.02.29 The 10th meeting of the 18th Board of Directors	1. Reporting and communication between CPAs and the Board of Directors 2. Reporting and communication on the 2023 Consolidated Financial Statements and Standalone Financial Statements	1. No opinion. 2. Unanimously approved the financial statements.	Not applicable
2024.05.07 The 11th meeting of the 18th Board of Directors	Reporting and communication on the 2024 1st quarter Consolidated Financial Statements and Standalone Financial Statements	1. No opinion. 2. Unanimously approved the financial statements.	Not applicable
2024.08.13 The 13th meeting of the 18th Board of Directors	1. Reporting and communication between CPAs and the Board of Directors 2. Reporting and communication on the 2024 2nd quarter Consolidated Financial Statements and Standalone Financial Statements	1. No opinion. 2. Unanimously approved the financial statements.	Not applicable
2024.11.08 The 16th meeting of the 18th Board of Directors	Reporting and communication on the 2024 3rd quarter Consolidated Financial Statements and Standalone Financial Statements	1. No opinion. 2. Unanimously approved the financial statements.	Not applicable
Date and Session of Audit Committee Meeting	Proposal	Independent Directors' Opinions	Actions in Response to Independent Directors' Opinions
2024.02.23 The 8th meeting of the Audit Committee of the 18th Board of Directors	1. Report on communication between the CPAs and the Audit Committee of the Board of Directors 2. Reporting and communication on the 2023 Consolidated Financial Statements and Standalone Financial Statements	1. Raised questions and discussed 2. Unanimously approved the financial statements.	The questions raised by Independent Directors were answered.
2024.05.03 The 9th meeting of the Audit Committee of the 18th Board of Directors	Reporting and communication on the 2024 1st quarter Consolidated Financial Statements and Standalone Financial Statements	1. Raised questions and discussed 2. Unanimously approved the financial statements.	The questions raised by Independent Directors were answered.

2024.08.02 The 10th meeting of the Audit Committee of the 18th Board of Directors	1. Report on communication between the CPAs and the Audit Committee of the Board of Directors 2. Reporting and communication on the 2024 2nd quarter Consolidated Financial Statements and Standalone Financial Statements	1. Raised questions and discussed 2. Unanimously approved the financial statements.	The questions raised by Independent Directors were answered.
2024.11.01 The 12th meeting of the Audit Committee of the 18th Board of Directors	Reporting and communication on the 2024 3rd quarter Consolidated Financial Statements and Standalone Financial Statements	1. Raised questions and discussed 2. Unanimously approved the financial statements.	The questions raised by Independent Directors were answered.
Date and Session of Other Meeting	Key Points	Independent Directors' Opinions	Actions in Response to Independent Directors' Opinions
2024.08.02 The meeting between the CPA and the Audit Committee of the Board of Directors	Summary Report on Non-Assurance Services for the 2nd quarter of 2024	Raised questions and discussed	The questions raised by Independent Directors were answered.
2024.11.01 The meeting between the CPA and the Audit Committee of the Board of Directors	1. Summary report on non-assurance services for the 3rd quarter of 2024 and routine non-assurance services expected for 2025 2. International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards 3. The Revised Auditing Standard 600 Special Considerations – Audits of Group Financial Statement 4. Communication of key audit matters in the 2024 CPAs' audit report	Raised questions and discussed Raised questions and discussed	The questions raised by Independent Directors were answered. The meeting was held solely between the CPA and the Independent Directors, with no representatives from the Company in attendance.
2024.11.08 The meeting between the CPA and the Board of Directors	Communication of key audit matters in the 2024 CPAs' audit report	No opinion.	Not applicable
2024.12.24 The meeting between the CPA and the Audit Committee of the Board of Directors	Report on audit quality indicators of 2023	Raised questions and discussed	The questions raised by Independent Directors were answered.

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

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

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

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			Supervisors and Executives" (refer to Page 63-67 in this annual report for more details), and the "Guidelines for Recusal Due to Conflict of Interests" of the Company all stipulate the regulations prohibiting insider trading. Listed subsidiaries of CSC Group have also established rules and regulations, including the Codes of Ethics for Directors and Senior Executives, the Guidelines for Recusal Due to Conflict of Interests, the Procedures for Handling Material Internal Information and Regulations Governing Prevention of Insider Trading to prohibit any personnel from trading securities through utilizing information not disclosed to the market.	
III. Composition and Responsibilities of the Board of Directors (I) Has the Board of Directors drawn up diversity policy and specific management target, and implement it accordingly? (II) Other than the remuneration committee and audit committee required by the law, has the Company voluntarily established other functional committees? (III) Has the Company formulated rules and methods for evaluating the performance of the Board of Directors, implemented such evaluations every year and reported the results of performance evaluation to the Board of Directors; moreover, taken it as reference in compensation and renomination of individual directors? (IV) Does the Company regularly evaluate the independence of CPAs?	(I) Yes (II) Yes (III) Yes (IV) Yes		(I) According to the Sample Template for Procedures for Election of Directors released by TWSE, the Company has incorporated the concept of diversity into the Rules Governing the Election of Directors. Two major areas, namely basic requirements and values and professional knowledge and skills (e.g., law, accounting, industry, finance, marketing or technology) should be taken into consideration during the election of Directors. Directors shall commonly possess the knowledge, skills, general capacity and disposition required to perform their duties. Furthermore, the Corporate Governance Best-Practice Principles of the Company also stipulate that the number of Directors who concurrently hold a management position at the Company shall not exceed one-third of the total number of Directors. The Board of Directors is set up with the specific aim of appointing Directors of different gender and age and with different professional knowledge and background, consisting of at least 1 Director with finance or accounting background and at least 1 Director with management experience in the steel industry, and at least 1 female Director. At present, the Board of Directors is composed of 11 Directors with 3 Independent Directors, including 1 female Director, 1 Director recommended by the labor union of the Company as labor representative, and 3 Directors holding a management position, whose professional knowledge and skills cover different areas, including steel,	No significant difference

Assessment Item	Status of Implementation		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			<p>economics, soil and water conservation, social sciences, mechanical engineering, mining engineering, business management, electrical engineering, aerospace, materials, and finance and accounting. Out of the current Directors, the numbers of those with finance and accounting backgrounds and management experience in the steel industry are 2 and 4 respectively. Hence, the Company fully implements the concept of diversity in the composition of Board of Directors, which contributes to the advancement of the “Dual cores and three transformations strategies”. This strategy encompasses two operational and developmental cores of “the high value-added steel mill” and “the development of the green energy industry” along with three major transformation initiatives of “low carbon transformation”, “digital transformation”, and “supply chain transformation”.</p> <p>With the diversity policy included in the Corporate Governance Best-Practice Principles established by listed subsidiaries of CSC Group, the Board of Directors at each of these subsidiaries is currently composed of a diverse range of members with different professional backgrounds, of different genders or in different areas of work while possessing the knowledge, skills, and qualities required to perform their duties. With a view to enhancing gender diversity in the Board of Directors, listed subsidiaries of CSC Group have set the specific target of either increasing the proportion of female Directors in the Board of Directors or electing at least 1 female Director, which most of these subsidiaries have achieved.</p> <p>(II) The Company and listed subsidiaries of CSC Group have established the Audit Committee and the Remuneration Committee (which are composed by 3 Independent Directors each) as required by the law. In addition, the Company established the "Corporate Governance and Sustainability Committee" in 2019, which is comprised of 5 Directors with 3 Independent Directors to promote corporate governance and implement the sustainable development. Meanwhile, China Steel Chemical and CHC Resources have also respectively set up the Corporate Governance and Sustainability Committee and</p>

Assessment Item	Status of Implementation		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
			<p>the Sustainable Development Committee under their Board of Directors. China Steel Structure, and China Ecotek have voluntarily set up the committees regarding sustainable development.</p> <p>(III) The Company has formulated the Rules Governing the Performance Evaluation of the Board of Directors, and regularly conducts performance evaluation every year. For details on the method and content of evaluation, please refer to Page 34-35 of this annual report. In an effort to enhance the independence and effectiveness of performance evaluation for the Board of Directors, the Rules stipulate that an external performance evaluation of the Board of Directors shall be conducted at least once every three years by external professional and independent institutions or experts.</p> <p>In 2022, the Company appointed the Taiwan Corporate Governance Association (TCGA) to conduct an external performance evaluation of the Board of Directors for 2021. The results were reported to the Board of Directors on May, 2022 and disclosed on the corporate website. On the other hand, the internal performance evaluation of the Board of Directors for 2024 was conducted through self-evaluation questionnaires. The evaluation result was compiled by the Secretariat Department of the Company and reported to the Board of Directors on February 27, 2025 as the basis for review and improvement. For more details on the result of the performance evaluation, please refer to Page 35-36 of this annual report.</p> <p>In addition, the Company has commissioned the Taipei Foundation of Finance (TFF) in 2025 to conduct the external performance evaluation of the Board of Directors for year 2024. The evaluation results will be reported to the most recent Board Meeting and disclosed on the corporate website. The results of the performance evaluation for the Board of Directors shall be used as a reference for the election or nomination of Director; the results of performance evaluation for each Director (excluding Independent Directors) shall be used as a reference for determining the remuneration allocation for Directors.</p>

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>Listed subsidiaries of CSC Group have also formulated the Rules for Evaluating the Performance of the Board of Directors, conducted performance evaluation according thereto, and further reported the results of performance evaluation to the Board of Directors. The results of the performance evaluation will serve as a reference and the basis for the remuneration for Directors and nomination of candidates for the re-election of Directors. Explanations and improvement plans are also proposed for items requiring improvement. In addition, listed subsidiaries of CSC Group have entrusted external evaluation agencies to conduct external performance evaluations of the Board of Directors every three years, in accordance with their established Rules. The relevant evaluation results, recommendations and improvement plans for the companies were disclosed on their websites or in their annual reports.</p> <p>(IV)</p> <p>1.To ensure the reliability of the Company's financial statements, the CPA independence assessment questionnaire was submitted to the Audit Committee and the Board of Directors for reviews and approvals at the beginning of each year. CPAs were required to provide a declaration of independence to ensure that CPAs do not have other financial interests and business relationships with the Company, other than fees associated with attestation and taxation, and that CPAs and their family members do not violate the independence requirements. For specific evaluation criteria, please refer to page 61 of this annual report.</p> <p>2.The Company has carried out assessments on the independence and suitability of CPAs according to the Audit Quality Indicators (AQIs) issued by the FSC, which encompass 5 scopes, including profession, quality control, independence, monitoring, and creativity, totalling 13 indicators. The content includes information on both the "firm level" and the "audit case level," confirming that both CPAs and accounting firms are above the industry's average standards in indicators such as turnover rate, review of</p>	

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>engagement quality control review (EQCR), and quality control capacity. Furthermore, the CPAs have been continuously introducing cloud-based services and digital tools to ensure audit efficiency and quality in the recent three years.</p> <p>3. According to the International Code of Ethics for Professional Accountants, communication with the Audit Committee is completed before any non-audit service is provided by accounting firms and alliance members to ensure the independence of audit results.</p> <p>4. In the past two years, the assessment results of the independence and suitability of the CPAs were submitted to the Audit Committee for review on February 23, 2024 and February 25, 2025 respectively. Subsequently, the results were reported to the Board of Directors for discussion and approval on February 29, 2024 and February 27, 2025.</p> <p>5. Listed subsidiaries of CSC Group assess the independence of CPAs every year, and report the assessment to the Board of Directors for approval to ensure that CPAs do not have other financial interests and business relationships with these subsidiaries, other than fees associated with attestation and taxation, and their spouses and dependent children and relatives do not violate the independence requirement. Also, the assessments on the independence and suitability of CPAs were carried out according to the AQIs, with the results of the assessments reported to the Board of Directors.</p>	
IV. Does the TWSE/TPEX listed company have an adequate number of corporate governance personnel with appropriate qualifications and appoint a Corporate Governance Officer in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors with legal compliance, handling matters related to Board Meetings and Shareholders' Meetings, and producing minutes of Board Meetings and Shareholders' meetings)?	Yes		<p>The position of Corporate Governance Officer at the Company was concurrently held by Chien-Chih Hwang, the Executive Vice President (elected as Chairman by the Board of Directors on September 10, 2024). On September 10, 2024, the Board of Directors passed the resolution to appoint Kuan-Fu Chen, the Vice President of the Corporate Planning Division to concurrently serve as the Corporate Governance Officer. The main duty of Corporate Governance Officer is supervising the corporate governance-related matters of the Company. According to the duties and responsibilities of Legal Department, Secretariat Department, and Finance Department, the Company have an adequate number of corporate</p>	No significant difference

Assessment Item	Status of Implementation		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			governance personnel with appropriate qualifications in charge of the execution of corporate governance affairs. The aforementioned affairs include preparing meeting minutes and handling matters related to Board meetings and shareholders' meetings, assisting Directors in onboarding and continuing education, providing Directors with information required for business execution, assisting Directors in legal compliance and other matters stipulated in the Articles of Incorporation or contracts, reporting to the Board of Directors the results of the qualification review of the nominees for Independent Directors and their qualifications during their term of office, and regularly reporting to the Corporate Governance and Sustainability Committee. For more details regarding continuing education of Corporate Governance Officer, please refer to Page 60.
			Listed subsidiaries of CSC Group have set up their Corporate Governance Officer, which is concurrently held by various senior executives, including Vice President and General Manager. The main duties of this position are handling corporate governance affairs, including shareholders' meetings, board meetings, and directors related matters. Additionally, the Corporate Governance Officer of each listed subsidiaries have completed continuing education according to the required training hours, with related details disclosed on the corporate website or in the annual report.
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholders section on corporate website and adequately respond to stakeholders' inquiries on material corporate social responsibility (CSR) issues?	Yes		Respecting the rights and interests of stakeholders, the Company identifies stakeholders and learns about their expectations and needs through appropriate communications and engagements. Besides, the Company responds appropriately to material CSR issues which are of concern to stakeholders. Various divisions are responsible for stakeholder communication, and the Corporate Governance and Sustainability Committee is in charge of reporting annual stakeholder communication results to the Board Meeting. The most recent report was proposed on August 13, 2024: (I) Shareholders/Investors 1. Annual General Meeting is convened in the 2nd quarter of each year. Each proposal is voted on a case-by-case basis. Shareholders can exercise their voting rights by electronic means, allowing them to fully participate in the voting
			No significant difference

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>process.</p> <p>2. Publish Chinese and English version of annual report every year for investors' reference.</p> <p>3. Disclose consolidated revenues, revenues breakdown and preliminary results on MOPS and corporate website monthly.</p> <p>4. Shareholders can communicate with the Company through our toll-free telephone line and email address for shareholders.</p> <p>5. Reception of domestic and foreign institutional shareholders, and attends investor conferences held by domestic and foreign brokers.</p> <p>(II) Employees Collective agreement (amended every three years); labor-management meeting (every month); regular department communication meeting (every two to three months); appointment of labor union representatives as Directors; Employee Welfare Committee meeting (every two months); Stock-holding Trustees Committee meeting (every six months); Occupational Safety and Hygiene Committee meeting (every two months); Human Resources Development Committee meetings (every year); Retirement Reserve Fund Supervisory Committee meeting (every three months); Rewards and Punishments Review Committee meeting (aperiodically).</p> <p>(III) Local Communities Visit and negotiate with local communities, legislators, councilors, and opinion leaders through the Public Affairs Department, the Labor Union, the CSC Group Education Foundation, and CSC employee clubs.</p> <p>(IV) Customers 1. Production-sales meeting (every quarter) and customer satisfaction survey (every year). 2. Obtain feedback from customers through customer briefings, R&D alliances, professional training, market surveys and customer interviews. 3. Provide total solution for customers' businesses through electronic supply chain and e-Sales system.</p>	

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>4. Expand customer services through integration of the marketing resources of CSC Group.</p> <p>5. Enhance technical services, actively engage in technical marketing, respond real-time to customer needs, and provide customized specifications.</p> <p>6. Understand customers' needs and assist customers with process improvement and materials use, and keep improving the quality of products and services.</p> <p>7. Hold technical seminars and high-level business management seminars in order to improve the flexibility of steel supply chain in Taiwan to trends.</p> <p>8. Conduct surveys on demands for development of new products, and improvement of quality, and trends of materials use of different steel-using industries.</p> <p>In addition to the stakeholder communication channels mentioned above, the Company regularly discloses information on corporate governance, environmental management, and commitment to social harmony in the annual report and corporate website. CSC has also set up stakeholders and ESG sections on corporate website, and publishes the sustainability report and ESG Insight annually as the important channels to disclose information and respond to issues of concern to stakeholders.</p> <p>Listed subsidiaries of CSC Group maintain smooth communication channels with stakeholders via various business units based on their scope of authority and responsibility. To properly respond to important issues of concern to stakeholders, listed subsidiaries of CSC Group have also set up the stakeholders section on their corporate websites and reported their stakeholder communication results to the Board of Directors.</p>	
VI. Does the Company commission a professional stock transfer agent to handle shareholders' meetings related affairs?	Yes		The Company and listed subsidiaries of CSC Group have entrusted stock transfer agents to assist them in handling matters related to Shareholders' Meetings. The Company have appointed KGI Securities as the stock transfer agent.	No significant difference
VII. Information Disclosure (I) Has the Company established a website to disclose information on financials, business and corporate	(I) Yes		(I) The Company and listed subsidiaries of CSC Group have established various sections including "Stockholder Service", "Customer Service" and "Corporate Governance" on their own	No significant difference

Assessment Item	Status of Implementation		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
governance? (II) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)?	(II) Yes		corporate website to fully disclose information on financials, business and corporate governance. To enhance information disclosure, the Company established an ESG section on the website by the end of 2023. This section consolidates the implementation status of environmental, social, and governance initiatives for external stakeholders to promptly access and understand.
(III) Does the Company announce and file its annual financial report within two months after the end of the fiscal year, and announce and file its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?	(III) Yes		<p>(II) The Company and listed subsidiaries of CSC Group have set up websites in both Chinese and English, appointed dedicated personnel to collect and disclose company information, implemented the spokesperson system, and posted information about investor conferences on the corporate websites:</p> <p>1. The Company has set up multi-language websites (including traditional Chinese, simplified Chinese and English), which are updated simultaneously during any announcements. For example, the Company's revenues breakdown and preliminary results are updated on all the websites simultaneously every month so that domestic and foreign investors can obtain the latest information.</p> <p>2. The Company and listed subsidiaries of CSC Group have appointed dedicated personnel to carry out the disclosure of various data and material information in accordance with the Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds. In addition, the spokesperson system is adopted, where investors can express their opinions via a variety of channels, such as spokesperson's phone number, e-mail address or fax number, and thus learn about the business status of these companies.</p> <p>(III) In order to enhance the timeliness of information disclosure, the Company and listed subsidiaries of CSC Group announce and file financial reports within two months after the end of the fiscal year, and also announce and file financial reports for the 1st, 2nd, and 3rd quarters, as well as monthly operating status before the specified deadline.</p>

Assessment Item		Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons	
		Yes	No	Summary		
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, continuing education for directors and supervisors, implementation of risk Management policies and risk measurement standards, implementation of customer policies, and purchase of liability insurance for directors and supervisors)?		Yes		Related information is summarized in Page 56-61 of this annual report.	No significant difference	
(I) Continuing education for Directors of the 18th Board of Directors						
Title	Name	Date of Assumption of Duty	Date of Training		Course Title	Training Hours
			From	to		
Director	Chien-Chih Hwang	2022/06/17	2024.09.30	2024.09.30	Strengthening Taiwan Capital Market Summit	3.0
			2024.08.20	2024.08.20	Trade Secrets and Information Security Practices and Legal Risk Management	3.0
			2024.04.19	2024.04.19	Business Strategy in the Digital Era	3.0
			2024.02.29	2024.02.29	Crisis Management Strategy	3.0
			2025.03.24	2025.03.24	Corporate Governance - Sustainable Finance	3.0
Director	Wen-Chung Hu	2024/09/10	2025.02.17	2025.02.17	Corporate Governance - Carbon Management for Sustainable Environment - Low-carbon Transition Planning: Carbon Credits and Carbon Pricing	3.0
			2024.11.22	2024.11.22	2024 Seminar on Legal Compliance for Insider Equity Trading	3.0

Title	Name	Date of Assumption of Duty	Date of Training		Organizer	Course Title	Training Hours
			From	to			
			2024.08.29	2024.08.29	Securities and Futures Institute	Performance Evaluation for Board of Directors	3.0
			2024.08.07	2024.08.07	Securities and Futures Institute	Carbon Credit Trading Mechanisms and Applications in Carbon Management	3.0
			2024.06.21	2024.06.21	Taiwan Corporate Governance Association	Corporate Governance and the Securities Regulations	3.0
Director	Shou-Tao Chen	2023/08/04	2024.11.05	2024.11.05	Taiwan Investor Relations Institute	Carbon Next to Carbon – A Discussion on Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3.0
			2024.08.20	2024.08.20	Taiwan Investor Relations Institute	Trade Secrets and Information Security Practices and Legal Risk Management	3.0
			2024.11.05	2024.11.05	Taiwan Investor Relations Institute	Carbon Next to Carbon – A Discussion on Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3.0
Director	Jih-Jau Jeng	2024/09/10	2024.08.20	2024.08.20	Taiwan Investor Relations Institute	Trade Secrets and Information Security Practices and Legal Risk Management	3.0
			2024.05.07	2024.05.07	Taiwan Corporate Governance Association	Zero Trust Information Security Governance and Ethical Corporate Management	3.0
			2024.12.13	2024.12.13	Taiwan Investor Relations Institute	Prevention and Treatment of Sexual Harassment in the Workplace	3.0
Director	Kuan-Fu Chen	2024/09/10	2024.11.22	2024.11.22	Securities and Futures Institute	2024 Seminar on Legal Compliance for Insider Equity Trading	3.0
			2024.11.05	2024.11.05	Taiwan Investor Relations Institute	Carbon Next to Carbon – A Discussion on Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3.0
			2024.10.18	2024.10.18	Taiwan Investor Relations Institute	Brand communication and stakeholder management	3.0
			2024.10.04	2024.10.04	Securities and Futures Institute	2024 Awareness Session on Preventing Insider Trading	3.0
			2024.08.20	2024.08.20	Taiwan Investor Relations Institute	Trade Secrets and Information Security Practices and Legal Risk Management	3.0
Director	Cheng-I Weng	2022/06/17	2024.11.05	2024.11.05	Taiwan Investor Relations Institute	Carbon Next to Carbon – A Discussion on Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3.0

Title	Name	Date of Assumption of Duty	Date of Training		Organizer	Course Title	Training Hours
			From	to			
			2024.08.20	2024.08.20	Taiwan Investor Relations Institute	Trade Secrets and Information Security Practices and Legal Risk Management	3.0
			2024.11.05	2024.11.05	Taiwan Investor Relations Institute	Carbon Next to Carbon – A Discussion on Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3.0
Director	Chun-Sheng Chen	2022/06/17	2024.10.24	2024.10.25	Ministry of Labor	2024 Labor Education Promotion Workshop - Union and Labor Director Activities	9.0
			2024.06.12	2024.06.12	Greater China Financial and Economic Development Association	Enterprises Risks and Considerations Regarding Generative AI	3.0
Independent Director	Shyue-Bin Chang	2022/06/17	2024.08.20	2024.08.20	Taiwan Investor Relations Institute	Trade Secrets and Information Security Practices and Legal Risk Management	3.0
			2024.05.30	2024.05.30	Taiwan Corporate Governance Association	Digital Detective: The Road to the Future of Preventive Auditing	3.0
			2024.04.11	2024.04.11	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainability Workshop	3.0
Independent Director	Min-Hsiung Hon	2022/06/17	2024.11.05	2024.11.05	Taiwan Investor Relations Institute	Carbon Next to Carbon – A Discussion on Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3.0
			2024.08.20	2024.08.20	Taiwan Investor Relations Institute	Trade Secrets and Information Security Practices and Legal Risk Management	3.0
Independent Director	Lan-Feng Kao	2022/06/17	2024.11.05	2024.11.05	Taiwan Investor Relations Institute	Carbon Next to Carbon – A Discussion on Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3.0
			2024.07.03	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6.0
			2024.01.12	2024.01.12	Taiwan Corporate Governance Association	Corporate Carbon Management Mindset following the Promulgation of the Climate Change Act	3.0
Only the training courses attended during the period from 2024 to March 31, 2025 by the current Directors as of March 31, 2025 are disclosed. For details on Directors' participation in climate change related training and activities, please refer to the Chinese version of the corporate website→Investor Relations→Corporate Governance→Continuing Education for Directors→Participation in Climate Change Related Training and Activities.							

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

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

1. Course title: Trade Secrets and Information Security Practices and Legal Risk Management

(1) Date: August 20, 2024

(2) Training hours: 3 hours

(3) Participants: Personnel designated as directors and supervisors of invested companies, and managers of subsidiaries, including senior executives and vice presidents of the Company.

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

Name	Title
Shyi-Chin Wang	President (resigned on September 10, 2024)
Chien-Chih Hwang	Executive Vice President/ Chief Information Security Officer/ Corporate Governance Officer (promoted as Chairman on September 10, 2024, and stepped down from the positions of Chief Information Security Officer and Corporate Governance Officer)
I-Chung Huang	Vice President, Administration Division
Ming-Yuan Chen	Vice President, Commercial Division (retired on January 31, 2025)
Wen-Chou Li	Assistant Vice President, Commercial Division (retired on October 31, 2024)
Yueh-Kun Yang	Vice President, Finance Division
Hung-Tai Chou	Assistant Vice President, Finance Division
Kuan-Fu Chen	Vice President, Corporate Planning Division (assumed concurrent position as Corporate Governance Officer on September 10, 2024)
Juei-Fang Lin	Assistant Vice President, Corporate Planning Division (retired on November 30, 2024)
Jih-lau Jeng	Vice President, Technology Division (promoted to Executive Vice President and concurrently appointed as Chief Information Security Officer on September 10, 2024)
Hong-Yih Liou	Assistant Vice President, Technology Division (promoted to Vice President, Technology Division on September 10, 2024)
Rong-Yuan Hsieh	Assistant Vice President, Technology Division (retired on November 30, 2024)
Jui-Teng Chen	Vice President, Engineering Division (assigned to a subsidiary on September 10, 2024)
Chen Yang	Assistant Vice President, Engineering Division
Shou-Tao Chen	Vice President, Production Division (promoted to President on September 10, 2024)
Nai-Wen Liang	Assistant Vice President, Production Division (assigned to a subsidiary on December 1, 2024)
Wen-Hsien Chou	Assistant Vice President, Production Division (promoted to Vice President, Production Division on September 10, 2024)
Shih-Hsin Chen	General Manager, Finance Department
Pei-Yu Lee	General Manager, Accounting Department

2. Course title: Carbon Next to Carbon – A Discussion on Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading

(1) Date: November 5, 2024

(2) Training hours: 3 hours

(3) Participants: Personnel designated as directors and supervisors of invested companies, and managers of subsidiaries, including senior executives and vice presidents of the Company.

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

Name	Title
Shou-Tao Chen	President
Jih-Iau Jeng	Executive Vice President/ Chief Information Security Officer
I-Chung Huang	Vice President, Administration Division
Ming-Yuan Chen	Vice President, Commercial Division (retired on January 31, 2025)
Yueh-Kun Yang	Vice President, Finance Division
Hung-Tai Chou	Assistant Vice President, Finance Division
Kuan-Fu Chen	Vice President, Corporate Planning Division/ Corporate Governance Officer
Juei-Fang Lin	Assistant Vice President, Corporate Planning Division (retired on November 30, 2024)
Hong-Yih Liou	Vice President, Technology Division
Rong-Yuan Hsieh	Assistant Vice President, Technology Division (retired on November 30, 2024)
Kuei-Sung Tseng	Vice President, Engineering Division
Chen Yang	Assistant Vice President, Engineering Division
Wen-Hsien Chou	Vice President, Production Division
Nai-Wen Liang	Assistant Vice President, Production Division (assigned to a subsidiary on December 1, 2024)
Kun-Pin Huang	Assistant Vice President, Production Division
Jung-Hui Wu	Assistant Vice President, Production Division
Shih-Hsin Chen	General Manager, Finance Department
Pei-Yu Lee	General Manager, Accounting Department

(IV) Continuing education and training for Corporate Governance Officer

Name	Date of Assumption of Duty	Date of Training	Organizer	Course Title	Training Hours
Kuan-Fu Chen	2024/09/10	2024.12.13	Taiwan Investor Relations Institute	Prevention and Treatment of Sexual Harassment in the Workplace	3.0
		2024.11.22	Securities and Futures Institute	2024 Seminar on Legal Compliance for Insider Equity Trading	3.0
		2024.11.05	Taiwan Investor Relations Institute	Carbon Next to Carbon – A Discussion on Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3.0
		2024.10.18	Taiwan Investor Relations Institute	Brand communication and stakeholder management	3.0
		2024.10.04	Securities and Futures Institute	2024 Awareness Session on Preventing Insider Trading	3.0
Chien-Chih Hwang	2023/02/24 (stepped down on September 10, 2024)	2024.08.20	Taiwan Investor Relations Institute	Trade Secrets and Information Security Practices and Legal Risk Management	3.0
		2024.04.19	Greater China Financial and Economic Development Association	Business Strategy in the Digital Era	3.0
		2024.02.29	Greater China Financial and Economic Development Association	Crisis Management Strategy	3.0

Only the training courses attended by the Corporate Governance Officers during their respective terms within the period from 2024 to March 31, 2025 are disclosed.

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

1. Directors

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

The election of the Directors shall take diversity into consideration, such as basic requirements and values (including gender, age, nationality, culture, etc.), professional knowledge and skills (including professional background, professional skills, and industry experiences). Furthermore, to achieve the ideal target for corporate governance, the Directors shall generally be equipped with the knowledge, skills, general capacity and disposition required for performing its duties. The Board of Directors shall encompass the following abilities: I. Judgment of business operations; II. Accounting and financial analysis; III. Operational management; IV. Crisis management; V. Industrial knowledge; VI. International market outlook; VII. Leadership skills; and VIII. Decision making.

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

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

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

2. Significant managements

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

Furthermore, the Company reviews its succession plan every year. When planning for successors, the Company considers whether the successors are well equipped with professional and management skills, and whether the successors share the same operation concepts as the Company and possess personality traits such as integrity, honesty, and meets the four values of CSC. In order to comprehensively develop decision-making skill in the role of senior management, training for management successors includes not only internal training related to management competencies but also job rotation and assignment to subsidiaries. For training programs, the Company has cooperated with top universities in Taiwan to conduct the business management program, which were attended by 80% of senior management successors in 2024.

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

1. Continuing education for directors: Please refer to the annual report published by each subsidiary.

2. Implementation of diversity policy for members of the Board of Directors: Please refer to the annual report published by each subsidiary.

3. CPAs' Independence and Suitability Assessment Criteria: Please refer to the annual report published by each subsidiary.

4. Relevant certifications obtained by finance, accounting, and internal audit personnel: Please refer to Page 113 of this annual report.

(VII) 2024 CPA Independence Assessment Criteria and Results

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

<p>IX. Improvements made in the most recent year in response to the results of Corporate Governance Evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved: The status of improvements proposed for the results of the 10th (2023) Corporate Governance Evaluation announced in April 2024 are as follows:</p> <ol style="list-style-type: none"> 1. The Company: #2.7 Is the number of independent directors of the Company more than one-third of the total director seats? The Company plans to increase the number of Independent Director during the 2025 re-election of Directors to make the number of independent director seats exceeds one-third of the total director seats. 2. Listed subsidiaries of CSC Group: Improvements made on evaluation indicators: 1. Listed subsidiaries of CSC Group have all established cybersecurity risk management frameworks and incorporate the standards of information security management systems; 2. Listed subsidiaries of CSC Group have all followed the SASB standards in preparing their sustainability reports to disclose ESG information; 3. Listed subsidiaries of CSC Group have all uploaded their English version of the sustainability reports to the Market Observation Post System and the corporate websites; 4. Listed subsidiaries of CSC Group hold at least two investor conferences every year. In addition, ongoing improvements will be made as follows: 1. Secure independent third-party verification of the sustainability report; 2. Ensure that the Board of Directors of the company includes at least one female director; 3. Ensure that the number of independent director represents no less than one-third of the total seats on the Board of Directors.

China Steel Corporation Codes of Ethics for Directors

Established on December 20, 2005

Amended on August 3, 2020

Chapter 1 General Provisions

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

Chapter 2 Standards of Ethical Conduct

- Article 2 When performing their duties, Directors shall comply with the following basic principles:
- I. Safeguarding the rights and interests of shareholders.
 - II. Enhancing the authority of the Board of Directors.
 - III. Respecting the rights and interests of stakeholders.
 - IV. Improving information transparency.
- Article 3 While performing their duties, Directors shall have the pursuit of the Company's overall benefits as their objective, and must not harm the Company's rights and interests for the benefit of a specific individual or specific group. Moreover, when performing their duties they shall treat all shareholders fairly.
- Article 4 Directors shall exercise the due care of a good administrator, emphasize the principles of integrity and fairness, maintain a high degree of self-discipline and adhere to the law, the Company's Articles of Incorporation and the resolutions of the Shareholders' Meeting.
- Article 5 Directors shall faithfully perform their duties for the best interests of all shareholders. In the event that their own personal interests conflict with the interests of the Company, they shall give priority to interests of the Company, and shall avoid using their authority to enable the following personnel or enterprises to receive improper benefits:
- I. The person him/herself, his/her spouse, parents, children or relatives within the third degrees of relationship
 - II. Enterprises in which the persons in the preceding paragraph who directly or indirectly enjoy significant financial interests.
 - III. Enterprises in which the person him/herself serves as Chairman, Executive Director or Senior Executive.
- The Company shall pay particular attention to lending of funds, material asset transactions, purchase (sales) relationships, or the making of guarantees to the persons or enterprises listed in the preceding paragraph.
- Article 6 To maintain the interests of the Company, Directors shall give priority to providing the Company any opportunity regarding procurement, supply, cooperation, strategic alliances, mergers and acquisitions or other business opportunities or profit-making opportunity of which they are aware due to performance of their duties, and must not take advantage of such opportunities to seek personal gains for themselves or the third party.
- Article 7 If a Director engages in competition with the Company, he/she shall report to the Shareholders' Meeting in advance and obtain approval in accordance with Paragraph 1, Article 209 of the Company Act.

- Article 8 Directors shall assume the obligation to maintain the confidentiality of the Company's classified information except when disclosure is authorized or legally required, and must not use the aforementioned classified information to seek personal gain for themselves or the third party.
- Article 9 Directors shall maintain the rights and interests of shareholders, and shall respect the rights and interests of stakeholders including banks with which the Company has business dealings, creditors, employees, consumers, suppliers, subsidiaries and communities.
- Article 10 Directors shall comply with the laws concerning the prevention of insider trading and other securities laws concerning equity trading and handling of confidential business information. Directors who are in possession of material undisclosed information must not engage in trading of related securities.
- Article 11 If any proposal at a Board Meeting involves a Director him/herself or the interested parties set forth in Articles 5 and 6 where there are concerns about impairing the interests of the Company, the Director shall immediately and voluntarily recuse him/herself, and take no part in voting, nor exercise the voting right as proxy for another Director.

Chapter 3 Supplementary Rules

- Article 12 Natural persons appointed by juristic person directors to perform their duties shall comply with this Code.
- The provisions of this Code shall apply mutatis mutandis to the juristic person directors represented.
- Article 13 If a Director wishes to be exempted from the applicability of Article 5, he/she shall fully disclose, to the Board of Directors, the persons or enterprises listed in Article 5 and the interest of each legal act, and the reasons why this is not detrimental to the Company and it conforms to regular business practice, and shall seek approval from the Board of Directors. However, if such an instance falls under the legal acts between a Director and the Company as stipulated in Article 223 of the Company Act, the convener of the Audit Committee shall serve as the representative of the Company.
- If a Director wishes to be exempted from the applicability of Article 6, he/she shall explain, to the Board of Directors, the specific details of such opportunity and the reasons why there are no conflicts with or no effects on the interests of the Company, and shall seek approval from the Board of Directors.
- Upon approval by a resolution of the Board of Directors of exemption from applicability as provided in the preceding two paragraphs, the Company shall immediately disclose information including the titles and names of the personnel exempted, the date when the exemption is approved by the Board of Directors, objections or reservations of Independent Directors, the term of exemption from applicability, the reasons for exemption from applicability, and the standard(s) for exemption from applicability on the Market Observation Post System.
- Article 14 The Company shall disclose the Code it has adopted, as well as any amendments to it, on its corporate website, in its annual reports and prospectuses and on the Market Observation Post System.
- Article 15 The Code, as well as any amendments to it shall enter into force after it has been adopted by the Board of Directors and reported to the Shareholders' Meeting.

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

Established on December 20, 2005

Amended on March 25, 2019

Chapter 1 General Provisions

- Article 1 This Code has been specifically formulated to guide the conduct of first echelon supervisors and executives at the Company so that it conforms to ethical standards, to prevent illegal conducts, and to enable the stakeholders of the Company to better understand the Company's ethical standards.
- Article 2 First echelon supervisors and executives as referred to in this Code include President, Executive Vice President, Vice Presidents at each division, the Special Assistant to President, Assistant Vice Presidents, first echelon supervisors and salaried advisors at each unit, Sr. Engineering Experts, Sr. Administration Experts, Sr. Fellow and Fellows.

Chapter 2 Standards of Ethical Conduct

- Article 3 **Honest and Ethical Conduct:**
- First echelon supervisors and executives shall perform their duties with an honest and non-deceptive attitude and conduct that adheres to professional standards, including the handling of actual or obvious personal conflicts of interest against their duties in an impartial manner.
- Article 4 **Prevention of Conflicts of Interest:**
- First echelon supervisors and executives shall engage in businesses in an objective and efficient manner, and avoid using the positions they hold at the Company to enable the following personnel or enterprises to receive improper benefits:
- I. The person him/herself, his/her spouse, parents, children or relatives within the third-degree of relationship.
 - II. Enterprises in which the persons in the preceding paragraph who directly or indirectly enjoy significant financial interests.
 - III. Enterprises in which the person him/herself serves as Chairman, Executive Director or Senior Executive.
- The Company shall pay particular attention to lending of funds, material asset transactions, purchase (sales) relationships, or the making of guarantees to the persons or enterprises listed in the preceding paragraph.
- Article 5 **Avoidance of Opportunities for Personal Gain:**
- When the Company has an opportunity to gain profit, first echelon supervisors and executives have the responsibility to preserve and increase the legitimate profit that the Company is able to obtain, and shall avoid the following conduct:
- I. Opportunities for seeking personal gain for themselves or the third party through the use of the Company's property or information or by taking advantages of one's position.
 - II. Use of the company's property or information or taking advantages of one's position to obtain personal gain for themselves or the third party.
 - III. Engaging in competition with the company.
- Article 6 **Keeping Business Secrets:**
- First echelon supervisors and executives shall be bound by the obligation to maintain the

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

Article 7 Engagement in Fair Trade:

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

Article 8 Protection and Legitimate Use of Company Assets:

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

Article 9 Compliance with Laws and Regulations:

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

Article 10 Compliance with regulations in Prevention of Insider Trading:

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

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

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

Chapter 3 Supplementary Rules

Article 12 Procedures for Exemption from Applicability:

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

and it conforms to regular business practice, and shall seek approval from the Board of Directors. If a first echelon supervisor or executive wishes to be exempted from the applicability of Article 5, he/she shall explain, to the Board of Directors, the specific details of the opportunity information or competition with the Company, and the reasons why there are no conflicts with or no effects on the Company's interests, and shall seek approval from the Board of Directors. Upon approval by a resolution of the Board of Directors of exemption from applicability as provided in the preceding two paragraphs, the Company shall immediately disclose information including the titles and names of the personnel exempted, the date when the exemption is approved by the Board of Directors, the term of exemption from applicability, the reasons for exemption from applicability, and the standard(s) for exemption from applicability on the Market Observation Post System.

Article 13 Disciplinary Measures:

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

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

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

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

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

(IV) Remuneration Committee

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

The Remuneration Committee is mainly responsible for formulating performance evaluation policies for Directors and Management Team, reviewing the performance of each personnel, as well as formulating and regularly reviewing the policies, systems, standards, and structures relevant to the remuneration of Directors and Management Team.

1. Information on Remuneration Committee

(As of March 31, 2025)

Title	Criteria	Professional Qualification and Experience	Number of Other Public Companies in Which the Member Concurrently Serves as a Remuneration Committee Member
	Name		
Independent Director (Convener)	Min-Hsiung Hon	Date of initial appointment (Years of service): June 23, 2016 (9 years) Expertise: Materials science Education: PhD in Materials Science and Engineering, North Carolina State University, U.S.A.	0
Independent Director	Shyue-Bin Chang	Date of initial appointment (Years of service): June 23, 2016 (9 years) Expertise: Aviation industry; Electrical and mechanical engineering; Board member of other listed companies. Education: PhD in Mechanical and Aerospace Engineering, Cornell University, U.S.A.	2
Independent Director	Lan-Feng Kao	Date of initial appointment (Years of service): June 23, 2016 (9 years) Expertise: Accounting/Finance; Corporate governance. Education: PhD in Accounting, National Cheng Kung University	0
For the experience and other current positions of Independent Directors, please refer to page 16-17 Information on Directors of this annual report.			

Title	Criteria	Independence Criteria			
		The person and the person's spouse as well as relatives within the second degree of relationship are not a director, supervisor, or employee of the Company or any of its affiliates.	The person is not a shareholder who holds shares, together with those held by the person's spouse as well as relatives within the second degree of relationship (or under others' names), in an aggregate amount of 1% or more of total shares issued by the Company or ranking as one of its top ten natural-person shareholders.	The person is not a director, supervisor, or employee of a company or organization that has a specific relationship with the Company.	The person did not receive any remuneration for providing commercial, legal, financial, accounting or related services from the Company or any of its affiliates in the recent 2 years.
Independent Director (Convener)	Min-Hsiung Hon	✓	✓ The person: 0 shares (0%) Spouse: 5,000 shares (0%) Other relatives within the second degree of relationship: 25,000 shares (0%)	✓	✓

Independent Director	Shyue-Bin Chang	✓	✓ The person: 0 shares (0%) Spouse: 0 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)	✓	✓
Independent Director	Lan-Feng Kao	✓	✓ The person: 4,216 shares (0%) Spouse: 1,000 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)	✓	✓
The Independent Directors Min-Hsiung Hon, Shyue-Bin Chang and Lan-Feng Kao meet the qualification requirements stipulated in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and Article 14-2 of the Securities and Exchange Act in the two years prior to the date of appointment and during term of office. Additionally, all Independent Directors have been fully empowered to participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act, thereby performing their duties independently.					

2. Operation of Remuneration Committee

(1) The Remuneration Committee of the Company is composed of three members.

(2) The tenure of the Remuneration Committee members of the 18th Board of Directors: June 17, 2022 to June 16, 2025. In 2024, the Remuneration Committee of the Board of Directors convened a total of 5 meetings. Attendance of members is listed as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Percentage of Attendance in Person (%)	Remarks
Convener	Min-Hsiung Hon	5	0	100%	Scope of Authority: Discuss and resolve on matters related to the performance evaluation and remuneration of the Company's Directors and managements, and submit proposals and recommendations to the Board of Directors.
Committee Members	Shyue-Bin Chang	5	0	100%	
	Lan-Feng Kao	5	0	100%	

Other matters to be noted:

- I. If the Board of Directors does not adopt or amend the recommendations made by the Remuneration Committee, the date, session, the content of proposals, resolutions of Board Meetings and the Company's action in response to opinions from the Remuneration Committee shall be specified (if the remuneration approved by the Board of Directors is better than that recommended by the Remuneration Committee, the discrepancies and related reasons shall be specified): None.
- II. If any member of the Remuneration Committee has dissenting opinion or qualified opinion on the resolutions of the Remuneration Committee, where such opinions are documented or issued through written statements, the date, session, the content of proposals, all the members' opinions of the meeting of the Remuneration Committee, and the action in response to these opinions shall be specified: None.

(3) Annual focus:

- A. Recommendation for remunerations distribution of Directors.
- B. Year-end and mid-year performance evaluations of appointed managements.
- C. Salary and benefit adjustments for appointed managements.
- D. Proposal for the adjustment of salary and benefit standards for the Chairman, President, and Executive Vice President.
- E. Amendment of the employees' remuneration distribution system for appointed managements.

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

Promoted Item	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary
I. Has the Company established a sustainable development governance structure supervised by the Board of Directors and an exclusively (or concurrently) dedicated unit under supervision of senior management authorized by the Board of Directors to promote sustainable development?	Yes		<p>1. The Company has established the "Corporate Governance and Sustainability Committee" approved by the Board of Directors in November 2019, which is responsible for promoting sustainable development, implementing sustainable management concepts, and supervising matters related to risk management. This committee shall convene at least two meetings a year. The powers of this committee are listed as follows:</p> <p>(1) Promote and strengthen corporate governance organization and system.</p> <p>(2) Promote and implement ethical corporate management-related work.</p> <p>(3) Promote and fulfill sustainable development policies and matters related to sustainable management.</p> <p>(4) Implement and assist in supervising matters related to risk management.</p> <p>(5) Plan and promote matters related to energy saving & carbon reduction and carbon neutrality.</p> <p>(6) Plan and promote matters related to digital transformation.</p> <p>(7) Implement other matters adopted by resolution of the Board of Directors.</p> <p>In order to ensure the implementation of sustainable management policies and sound risk control, this committee established five execution teams, including "Corporate Governance," "Ethical Corporate Management," "Sustainable Environment Development," "Employee Care and Social Engagement," and "Risk Management," which are led by the Vice Presidents of relevant units. In addition, the Company established the "Task Force on Energy Saving & Carbon Reduction and Carbon Neutrality" and "Task Force on Digital Transformation," which are respectively led by the Chairman and the President to address climate change and to drive the development of an intelligent steel mill. Each team is responsible for the operation and promotion of relevant matters and the implementation of the Committee's resolutions. The Committee reported the plan for 2025 and the implementation status of each team in 2024 to the Board of Directors on February 27, 2025.</p> <p>2. Implementation results in 2024: (1) continued to promote the formulation of cybersecurity goals among listed subsidiaries of CSC Group, (2) the ongoing staff caring activities and steel and environmental protection related</p>

Promoted Item	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
			<p>educational training, (3) continued to increase the use of recycled water and adopt air pollution reduction measures, (4) engaged with internal and external stakeholders on risk communication and consultation to ensure the effective operation of risk management, (5) promoted dual control targets for “Total Greenhouse Gas Emissions” and “Carbon Intensity,” and established the “Reward Rules for Greenhouse Gas Reduction” to encourage company-wide participation in carbon reduction efforts, and (6) continued to develop digital innovative technologies such as remote human-machine collaboration, digital twinning, hybrid cloud, generative AI, etc., to enhance production and operational efficiency, and also promoted AI-related training and digital transformation seminars to enhance employees’ digital competencies. The implementation results above have been disclosed on the Company’s website in “Investor Relations” → “Corporate Governance” → “Committees of the Board” → “Corporate Governance and Sustainability Committee” section.</p> <p>3. In addition to reporting the implementation status to the Board of Directors, the Committee will also reports ESG targets set up for short-term (2025), medium-term (2026~2030), and long-term (2031 and beyond), the communication with stakeholders, as well as the Company’s responses to issues of concern raised by investors and the suggested directions for improvement. The Board of Directors regularly reviews the progress of the Company’s strategies and objectives and, where necessary, urges the Company to adjust its direction to meet stakeholders’ expectations and align itself with international standards.</p> <p>4. Listed subsidiaries of CSC Group have established exclusively or concurrently dedicated units in charge of corporate sustainable development and report to the Board on the promotion and implementation results of related work on a regular basis. CSCC and CHC have established the “Corporate Governance and Sustainability Committee” and the “Sustainable Development Committee” under the Board of Directors respectively, which is composed of directors. Meanwhile, CHS, CSSC, and CEC have established sustainable development related committee chaired by chairman or president, which regularly convenes meetings and reports the implementation status to the board of directors.</p>

Promoted Item	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
II. Has the Company conducted risk assessment on environmental, social and corporate governance issues related to corporate operations and formulated relevant risk management policies or strategies based on materiality principle?	Yes	No	<p>Having established the material issues analysis process in compliance with the 2021 edition of the GRI Universal Standards and stakeholder engagement standards, the Company and listed subsidiaries of CSC Group identified major topics in the area of sustainable development and formulated relevant management strategies through a series of procedures including collection and review, ranking and identification, and verification. The Company evaluates major topics based on the double materiality concept, considering both financial materiality and impact materiality.</p> <p>The Company's sustainability report is prepared by the Sustainable Environment Development Team under the Corporate Governance and Sustainability Committee. The report discloses the analysis of risk assessment for material topics and related risk management policies or strategies, and the reporting boundary mainly covers the Company. The key points are summarized as follows:</p> <p>1.Environmental aspect - Climate Change:</p> <p>The Company has identified the risks of climate change, such as the physical risks of water shortage in the dry season and power rationing in summer caused by climate change, and assessed the relevant response measures against climate change. The Company has also formulated risk management procedures for water and electricity consumption, including rules for water rationing and water supply interruption management, and the operating standards for emergency priority of power supply. In addition, in response to transition risks such as R&D cost incurred by low-carbon technology and increased operating costs caused by carbon fees collected, the Company will continue to develop low-carbon steelmaking technologies through industry-academia collaboration program, and expand the potential sales market for low-carbon steel in the future.</p> <p>2.Social aspect - Occupational Safety and Health:</p> <p>In 2024, the Company passed the annual surveillance audit for the ISO 45001 (Occupational Safety and Health Management Systems) and TOSHMS (Taiwan Occupational Safety and Health Management System) certified by the British Standards Institution (BSI). The certificate is valid until July 20, 2025. The Company's management policies related to occupational safety and health include bolstering employees' attitude, awareness, and skills related to safety and health through training and promotion, as well as</p>

Promoted Item	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			<p>carrying out routine inspections on the conduct and working environment of employees and personnel of subcontractors by on-site supervisors at all levels. In 2024, supervisors conducted safety observation and inspection (including patrols) for a total of 82,188 times; In 2025, the Company resumed the massive workplace safety enforcement activities, in collaboration with the representatives of the labor union in Occupational Safety & Hygiene Committee, to inspect various factories and strengthen the intensity of inspections.</p> <p>3. Corporate governance aspect - Major Risk Events: The Company identifies and assesses risk factors through the business execution units and develops corresponding response strategies or measures in accordance with the "Risk Management Policy and Procedure." Risks are classified into five levels based on their severity to specify management priorities. The execution of risk management is regularly reported to the Corporate Governance and Sustainability Committee as well as the Board of Directors to ensure appropriate control of relevant risks. The Company has also established an emerging risk management system to address risks resulting from policy and external environment changes that may pose significant long-term impacts. These risks will be identified and assessed by management, and related units will be assigned to propose specific response measures for major emerging risks.</p>
<p>III. Environmental Issues</p> <p>(I) Has the Company established an appropriate environmental management system based on the characteristics of its industry?</p> <p>(II) Is the Company committed to improving energy utilization efficiency and to the use of renewable materials with low environmental impact?</p> <p>(III) Has the Company evaluated the current and future potential risks and opportunities of climate change, and adopted countermeasures?</p>	<p>(I) Yes</p> <p>(II) Yes</p> <p>(III) Yes</p>		<p>(I) Since the establishment of the ISO 14001 Environmental Management System (EMS) in 1996, the Company has identified environmental impact factors arising from all the activities and operation environments through consideration of environmental aspects.</p> <p>In 2024, the Company's ISO 14001:2015 environmental management system was externally audited by the British Standards Institution (BSI) Taiwan Branch and successfully passed the verification. The certificate is valid until July 20, 2025. The scope of ISO 14001 encompasses the development and manufacture of plates, bars, wire rods, hot-rolled and cold-rolled coils, commercial slabs, and pig iron. For the items labeled medium to high-risk based on environmental impact type and level, the Company formulates and implements corresponding countermeasures, and reduces the environmental impact using the PDCA cycle for continuous improvement.</p>

Promoted Item	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
(IV) Has the Company collected statistics of emissions of greenhouse gas (GHG), the usage of water, and the total weight of waste in the past two years; and formulated GHG reduction, water saving, and other waste management policies?	(IV) Yes		<p>Besides, the Company also actively participates in meetings related to the development and amendment of environmental protection regulations, provides opinions on amendments, and keeps abreast of regulatory trends, so that the Company can develop countermeasures in advance to effectively control environmental risks.</p> <p>The Company conducted the first GHG inventory operation in accordance with international standards (ISO 14064) in 2006. Since 2021, the Company has conducted GHG inventory in accordance with the new edition of the standard, ISO 14064-1:2018. Every year, the Company commissions a third-party verification agency to verify the Company's GHG inventory data, obtains a declaration of verification, and registers the relevant information on the Mandatory Greenhouse Gas Reporting System on an annual basis.</p> <p>All the listed subsidiaries of CSC Group have not only established dedicated units to assist in the promotion, planning and implementation of environmental protection works, but also set up a sound environmental management system and passed the verification for ISO 14001 Environmental Management Systems. The certificates remain valid as of the publication date of this annual report. Meanwhile, CHS has established the Environmental and Energy Management Committee, which regularly reports environmental and energy management performance to the President.</p> <p>(II) 1. To maintain energy balance and make the best use of it, the Company implements ISO 50001 energy management system. In 2024, the Company successfully passed the follow-up verification for ISO 50001:2018 certification conducted by the British Standards Institution (BSI) Taiwan Branch. The certificate is valid until July 7, 2025. In addition, the Energy Saving Committee has been established across departments to promote energy saving and carbon reduction work at the plants, and regular meetings are held to review the achievement of the energy targets. At present, the Company is in the process of implementing the 4th phase (2021-2025) of energy-saving action plan and have saved a total of 6,839,767 GJ of energy from 2021 to 2024, with a target achievement rate of 259%. Besides, the Company has also set a power saving target and reached an average annual power saving rate of 2.14%</p>

Promoted Item	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
			<p>from 2015 to 2024, which exceeded the target set by the Energy Bureau of the Ministry of Economic Affairs that "average annual power saving rate for energy users from 2015 to 2024 should be more than 1%."</p> <p>2.To reduce the load on the environment caused by our operations, the Company is committed to the development of various resourceization technologies for waste generated in manufacturing processes based on the life cycle of steel and simultaneously integrates the links between internal and external resourceization in Linhai Industrial Park to implement proper resourceization of industrial waste. After years of hard work and close cooperation with academia, the Company has achieved significant results in various areas, such as reduction of process residues, on-site recycling, and off-site resourceization. In 2024, there were 4.611 million tons of by-products (wet basis) from manufacturing processes, where on-site recycling and off-site resourceization accounted for 12% and 88% of the total amount of by-products generated, respectively. Besides, in line with the government's circular economy policy, the Company steadily promotes the use of basic oxygen furnace slag powder and mineral fines as cement raw materials. The Company supplied more than 400 thousand tons to cement plants in 2024, achieving the target set at 366 thousand tons. The application can replace limestone and iron slag, thereby reducing load on the environment caused by natural ore mining in the cement industry. With the Company's proactive efforts to engage in the application of BOF slag in land reclamation, 1.62 million tons of BOF slag were used in the logistics and storage area at Port of Taipei in 2024, thereby implementing the circular economy policy while steadily engaging in public construction. For the resourceization of blast furnace slag, it can be water-quenched as raw materials for producing blast furnace slag powder or air cooled as materials for various types of engineering. In 2024, approximately 2.612 million tons of blast furnace slag were used for resourceization.</p> <p>3.Listed subsidiaries of CSC Group are also committed to reducing load on the environment and adopt the following methods. For example, strengthening waste management measures, setting power saving target and continuous reducing resource and energy consumption during production, increasing resource reuse ratio, giving priority to the</p>

Promoted Item	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
			<p>procurement of green mark certified products, producing green products, and developing eco-friendly technologies. Furthermore, the Company also requires companies under CSC Group to pass the verification process for ISO 50001 so as to ensure the energy-saving performance.</p> <p>(III) The Company not only follows framework of the TCFD (Task Force on Climate-related Financial Disclosures) reporting to review risks and opportunities related to climate change through cross-departmental discussions, but also referenced 4 scenarios, including Shared Socioeconomic Pathway 5-8.5 (SSP5-8.5) and scenarios with intermediate GHG emissions (SSP2-4.5) proposed by the Intergovernmental Panel on Climate Change (IPCC), as well as Announced Pledges Scenario (APS) and Net Zero Emissions (NZE) studied by the International Energy Agency (IEA), to examine the impact of various climate risks and opportunities under different scenarios, including identifying physical risks due to extreme weather (e.g., water shortages and disruption of raw material supply caused by extreme weather), transition risks due to changes in laws and policies or market demand, (e.g., increased costs caused by carbon fee collection and low-carbon transition), and opportunities such as providing low-carbon products and materials related to the green energy and electric vehicle industries. Countermeasures have been planned based on the examination results, including continuously working on GHG reduction measures and developing low-carbon manufacturing processes and low-carbon products.</p> <p>Listed subsidiaries of CSC Group not only identify potential risks and opportunities for companies from climate change at present and in the future by the framework of TCFD, but also plan and formulate response measures for climate-related issues.</p> <p>(IV) 1. For detailed information on the GHG emissions, reduction targets, strategies, specific action plans, and achievement status of the reduction targets of CSC Group, please refer to page 97-98 of this annual report.</p> <p>2. Statistics on GHG emissions and related management policies:</p> <p>(1) The Company has carried out GHG inventory audit on an annual basis. Scope 1 and 2 inventories cover the Company's domestic factories and overseas offices, and has obtained a declaration from a third-party verification agency accredited by the Ministry of</p>

Promoted Item	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
			<p>Environment (MOENV). The relevant information has also been registered on the Climate Change Administration's Mandatory Greenhouse Gas Reporting System in compliance with the prevailing regulations. In addition, the Company has taken the initiative to conduct scope 3 inventory, and has commissioned a third-party verification agency to verify four categories of its Scope 3 inventory according to the strength of supporting documents, namely "business travel," "waste generated in operations," "upstream transportation and distribution," and "fuel and energy-related activities." The four categories has obtained a verification statement and the content of inventory will be refined continuously.</p> <p>(2) Details of the GHG emissions of the Company in 2023 and 2024 are as follows:</p> <ul style="list-style-type: none"> • In 2023, Scope 1 and Scope 2 emissions were 16,810 and 1,249 thousand tons of CO₂e respectively, with a total emission of 18,059 thousand tons of CO₂e and an emission intensity of 2.326 tons of CO₂e/ton of slab; Scope 3 emissions were 11,318 thousand tons of CO₂e. • In 2024, Scope 1 and Scope 2 emissions were 17,587 and 1,166 thousand tons of CO₂e respectively, with a total emission of 18,753 thousand tons of CO₂e and an emission intensity of 2.372 tons of CO₂e/ton of slab; Scope 3 emissions were 11,037 thousand tons of CO₂e. <p>(3) The Company is committed to acting against climate change. Short-term, medium-term and long-term GHG reduction targets have been set against 2018 base year emissions (Scope 1: 20,806 thousand tons of CO₂e; Scope 2: 1,295 thousand tons of CO₂e). It is expected to achieve a 7% reduction in carbon emissions by 2025 (short-term) and a 25% reduction in carbon emissions by 2030 (mid-term) respectively as compared to base year, and the ultimate goal of carbon neutrality by 2050 (long-term). The Company recorded a 15.1% reduction of GHG emissions in 2024 compared to the base year of 2018. From 2018 to 2024, a total of 1,281 carbon reduction action plans were completed, achieving a carbon reduction of 1.5157 million metric tons/year (Scope 1 & Scope 2, not adjusted for electricity coefficient).</p>

Promoted Item	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
			<p>a 6.86% reduction from the base year of 2018, and the planned target in the carbon neutrality path. In 2024, the Company continues to promote carbon reduction action plans such as the high pressure pump for rust removing water at the hot strip mill and operation technology refinement at the No.4 blast furnace.</p> <p>3.Statistics on water consumption and related management policies:</p> <p>(1) The Company determined water consumption strategies for multiple water sources in 2012 and has actively cooperated with the government in developing the urban polluted water recycling policies. With the Construction and Planning Agency under the Ministry of the Interior, as well as the Water Resources Agency and the Industrial Development Bureau under the Ministry of Economic Affairs actively pulling the strings, Taiwan's first public sewage treatment plant for recycling the wastewater, i.e. the Fengshan Creek Reclaimed Water Plant, was born, where CSC and C.S.Aluminium Corporation in Linhai Industrial Park has incorporated the use of reclaimed water as industrial water in manufacturing processes.</p> <p>Urban Polluted Water Recycling Demonstration Plan: Since August 2018 when Fengshan Creek reclaimed water was adopted, currently 41 thousand tons of reclaimed water is being used every day. In December 2021, Linhai reclaimed water was officially adopted, with 20 thousand tons of reclaimed water used every day; Implementing the “Vicarious Performance of Reclaimed Water for Hefa Industrial Park” lead by Kaohsiung City Government, the Company has increased the reclaimed water introduced into the raw water pool by approximately 9,700 tons per day since May 2024.</p> <p>(2) In 2023 and 2024, the Company's total water consumption reached 40.96 and 42.21 million tons respectively, with water consumption per ton of slab being 5.04 and 5.10 tons respectively. Wherein, tap water consumption amounted to 18.62 and 17.98 million tons, while reclaimed water consumption totaled 22.34 and 24.23 million tons, accounting for approximately 54.5% and 57.4% of total water use respectively.</p> <p>The water consumption data of the Company is mainly based on the premises of the Company's factories, the Hsiao Kang Plant, and is</p>

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	Yes	No	
			<p>disclosed in the Sustainability Report of the Company. The third-party verification was obtained from British Standards Institution (BSI).</p> <p>(3) Compared to the 130 thousand tons of daily total water consumption in 2017, before the introduction of reclaimed water, the Company has reduced its daily total water consumption to 115 thousand tons by 2024, wherein, the use of raw water has dropped to 4.9 thousand tons per day. This reduction is attributed to the introduction of Fengshan Creek and Linhai reclaimed water, along with efforts to recycle process water and implement water-saving measures. In 2024, the Company successfully achieved the target of reducing raw water consumption by 54.4% compared to the 2017 base year and by approximately 3.4% compared to the previous year.</p> <p>4. Statistics on waste and management policies: With respect to waste management targets, the Company aims to achieve a resourceization rate of more than 90% and zero solidification landfill. The waste disposal data of the Company is mainly based on the premises of the Company's factories, the Hsiao Kang Plant, and the data disclosed in the Sustainability Report of the Company is also certified by British Standards Institution (BSI).</p> <p>The amount of waste disposal in 2023 and 2024 were 517,164 and 505,171 tons respectively, with each ton of slab generating 66.6 and 63.9 kg respectively. Among which, the general industrial waste disposal in 2023 and 2024 were 517,131 and 505,158 tons respectively, with a resourceization rate of 94.9% and 94.8%; 34 and 13 tons of hazardous industrial waste were disposed, with a resourceization rate of 100%.</p> <p>5. Listed subsidiaries of CSC Group have all completed the calculation of water usage and total weight of waste. These companies have also formulated various management solutions to effectively improve energy performance and achieved resource recycling and waste reduction. The listed subsidiaries of CSC Group have also set short-term, medium-term, and long-term carbon reduction targets and have received verification of GHG emission data.</p>

Promoted Item	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
<p>IV. Social Issues</p> <p>(I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?</p> <p>(II) Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, rest and annual leave, and other benefits), and appropriately reflected the operating performance or achievements in the employee remuneration?</p> <p>(III) Does the Company provide a safe and healthy work environment and regularly offer safety and health training to its employees?</p> <p>(IV) Has the Company established effective career development training programs for its employees?</p> <p>(V) Does the Company comply with relevant laws and international standards in issues such as health, safety, and privacy of consumers as well as marketing and labeling of its products and services, and establish consumer or client rights protection policies and appeals procedures?</p> <p>(VI) Has the Company established supplier management policies, requesting suppliers to comply with relevant regulations on issues regarding environmental protection, occupational safety and hygiene, or labor rights, and disclosed the implementation?</p>	<p>(I) Yes</p> <p>(II) Yes</p> <p>(III) Yes</p> <p>(IV) Yes</p> <p>(V) Yes</p> <p>(VI) Yes</p>		<p>(I) Complying with the principles and spirits of the "Universal Declaration of Human Rights," the "International Covenant on Economic, Social and Cultural Rights," the "International Covenant on Civil and Political Rights," the "United Nations Global Compact," the "Declaration on Fundamental Principles and Rights at Work" adopted by the International Labor Organization (ILO), and other international codes on human rights, the Company and listed subsidiaries of CSC Group have been treating and respecting all current employees and personnel of business partners equally, as well as eradicating any infringement and violation of human rights. The specific action includes establishing human rights policies or incorporating the policies and specific management solutions for safeguarding human rights into the personnel management system, introducing various rules and regulations such as directions on occupational safety and health management and environmental protection management for subcontractors, and enhancing employees' understanding of human rights protection through education and training. The relevant policies and their implementation are listed as follows:</p> <p>1. Formulate labor conditions in accordance with government labor laws and regulations.</p> <p>2. Provide equal employment opportunities to all job seekers in accordance with the Employment Service Act, where no violation of human rights or discrimination occurred during employee recruitment in 2024.</p> <p>3. Establish the "Rewards and Punishments Review Committee," with the purpose of reviewing major rewards and punishments for employees, in accordance with the "Guidelines for Establishing Rewards and Punishments Review Committee."</p> <p>4. In order to create a quality workplace and provide a work and service environment free of sexual harassment, the Company establishes channels of appeal for sexual harassment incidents, adopts appropriate measures such as prevention, correction, punishment and remedies, and formulates the "Workplace Sexual Harassment Prevention, Grievance, and Disciplinary Action Regulations" in accordance with Article 13 of the "Gender Equality in Employment Act," Article 3 of the "Regulations for Establishing Measures of Prevention of Sexual Harassment in the Workplace," Article 7 of the "Sexual Harassment Prevention Act," and</p>

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	Yes	No	
			<p>"Regulations of Sexual Harassment Prevention". The Company has also established complaint channels in accordance with the "Guidelines for Handling Complaints," with the purpose of protecting the human rights of employees and providing employees with the relevant channels when their legal rights have been infringed or improperly handled and such incidents cannot be resolved reasonably.</p> <p>5. All new employees receive courses on human rights during induction training, and all the senior employees have received the same training as well. In 2024, the Company provided 6,035 hours of training on human rights (covering topics such as sexual harassment prevention and complaint channels for new employees, anti-discrimination, and prevention of workplace misconduct), while a total of 1,491 employees received the training, and also held meetings for communication and information dissemination, with a total of 10,486 hours.</p> <p>6. In 2024, a company-wide "Human Rights Due Diligence Survey" was conducted. The survey for employees covered five issues, including elimination of unlawful discrimination to ensure equal employment opportunities, prohibition of child labor, prohibition of forced labor, freedom of association and collective bargaining, and provision of a safe and healthy work environment. For contractors, the survey focused on whether labor conditions were violated. Improvement measures were proposed based on the results of this survey in hopes of minimizing the likelihood of human rights risks.</p> <p>7. In 2024, no violation of human rights or discrimination occurred during employee recruitment at the listed subsidiaries of CSC Group. Additionally, CHS and CHC conducted human rights due diligence or human rights risk assessments for their employees to continuously improve the management of human rights-related issues.</p> <p>(II) 1. The Company has established the "Salary Management" section in the "Personnel Management System," which specifies that employee salary standards is formulated based on duties and responsibilities with reference to the salary market conditions, the Company's financial status and organizational structure.</p> <p>Pay from the Company is determined without gender-based differences, and the basic salary paid to women and men of the same position and</p>

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	Yes	No	
			<p>level is the same. However, the pay grade of the same position may vary due to difference in seniority because of the link between salary and tenure. For employees of the same position and the same tenure, pay is the same regardless of gender. The Company has been dedicated to creating a diverse workplace and has set a target of achieving 4.10% or more female employee representation by 2030. By the end of 2024, the percentage of female employees was 3.70%. The employees from non-production unit, including administration, finance and corporate planning divisions, totaled 393 and 117 of which were female employees, accounting for 29.77%. Female supervisors accounted for 1.75% of the total number of supervisors (including managements).</p> <p>2.The main items for employee remuneration are basic salary (including three items, such as base pay, food allowance, and special environment allowance/special maintenance allowance/special allowance for operating bridge crane at basic oxygen furnace), year-end bonus, and surplus bonus for production and sales.</p> <p>3.Furthermore, the Company has established regulations governing employee remuneration, incentives, and bonuses to reflect the Company's operating performance and results in the current year on the salary and compensation of employee, which also links to the performance appraisal for individual employees.</p> <p>4.The Company has established a working environment with great benefits to enhance the well-being of employees, and has set up welfare facilities such as the cooperative store, restaurant, the CSC Group Hall, single employee dormitories, gymnasium, and kindergarten to meet employees' welfare needs. Besides, the Company organizes activities every year, such as team-building activities and corporate anniversaries, to maintain relationships between employees and their families and enhance employees' sense of belonging to the Company. In addition, the Company has set up many requirements for leave application that are better than those stipulated in the Labor Standards Act and the Gender Equality in Employment Act, such as marriage leave, maternity leave, pregnancy checkup leave, and leave for companion of pregnancy checkup and delivery, so as to emphasize work-life balance. For more details, please refer to VI. Labor Relations under Chapter IV. Operational Highlights in</p>

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	Yes	No	
			<p>this annual report.</p> <p>5. Listed subsidiaries of CSC Group have established their own regulations for employee compensation and employee welfare measures, or indicated in their articles of incorporation the percentage of contribution to employee remuneration if there is a profit, etc., so as to appropriately reflect their operating performance or achievements on employee compensation.</p> <p>(III) 1. The Company has acquired ISO 45001 certification, covering R&D and manufacture of plates, bars, wire rods, hot-rolled and cold-rolled coils, commercial slabs, and pig iron. Annual surveillance audits are conducted, and the recertification audits are conducted every three years. The certificate remains valid until July 20, 2025. The Company conducts training and education on occupational safety and health to promote workplace safety every year, and have a computerized safety and health training management system in place, which allows instant updates of data and online enquiries. The Company also regularly organizes relevant industrial safety training and invites medical professionals from time to time to give a talk about health-related issues to employees. For detailed information on workplace safety and healthy work environment for employees, please refer to V. Protection Measures for Working Environment and Employees' Personal Safety under Chapter IV. Operational Highlights in this annual report.</p> <p>2. In February 2024, there were two significant occupational accidents involving contractors. The Company has developed preventive and corrective measures in response to these incidents, including the installation of additional safety protection equipment and signage, as well as strengthening Safety Job Procedure (SJP) training to ensure proper execution of operations and safeguard employee safety. In addition, there were 2 disabling injury accident (i.e., temporary absence from work for more than one day) in 2024, involving 2 people, which accounted for 0.02% of the total number of employees at the end of 2024, while the disabling injury frequency rate was 0.10, which was lower than the statutory rate of 0.18 and the industry average rate of 2.40 (based on the latest statistics in 2021~2023 provided by the Occupational Safety and Health Administration, Ministry of Labor). The 2 employees involved in</p>

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	Yes	No	
			<p>the accident was provided with proper health care and support, and has now returned to work. The Company will continue to enhance and implement workplace safety measures. After conducting internal reviews and assessments, the Company has proposed several health and safety management measures and resumed the massive workplace safety enforcement activities to strengthen audit, with the goal of continuously enhancing operational safety at the plant, as well as improving safety awareness of operators and establishing a sound occupational safety culture to achieve the ultimate goal of zero disaster.</p> <p>3. There were a total of 6 fires in 2024, all of which were minor fires with no casualties reported. Enhanced fire prevention measures have been implemented across all units.</p> <p>4. Listed subsidiaries of CSC Group have all acquired ISO 45001 certification. Annual surveillance audits are conducted, and the recertification audits are conducted every three years. The subsidiaries provide employees with a safe and healthy work environment in compliance with or better than the standard set in the Occupational Safety and Health Act by conducting safety and health training and organizing regular health examinations and additional health examination items for employees every year. Additionally, there were no fire reported from the listed subsidiaries of CSC Group throughout the year 2024.</p> <p>(IV) The continuous growth and improvement of employees are the fundamental driver for a company's growth. In order to strengthen employee training, the companies within the CSC Group have developed comprehensive professional training programs based on their business directions and future strategic development, including tailored courses for new employees, professionals, and supervisors to enhance employees' professional skills and corporate competitiveness. Among them, the Company has designed modular training with 6 major sections and constructed a "CSC talent cultivation and development structure" for actively promoting talent cultivation, including induction training, management training, expatriate training, general education and training, professional skill training, quality management and EHS, language, and AI-related training. Total training hours in 2024 were 264,685 hours, while average training hours per employee are 27.8 hours.</p>

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	Yes	No	
			<p>In addition, the Company reviews each employee's career development plan while conducting employee performance appraisal every six months. All positions are provided with relevant competency training. Through the implementation of training programs, employees can effectively develop professional skills in their current positions and future career paths. Each year, listed subsidiaries of CSC Group formulate training plans according to their needs, and arrange appropriate courses for newcomers, professional personnel, and supervisors so that employees can acquire the skills required for career development.</p> <p>(V) 1. The Company has established a complete pricing system. After setting domestic prices, the Company will announce the price change in the corporate website, ensuring fairness in acquiring price information through fully disclosure to customers. To protect customer interests, the Company sets up the Technical Service Section-Metallurgy to specifically provide technical consultation and quality complaint services before, during, and after sales. Additionally, the Company has formulated Customer Technical Service Regulations to gather customer feedback for internal improvements, and has conducted monthly and annual performance reviews to enhance customer satisfaction. Customers can also ensure their rights through channels such as customer service email, hotline, industry forums, and satisfaction surveys. Upon receiving a case, the Commercial Division will confirm the situation with the customer within 2 business days and forward it to the appropriate business unit based on its nature. A preliminary response will usually be provided to the customer within 5 to 7 business days, with ongoing monitoring of the case's progress. Furthermore, the Company has expanded customer services by integrating marketing resources in CSC Group.</p> <p>2. The Company commissions academic institutions to conduct customer satisfaction survey every year and identifies, improves and corrects the unsatisfied items accordingly to maintain excellence service quality.</p> <p>3. The Company strictly adheres to provisions of the "Personal Data Protection Act" and has implemented the following protection policies and measures on personal data:</p> <p>(1) The Company has formulated the "Employee Personnel Data Management Guidelines," with the Human Resources Department</p>

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	Yes	No	
			<p>integrating the standard of personnel management of all units. These guidelines also specify the principles for using employee data in accordance with the needs of job responsibilities.</p> <p>(2)The Company strictly requires employees to exercise their duty to protect the trade secrets, and to respect customers' privacy. Besides, the Company provides products and services in accordance with contracts to protect the rights and interests of customers, as well as to avoid leakage of personal information. The control measures in the Commercial Division are as follows:</p> <p>A. All computers in the Company are equipped with legal antivirus software to prevent being exploited to spread computer viruses in e-commerce system.</p> <p>B. Information search and operations in e-commerce must be carried out after logging in to the account with a password. The person who is not a customer or fails to identity verification is not allowed to make a search. At the same time, SSL encryption is employed to ensure the security of information transformation.</p> <p>C. The Company has established rules for managing digital certificates in e-commerce systems, where expired certificates have to be renewed or extended for further use. In 2024, there were no complaints regarding violation of customer privacy.</p> <p>(3) To enhance employees' understanding and application of personal data protection, the Human Resources Department organizes seminars on the "Personal Data Protection Act and Data Security Maintenance" every year. Second- and third-echelon supervisors or administrators and engineers, who are responsible for managing and handling personal data related to employees, contractors, suppliers, and customers, and who have not yet received training, are given priority for invitation to the seminars. In 2024, a total of 68 individuals attended the training, with a total of 204 training hours.</p> <p>4. The major products sold by the Company are plates, bars, wire rods, hot-rolled products, cold-rolled products, electro-galvanized products, hot-dip galvanized products and electrical steel. The Company inspects, packs, and labels products in compliance with relevant international product standards (such as CNS, JIS, ASTM, EN, etc.) or the</p>

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	Yes	No	
			<p>specifications agreed by both parties during the product design, development and manufacturing process. In addition, the steel products sold by the Company also meet the requirements of international environmental laws and regulations such as EU RoHS (Restriction of Hazardous Substances), REACH-SVHCs (Registration, Evaluation, Authorization and Restriction of Chemicals-Substances of Very High Concern), Regulation of packaging and packaging waste, German AfPS GS PAHs (Polycyclic Aromatic Hydrocarbons), Proposition 65 list, Montreal Protocol on Substances that Deplete the Ozone Layer, Global Automotive Declarable Substance List (GADSL), Toxic Substances Control Act (TSCA), and Persistent Organic Pollutants (POPs), etc. The Company provides product quality certificates and Hazardous Substances Free (HSF) certificates, etc., for customers' subsequent use. Regulations regarding product specifications and customer communication are also set out in the "Basic Business Rules for the Marketing Department" as the standard operating procedures for sales and marketing.</p> <p>5. Listed subsidiaries of CSC Group have established procedures to protect consumer rights and customer privacy, such as setting up a specific complaint channel, conducting customer satisfaction surveys regularly, or establishing strict privacy control countermeasures. In addition, the products of subsidiaries in the steel industry under CSC Group also comply with relevant international product specifications and are labeled in accordance with the relevant regulations.</p> <p>(VI) 1. The Company requires coal and iron ore suppliers to comply with the relevant ESG terms and clauses formulated in the procurement contracts. In addition, the Company instituted the "Supplier Code of Conduct" as a guideline for suppliers to comply with issues on ethics, labor and human rights, health and safety, environmental standards, and management systems, in hopes of achieving various sustainability goals together with suppliers, such as practicing environmental sustainability, respecting labor and human rights, and complying with ethical standards. The Company also selects raw material suppliers and assesses their sustainability status through questionnaires or interviews to evaluate whether they comply with the Company's Supplier Code of Conduct. For</p>

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	Yes	No	
			<p>suppliers identified as high-risk, the Company will monitor their improvement progress or conduct on-site visits to provide assistance for further improvement. If the risk remains unmitigated, the Company will cease requesting quotes from such suppliers.</p> <p>2. In order to implement the Environmental, Health and Safety (EHS) policies established by the Company, the Company has formulated the "Rules for Safety and Hygiene and Pollution Prevention Management for Procurement, Contracting and Outsourcing" to manage the procurement, contracting and outsourcing of raw materials and equipment that may lead to issues related to safety and hygiene, environmental pollution, energy saving, and carbon reduction. Moreover, in-plant subcontractors are regularly audited. If any violation of workplace safety, environmental or human rights regulation is found, disciplinary actions, such as fines or termination of contract, will be taken against those involved depending on the circumstance. In addition, the Company evaluates and assesses the subcontractors in accordance with the "CSC Subcontractor Management Guidelines for the Operation, Construction and Environmental Protection". Subcontractor that fail to meet the annual assessment score will be disqualified for the next term of contract renewal. The Company also conducts annual audits of subcontractor labor conditions. At the same time, educational training, occupational safety promotion and annual health examination are held from time to time to ensure the safety and health of subcontractor employees.</p> <p>3. Listed subsidiaries of CSC Group have formulated the relevant supplier management regulations or included relevant provisions in contracts and RFQs, in accordance with their respective business nature. For instance, CSCC has formulated Supplier Code of Conduct, which included environmental protection, labor conditions, human rights, and social issues as core items in supplier assessment to bolster supply chain management. In addition, CHS, CHC, and CEC have termination clauses in procurement contracts, requests for quotation or price lists that allow them to terminate or rescind the contract at any time if suppliers or contractors violate CSR or sustainable development policies and cause significant environmental and social impact. Apart from specifying terms and clauses in contracts, CHC also requires suppliers to sign the CSR Commitment Letter.</p>

Promoted Item	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
V. Has the Company adopted internationally recognized standards or guidelines to prepare non-financial reports such as sustainability reports? Has the Company obtained a third-party assurance or verification for such reports?	Yes		In August 2024, the Board of Directors approved the publication of the Company's 2023 Sustainability Report. The Report was prepared in accordance with the Global Reporting Initiative (GRI) Standards and verified by the third-party, British Standards Institution (BSI), in accordance with Type 1 of AA1000 Assurance Standard v3 (AA1000AS v3), with part of the data in the report (waste and byproduct, air pollutant, water resource, occupational safety and health, and energy) verified in accordance with Type 2 of AA1000AS v3. The Sustainability reports of listed subsidiaries and main subsidiaries of CSC Group have been prepared in accordance with the GRI Standards. The most recent reports of listed subsidiaries have been published after submitting to the Board of Directors for approval. The most recent reports of CHS, CEC, CHC and DSC have passed the verification conducted by BSI, while the reports of CSAC and CSE have passed the verification conducted by Afnor Asia and Lloyd's Register Quality Assurance (LRQA), and CSCC's report has been assured by Crowe (TW) CPAs.
VI. If the Company has formulated its own Sustainable Development Code of Practice in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the implementation and its discrepancies between the Principles: The Company has formulated the Sustainable Development Code of Practice in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and disclosed it on MOPS and the corporate website. All the implementation complies with the Sustainable Development Code of Practice.			
VII. Other important information to facilitate a better understanding of the Company's practices of promoting sustainable development: (I) Development of low-carbon steel products: The Company continues to develop high-grade, high-strength, low-carbon green steel and provide them to steel-using industries to reduce the carbon footprint of steel products. In response to growing demands from major global technology companies for materials with higher recycled content, the Company has, since 2021, progressively developed galvanized steel products using over 12%, 20%, and 40% scrap, all obtained UL 2809 certification. In 2024, in collaboration with the Group's subsidiary Dragon Steel Corporation, the Company successfully developed galvanized steel products with scrap ratio of more than 60% by adding molten iron in the EAF, and obtained UL2809 certification. By leveraging leading technology to create differentiated competitive advantage, the Company supports customers in exploring emerging low-carbon blue ocean markets. (II) Environmental protection and energy saving: CSC Group's investments in energy-saving equipment and the green energy industry in 2024 are listed as follows:			

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	Yes	No	
Summary			
Item	Investment amount (NT\$ millions)	Content of investment and specific benefits (Quantitative data)	
Replacement of Phase I and II coking ovens	4,957	Upon gradual completion of each stage in this project, the amount of electricity generated can be increased by 273 million kWh every year by turning the recycled waste heat from production processes into electric energy. In addition, this project can reduce volatile organic compounds (VOCs) emissions (percentage) by 73 metric tons (around 65%), reduce particulate matters (PMs) by 41 metric tons (around 56%), reduce energy consumption by 214 million cal/metric ton coke (around 10%), and reduce CO ₂ e emissions by 139 thousand metric tons per year.	
Replacement of boiler turbine generators for No. 1 Power House	1,803	This project involves the replacement of Phase I and II boiler turbine generators at No. 1 Power House as these generators have reached the age for replacement. The enhanced efficiency of turbine generators upon replacement will lead to an increase of 32.8 MW in power generation, which can then increase the proportion of self-generated electricity and boost production stability.	
Energy saving projects	1,386	In 2024, the Company completed a total of 193 energy saving projects, which not only conserved 1.408 million GJ of energy and reduced 118 thousand metric tons of CO ₂ e, but also saved NT\$487 million in energy costs. The Company's main energy saving projects including the "Development of Intelligent Combustion Monitoring System" at Rolling Mill Department III.	
CSC Solar Corporation (A company in which CSC directly and indirectly has a 100% stake)	Capital expenditure on CSC Solar Corporation: 242	CSC Solar Corporation has been tasked with installing solar photovoltaics and energy storage equipment on the rooftop of factories under CSC Group. In 2024, the company added new solar photovoltaics with an installed capacity of 2.7 MW. As of the end of 2024, the installed capacity of solar photovoltaics at CSC Group has reached 100.6 MW, which is capable of generating 110 million kWh of electricity each year.	
China Steel Power Corporation (A company in which CSC indirectly has a 51% stake)	Capital expenditure on China Steel Power Corporation: 17,712	The Zhong Neng Offshore Wind Farm (#29) in the offshore area of Changhua has completed the installation of 31 wind turbines, and connected them to the grid in 2024. The annual total electricity generation is expected to reach 1.1 billion kWh.	
(III) Community involvement and social welfare:			
1. Provides sponsorships to schools in Hsiao Kang District for the renewal of teaching equipment and assist them in greening and landscaping works.			
2. Sets up a merit scholarship for schools in Hsiao Kang District and distributes scholarships for schoolchildren and aids at major festivals to low-income families in Hsiao Kang District, as well as organizes the "Award Ceremony for Filial Exemplar Commendation and Scholarships for Outstanding Students" to celebrate Mother's Day and promote the virtue of filial piety in Hsiao Kang District.			
3. Organizes the "Steel Journey" field trip for graduating students at elementary schools in Hsiao Kang District to enhance students' environmental and scientific literacy. And assists schools in Hsiao Kang District in organizing various teaching activities.			
4. Participates and assists in organizing various local festivals for the elderly, farmers and fishermen, folk festivals during Lunar New Year, Dragon Boat Festival and Mid-Autumn Festival, as well as charity events, charity meetups and outdoor activities.			
5. Organizes arts and cultural activities over the long run in collaboration with the city government, with a view to contributing to efforts in expanding the international visibility of port city, Kaohsiung.			

Promoted Item	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
<p>(IV) CSC Group Education foundation: To further fulfill corporate social responsibility and enhance the international image of CSC Group, the Company approved the establishment of the "CSC Group Education Foundation" in the 11th meeting of the 12th Board of Directors in 2006. The Foundation is a national non-profit organization (NPO) dedicated to promoting education and talent development in the steel industry, supporting ecological conservation, enhancing cultural spirit, and pursuing sustainable development. The Foundation began operations on January 1, 2007, and the operational funds are derived from the Foundation's interest income, as well as contributions from CSC and subsidiaries of the CSC Group. Its administrative structure comprises 1 executive director who is concurrently assumed by Vice President of Administration Division of the Company. Additionally, there is 1 vice executive director, 1 executive secretary, and 1 accountant.</p> <p>The services launched by the Foundation in 2024 are as follows:</p> <ol style="list-style-type: none"> 1. Steel Talent Cultivation: A total of 9,335 participants Engaged in steel talent cultivation by organizing seminars and workshops on steel and environmental technology to enhance the domestic steel industry's technical capabilities; provided the Steel Talent Scholarship and conducted special courses on steel manufacturing process at universities; promoted the development of female talents in the field of natural science and technology; and conducted steel science popularization activities such as CSC "Steel Journey", workshops for teachers, and circular economy seminars. 2. Ecological and Environmental Sustainability: A total of 3,112 participants Promoted environmental education by organizing ecological camps and adopting green lands to promote environmental greening; made the Company's environmental efforts into teaching tools; using environmental education tour buses, and setting up an environmental classroom to share its achievements with the public. 3. Humanities and Arts: A total of 9,700 participants (1) Collaborated with music-related organizations to organize charity concerts, such as concerts for wheelchair-bound individuals, prison music performances, Kaohsiung Metro Charity Symphony Concert, and community music events; supported the preservation of local Taiwanese music by sponsoring domestic music activities, partnering with artistic groups such as the Kaohsiung Symphony Orchestra, Kaohsiung Chinese Orchestra, Baroque Camerata, and Strings Ensemble, to present performances like "Faust's Symphony" and "Music Journey" at venues like the Weiwaying Concert Hall and Kaohsiung Social Education Hall; and invited employees of CSC group and their families to enjoy the aforementioned music events and enhance their artistic literacy, with over 5,000 individuals benefited from these activities each year. (2) Organized humanities lecture series, such as campus lecture sessions, activities of the Literary Salon at Steel City, and CSC citizen lecture sessions. Promoted traditional cultural preservation efforts, such as shadow puppetry, silk and bamboo puppetry, and the Hakka farming experience. 				
<p>(V) Consumer rights:</p> <ol style="list-style-type: none"> 1. Enhance customer service quality The Company provides multi-phase services for before, during, and after sale and supplies steel products in the right quality and quantity and at the right time. The Company makes proper use of outward service workforce, in-plant technical support, and R&D experts to fulfill customers' needs and assist them in solving product use and technical problems to promote the growth of steel-using industries. With the vision of winning customers' trusts and helping them succeed, the Metallurgical Technical Service Section of Metallurgical Department which is responsible for providing technical services to customers aims to assist customers in technical advancement and promote steel industry upgrade. Customer service engineers are representatives of customers internally to request for development and supply of products, while acting on behalf of CSC externally to provide application knowledge and problem solving in product use. (1) Strengthen and realize customer service: The Technical Service Section-Metallurgy has set clear targets and reviews performances every month. 				

Promoted Item	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
<p>(2) The Company's customer service performance in 2024 is as follows:</p> <ul style="list-style-type: none"> Conducted 13 cases of market quality feedback, 102 cases of technical exchange for key customers, as well as 140 cases of process technology improvement, and 18 of which are related to product safety; Completed 9 cases of industrial material usage trend surveys, and 5 new product demand surveys and quality function deployments; Expanded the market for automotive steel, completed 4 automotive steel verifications, with accumulated 279 verifications acquired from 27 automobile manufacturers, and obtained the necessary threshold conditions for incorporating the use of such steel products in automobile factories. <p>2. Customer satisfaction</p> <p>The Company commissions academic institutions to conduct satisfaction survey on domestic and foreign customers every year. The issues of concern, including quantity and billing, product price, R&D, quality, response to customer claim, customer service, communication, delivery period, shipping and e-commerce service, are reviewed as an important reference for developing operational guidelines.</p> <p>Meanwhile, for issues raised by domestic and foreign customers and items with the lowest three satisfaction scores, responsible units are required to propose and implement corrective action plans, specify the status of implementation in the "Improvement Report for Customer Suggestions in Customer Satisfaction Survey," and discuss the implementation at the "Steel Product System Management Review Meeting" to track the effectiveness. After compiling customer suggestions in the satisfaction survey, improvement results of the relevant units, and policy descriptions, the information will be published on the e-commerce system and sent to customers with the survey questionnaire for the following year at the same time. Such a feedback measure demonstrates our utmost respect and attention to customers and eliminates customers' concerns, thereby enhancing consensus and mutual understanding and trust. In addition, the Company has set up a customer service mailbox for customers to submit their problems immediately. After receiving a customer's problem, dedicated personnel will be assigned to respond to and handle the problem as soon as possible.</p> <p>(VI) Build a Healthy and Green Life:</p> <ol style="list-style-type: none"> Encourage the use of mass transit systems, provide subsidies for transportation vehicles and monthly commuter pass, TPASS 399, in Kaohsiung urban area to promote green living. In 2024, a total of 7,295 top-ups were made for the TPASS 399 and the average number of people who commute to and from the KRTC Red Line R3 station was 6,415 each month. Increase the proportion of rented hybrid vehicles in line with the Company's business policy of "Energy Conservation and Carbon Reduction, Circular Economy and Sustainability," reaching 100% in 2024. Continue to promote tree planting and maintenance to create a diversified ecological environment. In 2024, the amount of regular maintenance of green landscaping was NT\$55,104 thousand and that of replanting/removal/fixing was NT\$13,166 thousand, totaling NT\$68,270 thousand. In addition, a butterfly ecological landscape area of 206.8 square metres was set on the northern side of the second administrative building at Hsiao Kang Plant, maintaining approximately 5,100 host and nectar plants to attract butterflies. Employees are encouraged to order veggie food box and purchase local ingredients. 236,559 veggie food boxes were ordered by CSC employees in 2024, accounting for 12.08% of total food boxes. <p>In the future, CSC Group will continue to uphold the belief of "Giving back to society what society gave us," show our utmost care and concern for the society, the community and the disadvantaged, and take practical actions in various aspects such as engaging in environmental protection, community care services, and charity activities. For detailed information on the operation of sustainable development, please refer to the Sustainability Report of the Company or the ESG section on the corporate website. For more details on the operation of sustainable development at listed subsidiaries of CSC Group as well as DSC, CSE, CSAC, CSMC, ICSC, HIMAG, CSS, TTMC, CSC Steel, CSVC, CSCI, CSGT, SDMS, and KRTC, please refer to the CSR/sustainability reports of these companies or the CSR/sustainability section on their corporate websites.</p>			

Note: In addition to China Steel Corporation (CSC), the scope of information disclosure for the CSC Group primarily focuses on its listed subsidiaries, based on the relevance to core business operations and the level of impact on sustainable development.

Climate-related Information of TWSE/TPEX Listed Companies

1. Implementation of Climate-related Information

Item	Implementation
<p>1. Describe the supervision and governance by the Board of Directors and management on climate-related risks and opportunities.</p>	<p>(1) The Board of Directors serves as the highest supervisory unit for climate governance. To assist the Board of Directors in overseeing the Company's management of climate-related issues, the "Corporate Governance and Sustainability Committee" was established under its purview. Under this committee, the "Sustainable Environment Development Team" and the "Risk Management Team" are dedicated to addressing climate change issues relevant to the Company respectively and regularly reporting progress to the Corporate Governance and Sustainability Committee.</p> <p>(2) To address the issue of carbon neutrality, the Corporate Governance and Sustainability Committee has established the "Task Force on Energy Saving & Carbon Reduction and Carbon Neutrality" under its purview. This task force is primarily responsible for carbon management and carbon neutrality issues. It is chaired by the Chairman of the Board of Directors, who oversees climate change issues. The task force regularly reports its implementation plans and outcomes to the Corporate Governance and Sustainability Committee and the Board of Directors.</p> <p>(3) The Company has also formed an internal "Energy Conservation Committee" chaired by the Vice President of Production Division. Under this committee, working teams were established to promote energy-saving and carbon reduction initiatives within the plants. Regular meetings are conducted to assess the progress made towards energy targets.</p> <p>(4) Listed subsidiaries of CSC Group have their own Board of Directors as the highest supervisory unit for climate governance. Some subsidiaries have also established Sustainable Development Committees to oversee climate change risks. Through the establishment of Risk Management or Sustainable Environment Teams, regular reports on climate-related risk management are submitted to the Board of Directors.</p>
<p>2. Describe how the identified climate risks and opportunities impact the business, strategies, and finance of the Company (short, medium, and long-term).</p>	<p>(1) The Company identifies short (1 year), medium (2 to 6 years), and long-term (7 years and above) climate-related risks and opportunities through cross-departmental discussions, and conducts 4 scenario analysis to examine the impact of various climate risks and opportunities on operation, strategies, and finance. Based on these analysis, the Company formulates response strategies. For example, the Company may face transition risks arising from regulatory changes such as domestic carbon fee collection and international Carbon Border Adjustment Mechanisms in the short and medium term, leading to increased operating costs. The Company has set short, medium, and long-term carbon reduction targets to achieve carbon neutrality eventually and continues to invest in research and development of production process emissions reduction and low-carbon iron making technologies to mitigate the impact of carbon fee on the Company and downstream customers.</p> <p>(2) Listed subsidiaries of CSC Group all engage in cross-departmental discussions to identify short, medium, and long-term risks and opportunities, and further perform scenario analysis to assess potential financial and operational impacts.</p>

Item	Implementation
3. Describe the impacts of extreme weather events and transition actions on finance.	<p>(1) The Company has identified physical risks associated with extreme weather events, including water scarcity and supply chain disruptions caused by typhoons, floods, and other extreme weather events, which may affect the Company's production and operation. To mitigate the impact of physical risks, the Company has implemented several response measures, including diversifying water sources, increasing the proportion of reclaimed water usage, and selecting locations with less susceptibility to climate impacts as raw material transfer hubs.</p> <p>(2) Under transition risks, the shift to a low-carbon economy may face a broad range of changes in policies and regulations, technologies, and market dynamics. For example, the implementation of carbon fee mechanism, and the increasing demand for renewable energy and low-carbon raw materials, could result in higher operating costs or capital expenditures. The Company will continue to develop low-carbon technologies and offer low-carbon products to capitalize on the opportunities arising from the low-carbon transition. For instance, in response to the long-term development trend of the electric vehicle market, the Company has developed and produced ultra thin electrical steel, and continuously improves its technology. We have successfully entered the electric vehicle supply chain, thereby enhancing the operational performance.</p> <p>(3) Listed subsidiaries of CSC Group have all identified physical risks posed by extreme weather events, such as typhoons and floods. The increased severity of extreme weather events could lead to damage to plants or equipment. Listed subsidiaries of CSC Group have also identified the risks and opportunities associated with the low-carbon transition. For example, revenue growth may be driven by factors such as capturing increased demand for low-carbon products in response to international trends, or entering the energy storage market.</p>
4. Describe how the identification, assessment, and management process of climate risks are integrated into the overall risk management system.	<p>The Company and listed subsidiaries of CSC Group have integrated climate-related risks into the overall risk management framework, and have established risk identification mechanisms through risk management processes such as identifying and assessing. Material topics have been identified with the risk and opportunity matrices, and the response strategies have been developed accordingly.</p>
5. If utilizing scenario analysis to assess resilience to climate change risks, it should elucidate the scenario, parameters, assumptions, and analytical factors used, and the primary financial impacts.	<p>(1) To analyze the impact of climate-related risks and opportunities on business strategies, the Company refers to the research reports from the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC). After considering transition variables such as the Company's operational characteristics and external market changes, four scenarios were adopted for simulation and analysis: the IEA Net Zero Emissions (NZE) scenario, the Announced Pledges Scenarios (APS), and the IPCC's intermediate GHG emissions scenario 2-4.5 (SSP2-4.5) and very high GHG emissions scenario (SSP5-8.5).</p> <p>(2) The four aforementioned scenarios are analyzed based on assumed temperature rises of 1.4, 1.7, 2.7, and 4.4°C by the end of the 21st century, respectively, to assess the financial impact of various climate risks and opportunities. For instance, in the scenario with a temperature rise of 2.7 and 4.4°C, there may be an escalation in the frequency and severity of extreme weather events.</p>

Item	Implementation
	<p>impacting the stability of raw material supply, and further leading to increased costs and disruptions in production and operation.</p> <p>(3) Listed subsidiaries of CSC Group also consider various scenarios, including the IPCC's stringent mitigation scenario (RCP2.6) and very high GHG emissions scenario (RCP8.5), as well as the IEA's Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS), and Net Zero Emissions (NZE) Scenario, to analyze the financial impact of climate-related risks and opportunities. Furthermore, CHC uses the Beyond 2 degree scenario as defined in IEA Energy Technology Perspectives 2017 (IEA ETP 2017 B2DS) in the Science-Based Target Setting Tool by SBTi (Science-Based Targets initiative), and chooses the cement sector to do the assessment.</p>
<p>6. If there is a transition plan to manage climate-related risks, elucidate the plan's content, as well as the indicators and objectives used to identify and manage physical and transition risks.</p>	<p>(1) The Company is committed to taking actions against climate change. Short, medium and long-term GHG reduction targets have been set against the base year, 2018. It is expected to achieve a 7% reduction in carbon emissions by 2025 (short-term) and a 25% reduction in carbon emissions by 2030 (medium-term) respectively as compared to base year, and the target of carbon neutrality by 2050 (long-term). CSC has developed a pathway towards carbon neutrality. In the short term, the focus will be on increasing the use of renewable energy and intensifying efforts to improve energy efficiency. In the medium to long term, the Company plans to go low carbon first, and then to zero carbon. In the medium term, the focus will be on achieving the 25% emission reduction target through strategies such as "charging low carbon ferrous burden into blast furnaces," "injecting hydrogen-rich gas into blast furnaces to replace coal," "co-production of steel and chemicals," and "increase scrap use." Beyond 2030, the Company's long-term plan towards carbon neutrality includes 4 main strategies: "electrification of equipment," "use of carbon-free fuels," "carbon capture, utilization, and storage (CCUS)," and "hydrogen reduction processes." These strategies consist of a total of 10 carbon reduction initiatives aimed at actively and pragmatically reducing carbon emissions.</p> <p>(2) Listed subsidiaries of CSC Group have established short, medium, and long-term GHG reduction targets. Additionally, CHS, CHC, CSCC, and CSSC have set targets for power saving rates or for the use/procurement of renewable energy. Listed subsidiaries of CSC Group continue to actively promote energy saving and carbon reduction initiatives through process improvements, replacing old equipment to enhance energy efficiency, and increasing the use of green energy.</p>
<p>7. If internal carbon pricing is used as a planning tool, it should clarify the pricing basis.</p>	<p>Starting from 2024, the Company has adopted an internal carbon pricing (ICP) mechanism of NT\$300 per metric ton, in reference to the "Regulations Governing the Collection of Carbon Fees" announced by the Ministry of the Environment. This ICP serves as a carbon governance tool to assist relevant departments in calculating carbon-related costs and assessing the benefits of carbon reduction-related capital expenditures or R&D investments. It helps manage the Company's overall carbon emissions</p>

Item	Implementation
<p>8. If climate-related targets are set, it should elucidate the covered activities, scope of greenhouse gas emissions, planning timeframe, annual achievement progress towards the targets, and other relevant information. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related targets, it should specify the source and quantity of offset carbon credits or the number of RECs.</p>	<p>and promotes the development of lower-carbon production processes and technologies, thereby contributing to continuous improvement in internal decarbonization performance. Listed subsidiaries of CSC Group, except for CSCC, have not yet planned internal carbon pricing or are still evaluating it due to considerations of industry characteristics and other factors.</p> <p>(1) Each company within the CSC Group has selected an appropriate base year based on its industry characteristics and operational plans, with the Group's major carbon-emitting companies designating 2018 as the base year. Based on the consolidated emissions of each company in its respective base year, the CSC Group has set its carbon reduction targets for 2025 and 2030. For details on the CSC Group's GHG emissions scope, reduction targets, strategy, concrete action plan, and status of achievement toward reduction targets, please refer to 1-2 of this section on GHG Reduction Targets, strategy and Concrete Action Plan. For CSC's standalone detailed information such as GHG emissions scope and annual carbon reduction progress, please refer to pages 76-78 of this annual report on GHG emissions statistics and management policies.</p> <p>(2) In response to the government's green energy policies, CSC Group established CSC Solar Corporation in 2016, installing solar photovoltaic panels on the rooftops of factories at companies of CSC Group. As of the end of 2024, the installed capacity has reached 100.6 MW, with a cumulative power generation of 651 million kWh and 113,622 green power and renewable energy certificates were obtained for CSC Group's use.</p> <p>(3) The Company has installed a total of 529 kW of self-consumed solar power generation systems. In 2024, the self-consumed green power amounted to 0.39 million kWh, and 23 renewable energy certificates were obtained. Additionally, a total of 33.86 million kWh of green power and 33,861 renewable energy certificates were obtained through the subsidiary CSC Solar Corporation in 2024.</p>
<p>9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately provided in 1-1 and 1-2).</p>	<p>Please refer to 1-1 and 1-2 below.</p>

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

1-1-1 Greenhouse Gas Inventory Information

Description of the greenhouse gas emissions (metric tons of CO₂e), intensity (metric tons of CO₂e/NT\$ million), and data boundary for the most recent two years:

2024:

Direct GHG emissions (Scope 1)	Total emission (metric tons of CO ₂ e)	Intensity (metric tons of CO ₂ e/NT\$ million)	GHG inventory standard	Data boundary
CSC	17,587,087	90.87	ISO 14064-1/ GHG Protocol	CSC Group: The sites within organizational boundaries using the Operational Control Approach.
Subsidiaries of CSC Group	9,626,748	Not Applicable		
Total	27,213,835	75.48		
Indirect GHG emissions from imported energy (Scope 2)	Total emission (metric tons of CO ₂ e)	Intensity (metric tons of CO ₂ e/NT\$ million)	GHG inventory standard	Data boundary
CSC	1,166,325	6.03	ISO 14064-1/ GHG Protocol	CSC Group: The sites within organizational boundaries using the Operational Control Approach.
Subsidiaries of CSC Group	819,561	Not Applicable		
Total	1,985,886	5.51		
Other indirect GHG emissions (Scope 3)	11,036,798 (Standalone)			

2023:

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

1-1-2 Assurance on Greenhouse Gas Information

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

	2024	2023
Scope of verification	CSC	CSC
Verification institution	DNV Business Assurance Co., Ltd.	DNV Business Assurance Co., Ltd.
Verification criteria	ISO 14066:2011, ISO 14065:2020, ISO 14064-3:2019	ISO 14066:2011, ISO 14065:2020, ISO 14064-3:2019
Verification opinion	The Company disclosed the total GHG emissions of Scope 1 and Scope 2 as 18,753,412 metric tons of CO ₂ e, covering 100% of the total emissions, and obtained a verification statement of reasonable assurance from DNV.	The Company disclosed the total GHG emissions of Scope 1 and Scope 2 as 18,058,557 metric tons of CO ₂ e, covering 100% of the total emissions, and obtained a verification statement of reasonable assurance from DNV.

1-2 Reduction Targets, Strategy, and Concrete Action Plans

Description of the GHG reduction base year and its corresponding data, the reduction targets, strategy, concrete action plan, and status of achievement toward reduction targets:

The CSC Group operates across five business areas including steel, engineering, industrial materials, logistics & investment, and green energy. With a diverse range of operations, each company has selected an appropriate base year based on its industry characteristics and operational plans. The total consolidated GHG emissions (Scope 1 and Scope 2) of each company in its respective base year amounted to 35,417,943 metric tons, among which the Group's major carbon-emitting companies have designated 2018 as their base year.

In response to climate change, the CSC Group has set clear carbon reduction targets: a 7% reduction in carbon emissions by 2025 (short-term) and a 25% reduction in carbon emissions by 2030 (medium-term). In the short term, we focus on improving energy efficiency and increasing the use of renewable energy. In the medium term, we will continue to adopt strategies such as enhancing energy efficiency, expanding the use of renewable energy, and optimizing production processes. The following concrete action plans will be implemented to reduce carbon emissions, thereby achieving these carbon reduction targets:

- (1) Short-term action plans: improvement and replacement of energy-intensive equipment, reduction of vehicle emissions, and use of green power.
- (2) Medium-term action plans: promotion of waste heat recovery and cogeneration, use of low-emission vehicles, increase in the proportion of green power usage, application of low carbon ferrous burden to blast furnaces, injection of hydrogen-rich gas into blast furnaces to replace coal, co-production of steel and chemicals, increase in the use of recycled materials, replacement of outdated process equipment, and installation of energy saving devices on vehicles.

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

Assessment Item	Status of Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
<p>I. Formulation of Ethical Corporate Management Policies and Programs</p> <p>(I) Has the Company formulated ethical corporate management policies approved by the Board of Directors and specified its ethical corporate management policies, measures, and the commitment of Board of Directors and the senior management on active implementation of such policies in its regulations and external documents?</p> <p>(II) Has the Company established a risk assessment mechanism against unethical behavior, periodically analyzed and assessed operating activities with higher risk of unethical behavior within its business scope, and establishing prevention programs accordingly which at least include precautions against behaviors stipulated in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE /TPEX Listed Companies?</p> <p>(III) Has the Company specified operating procedures, guidelines for conduct, disciplinary and appeal system in its programs to prevent unethical behavior, implemented them accordingly and regularly reviewed those programs?</p>	<p>(I) Yes</p> <p>(II) Yes</p> <p>(III) Yes</p>		<p>No Significant Difference</p> <p>1. The Company's Board of Directors has approved the formulation of the "Ethical Corporate Management Best Practice Principles," and established the "Procedures for Ethical Management and Guidelines for Conduct" accordingly, specifying matters that should be noted by all employees of the Company and companies of CSC Group while performing duties.</p> <p>2. The Company promotes moral values and ethics, as well as compliance with discipline and company regulations through internal publications, and implements corporate culture concepts and practices focusing on teamwork, entrepreneurial approach, down-to-earthness and pursuit of innovation, thereby encouraging employees to speak and act conscientiously and create an honest and upright atmosphere. In addition, the Company has continuously maintained certification under the Taiwan Intellectual Property Management System (TIPS), with the certificate valid until December 31, 2026. The Company also requires both new and current employees to sign the "Statement and Commitment to Employee Code of Conduct" so that they understand and undertake that they shall neither directly nor indirectly provide, accept, promise, or demand any improper benefits, or engage in other behaviors that are in breach of integrity, laws and regulations or fiduciary duty when performing their duties.</p> <p>3. Ethical corporate management policies are publicized on the Company's website, promotional materials or external activities, so that managements, employees, suppliers, customers or other business-related institutions and personnel can understand the Company's ethical corporate management philosophy and regulations.</p> <p>4. Regular regulatory assessments are conducted to review the latest amendments to external laws and regulations, identifying any gaps between these regulations and internal policies. The real-time identification rate of regulations for the year 2024 was 99.9%.</p> <p>5. Listed subsidiaries of CSC Group have all formulated the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct," and disclosed on corporate websites and MOPS. In addition, policies related to ethical corporate management, such as the Codes of Ethics for Directors and</p>

Assessment Item	Status of Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			<p>Senior Executives, Integrity and Ethics Directions for Employees have been formulated, meanwhile ethical corporate management philosophy or values and ethics have also been regularly promoted through internal website, meetings or education and training.</p> <p>(II)</p> <ol style="list-style-type: none"> 1. The Company plans internal organization, structure, and functions, and establishes mutual supervised check-and-balance mechanisms for business activities with higher risk of being involved in an unethical conduct within the business scope. 2. The Company has formulated the "Guidelines on Handling Acceptance of Valued Gifts, Invitations to Banquets and Requests for Making An Intercession" to fulfill good corporate culture and maintain company image, thereby serving as a basis for employees while handling acceptance of valued gifts, invitations to banquets and requests for making an intercession. In the event that an employee receives a valued gift from persons related to his/her position, the employee shall refuse or return the gift, unless otherwise specified. When the gift cannot be returned, the employee shall fill out the "Report on Handling Acceptance of Valued Gifts", and submit the form to a first echelon supervisor for review. The employee shall also deliver the valued gift to the General Affairs Department for subsequent processing. 3. The Company has formulated the "Guidelines on Hosting Business Banquets", where any employee at the Company who has to host banquets to develop business relationships shall comply with these guidelines. 4. Listed subsidiaries of CSC Group have formulated the following regulations: the Employee Code of Ethics, the Codes of Ethics for Directors or Senior Executives, the Guidelines for Recusal Due to Conflict of Interests, and the Guidelines on Handling Acceptance of Valued Gifts, Invitations to Banquets and Requests for Making an Intercession, etc. to prevent unethical behavior from occurring within the Group. Besides, listed subsidiaries of CSC Group have all successfully obtained the TIPS certification and established relevant management regulations and procedures, through regulating intellectual property management, preventing intellectual property infringement and leakage, and fostering employees' awareness of confidentiality, to bolster the protection of ethical corporate management.

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>(III)</p> <p>1. The Company has established the Corporate Governance and Ethical Corporate Management Team under the Corporate Governance and Sustainability Committee. The Team convenes at least two meetings annually to discuss the implementation status of ethical corporate management. For instance, it focuses on high-risk business activities such as research & development and business expansion, which may inadvertently infringe on intellectual property rights or breach fair trade regulations. The Team strengthens due diligence investigations and conducts concept advocacy. It submits semi-annual reports on implementation outcomes and formulates an annual plan to prevent unethical behavior, which is then incorporated into the yearly execution plan. The Committee subsequently presents these reports to the Board of Directors for review and potential adjustments.</p> <p>2. Starting in 2025, the Company initiated the introduction of ISO 37001 Anti-bribery Management System to strengthen risk management associated with corporate ethical management. To align with this introduction, the Board of Directors revised the Organization Regulations for Corporate Governance and Sustainability Committee in February 2025, reorganizing the original "Corporate Governance and Ethical Corporate Management Team" into the "Corporate Governance Team" and the "Ethical Corporate Management Team" to enhance the effectiveness of ethical corporate management promotion and oversight.</p> <p>3. The company refers to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and has established its own "Ethical Corporate Management Best Practice Principles" to develop the "Procedures for Ethical Management and Guidelines for Conduct." These documents provide specific regulations regarding the conduct of company personnel in the execution of their duties. They explicitly outline that employees must adhere to the "Code of Ethics for Directors," the "Code of Ethics for First Echelon Supervisors and Executives" (refer to pages 63-67 of this year's annual report), the "Guidelines for Recusal Due to Conflict of Interests," and the "Guidelines for Confidentiality Maintenance." In addition, the Company has also clearly specified provisions related to eradicating bribery or kickbacks in various engineering, procurement and subcontractor contracts. Furthermore, the Company has set up the</p>	

Assessment Item	Status of Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			<p>Complaint Committee and the Rewards and Punishments Review Committee to ensure that appropriate punishments are given to cases of violation subject to procedural legitimacy.</p> <p>4. Upon approval of the suggestions for improvement proposed by the Internal Audit Office, the suggestions are keyed into the Company's "Audit Management System," and are controlled and managed electronically to continuously track the progress of related improvements. After completing the improvement measure for each audit item, the result is reported to Independent Directors for review in accordance with applicable regulations. This is an important mechanism for the Board of Directors to supervise the implementation of the Company's ethical corporate management policy.</p> <p>5. Listed subsidiaries of CSC Group have formulated appropriate management regulations governing operating activities with higher risk of being involved in an unethical conduct within its business scope, as well as regulations governing appeal or punishment for violations in order to prevent unethical conduct. The Internal Audit Office regularly audits the implementation of ethical corporate management and reports to the Board of Directors.</p>
<p>II. Implementation of Ethical Corporate Management</p> <p>(I) Does the Company evaluate the ethical records of counterparties and specify ethical conduct clauses in business contracts?</p> <p>(II) Does the Company establish an exclusively dedicated unit under the Board of Directors to be in charge of ethical corporate management and report its ethical corporate management policies, programs to prevent unethical behavior, and the supervision of implementation of those policies to the Board of Directors regularly (at least once a year)?</p> <p>(III) Does the Company formulate policies to prevent conflict of interests, provide appropriate reporting channels, and implement it accordingly?</p>	<p>(I) Yes</p> <p>(II) Yes</p> <p>(III) Yes</p>	<p>(I)</p> <p>1. The Company assesses the ethical record of counterparties in accordance with the "Guidelines for Handling Business Partners in Violation of Ethical Principles at the Purchasing Department," to enhance the management of business partners. Ethic clauses are included in the terms of transaction stipulated in sales contracts. In case of violations by customers, there are relevant penalties stipulated, including confiscation of guarantee payments and termination of discounts, or even considering temporarily suspension of material supply under severe circumstances. For construction contracts, the Company conducts credit investigation of qualified business partners registered in the most recent 3 years quarterly. For subcontractor agreements, the ethical corporate management related policies are specified in the universal conditions.</p> <p>2. If a business partner is involved in any of the following circumstances, the unit that executes the contract may permanently blacklist such partner upon approval by the authorized supervisor:</p> <p>(1) The business partner commits breach of contract, causing significant detriment to the rights and interests of the Company.</p>	No Significant Difference

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
<p>(IV) Has the Company established effective accounting and internal control systems for ethical corporate management, developed relevant audit plans based on the results of risk assessment of unethical behavior, and audited the status of compliance with the programs to prevent unethical behavior by the internal audit unit or a CPA?</p> <p>(V) Does the Company regularly hold internal and external trainings on ethical corporate management?</p>	<p>(IV) Yes</p> <p>(V) Yes</p>		<p>(2) The business partner intentionally causes an employee of the Company or the Company to receive penal or disciplinary punishment by falsely accusing the employee or the Company to a competent public official.</p> <p>(3) The business partner is found engaging in illegal conducts such as manipulation and collusion upon investigation.</p> <p>(4) The business partner is found offering bribes, gifts, commissions, remuneration, appreciation or other improper benefits to the executives, employees, part-time employees at the Company or their spouses and lineal relatives, or consultants and business partners providing design and planning services, upon investigation.</p> <p>(5) The business partner refuses or delays handling claims raised by the Company, resulting in the claim being approved and classified as bad debt.</p> <p>(6) The project contracting by a business partner is identified as unqualified in a performance appraisal conducted by the project organizer after a contract project is officially inspected and accepted.</p> <p>3. After the Company successfully obtained the Authorized Economic Operator (AEO) certification in March 2012, all subcontractors, with which the Company has dealings, have been included as audit targets and were audited regularly. The audit content covers a wide range including ethical conduct and the regulation for those who violate is subject to punishment for withdrawal of certification.</p> <p>4. In 2024, there were no records of penalty imposed on transportation business partners due to violation of ethics clauses at the Company. As for procurement business, the Company has halted business dealings with 2 company that violated ethical principles in 2024. As for engineering business, there were no issues with business partners' bill credits, however, 1 business partner's credit rating was downgraded, resulting in an adjustment to its maximum contract value.</p> <p>5. Listed subsidiaries of CSC Group have included ethical records as an important condition for screening business partners, which is implemented using the following methods: (1) Specify ethical conduct clauses in contracts. (2) Permanently blacklist or request payment of punitive damages from business partners which are found engaging in unlawful conduct such as breach of contract or violation of ethical principles upon investigation.</p>	

Assessment Item	Status of Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			<p>(3) Formulate regulations such as the "Regulations Governing Evaluation of Contractors and Suppliers" and the "Regulations Governing Customer Credit Management", and conduct regular evaluations.</p> <p>(II) To ensure sound ethical corporate management, the Company has established the "Corporate Governance and Sustainability Committee," under the Board of Directors. One of the main duties of this committee is to promote and carry out ethical corporate management related work. In addition, this committee is responsible for reporting the implementation of ethical corporate management to the Board of Directors every year. In 2025, the "Ethical Corporate Management Team" was split off from the the "Corporate Governance and Ethical Corporate Management Team" under the committee as an independent unit, in which the Legal Department and the Human Resources Department are responsible for formulating ethical corporate management policies and prevention plans, as well as promoting and implementing ethical corporate management. On top of that, the annual audit plan submitted by the Internal Audit Office to the Board of Directors for approval each year has included the status of ethical corporate management and compliance in various operating activities as key inspection items, aimed at reviewing whether precautionary measures for ethical corporate management designed for each business are running effectively and whether the policies and precautionary plans are revised in a timely manner according to changes in both the internal and external environments. The status of ethical corporate management and compliance is also assessed based on the relevant business execution process and results, and reported to the Board of Directors.</p> <p>Listed subsidiaries of CSC Group have all set up the ethical corporate management promotion unit, in which the Administration Division or the Management Division is responsible for formulating ethical corporate management related regulations to ensure the implementation of ethical corporate management and reporting the operation and implementation of ethical corporate management to the Board of Directors once a year.</p> <p>(III)</p> <p>1. The Company has formulated the following regulations: (1) Codes of Ethics for Directors (refer to Page 63-64 of this annual report): Directors shall faithfully perform their duties for the best interests of all shareholders. Article 11 of the Codes of Ethics for</p>

Assessment Item	Status of Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
			<p>Directors specifies that “If any proposal at a Board Meeting involves a Director him/herself or the interested parties set forth in Articles 5 and 6 where there are concerns about impairing the interests of the Company, the Director shall immediately and voluntarily recuse him/herself, and take no part in voting, nor exercise the voting right as proxy for another Director.”</p> <p>(2) Codes of Ethics for First Echelon Supervisors and Executives (refer to Page 65-67 of this annual report): To prevent first echelon supervisors and executives up to the position of President from using their positions at the Company to seek improper gains. Article 4 of the Codes of Ethics for First Echelon Supervisors and Executives specifies provisions related to the prevention of conflict of interests.</p> <p>(3) Directions for Recusal Due to Conflict of Interests in Chapter 6, Part 4 of the Human Resource Management System: To prevent employees from using their powers or their identities or news they obtain due to their positions at the Company to seek personal gains.</p> <p>(4) Guidelines on Handling Acceptance of Valued Gifts, Invitations to Banquets and Requests for Making An Intercession: To fulfill excellent corporate culture, maintain company image, and serve as a basis for employees while handling acceptance of valued gifts, invitations to banquets and requests for making an intercession.</p> <p>(5) Guidelines on Hosting Business Banquets: Any employee at the Company who has to host banquets to develop business relationships shall comply with these guidelines.</p> <p>2. The Company plans internal organization, structure, and functions, and establishes mutual supervised check-and-balance mechanisms for business activities with higher risk of being involved in an unethical conduct within the business scope. The Internal Audit Office assists the Board of Directors and the Management Team in examining and assessing whether the implementation of the check-and-balance mechanism is effective. Besides, the Company regularly assesses relevant business processes compliance with the standards, and reports the results to the Board of Directors.</p> <p>3. The Company has provided appropriate reporting channels to report illegal activities and protect employees' rights (accessible via the</p>

Assessment Item	Status of Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			<p>corporate website under "ESG" → "Governance" → "Integrity Management" → "Whistleblowing and Ombudsman"). For more details on implementation, please refer to Item 3 - "Implementation of Whistleblowing System" in this form.</p> <p>4. Article 19 of the Supervision Regulations for Subsidiaries of the Company stipulates: "Each subsidiary shall clearly state the policy of ethical corporate management and the commitment of the Board of Directors and management to actively implement the policy of ethical corporate management in its regulations and external documents, and shall effectively implement it in internal management and external business activities." Recusal due to conflict of interests is also part of the ethical corporate management policy. Therefore, the Company also requires subsidiaries of CSC Group to implement policies related to recusal due to conflict of interests.</p> <p>In addition, the listed subsidiaries of CSC Group have also formulated regulations including the Employee Code of Ethics, the Codes of Ethics for Directors or Senior Executives, etc, as well as rules and regulations related to handling appeals and reporting ethical violations, with the audit unit tasked with accepting and handling related cases. At the same time, it is encouraged to report any illegal or unethical conduct. In 2024, there was 1 case at CHS regarding disciplinary action and complaint related to a violation of ethical management regulations, which was handled properly by the relevant units upon due investigation. No non-compliance with operational regulations was found in the investigations. Except for that, the Company and the other listed subsidiaries of CSC group did not receive any internal or external complaints regarding incidents of violation of recusal due to conflict of interests.</p> <p>(IV) Accounting system:</p> <p>1. The Company formulates our accounting system based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers published by Financial Supervisory Commission (FSC), the Business Entity Accounting Act, the Regulations on Business Entity Accounting Handling and other relevant regulations. Taking into consideration the Company's operating policies, actual business conditions and development, and actual management needs, as</p>

Assessment Item	Status of Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			<p>well as coordinating with information systems, the Company expects to fully utilize accounting in assisting corporate management, enhance the operating efficiency of the Company, and achieve a fair presentation of the Company's financial status, operating results and cash flows.</p> <p>2. The Company's accounting system includes procedures for 13 items, including general accounting, cash, notes and financial asset accounting, materials accounting, long-term equity investment accounting under equity method, capital expenditure accounting, fixed asset accounting, long-term and short-term financing and equity accounting, operating income accounting, operating expense accounting, payroll accounting, profit-seeking enterprise income tax accounting, consolidated financial statement accounting, and reconciliation of transactions with affiliates. Besides, the Company has also formulated a cost system.</p> <p>3. The Company's accounting system mainly governs the Company's accounting standards, procedures, accounting items and accounts, accounting documents, accounting books, as well as the types and methods of preparing and using accounting reports, in order to protect the Company's property security, prevent errors and fraud, clarify work procedures and responsibilities, provide relevant and objective financial accounting information, serve as the basis for establishing a comprehensive information system, and to comply with the International Financial Reporting Standards (IFRSs). In addition, the Company supervises the formulation of subsidiaries' accounting systems that comply with IFRSs in accordance with Paragraph 2, Article 2 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers stipulates: "The accounting system referred to in the preceding paragraph shall separately provide items based on the nature of the issuer's business operations, and in a way that meets the needs of preparation of the consolidated financial reports and consistency of the accounting policies of the issuer and its subsidiaries".</p> <p>4. The accounting affairs of each division at the Company are handled in accordance with the provisions of this accounting system, and are reviewed by the responsible managers.</p> <p>Internal control system: 1. Establish an effective internal control system:</p>

Assessment Item	Status of Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			<p>(1) The Company formulates the "Internal Control System Provisions" as the basis for all units and personnel to implement the internal control system upon approval by the Board of Directors.</p> <p>(2) The Company formulates the "Internal Control System Self-Assessment Procedures" to implement self-assessment of internal control. Before the end of January each year, each first echelon unit shall conduct self-review of its management status, and submit the factory (department) management review report to the Internal Audit Office for review upon approval of the Vice President of its division.</p> <p>2. Fully implement internal audit:</p> <p>(1) Subordinated to the Board of Directors, the Internal Audit Office assesses whether the Company's various plans, organizations and supervision procedures can effectively achieve the Company's goals, examine whether supervisors at all levels set operating standards to balance the economic nature and effectiveness of various resources, including human resource, equipment and materials, and evaluate whether to analyze the reasons and adopt improvement measures with regard to personnel with low efficiency and equipment and materials with low utilization rates.</p> <p>(2) The Internal Audit Office formulated the "2024 Audit Plan" for internal audits and conducted the audit work accordingly after the plan was approved by the Board of Directors. In 2024, the Internal Audit Office implemented internal audit and completed a total of 44 audit reports, including 25 internal operation items at the Company, and 19 field surveys at subsidiaries under CSC Group. In the aforementioned reports, a total of 383 suggestions for improvement were made with regard to deficiencies and abnormal items.</p> <p>(3) After the suggestions for improvement listed in the audit report were approved, the suggestions were keyed into the Company's "Audit Management System," and was controlled and management electronically to continuously track the progress of related improvements till they are completed. The tracking report was prepared and then submitted to each Independent Director for reference at least every quarter in accordance with the regulations.</p> <p>In addition, listed subsidiaries of CSC Group have established appropriate accounting systems in accordance with regulations such as Business Entity</p>

Assessment Item	Status of Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			<p>Accounting Act and Regulations Governing the Preparation of Financial Reports by Securities Issuers. These companies have also established and implemented an internal control system in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, according to which the internal audit office formulates audit plan and reports the internal control audit result to the Board of Directors.</p> <p>(V)</p> <ol style="list-style-type: none"> 1. The Company promotes moral values and ethics, as well as compliance with discipline and company regulations through internal publications, and implements corporate culture concepts and practices focusing on teamwork, entrepreneurial approach, down-to-earthness and pursuit of innovation, thereby encouraging employees to speak and act conscientiously and create an honest and upright atmosphere. 2. During induction training for new employees, the Company conducts various courses covering company rules and regulations, corporate culture, information security, and intellectual property while raising awareness of the importance of ethics among employees with contents on various topics, such as “holding concurrent positions,” “accepting improper benefits,” “use of information,” and “trade secrets.” In 2024, the Company held a total of 12 new employee seminars, which were attended by 260 trainees in total. For all current employees, the Company continues to conduct internal training related to ethical corporate management, including courses related to the corporate culture, quality system, intellectual property, internal auditor training, etc. In 2024, a total of 2,522 people attended (13,987 man-hours) the training, and 1 special lectures on ethical norms and legal compliance (including protection of trade secrets) were conducted for middle and senior-level executives. In addition, for the purpose of enhancing the professional knowledge and legal literacy of Directors and Supervisors of CSC Group companies, the Company regularly holds at least 2 sessions of continuing education and training related to corporate governance every year, which targets not only senior managements of the Company but also related personnel of subsidiaries. 3. Listed subsidiaries of CSC Group regularly organize training courses related to ethical corporate management to ensure that employees fully understand and truly comply with regulations related to ethical corporate management.

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
<p>III. Implementation of Whistleblowing System</p> <p>(I) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?</p> <p>(II) Does the Company establish standard operating procedures for investigating cases reported, follow-up measures to be adopted after investigation, and related confidentiality mechanisms?</p> <p>(III) Does the Company adopt measures to protect whistleblowers?</p>	<p>(I) Yes</p> <p>(II) Yes</p> <p>(III) Yes</p>		<p>(I) 1. The Company's "Employee Work Rules" and the "Integrity and Ethics Directions for Employees of CSC Group" specify the following matters: (1) Employees shall live in harmony, help and care for each other. However, to maintain the overall interests of the Company, employees shall assume the responsibility of reporting any behavior regarding seeking private gains and fraud. (2) Informant shall report the unlawful conduct through a proper channel, provide information such as informant's name, contact information and describe specific evidence. It's forbidden to intend somebody being punished by defaming, forging or framing-up. 2. The Internal Audit Office is in charge of accepting appeals regarding improper conduct such as seeking private gains, fraud, dereliction of duty, acceptance of improper benefits, impairing the interests of the Company, and violation of company regulations. An appeal reporting system is established to ensure the legal rights and interests of whistleblowers and relevant individuals. Additionally, the following appeals channels are provided: (1) Tel.: 07-8021111 ext 2191 (Hsiao Kang Plant); 07-3371111 ext 22191 (CSC Building); hotline: 07-3371296; (2) Mailbox: P.O. Box 47-13 Kaohsiung; (3) The Company has set up an appeal reporting system on corporate website.</p> <p>3. The Company also clearly specifies the appeals channels above for reporting fraud, bribery, and deception in the quotation notice section of the procurement inquiry form (in the e-commerce system).</p> <p>4. The Internal Audit Office designates personnel to accept whistleblowing complaints. After accepting a complaint, a case shall be recorded and managed through internal system.</p> <p>5. In 2024, the Company handled a total of 32 appeals, which were handled properly by the relevant units upon duly investigation. No material illegal event was found in such investigations.</p> <p>6. Listed subsidiaries of CSC Group have established the whistleblowing system and set up accessible appeals channels, including appeal hotline, email or reporting system on website. Also, audit unit is designated to accept and handle appeals, while some companies further formulate regulation on rewards for whistleblowers.</p>	No Significant Difference

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			(II) 1. The Company has established an appeal reporting system, and the process for handling appeals is as follows: (1) After an appeal is received, the personnel at the Internal Audit Office shall record the case in the management system. After due investigation, the case shall be submitted to the Chairman or the Chief Auditor for approval. The relevant unit will then be instructed to properly handle the matter, and then collect and submit the cases to the Vice President of the division involved for review. (2) The Internal Audit Office regularly reports the number of appeals to the Board of Directors. (3) If a whistleblowing case shows that a Director or senior management is involved, the Audit Committee shall be notified. (4) When handling a whistleblowing case or an appeal, unless otherwise provided by law, appropriate measures shall be taken in accordance with laws and regulations to not only protect the personal data and privacy of the whistleblower and stakeholders, but also avoid infringing upon the rights and interests of the whistleblower and stakeholders. However, this shall not apply to acts of whistleblowing aimed at defamation, forgery or framing others. 2. Subsidiaries of CSC Group handle the reporting materials in a confidential manner during the whole process while handling a whistleblowing case. (III) The Company and listed subsidiaries of CSC Group fully maintain the absolute confidentiality of whistleblowers, protecting them from retaliatory action for filing an appeal.	
IV. Strengthening Information Disclosure (1) Does the Company disclose its ethical corporate management policies and the results of its implementation on corporate website and MOPS?	(I) Yes		(I) 1. The Company discloses relevant ethical corporate management regulations on corporate website, www.csc.com.tw, under "Investor Relations" → "Corporate Governance" → "Corporate Governance Regulations", and on MOPS. These regulations include "Codes of Ethics," "Ethical Corporate Management and Guidelines for Conduct," and "Procedures for Ethical Management and Guidelines for Conduct." In addition, a dedicated section titled "Integrity Management" is available under the "ESG" → "Governance" section of the corporate website. This section serves to promote employees' understanding and compliance with the above-mentioned ethical regulations and to explain	No Significant Difference

Assessment Item	Status of Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			<p>the principles of avoiding conflict of interest.</p> <p>2. The Company's "Corporate Governance and Sustainability Committee" regularly reports the results of implementation of ethical corporate management to the Board of Directors, and the relevant operation status will be disclosed in the "Investor Relations" → "Corporate Governance" → "Ethical Corporate Management" section on the Chinese version of the corporate website. Besides, the Internal Audit Office is responsible for monitoring the implementation and regularly reporting the relevant results to the Board of Directors. The implementation is disclosed in the "Investor Relations" → "Corporate Governance" → "Internal Auditing" section on the corporate website.</p> <p>The implementation of ethical corporate management for listed subsidiaries of CSC Group is disclosed on their corporate websites, MOPS, annual reports or sustainability reports, respectively.</p>
<p>V. If the Company has formulated its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe the implementation and its discrepancies with the Principles:</p> <p>The Company has formulated the Ethical Corporate Management Best Practice Principles. All Directors, managements, employees, mandatories, or persons having substantial control over the Company shall comply with the Principles and related regulations. There is no discrepancies between the implementation of ethical corporate management and the Principles.</p>			
<p>VI. Other important information to facilitate a better understanding of the Company's ethical corporate management practices (e.g. reviews and amends its Ethical Corporate Management Best Practice Principles).</p> <p>1. The Company's General Penal Provisions for Subcontractors stipulate the following:</p> <p>(1) Subcontractors and personnel related to contracts are executives, employees, part-time employees of the Company or their spouses and lineal relatives, or consultants and business partners providing design and planning services, but the responsible units are not notified in writing.</p> <p>(2) Subcontractors offer bribes, gifts, commissions, remuneration, appreciation or other improper benefits to executives, employees, part-time employees of the Company or their spouses and lineal relatives, or consultants and business partners providing design and planning services.</p> <p>(3) For the violations mentioned above, the Company may terminate or rescind the relevant contract in part or in whole without notice based on the reason that the subcontractor has violated the warranty, and may seek compensation for all the losses suffered by the Company. In the event of serious violations by a subcontractor, the Company could terminate or rescind other contracts signed with the subcontractor.</p> <p>2. The Company's domestic procurement agreement stipulates that "The seller may not offer any commission or similar gift to personnel on the buyer side. If the buyer finds that the seller violates the provisions of this paragraph, the commission or similar gift is treated as an equivalent allowance provided to the buyer or deducted an equivalent amount from the payment of goods to be paid by the buyer, while anything illegal regarding such violations shall be handled in accordance with the law. Any seller violation of the provisions above shall be deemed as a breach of contract, the buyer may terminate or rescind the contract from the date when such violations are found and may permanently blacklist the seller. For the items or quantity purchased but yet to be delivered according to the Contract, the buyer may cancel the order, and at the same time unconditionally terminate or rescind other contracts signed with the seller without notice. The Company's foreign procurement agreement stipulates the following content: "TERMS AND CONDITIONS OF CONTRACT(WARRANTY AGAINST CONTINGENT FEES · OFFICIALS AND EMPLOYEES NOT TO BENEFIT)"</p>			

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

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

Name of Company	Number of Persons Obtaining Certifications
China Steel Corporation	(1) Domestic certifications: Certified Public Accountant (CPA) - 26 persons; Certified Internal Auditor - 3 persons; Certified Securities Investment Analyst - 3 persons; ISO 27001 Information Security Management Systems Lead Auditor - 12 persons; iPAS Industry Talent Competency Certification, Ministry of Economic Affairs – Junior Information Security Engineer - 8 persons (2) International certifications: U.S. Certified Public Accountant (U.S. CPA) - 3 persons; Chartered Financial Analyst (CFA) - 1 person; Financial Risk Manager (FRM) - 1 person; Certified Practising Accountant (CPA) Australia - 1 person
Dragon Steel Corporation	Domestic certifications: Certified Public Accountant - 5 persons; ISO 27001 Information Security Management Systems Lead Auditor - 2 persons
Chung Hung Steel Corporation	Domestic certifications: ISO 27001 Information Security Management Systems Lead Auditor - 2 person
China Ecotek Corporation	Domestic certifications: Certified Public Accountant (CPA) - 1 person; Certified Internal Auditor - 1 person; ISO 27001 Information Security Management Systems Lead Auditor - 2 persons
China Steel Chemical Corporation	Domestic certifications: Certified Public Accountant (CPA) - 2 persons; ISO 27001 Information Security Management Systems Lead Auditor - 2 persons
CHC Resources Corporation	Domestic certifications: Certified Public Accountant - 4 persons; Certified Internal Auditor - 2 persons; ISO 27001 Information Security Management Systems Lead Auditor - 2 persons
China Steel Structure Co., Ltd.	Domestic certifications: ISO 27001 Information Security Management Systems Lead Auditor - 3 persons

(VIII) Implementation of Internal Control System

1. Statement on Internal Control System: Please refer to the Chinese version of Market Observation Post System (MOPS) website → Individual Company → Corporate Governance → Company Regulations / Internal Control → Statement on Internal Control System (<https://mops.twse.com.tw/mops/#/web/t06sg20>)
2. The Company has not entrusted CPAs to review our internal control system; therefore, there is no CPA review report.

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

◎ Material resolutions of the Board of Directors

● Material resolutions in the 18th meeting of the 18th Board of Directors (February 27, 2025):

The 18th meeting of the 18th Board of Directors of the Company was held in the morning of February 27, 2025. Major resolutions were:

1. Proposal for Distribution of 2024 Profits

The meeting proposed to appropriate NT\$1.4 per share in cash for the dividend of preferred stocks; NT\$0.33 per share in cash for the bonus of common stocks. The above proposal will be submitted to the 2025 Annual General Meeting of Shareholders for adoption.

2. Date and venue for 2025 Annual General Meeting of Shareholders and the time and place for accepting shareholders' proposals and director nomination

(1) The Company's 2025 Annual General Meeting of Shareholders:

Date: 9:00 am, June 19, 2025(Thursday)

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

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

Date: April 14, 2025 to April 23, 2025

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

● Material resolutions in the 17th meeting of the 18th Board of Directors (December 27, 2024):

The 17th meeting of the 18th Board of Directors of the Company was held in the morning of December 27, 2024, in which the Board of Directors approved the appointment of Vice President of Commercial Division. The Assistant Vice President of Commercial Division, Mr. Chia-Cheng Lee, would be promoted with effect from February 1, 2025.

● Material resolutions in the 16th meeting of the 18th Board of Directors (November 08, 2024):

The 16th meeting of the 18th Board of Directors of the Company was held in the afternoon of November 08, 2024. Major resolutions were:

1. Replacement of Phase II Scarfing Machine for Slab in Steelmaking Department

In order to ensure smooth material supply, stabilize rolling quality, and enhance production efficiency, a replacement project for Phase II Scarfing Machine for slab in Steelmaking Department is approved, with an investment of NT\$367 million. This project is scheduled to last for 2 years and 6 months from January 1, 2025 to June 30, 2027.

2. Installation for De-NOx and De-SOx Systems for No.9, No.10, and No.12 Boilers of Power Plant

In order to continuously reduce sulfur oxides and nitrogen oxides as well as improve air quality, an installation project for De-NOx and De-SOx systems for No.9, No.10, and No.12 boilers of Power Plant is approved, with an investment of NT\$2.41 billion. This project is scheduled to last for 5 years from January 2, 2025 to December 31, 2029.

- Material resolutions in the 15th meeting of the 18th Board of Directors (September 27, 2024):
The 15th meeting of the 18th Board of Directors of the Company was held in the morning of September 27, 2024, in which the Board of Directors approved to invest NT\$ 12 million to establish a "government-affiliated power sales company."
- Material resolutions in the 14th meeting of the 18th Board of Directors (September 10, 2024):
The 14th meeting of the 18th Board of Directors of the Company was held in the morning of September 10, 2024. Major resolutions were:
 1. Election of the Chairman
The former Chairman, Mr. Chao-Tung Wong, retired. The Board of Directors of CSC elected Mr. Chien-Chih Hwang, Executive Vice President, to serve as the Chairman.
 2. Appointment of President
Mr. Shyi-Chin Wang resigned from his position as President on September 10, 2024, and Mr. Shou-Tao Chen, Vice President of Production Division, would be promoted as the President with effect from September 10, 2024.
 3. Appointment of Executive Vice President
Mr. Jih-Jau Jeng, Vice President of Technology Division, would be promoted as the Executive Vice President with effect from September 10, 2024.
 4. Adjustment of Management Appointments
 - (1) Appointment of Vice President of Technology Division
The Vice President of Technology Division, Mr. Jih-Jau Jeng, would be promoted as the Executive Vice President, and Mr. Horng-Yih Liou, Assistant Vice President of Technology Division, would be promoted as the Vice President of Technology Division with effect from September 10, 2024.
 - (2) Appointment of Vice President of Engineering Division
Mr. Jui-Teng Chen was reassigned, and Mr. Kuei-Sung Tseng, former Assistant Vice President of Production Division (currently served as the Chairman of Chung Hung Steel Corporation), would be promoted as the Vice President of Engineering Division with effect from September 10, 2024.
 - (3) Appointment of Vice President of Production Division
The Vice President of Production Division, Mr. Shou-Tao Chen, would be promoted as the President. Mr. Wen-Hsien Chou, Assistant Vice President of Production Division, would be promoted as the Vice President of Production Division with effect from September 10, 2024.
 5. Appointment of Corporate Governance Officer
The Board of Directors appointed Mr. Kuan-Fu Chen, Vice President of Corporate Planning Division, to concurrently serve as Corporate Governance Officer with effect from September 10, 2024.

6. Appointment of Chief Information Security Officer

The Board of Directors appointed Mr. Jih-Jau Jeng, Executive Vice President, to concurrently serve as Chief Information Security Officer with effect from September 10, 2024.

- Material resolutions in the 13th meeting of the 18th Board of Directors (August 13, 2024):

The 13th meeting of the 18th Board of Directors of the Company was held in the morning of August 13, 2024, in which the Board of Directors approved the 2023 Sustainability Report:

China Steel Corporation (CSC) has been publishing the Environmental Reports since 2002. Over the years, the titles and scopes of these reports have evolved to encompass various aspects of corporate social responsibility and sustainable development. The 2023 Sustainability Report was prepared in accordance with the Global Reporting Initiative (GRI) guidelines and the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" issued by the Taiwan Stock Exchange. This report covers CSC's relevant operational systems and activities from January 1 to December 31, 2023.

The 2023 Sustainability Report covers 7 key themes: "Sustainable Operation," "Climate Change Adaptation and Mitigation," "Environmental Protection," "Corporate Commitment," "Social Participation," "Corporate Governance," and "Value Creation and Industry Chain Improvement." It presents CSC's sustainability targets and significant achievements, including carbon reduction of 358,000 tons, self-generated green electricity totaling 58,554 kWh, and water recycling rate of 98.5% in 2023 as well as receiving a Leadership level in Climate Change and a Management level in Water Security from Carbon Disclosure Project (CDP). By enhancing its competitive advantage based on sustainable development, CSC is dedicated to fulfilling its sustainability development objectives.

To further enhance the quality of sustainability information and demonstrate its commitment to ESG implementation, the Sustainability Report of this year was, for the first time, formally approved by the Board of Directors. Moving forward, CSC will stay true to its original mission, respond to stakeholders' expectations, and, as a leader in Taiwan's steel industry, drive the overall industry toward a more sustainable future.

- Material resolutions in the 12th meeting of the 18th Board of Directors (May 31, 2024):

The 12th meeting of the 18th Board of Directors of the Company was held in the morning of May 31, 2024, in which the Board of Directors agreed that President, Shyi-Chin Wang, continued to hold a concurrent post as President of the Company while serving as one of the representatives of Juristic-person Directors.

- Material resolutions in the 11th meeting of the 18th Board of Directors (May 7, 2024):

The 11th meeting of the 18th Board of Directors of the Company was held in the morning of May 7, 2024, in which the Board of Directors approved the loaning of funds totaling NT\$2.6 billion to 5 subsidiaries.

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

The 10th meeting of the 18th Board of Directors of the Company was held in the morning of

February 29, 2024. Major resolutions were:

1. Proposal for Distribution of 2023 Profits

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

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

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

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

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

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

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

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

5. Date and venue for 2024 Annual General Meeting of Shareholders and the time and place for accepting shareholders' proposals

(1) The Company's 2024 Annual General Meeting of Shareholders:

Date: 9:00 am, June 19, 2024(Wednesday)

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

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

Date: April 15, 2024 to April 24, 2024

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

◎ Material resolutions in the Annual General Meeting of Shareholders

● Material resolutions in the 2024 Annual General Meeting of Shareholders (June 19, 2024):

1. Vote to adopt 2023 Business Report and Financial Statements
 2. Vote to adopt distribution of 2023 profits:
 - (1) The Company's earnings distribution of 2023 is proposed in accordance with the provisions in Article 6 of the Articles of Incorporation of the Company.
 - (2) The proposed dividend appropriation for preferred shares totaled NT\$1.4 per share in cash. The proposed dividend appropriation for common shares totaled NT\$0.35 per share in cash.
 - (3) Upon approval of this earnings distribution plan by resolution of the Shareholders' Meeting, the Chairman would be authorized to set the record date for cash dividend distribution. When distributing cash dividends, the total amount paid to each Shareholder shall be in whole NT dollars and any fractional amount less than NT\$1 dollar shall be rounded up to the next NT dollar. The resulting difference shall be recognized as a Company expense.
 3. Vote to approve releasing the prohibition on Director, Mr. Chien-Chih Hwang, from holding the positions of Director of Taiwan High Speed Rail Corporation.
 4. Vote to approve releasing the prohibition on Director, Mr. Shou-Tao Chen, from holding the positions of Director of China Steel Machinery Corporation and Tang Eng Iron Works Co., Ltd.
- (X) Dissenting Opinions or Qualified Opinions on Resolutions Passed by the Board of Directors Which were Made by Directors and are Documented or Issued through Written Statements, in the Most Recent Year up to the Publication Date of This Annual Report: None

IV. Information on CPA Fees

Unit: NT\$ thousands

Name of Accounting Firm	Name of CPA		CPA Audit Period	Audit Fees	Non-Audit Fees	Total	Remark
Deloitte Taiwan	Jui-Hsuan Hsu	Jr-Shian Ke	2024.01~2024.12	21,968	4,791	26,759	None

The non-audit fees mainly include the three-tier transfer pricing documentation report, tax attestation, etc.

Note: 1. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: There is no such situation.

2. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: There is no such situation.

V. Replacement of Certified Public Accountants: None. (No replacement of CPA in the most recent two years)

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

VII. Shareholding Information of Directors, Managements and Major Shareholders

Changes in equity interests of Directors, managements and major shareholders please refer to the Chinese version of Market Observation Post System (MOPS) website → Individual Company → Equity Changes / Securities Issuance → Equity Transfer Information Inquiry → Post-event Reporting for Changes in Insiders' Shareholdings. All changes in the Company's equity involve common shares only, while transferee and transferor involved are all non-related parties, and no shares are pledged.

(https://mops.twse.com.tw/mops/#!/web/query6_1)

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

As of December 31, 2024

Unit: shares; %

Name	Current Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within the Second Degree of Relationship		Remark
	Shares	%	Shares	%	Shares	%	Title (or Name)	Relationship	
Ministry of Economic Affairs	3,154,709,357	20.00%	Not applicable	Not applicable	0	0%	None	None	None
Employee's Stock Trust of China Steel Corporation under the custody of Mega International Commercial Bank Co., Ltd.	401,314,555	2.54%	Not applicable	Not applicable	0	0%	None	None	None
Transglory Investment Corporation	257,615,331	1.63%	Not applicable	Not applicable	0	0%	Winning Investment Corporation	Sister Company	None
Representative of Transglory Investment Corporation: Jih-Jau Jeng	50,348	0.00%	0	0%	0	0%	None	None	None
Chunghua Post Co., Ltd.	189,550,000	1.20%	Not applicable	Not applicable	0	0%	None	None	None
Representative of Chunghua Post Co., Ltd.: Kwo-Tsai Wang	0	0.00%	0	0%	0	0%	None	None	None
Labor Retirement Fund	177,718,134	1.13%	Not applicable	Not applicable	0	0%	None	None	None
Vanguard Total International Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch	160,702,247	1.02%	Not applicable	Not applicable	0	0%	None	None	None
Winning Investment Corporation	160,506,339	1.02%	Not applicable	Not applicable	0	0%	Transglory Investment Corporation	Sister Company	None
Representative of Winning Investment Corporation: Chun-Hui Wu	120,095	0.00%	0	0%	0	0%	None	None	None
Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch	155,858,308	0.99%	Not applicable	Not applicable	0	0%	None	None	None
Labor Pension Fund	154,233,591	0.98%	Not applicable	Not applicable	0	0%	None	None	None
Taiwan Life Insurance Co., Ltd.	128,499,000	0.81%	Not applicable	Not applicable	0	0%	None	None	None
Representative of Taiwan Life Insurance Co., Ltd.: Shu-Po Hsu	0	0.00%	0	0%	0	0%	None	None	None

IX. Ownership of Shares in Affiliated Companies

As of December 31, 2024

Unit: shares; %

Affiliated Companies	Ownership by the Company		Ownership by Directors, Supervisors, Managers, and Directly/ Indirectly Controlled Entities		Total Ownership	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Chung Hung Steel Corporation	582,673,153	40.59%	0	0.00%	582,673,153	40.59%
China Steel Chemical Corporation	68,787,183	29.04%	948,440	0.40%	69,735,623	29.44%
CHC Resources Corporation	49,289,597	19.83%	39,227,299	15.78%	88,516,896	35.61%
China Steel Structure Co., Ltd.	66,487,844	33.24%	9,621,861	4.81%	76,109,705	38.05%
China Ecotek Corporation	55,393,138	44.76%	723,521	0.59%	56,116,659	45.35%
Dragon Steel Corporation	8,612,586,123	100.00%	0	0.00%	8,612,586,123	100.00%
CSC Steel Australia Holdings Pty Ltd	594,638	100.00%	0	0.00%	594,638	100.00%
China Steel Express Corporation	422,545,250	100.00%	0	0.00%	422,545,250	100.00%
Gains Investment Corporation	596,992,650	100.00%	0	0.00%	596,992,650	100.00%
C.S.Aluminium Corporation	840,122,049	99.98%	0	0.00%	840,122,049	99.98%
China Steel Power Holding Corporation (Note)	670,089,000	51.00%	0	0.00%	670,089,000	51.00%
China Steel and Nippon Steel Vietnam Joint Stock Company	514,304,000	56.00%	0	0.00%	514,304,000	56.00%
China Prosperity Development Corporation	509,802,912	100.00%	0	0.00%	509,802,912	100.00%
China Steel Asia Pacific Holdings Pte Ltd	116,996,967	100.00%	0	0.00%	116,996,967	100.00%
China Steel Global Trading Corporation	78,827,362	100.00%	0	0.00%	78,827,362	100.00%
Kaohsiung Rapid Transit Corporation	122,085,874	43.82%	21,443,595	7.70%	143,529,469	51.52%
CSC Solar Corporation	95,920,000	55.00%	78,480,000	45.00%	174,400,000	100.00%
China Steel Resources Corporation	98,112,000	100.00%	0	0.00%	98,112,000	100.00%
CSCI Steel Corporation India Pvt. Ltd.	253,567,202	100.00%	0	0.00%	253,567,202	100.00%
China Steel Machinery Corporation	100,066,400	73.97%	35,204,170	26.02%	135,270,570	99.99%
China Steel Security Corporation	25,036,986	99.96%	0	0.00%	25,036,986	99.96%
InfoChamp Systems Corporation	41,465,634	99.99%	0	0.00%	41,465,634	99.99%
HIMAG Magnetic Corporation	27,815,765	69.49%	7,264,794	18.15%	35,080,559	87.64%
Sing Da Marine Structure Corporation	122,695,000	46.71%	40,000,000	15.22%	162,695,000	61.93%
ChinaSteel Management Consulting Corporaion	999,993	100.00%	0	0.00%	999,993	100.00%
China Steel Power Corporation (Note)	10	0.00%	1,313,299,990	100.00%	1,313,300,000	100.00%
Taiwan Rolling Stock Co., Ltd.	95,527,811	47.76%	0	0.00%	95,527,811	47.76%
Kaohsiung Arena Development Corporation	45,000,000	18.00%	27,500,000	11.00%	72,500,000	29.00%
Hsin Hsin Cement Enterprise Corporation	28,658,729	30.80%	9,298,583	10.00%	37,957,312	40.80%
Honley Auto. Parts Co., Ltd.	35,751,427	29.66%	18,676,688	15.50%	54,428,115	45.16%
Eminent II Venture Capital Corporation	19,500,000	46.25%	0	0.00%	19,500,000	46.25%
Overseas Investment & Development Corporation	5,000,000	5.56%	14,000,000	15.56%	19,000,000	21.12%
TaiAn Technologies Corporation	1,666,700	16.67%	499,998	5.00%	2,166,698	21.67%
Taiwan Smart Electricity & Energy Co., Ltd.	1,000,000	50.00%	0	0.00%	1,000,000	50.00%

Note: The Company holds 51% of the shares of China Steel Power Holding Corporation. China Steel Power Holding Corporation, a directly/ indirectly controlled entities of the Company, holds 100% of the shares of China Steel Power Corporation.

Chapter III. Capital Overview

I. Capital and Shares

(I) Sources of Share Capital

As of March 31, 2025

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

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

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

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

Year / Month	Issue Price	Authorized Share Capital		Paid-In Capital		Remarks		
		Number of Shares (thousand shares)	Amount (NT\$ thousands)	Number of Shares (thousand shares)	Amount (NT\$ thousands)	Source of Share Capital	Capital Increase by Assets Other than Cash	Others
2006.8	10	12,000,000	120,000,000	11,094,452	110,944,516	Capital increase of 507,779,985 shares by retained earnings	None	None
2007.8	10	12,000,000	120,000,000	11,535,291	115,352,910	Capital increase of 440,839,437 shares by retained earnings	None	None
2008.8	10	14,000,000	140,000,000	12,019,820	120,198,200	Capital increase of 484,528,973 shares by retained earnings	None	None
2008.10	10	14,000,000	140,000,000	12,595,811	125,958,111	Capital increase of 575,991,075 shares from conversion of shares by Dragon Steel Corporation	None	None
2009.8	10	14,000,000	140,000,000	13,132,787	131,327,869	Capital increase of 536,975,875 shares by retained earnings	None	None
2010.8	10	14,000,000	140,000,000	13,566,169	135,661,689	Capital increase of 433,381,968 shares by retained earnings	None	None
2011.7	10	17,000,000	170,000,000	14,244,477	142,444,774	Capital increase of 678,308,445 shares by retained earnings	None	None
2011.8	10	17,000,000	170,000,000	15,084,477	150,844,774	Capital increase of 840,000,000 shares by cash	None	None
2012.8	10	17,000,000	170,000,000	15,310,745	153,107,445	Capital increase of 226,267,160 shares by retained earnings	None	None
2013.8	10	17,000,000	170,000,000	15,463,852	154,638,520	Capital increase of 153,107,445 shares by retained earnings	None	None
2014.8	10	17,000,000	170,000,000	15,773,129	157,731,290	Capital increase of 309,277,039 shares by retained earnings	None	None

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

(II) List of Major Shareholders

As of December 31, 2024

Rank	Name of Shareholders	Number of Shares Held	Shareholding Percentage
1	Ministry of Economic Affairs (MOEA)	3,154,709,357	20.00%
2	Employee's Stock Ownership Trust of China Steel Corporation under the custody of Mega International Commercial Bank Co., Ltd.	401,314,555	2.54%
3	Transglory Investment Corporation	257,615,331	1.63%
4	Chunghwa Post Co., Ltd.	189,550,000	1.20%
5	Labor Retirement Fund	177,718,134	1.13%
6	Vanguard Total International Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch	160,702,247	1.02%
7	Winning Investment Corporation	160,506,339	1.02%
8	Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch	155,858,308	0.99%
9	Labor Pension Fund	154,233,591	0.98%
10	Taiwan Life Insurance Co., Ltd.	128,499,000	0.81%

Major Shareholders of Corporate Shareholders

As of December 31, 2024

Name of Corporate Shareholder	Major Shareholders of Corporate Shareholder
Transglory Investment Corporation	China Steel Express Corporation 48.28%; Chung Hung Steel Corporation 39.59%; China Steel Chemical Corporation 8.90%; United Steel Engineering & Construction Corporation 3.23%
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communications (MOTC) 100%
Winning Investment Corporation	Gains Investment Corporation 49.00%; Maruichi Steel Tube Ltd. 28.00%; Transglory Investment Corporation 23.00%
Taiwan Life Insurance Co., Ltd.	CTBC Financial Holding Co., Ltd. 100%

Note 1: It is the data on the ex-dividend date of August 1, 2024.

Note 2: Other than the companies listed above, the remaining institutional shareholders are government agencies, funds and trusts and there is no major shareholder.

(III) Dividend Policy and Implementation

1. Dividend Policy

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

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

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

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

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

Preferred shares issued by the Company may be redeemable.

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

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

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

- (1) The Company's 2024 earnings distribution, as shown below, is proposed in accordance with the provisions in Article 6 of the Articles of Incorporation of the Company.
- (2) The proposed dividend appropriation for preferred shares totaled NT\$1.4 per share in cash. The proposed dividend appropriation for common shares totaled NT\$0.33 per share in cash.
- (3) Upon approval of this earnings appropriation plan by resolution of Shareholders' Meeting, Chairman of the Board will be authorized to set the record date for cash dividend distribution. When distributing cash dividends, the total amount paid to each shareholder shall be in whole NT dollars and any fractional amount less than a NT dollar shall be rounded up to the next NT dollar. The resulting difference shall be recognized as a Company expense.

China Steel Corporation	
2024	
Earnings Distribution Table	Unit: NT\$

Item	Amount
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: Provision 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 preferred dividends - 38,267,999 preferred shares at NT\$1.4 per share (NT\$1.4 in cash)	53,575,199.00
Distribution of ordinary dividends - 15,584,860,997 common shares at NT\$0.33 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.	

Chairman:



Manager:
President:



Vice President,
Finance
Division:



Accounting
Manager:



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

(V) Remuneration of Employees and Directors

1. Percentage or range of remuneration to employees and directors as stipulated in the Company's Articles of Incorporation:

If there is profit in any given fiscal year, the Company shall set aside no less than 0.1% as the remuneration in stock or cash for employees, and no more than 0.15% as the remuneration for Directors under the resolution of the Meeting of the Board of Directors and shall be reported in the shareholders' meeting. Nevertheless, accumulated losses shall be offset in advance.

2. Basis for estimating the amount of employee and director remuneration, and accounting treatment for discrepancies between the actual and estimated distributed amount for the period:

The Company shall distribute remuneration of employees and directors at the rates no less than 0.1% and no higher than 0.15%, respectively, of the pre-tax profit prior to deducting remuneration of employees and directors. The Board of Directors shall decide to distribute the remuneration either in the form of shares or cash. The estimated remunerations of employees and directors for 2024 have been estimated based on this principle.

If there is a change in the proposed amounts after the annual parent company only financial statements are authorized for issue, the difference is recorded as a change in accounting estimate and will be recognized in the following year.

3. Information on proposal of remunerations distribution of employees and directors approved by the Board of Directors (February 27, 2025):
 - (1) Amount of employees' remunerations: NT\$2,852,696.
 - (2) Amount of directors' remunerations: NT\$0.
 - (3) All the amounts above shall be paid in cash.
4. Actual Distribution of 2023 Earnings in 2024

Unit: NT\$

	Actual Distribution in 2024	Amount Recognized in 2023	Difference
Remuneration for Employees	117,131,900	117,131,900	0
Remuneration for Directors	2,196,223	2,196,223	0

(VI) Buyback of the Treasury Shares

1. Buyback of the Treasury Shares (Executed)

As of March 31, 2025

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

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

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

(I) Issuance of Corporate Bonds

1. Corporate Bonds

As of March 31, 2025

Type of Corporate Bonds		1 st Unsecured Corporate Bond C in 2013	1 st Unsecured Corporate Bond B in 2014	1 st Unsecured Corporate Bond C in 2014	1 st Unsecured Corporate Bond in 2018
Issue Date		July 12, 2013 to July 12, 2028	January 23, 2014 to January 23, 2024	January 23, 2014 to January 23, 2029	May 28, 2018 to May 28, 2025
Par Value		NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million
Issue Price		At par value	At par value	At par value	At par value
Total Amount		NT\$3.6 billion	NT\$7.0 billion	NT\$9.0 billion	NT\$6.0 billion
Coupon Rate		1.88% per annum	1.95% per annum	2.15% per annum	0.95% per annum
Maturity		15 years	10 years	15 years	7 years
Trustee		Trust Department, Mega International Commercial Bank	Trust Department, Taipei Fubon Commercial Bank	Trust Department, Taipei Fubon Commercial Bank	Hua Nan Bank Co., Ltd.
Underwriter		None	None	None	8 underwriters, like Capital Securities Corporation, etc.
Certified Lawyer		Chien Yeh Law Offices	Chien Yeh Law Offices	Chien Yeh Law Offices	Chien Yeh Law Offices
Certified Public Accountant		Deloitte & Touche Taiwan	Deloitte & Touche Taiwan	Deloitte & Touche Taiwan	Deloitte & Touche Taiwan
Repayment		From the issue date, interest will be paid once a year based on the coupon rate, while 30%, 30% and 40% of the principal will be paid at the end of the 13th, 14th and 15th years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 50% of the principal will be paid at the end of the ninth and tenth years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 30%, 30% and 40% of the principal will be paid at the end of the 13th, 14th and 15th years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 50% of the principal will be paid at the end of the sixth and seventh years, respectively.
Outstanding Principal Balance		NT\$3.6 billion	NT\$0 billion	NT\$9.0 billion	NT\$3.0 billion
Terms of Redemption or Early Repayment		None	None	None	None
Restrictive Terms		None	None	None	None
Name of Credit Rating Agency, Rating Date and the results of Corporate Bond Ratings		twAA- given by Taiwan Ratings Corporation on April 30, 2013	twAA- given by Taiwan Ratings Corporation on August 27, 2013 (Note 1)	twAA- given by Taiwan Ratings Corporation on August 27, 2013 (Note 1)	twAA- given by Taiwan Ratings Corporation on April 26, 2018 AA-(tw) given by Fitch Ratings Inc. on December 18, 2017 (Note1, Note2)
Other Rights Attached	Amount of Converted or Exchanged Common Shares, GDR or Other Securities	None	None	None	None
	Terms of Issuance and Conversion or Option of Shares	None	None	None	None
The Impact of Issuance & Conversion, Swap or Subscription and Issuance Terms on the Possible Dilution of Equities and the Equities of Current Shareholders		None	None	None	None
Custodian		None	None	None	None

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

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

Type of Corporate Bonds		2 nd Unsecured Corporate Bond in 2018	3 rd Unsecured Corporate Bond A in 2018	3 rd Unsecured Corporate Bond B in 2018	1 st Unsecured Corporate Bond A in 2020
Issue Date		August 8, 2018 to August 8, 2028	October 9, 2018 to October 9, 2025	October 9, 2018 to October 9, 2028	December 28, 2020 to December 28, 2025
Par Value		NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million
Issue Price		At par value	At par value	At par value	At par value
Total Amount		NT\$5.6 billion	NT\$4.15 billion	NT\$2.25 billion	NT\$1.6 billion
Coupon Rate		1.10% per annum	0.90% per annum	1.05% per annum	0.39% per annum
Maturity		10 years	7 years	10 years	5 years
Trustee		Trust Department, Taipei Fubon Commercial Bank	Trust Department, Taipei Fubon Commercial Bank	Trust Department, Taipei Fubon Commercial Bank	Mega International Commercial Bank
Underwriter		12 underwriters, like KGI Securities Corporation, etc.	11 underwriters, like Capital Securities Corporation, etc.	8 underwriters, like Capital Securities Corporation, etc.	4 underwriters, like Yuanta Securities Co., Ltd., etc.
Certified Lawyer		Chien Yeh Law Offices	Chien Yeh Law Offices	Chien Yeh Law Offices	Chien Yeh Law Offices
Certified Public Accountant		Deloitte & Touche Taiwan	Deloitte & Touche Taiwan	Deloitte & Touche Taiwan	Deloitte & Touche Taiwan
Repayment		From the issue date, interest will be paid once a year based on the coupon rate, while 50% of the principal will be paid at the end of the ninth and tenth years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 25% and 75% of the principal will be paid at the end of the sixth and seventh years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 50% of the principal will be paid at the end of the ninth and tenth years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 50% of the principal will be paid at the end of the fourth and fifth years, respectively.
Outstanding Principal Balance		NT\$5.6 billion	NT\$3.1125 billion	NT\$2.25 billion	NT\$0.8 billion
Terms of Redemption or Early Repayment		None	None	None	None
Restrictive Covenants		None	None	None	None
Name of Credit Rating Agency, Rating Date and Corporate Bond Ratings		twAA- given by Taiwan Ratings Corporation on April 26, 2018 AA-(tw) given by Fitch Ratings Inc. on December 18, 2017 (Note1, Note2)	twAA- given by Taiwan Ratings Corporation on April 26, 2018 AA-(tw) given by Fitch Ratings Inc. on December 18, 2017 (Note1, Note2)	twAA- given by Taiwan Ratings Corporation on April 26, 2018 AA-(tw) given by Fitch Ratings Inc. on December 18, 2017 (Note1, Note2)	twAA- given by Taiwan Ratings Corporation on April 16, 2020 AA-(tw) given by Fitch Ratings Inc. on December 5, 2019 (Note1, Note2)
Other Rights Attached	Amount of Converted or Exchanged Common Shares, GDR or Other Securities	None	None	None	None
	Terms of Issuance and Conversion or Option of Shares	None	None	None	None
The Impact of Issuance & Conversion, Swap or Subscription and Issuance Terms on the Possible Dilution of Equities and the Equities of Current Shareholders		None	None	None	None
Custodian		None	None	None	None

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

Note 2: The ratings obtained as of the issuance of corporate bonds were listed. For the latest bond ratings, please visit the website:

<https://www.taiwanratings.com/portal/front/listCorporate> or

<https://www.fitchratings.com/entity/china-steel-corporation-96577857>

Type of Corporate Bonds		1 st Unsecured Corporate Bond B in 2020	1 st Unsecured Corporate Bond A in 2023	1 st Unsecured Corporate Bond B in 2023	1 st Unsecured Corporate Bond in 2024
Issue Date		December 28, 2020 to December 28, 2027	July 5, 2023 to July 5, 2026	July 5, 2023 to July 5, 2028	May 28, 2024 to May 28, 2029
Par Value		NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million
Issue Price		At par value	At par value	At par value	At par value
Total Amount		NT\$4.2 billion	NT\$7.2 billion	NT\$3.8 billion	NT\$1.57 billion
Coupon Rate		0.43% per annum	1.50% per annum	1.57% per annum	1.84% per annum
Maturity		7 years	3 years	5 years	5 years
Trustee		Mega International Commercial Bank	Taipei Fubon Commercial Bank	Taipei Fubon Commercial Bank	Taipei Fubon Commercial Bank
Underwriter		6 underwriters, like Yuanta Securities Co., Ltd., etc.	13 underwriters, like KGI Securities Corporation, etc.	13 underwriters, like KGI Securities Corporation, etc.	6 underwriters, like MasterLink Securities Corporation, etc.
Certified Lawyer		Chien Yeh Law Offices	Chien Yeh Law Offices	Chien Yeh Law Offices	Chien Yeh Law Offices
Certified Public Accountant		Deloitte & Touche Taiwan	Deloitte & Touche Taiwan	Deloitte & Touche Taiwan	Deloitte & Touche Taiwan
Repayment		From the issue date, interest will be paid once a year based on the coupon rate, while 70% and 30% of the principal will be paid at the end of the sixth and seventh years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 100% of the principal will be paid at the end of the third year.	From the issue date, interest will be paid once a year based on the coupon rate, while 50% of the principal will be paid at the end of the fourth and fifth years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 100% of the principal will be paid at the end of the fifth year.
Outstanding Principal Balance		NT\$4.2 billion	NT\$7.2 billion	NT\$3.8 billion	NT\$1.57 billion
Terms of Redemption or Early Repayment		None	None	None	None
Restrictive Covenants		None	None	None	None
Name of Credit Rating Agency, Rating Date and Corporate Bond Ratings		twAA- given by Taiwan Ratings Corporation on April 16, 2020 AA-(tw) given by Fitch Ratings Inc. on December 5, 2019 (Note1, Note2)	twAA- given by Taiwan Ratings Corporation on April 28, 2023 AA-(tw) given by Fitch Ratings Inc. on December 7, 2022 (Note1)	twAA- given by Taiwan Ratings Corporation on April 28, 2023 AA-(tw) given by Fitch Ratings Inc. on December 7, 2022 (Note1)	twAA- given by Taiwan Ratings Corporation on April 29, 2024 AA-(tw) given by Fitch Ratings Inc. on April 16, 2024 (Note1)
Other Rights Attached	Amount of Converted or Exchanged Common Shares, GDR or Other Securities	None	None	None	None
	Terms of Issuance and Conversion or Option of Shares	None	None	None	None
The Impact of Issuance & Conversion, Swap or Subscription and Issuance Terms on the Possible Dilution of Equities and the Equities of Current Shareholders		None	None	None	None
Custodian		None	None	None	None

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

Note 2: The ratings obtained as of the issuance of corporate bonds were listed. For the latest bond ratings, please visit the website:

<https://www.taiwanratings.com/portal/front/listCorporate> or

<https://www.fitchratings.com/entity/china-steel-corporation-96577857>

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

(II) Preferred Shares

Issue Date		November 18, 1974	January 31, 1980	November 30, 1980	December 31, 1981
Item					
Par Value		NT\$10	NT\$10	NT\$10	NT\$10
Issue Price		NT\$10	NT\$10	NT\$10	NT\$10
Number of Shares		50,000,000 shares	21,887,000 shares	797,000 shares	4,006,000 shares
Total Amount		NT\$500,000,000	NT\$218,870,000	NT\$7,970,000	NT\$40,060,000
Rights and Obligations	Distribution of Dividends and Bonuses	In case of any earnings earned in any given fiscal year being reported from the Company's final annual accounting, the Company shall appropriate or reverse a special reserve firstly after taxes, losses and legal reserves have been paid, made up and set aside respectively. Secondly, a preferred share dividend shall be distributed at 14% of the par value, and a common share bonus shall be distributed at no more than 14% of the par value. In case the account still remains any distributable earnings, additional bonuses shall be distributed according to the percentage of shares held by each shareholder of preferred and common shares. In case of no earnings in a given year or in the event that the earnings are insufficient to cover the distribution of dividends for preferred shares, the outstanding dividends for distributable preferred shares shall accrue and be made up firstly when there are earnings in any subsequent year.			
	Distribution of Residual Property	Same as common shares			
	Exercise of voting rights	No right to elect directors			
	Others	Same as other rights and obligations for common shares			
Outstanding Preferred Shares	Number of Shares Recovered or Converted	0 share (2024 and up to March 31, 2025)			
	Number of Shares not Recovered or Converted	38,267,999 shares (as of March 31, 2025)			
	Terms for Recovery or Conversion	Preferred shares issued by the Company may be redeemable. Preferred shareholders may request to convert their preferred shares to common shares.			
Market Price per Preferred Share	2021	Highest	53.10		
		Lowest	50.40		
		Average	51.61		
	2022	Highest	53.40		
		Lowest	44.10		
		Average	49.67		
	2023	Highest	46.80		
		Lowest	43.45		
		Average	44.99		
	2024	Highest	44.15		
		Lowest	40.80		
		Average	42.97		
	As of March 31, 2025	Highest	40.90		
		Lowest	39.80		
		Average	40.16		
Other Rights Attached	Amount of Shares Converted or Subscribed as of March 31, 2025	NT\$0			
	Terms of Issuance and Conversion or Option of Shares	Preferred shares issued by the Company may be redeemable. Preferred shareholders may request to convert their preferred shares to ordinary shares.			
The Impact of Issuance Terms on the Equities of Preferred Shareholders, the Possible Dilution of Equities, and Equities of Current Shareholders		None			

(III) Global Depository Receipts (GDR)

Issue Date		May 28, 1992	February 10, 1997	October 22, 2003	August 1, 2011
Item					
Issuance and Listing Location		Major regions in Europe, America and Asia	Major regions in Europe, America and Asia	Major regions in Europe, America and Asia	Major regions in Europe, America and Asia
Total Amount Issued		US\$327,600,000	US\$186,607,572.50	US\$936,086,488	US\$751,067,478
Issue Price per unit		US\$18.2/1 unit	US\$18.35/1 unit	US\$15.56/1 unit	US\$19.67/1 unit
Total Number of Units Issued		18,000,000 units	10,169,350 units	60,159,800 units	38,183,400 units
Source of Securities Represented		Common shares of China Steel Corporation	Common shares of China Steel Corporation	Common shares of China Steel Corporation	Common shares of China Steel Corporation
Amount of Securities Represented		360,000,000	203,387,000	1,203,196,000	763,668,000
Rights and Obligations of Depository Receipt Holders		Dividend distribution for depository receipts is the same as that of the Company's common shares, while other rights and obligations shall follow the content of the depository contract.			
Trustee		None	None	None	None
Depository Institution		Citibank, New York Branch	Citibank, New York Branch	Citibank, New York Branch	Citibank, New York Branch
Custodian		Citibank, Taipei Branch	Citibank, Taipei Branch	Citibank, Taipei Branch	Citibank, Taipei Branch
Outstanding Balance		8,058,990 shares (as of March 31, 2025)			
Apportionment of Expenses for Issuance and Maintenance		Issuance costs were borne by the Ministry of Economic Affairs	Issuance costs were borne by the Ministry of Economic Affairs	Issuance costs were borne by the Ministry of Economic Affairs	Issuance costs were borne by the Company
Terms and Conditions in the Deposit Agreement & Custody Agreement		Omitted	Omitted	Omitted	Omitted
Market Price per Unit	2024	Highest	US\$ 17.52		
		Lowest	US\$ 11.98		
		Average	US\$ 14.54		
	Current year up to March 31, 2025	Highest	US\$ 15.01		
		Lowest	US\$ 10.93		
		Average	US\$ 13.18		

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

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

(VI) Implementation of Capital Utilization Plan: please refer to the Chinese version of Market Observation Post System (MOPS) website → Individual Company → Equity Changes / Securities Issuance → Fund Raising → Implementation of Fund Raising.
(https://mopsov.twse.com.tw/mops/web/bfhtm_q2)

Chapter IV Operational Highlights

I. Business Activities

(I) Business Scope

1. CA01010 Iron and Steel Smelting and Refining
2. CA01030 Iron and Steel Casting
3. CA01020 Iron and Steel Rolling and Extruding
4. CA01050 Steel Secondary Processing
5. CA02080 Metal Forging
6. CA03010 Heat Treatment
7. CA04010 Surface Treatments
8. E103101 Environmental Protection Works Specialized Construction Enterprises
9. E602011 Refrigeration and Air Conditioning Engineering
10. CB01010 Mechanical Equipment Manufacturing
11. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
12. E604010 Machinery Installation
13. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Please refer to Page 143-144 for more details on the Company's current products. Please refer to Page 190-195 for more details on new products to be developed.

Main business scope of CSC Group:

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

(II) Revenue Breakdown

Parent-only

Unit: NT\$ thousands

Item	2024		2023	
	Amount	%	Amount	%
Revenue from sales of goods	187,490,138	96.87	191,708,554	97.24
Revenue from construction contracts, rendering of services, and others	6,055,370	3.13	5,440,604	2.76
Operating revenues	193,545,508	100.00	197,149,158	100.00

Consolidated

Unit: NT\$ thousands

Item	2024		2023	
	Amount	%	Amount	%
Revenue from sales of goods	325,832,085	90.37	335,681,275	92.39
Revenue from construction contracts, rendering of services, and others	34,703,629	9.63	27,645,223	7.61
Operating revenues	360,535,714	100.00	363,326,498	100.00

(III) Industry Overview

In 2024, revenues from steel products account for nearly 80% of the consolidated operating revenues of CSC Group. Therefore, the following industry overview mainly revolves around the steel industry:

1. Current situation and development of the industry

In 2024, the global economy was still impacted by high inflation and high interest rates. However, starting from the second half of the year, inflation have gradually eased, and the U.S. Federal Reserve (Fed) has initiated an interest rate cut cycle, with a cumulative rate cut of 1% for the year, helping to stimulate global steel demand. In Taiwan, the government invested nearly NT\$740 billion in public infrastructure in 2024, maintaining high levels of public investment. Coupled with a rebound in domestic demand, the economy recorded a growth rate of 4.59%. Demand from infrastructure, the manufacturing, and the automotive sector stabilized, injecting growth momentum into the steel market. With steel mills reducing production and downstream customers destocking inventories, the steel market gradually regained supply-demand balance. Looking ahead, the International Monetary Fund (IMF) forecasts sustained global economic growth for 2025 and 2026. The steel industry continues to develop towards high-value-added production, low-carbon transformation, and market diversification. However, as the U.S. government adjusts tariffs and trade policies, global trade protectionism continues to intensify, posing potential challenges to the recovery of the global economy. As for Taiwan, Taiwan government has launched the “Trillion NT Dollar Investment National Development Plan,” which is expected to draw over NT\$1 trillion in investments for national infrastructure by guiding private capital, encouraging

insurance funds to invest in infrastructure-focused private equity funds and Real Estate Investment Trusts (REITs), and to drive domestic economic growth and supporting the steady development of industries.

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

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

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

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

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

3. Product development trends and competition

The steel market in Taiwan exhibits limited absorptive capacity, characterized as a shallow dish-shaped market. Additionally, due to high import freedom, although there are few upstream manufacturers, apart from a few types of specialty steel that cannot be supplied domestically, the majority of steel products face significant oversupply, resulting in intense industry competition with crowded competitors.

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

(IV) Technology and Research & Development Overview

Research and development (R&D) expenditure in 2024 and the 1st quarter of 2025 are listed as follows:

Unit: NT\$ thousands	Parent-only	Consolidated
2024	2,287,194	2,266,904
First Quarter of 2025	531,974	542,166

R&D status in 2024:

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 new 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:

1. Development of Advanced Premium Steel

- (1) 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 strengthening superior toughness and extended fatigue life for premium hand tool steel.
- (2) 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 higher strength and toughness compared to traditional steel materials, which is able to facilitate lightweight bridge design. Additionally, it is designed with low-carbon content and offers excellent weldability to ensure reliable welding quality. These products have been successfully applied in domestic landmark construction projects.
- (3) Steel for Green Energy & Home Appliance: With the rise of global environmental awareness and the trend towards carbon neutrality, hot-dip galvanized steel users

from computer and server chassis brand manufacturers have requested the supply of high recycled content steel. Through advancements in steel making technology and breakthroughs in critical bottlenecks, the Company have established a revolutionary steel making method to use more scrap in basic oxygen furnace, successfully developing RC60 galvanized steel products with over 60% of recycled material and obtaining UL 2809 certification.

- (4) **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.
- (5) **Cross-Generational Automotive Steels:** To meet lightweight and safety requirements 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, 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.
- (6) **Ultra-High Efficiency Electrical steels:** In response to the performance requirements of electric vehicle drive motors for low loss and high speed, the Company has developed ultra-thin electrical steels with lower iron loss, higher magnetic flux and higher strength through the establishment of key technologies. The Company has successfully made such products sourced by major electric vehicle manufacturers and has become a critical supplier of electrical steel.

2. Intelligent manufacturing technologies

- (1) The development and application of steel strip intelligent plate shape detection system at No.2 Hot Dip Galvanizing Line have been completed. This system is capable of providing 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.
- (2) The development and on-site application of intelligent coil ID verification system have been completed. The system is capable of effectively intercepting material mix-ups. In addition to avoiding customer claims caused by misdelivery of wrong products, it also helps ensure product quality and strengthens customer confidence.
- (3) 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, improving the slab width accuracy, and reducing the amount of edge trim for high-end electrical steel.

- (4) 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.
3. Energy saving, carbon reduction and environmental protection technologies
 - (1) The “Development of Blast Furnace Low-Carbon Iron Making Technology” has been further advanced. In 2024, the Company completed the testing of adding low carbon ferrous burden, 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.
 - (2) 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.
 - (3) 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.
 - (4) 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: A. Demonstration of natural gas mixed with 40% hydrogen in the coil annealing furnace. B. Demonstration of natural gas mixed with 10% ammonia in the coil annealing furnace. And C. Demonstration of combustion technology using 60% hydrogen/ammonia blends in experimental furnace at CSC.
 - (5) An AI algorithms was applied and integrated with production line information to develop the “Intelligent Operation Guidance System for Nitrogen Compressor,” which is capable of predicting the downstream demand for medium- and high-pressure nitrogen, preventing issues such as oversupply 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 optimized number and combination of compressors.

- (6) 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 DeNOx catalyst. This innovation reduces the DeNOx 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.

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

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

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

1. Short-term business development plans

- (1) Enhance manufacturing process technology capabilities, improve the competitiveness of production lines, and increase the production of high-end and high value-added steel.
- (2) Strengthen the marketing capabilities of overseas production bases, coil centers, and sales bases, and master the changes in sales channels and the international market.
- (3) Actively participate in important meetings of international organizations and grasp the dynamic and strategic thinking of major global steel mills.
- (4) Integrate the Group’s and invested resources, for example the Company, Chung Hung Steel Corporation, Dragon Steel Corporation, etc. can provide mutual support with their hot-rolled products and slabs to expand the regional sales foundation in Southeast Asia, Europe, America, and Japan.
- (5) Promote environmental protection and energy-saving, accelerate the implementation of equipment replacement, and uplift production and energy efficiency of the equipment.
- (6) Guide downstream customers towards carbon neutrality and assist Taiwan’s steel-using industries in building up their ability of carbon management with the existing Industry Service Team based on the idea of “large companies leading small companies.”

2. Long-term business development plans

- (1) Develop peripheral businesses around the steel industry, and focus on industries relevant to the steel industry in terms of sales, technology and process.
- (2) Use extensive experience and capabilities in business management, plant construction and engineering, and information integration to provide technology consulting services for steel-using industries.
- (3) Develop target products with high added value and high competitiveness to enhance the competitiveness of the steel-using industry.
- (4) Improve talent cultivation, technology and experience inheritance, and achieve the long-term goal of sustainable development.
- (5) Promote intelligent production and sales and smart manufacturing through AI innovation with a view to realizing the Company's operational and developmental cores of becoming a high value-added steel mill and developing the green energy industry, and actively execute digital, low-carbon, and supply chain transformations.
- (6) Make timely adjustments to the Company's strategic layout of overseas production and sales locations in response to the consolidation of economic and trade blocks around the world.
- (7) In response to the trend towards carbon neutrality, develop next-generation low-carbon ironmaking technologies that are suitable for Taiwan, with the ultimate goal of carbon neutrality by 2050.

II. Market, Production and Sales Overview

(I) Domestic and Export Sales Breakdown for Steel Products

2024 Domestic and Export Sales Breakdown by Region - Parent-only

Sales Target	Amount (metric ton)	Percentage
Taiwan	4,352,177	57.37%
Southeast Asia	968,424	12.77%
Europe	880,374	11.61%
Japan	566,192	7.46%
Mainland China (including Hong Kong)	257,349	3.39%
Others	561,085	7.40%
Total	7,585,601	100.00%

2024 Domestic and Export Sales Breakdown by Region- Consolidated

Sales Target	Amount (metric ton)	Percentage
Taiwan	6,473,415	54.63%
Southeast Asia	1,734,322	14.64%
Europe	1,310,642	11.06%
Japan	865,326	7.30%
Mainland China (including Hong Kong)	281,660	2.38%
Others	1,184,128	9.99%
Total	11,849,493	100.00%

(II) Market Supply and Demand Outlook

Looking ahead to 2025, on the demand side, as the global economy recovers, particularly with stronger growth momentum in emerging markets, steel demand for infrastructure and manufacturing sector is expected to continue rising. Additionally, governments worldwide are increasing public construction and infrastructure investments, which will support steel demand. However, rising trade tensions may introduce uncertainties to the recovery momentum.

On the supply side, global crude steel production reached 1,882.6 million tons in 2024, representing a 0.8% decrease compared to that of 2023. The global steel supply continued to be constrained, with Mainland China continuing its production cuts and suspending capacity replacement projects. In 2024, China's crude steel output stood at 1,005.1 million tons, a 1.7% decrease compared to that of 2023. Looking ahead, the Chinese government announced its plan to implement crude steel output controls and promote industry consolidation during the Two Sessions, which is expected to help ease the oversupply pressure in the steel industry.

In 2024, the domestic market share of the Company's main steel products were 62% for plates, 48% for bar and wire rods, 22% for hot-rolled coils, 37% for cold-rolled coils, 63% for electrical steels, 23% for hot-dip galvanized steels and 58% for electrogalvanized steels, respectively. (The joint market share of hot-rolled coils produced by the Company, Dragon Steel Corporation and Chung Hung Steel Corporation was 68%, while the market share of cold-rolled coils produced by the Company and Chung Hung Steel Corporation was 45%)

(III) Business Objectives

In 2025, the Company plans to sell a total of 7.70 million tons of steel products, including domestic sales of 4.75 million tons and export sales of 2.95 million tons. The Steel Division of CSC Group is targeting sales of 13.27 million tons, including domestic sales of 8.54 million tons and export sales of 4.73 million tons.

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

(IV) Development Prospects and Favorable and Unfavorable Factors Thereof

1. Development prospects

Looking ahead to 2025, according to the International Monetary Fund (IMF), the global economy is expected to maintain moderate growth, supported by robust U.S. economic performance, relatively strong growth in emerging markets, and continued fiscal and monetary stimulus policy from mainland China. However, the U.S. government's imposition of high tariffs has sparked global trade tensions, potentially curbing investment and consumption growth, and putting pressure on the economic growth of export-reliant countries such as China. In Taiwan, although similarly affected by the risk of U.S. reciprocal tariff, the Directorate-General of Budget,

Accounting and Statistics, projects that growth in exports, investment, and private consumption will sustain economic expansion in 2025.

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

2. Favorable and unfavorable factors

Favorable factors:

- (1) Governments in Europe, the U.S., Mainland China, India, and Southeast Asia continue to promote infrastructure projects, driving international steel demand.
- (2) The production restriction policy of Mainland China remains unchanged, continuing to stabilize steel production capacity while expanding infrastructure and stimulating consumption and domestic demand. Coupled with measures such as reserve requirement ratio (RRR) cuts and interest rate reductions, these efforts are conducive to maintaining stable supply, demand and pricing in the Asian steel market.
- (3) The Taiwanese government continues to strengthen the policies of investing in public construction and stimulating domestic demand, coupling with the return of overseas Taiwanese businesses and the effect of transfer orders from US-China trade war, will drive the steel industry to rise steadily.
- (4) The industrial chain moves toward high-end applications and the downstream industries have strong international competitiveness, high industry intensity, division of labor based on specialization, and rapid responsiveness, which are beneficial to the expansion of overseas markets.
- (5) The ongoing cooling of inflation in major countries facilitates timely easing cycles by their central banks. Monetary policies are shifting towards looseness, which is expected to boost private investment and consumption. Consequently, this will contribute to increased demand for steel materials.

Unfavorable factors:

- (1) The Trump administration reignited the tariff war, and the continuance of protectionism in global trade will restrict the export market expansion. The efforts of Taiwan to join relevant regional economic cooperation organizations are subject to international political and economic objective conditions, leading to higher tariff barriers than competing countries.
- (2) Considering the volatile geopolitical landscape in Southeast Asia and other

regions, it is crucial to closely monitor the potential spillover effects from major steel-exporting countries during market correction phases. If domestic demand in these countries fails to absorb existing output, some steel mills may resort to low-price exports, which may cause short-term regional market fluctuations and operational risks.

- (3) The operating costs may increase because of the need to pay carbon fee in line with new laws and regulations related to carbon neutrality (e.g., the Climate Change Response Act in Taiwan, the Carbon Border Adjustment Mechanism (CBAM) in the European Union and the Clean Competition Act (CCA) in the U.S.) and the need for upgrading the energy and resource efficiency of various assets (e.g., replacing equipment with higher efficiency).
- (4) The real estate market in Mainland China continued its sluggish recovery, dampening domestic demand for steel. In 2024, Mainland China's steel exports reached the second-highest level in its history, affecting the Asian steel market. Ongoing attention is needed on the effectiveness of government measures aimed at revitalizing the property sector.

3. The Company's countermeasures

The Company's countermeasures in response to problems and challenges in the steel industry are as follows: (1) Consolidate the market: File anti-dumping charges against the unfair competition caused by low-priced imports; grasp development trends of related industries to expand the scope of product supply; for tariffs imposed by various countries, strive for tariff exemption or quota with help from the government or develop cooperation with downstream enterprises in response; (2) Enhance the added value of products: Actively develop high value-added new products such as advanced premium steel (APS) and high-end steel, increase their percentage, and develop green steel with benefit of carbon reduction in line with the international trend towards carbon neutrality; (3) Improve process flexibility: Develop dynamic metallurgical process models to improve product quality, shorten delivery time, and reduce costs; (4) Improve productivity: Reduce production costs by running lean organizations, lowering costs of raw material, saving energy, simplifying production processes, and improving yield rate and production efficiency; (5) Strengthen supply chain services: Provide customers and suppliers with a more efficient production and sales mechanism to improve flexibility and adaptability; (6) Adopt flexible sales strategies: Stay in line with market needs in real time, obtain orders quickly through diversified sales strategies, and maintain operational momentum while the steel market is undergoing structural changes.

(V) Uses and Production Process of Major Products

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

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

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

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

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

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

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

Electrical steels: Motors, transformers, ballasts, etc.

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

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

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

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

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

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

(VI) Supply of Major Raw Materials

1. Sources of Coking Coal (January 1, 2024 to December 31, 2024)

China Steel Corporation			Dragon Steel Corporation		
Country	Amount (ten thousand tons)	Percentage (%)	Country	Amount (ten thousand tons)	Percentage (%)
Australia	446	85.61%	Australia	191	86.82%
Canada	73	14.01%	Canada	25	11.36%
Others	2	0.38%	Others	4	1.82%
Total	521	100.00%	Total	220	100.00%

2. Sources of Iron Ore (January 1, 2024 to December 31, 2024)

China Steel Corporation			Dragon Steel Corporation		
Country	Amount (ten thousand tons)	Percentage (%)	Country	Amount (ten thousand tons)	Percentage (%)
Australia	974	75.27%	Australia	470	72.53%
Brazil	253	19.55%	Brazil	165	25.46%
Canada	67	5.18%	Canada	13	2.01%
Total	1,294	100.00%	Total	648	100.00%

3. Sources of Limestone (January 1, 2024 to December 31, 2024)

China Steel Corporation			Dragon Steel Corporation		
Country	Amount (ten thousand tons)	Percentage (%)	Country	Amount (ten thousand tons)	Percentage (%)
Japan	162	61.36%	Japan	81	62.31%
Thailand	46	17.43%	Thailand	17	13.08%
Taiwan	21	7.96%	Taiwan	12	9.23%
Vietnam	14	5.30%	Philippines	9	6.92%
Philippines	13	4.92%	Vietnam	8	6.15%
Others	8	3.03%	Others	3	2.31%
Total	264	100.00%	Total	130	100.00%

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

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

1. The Company does not have any customers accounting for more than 10 percent of the total standalone sales of goods.
2. Information on suppliers accounting for more than 10 percent of the total purchases of goods at the Company:

Year	Name	Amount (NT\$ thousands)	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer
2023	Company A	15,547,041	12.79	Supplier
	Others	106,038,743	87.21	N/A
	Net purchases	121,585,784	100.00	N/A
2024	Company A	15,830,191	13.71	Supplier
	Others	99,665,862	86.29	N/A
	Net purchases	115,496,053	100.00	N/A
As of the previous quarter in 2025	Information for the previous quarter prior to the publication date of this annual report is the information for 2024. Hence, the information is as above.			

Note on increase or decrease: The increased purchase amount of Company A in 2024 was mainly due to the increase in the volume of products purchased despite the decrease in unit purchase price.

3. The Company and our subsidiaries do not have any customers accounting for more than 10 percent of the total consolidated sales of goods.
4. Information on suppliers accounting for more than 10 percent of the total purchases of goods at the Company and our subsidiaries:

Year	Name	Amount (NT\$ thousands)	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer
2023	Company A	24,748,361	10.78	Supplier
	Others	204,751,341	89.22	N/A
	Net purchases	229,499,702	100.00	N/A
2024	Company A	22,965,015	10.35	Supplier
	Others	198,996,199	89.65	N/A
	Net purchases	221,961,214	100.00	N/A
As of the previous quarter in 2025	Information for the previous quarter prior to the publication date of this annual report is the information for 2024. Hence, the information is as above.			

Note on increase or decrease: The decreased purchase amount of Company A in 2024 was mainly due to the decrease in unit purchase price.

III. Human Resources Overview

- (I) Number of employees, average age, years of service and distribution of academic qualification at the Company in the most recent two years up to the publication date of this annual report (March 31, 2025):

Year		2023	2024	2025.03.31
Number of Employees		9,629	9,525	9,415
Average Age		42.44	42.67	42.75
Average Years of Service		12.87	13.24	13.35
Distribution of Academic Qualifications (%)	PhD	2.18	2.17	2.20
	Master's degree	21.18	21.40	21.47
	Bachelor's degree	58.51	59.05	59.02
	High school	18.10	17.35	17.28
	Below high school	0.03	0.03	0.03

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

- (II) Number of employees, average age, years of service and distribution of academic qualification at CSC Group in the most recent two years up to the publication date of this annual report (March 31, 2025):

Year		2023	2024	2025.03.31
Number of Employees		27,359	27,209	27,118
Average Age		41.80	42.23	42.35
Average Years of Service		11.92	12.37	12.45
Distribution of Academic Qualifications (%)	PhD	0.95	0.93	0.94
	Master's degree	16.26	16.28	16.23
	Bachelor's degree	57.50	57.95	58.10
	High school	21.86	21.50	21.47
	Below high school	3.43	3.34	3.26

2024	CSC	CSC and DSC
Crude steel production (metric ton)	8,260,137	12,649,004
Revenues (NT\$ thousands)	193,545,508	275,575,440
Average number of workers (persons)	9,625	12,886
Average annual crude steel production per capita (metric ton)	858	982
Average annual revenues per capita (NT\$ thousands)	20,109	21,386
Working hours per ton of crude steel (hour/ton)	2.34	2.08

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

IV. Information on Environmental Management and Environmental Protection Expenditure

(I) Environmental Management

Since the Company obtained ISO 14001 - Environmental Management System (EMS) certification and received registration approval on 1997, the certification has been maintained through the recertification audit every three years. In 2024, the Company was externally audited by the British Standards Institution (BSI) Taiwan Branch for the 2015 edition of the certification, where no deficiencies were found, and successfully passed the review. The certificate is valid until July 20, 2025. By upholding the spirit of continuous improvement demonstrated by ISO 14001 - Environmental Management System, the Company gradually improved environmental management performance in all operations. Besides, the Company conducts internal and external audits every year to ensure that all the operations comply with the ISO 14001 standard. The Company also continues to promote works related to environmental protection with a computerized Environmental, Health and Safety (EHS) Management System.

1. Environmental and Ecological Protection: The Company continues to enhance greening of the entire factory based on the concept of “environmental greening.” Also, with regard to environmental impact assessment (EIA), the Company handles various EIA documents and submits declaration based on its operational needs, as well as conducts environmental load analysis, in order to fully keep track of the change of pollutions from the planned capital expenditure.
2. Toxic and Concerned Chemical Substance Control: The Company reports the monthly handling quantity and annual release quantity in accordance with the law. Besides, in response to the needs of toxic disaster prevention and emergency preparedness, the Company has formulated the “Toxic Chemical Substance Emergency Response, Detection and Alarm Equipment Plan” and the “Toxic Chemical Substance Hazard Prevention and Emergency Response Plan,” and regularly conducts toxic chemical disaster drills. Furthermore, for the manufacturing or input of new chemical substances and existing chemical substances, the Company registers the information according to applicable laws and reports the amount of the previous year every year.
3. Air Pollution Management: The Company promotes air pollutant reduction targets according to the ISO 14001 environmental management system, introduces the best available control technology (BACT) and conducts rolling review year by year. In addition to strengthening the regulatory compliance and management and striving to reduce abnormal emissions, the Company also continues to implement air pollution reduction plans to reduce air pollution emissions and air pollution fees. Furthermore, the Company plans response measures for poor air quality in autumn and winter, as well as medium- and long-term air pollution improvement plans in line with the government's air quality improvement policy, aiming to realize low-pollution, green, and sustainable steel mills.

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

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

4. Greenhouse Gas Management: In order to effectively monitor greenhouse gas emissions status and promote reductions, the Company completed the 2023 organizational-level inventory audit (scope 1:16,809,455 tons CO₂e, scope 2:1,249,102 tons CO₂e, total emission:18,058,557 tons CO₂e), and 2024 organizational-level inventory audit (scope 1:17,587,087 tons CO₂e, scope 2:1,166,325 tons CO₂e, total emission:18,753,412 tons CO₂e), passed the verification process conducted by third-party verification agencies for both years, and registered the Company’s emission data annually in line with the regulation on Mandatory Greenhouse Gas Reporting System; while continuing to manage the amount of greenhouse gas reduction, including reduction credit earned from GHG Early Action Project, GHG Offset Project, etc., where a balance of 4,488,637 tons CO₂e was recorded at the end of March 2025.

In response to the government’s three sub-laws related to the carbon fees, including the “Regulations Governing the Collection of Carbon Fees,” the “Regulations Governing Self-determined Reduction Plans,” and “The Designated GHG Emissions Reduction Goals for Entities Subject to Carbon Fees” announced in August 2024, as well as the “Fee-charging Rates of Carbon Fees” announced in October 2024, the Company will actively implement various carbon reduction initiatives, and apply for the self-determined reduction plan to qualify for the preferential rate and thus mitigate the impact of the carbon fee.

5. Water Pollution Prevention: The Company recycles, processes, and reuses rainwater to reduce the contaminant level of discharge and decreases load to adjacent water bodies through setting up interception stations and runoff wastewater treatment facilities in material yards and rainwater drainage systems. In 2024, the amount of wastewater discharged at the Company averaged approximately 45.9 thousand tons/day, while the contaminant concentration discharged fully complied with standards for discharged water.

To monitor the quality of soil and groundwater and to implement soil and groundwater pollution prevention work, the Company has set up 13 groundwater monitoring wells in the entire factory to regularly carry out sampling and testing. Furthermore, the Company investigates soil and groundwater pollution before leasing or purchasing lands to ensure no pollution disputes, thus to prevent subsequent risks of pollution remediation and damage liability.

6. Waste Management: The Company conducts internal inspections every year in accordance with the “Waste Disposal Act” set forth by the Ministry of Environment and other related regulations. Before entrusting a waste disposal company to clean up the waste, the company will conduct a qualification assessment on the waste disposal company and report it to the Ministry of Environment’s Business Waste Declaration and Management Information System after signing the contract. Furthermore, in order to comply with the government's “zero waste” policy, the Company continues to uphold the principles of “100 percent resourceization” and “zero solidification landfill.” The Company converts waste into raw materials that can be used in its factory by utilizing the existing equipment in its facilities along with appropriate technologies, and applying excellent

management practices based on the principles of making the best of materials and improving their value.

7. Application of By-products: The Company has completed the manuals related to the application of basic oxygen furnace slag and desulfurization slag according to the principle of gradual and orderly promotion instructed by the Executive Yuan, as well as audited and approved by third-party organizations since 2017. The desulfurization slag can be used in cement raw materials in cement mills. In addition to on-site recycling, basic oxygen furnace slag can also be used in asphalt concrete for roads, land reclamation and cement raw materials in cement mills. Since 2020, the Company has pioneered the use of Basic Oxygen Furnace (BOF) slag for land reclamation at Taipei Port. As of 2024, the accumulated volume of BOF slag used has reached 6.14 million tons, continuing to be steadily applied in public construction projects.
8. Industrial Ecology Network: To assist the companies of CSC Group in resourceization of industrial wastes, the Company continues to reutilize by-products such as sludge from China Steel Chemical Corporation, waste oil from China Steel Express Corporation, sludge from Chung Hung Steel Corporation, oily wastewater from C.S.Aluminium Corporation, as well as waste acid from the production processes at companies such as China Steel Machinery Corporation and Chung Hung Steel Corporation.

Based on the off-site resources chain established in the past, the Company has also expanded the resource sharing and recycling network with Kaohsiung Linhai Industrial Park in line with the policies of the Ministry of Environment and the Industrial Development Administration of the Ministry of Economic Affairs, so that waste between industries can be effectively reused. In 2024, the industrial ecology network centered on the Company comprised 34 enterprises mainly from traditional industries, and the resource recycling network covers water-quenched blast furnace slag, air-cooled blast furnace slag, desulfurization slag, basic oxygen furnace slag, sludge mixture, coal tar, waste pickling liquor and spent refractory, etc.

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

		2024	January to March 2025
CSC	Date of Punishment (Date of Violation)	2024.08.27 (2024.07.08)	None
	Punishment Letter No.	Fine Notification No. 20-113-080039	None
	Regulations Violated	Paragraph 1, Article 20 of the Air Pollution Control Act	None
	Content of Regulations Violated	During the coke production/by-product process, maintenance personnel were dispatched for repair due to a leak in the steel pipe of the throttle valve on the coke oven oil hydraulic cylinder. However, the gas feed system became unstable due to operational oversight, resulting in a temporary gas surge. The incomplete combustion resulted in the pollution caused by the emission of black smoke through the discharge outlet. According to the smoke density assessment, the opacity reached 55%, exceeding the 20% limit set by the Standards for Air Pollutant Emission from Stationary Pollution Sources.	None
	Content of Punishment	A fine of NT\$300,000, and 2-hour environmental seminar	None

		2024		January to March 2025
CSSC	Date of Punishment (Date of Violation)	2024.06.19 (2024.03.11)	2024.06.19 (2024.03.11)	None
	Punishment Letter No.	Fine Notification No. 20-113-060034	Fine Notification No. 20-113-060035	None
	Regulations Violated	Paragraph 1, Article 23 of the Air Pollution Control Act	Paragraph 2, Article 24 of the Air Pollution Control Act	None
	Content of Regulations Violated	The spraying and paint mixing operations at Kaohsiung plant were not conducted within the designated surface coating area, resulting in ineffective collection of air pollutants.	The raw materials used in the metal surface coating process at the Kaohsiung plant, as well as the replacement frequency of activated carbon in the adsorption equipment, do not align with the operational permit.	None
	Content of Punishment	A fine of NT\$300,000, improvement within the given period, and 2-hour environmental seminar	A fine of NT\$100,000, improvement within the given period, and 2-hour environmental seminar	None
	Date of Punishment (Date of Violation)	2024.08.14 (2024.07.11)		None
	Punishment Letter No.	Fine Notification No. 20-113-080010		None
	Regulations Violated	Paragraph 2 and Paragraph 4, Article 24 of the Air Pollution Control Act; Paragraph 1, Article 23 of the Stationary Pollution Source Installation, Operating and Fuel Use Permit Management Regulations Amended Clauses		None
	Content of Regulations Violated	The replacement records for the filter bags of the baghouse dust collector in the metal blasting (sand blasting) process at the Guantian plant do not align with the operating permit, which specifies a replacement every two years.		None
	Content of Punishment	A fine of NT\$100,000, improvement within the given period, and 2-hour environmental seminar		None
CHC	Date of Punishment (Date of Violation)	2024.02.16 (2023.12.27)	2024.02.16 (2024.01.02)	2025.03.17 (2024.10.15)
	Punishment Letter No.	Fine Notification No. 30-113-020004	Fine Notification No. 30-113-020003	Fine Notification No. 30-114-020002
	Regulations Violated	Article 18 of the Water Pollution Control Act; Article 4, and Paragraph 1, Article 12 of the Water Pollution Control Measures and Test Reporting Management Regulations	Article 18 of the Water Pollution Control Act; Article 4 of the Water Pollution Control Measures and Test Reporting Management Regulations	Paragraph 1, Article 18-1 of the Water Pollution Control Act

		2024		January to March 2025
CHC	Content of Regulations Violated	Certain processes in the Kaohsiung plant should be operated in a continuous mode, but the dosing machine, blower, and discharge pump of the wastewater treatment facility are all indicated as being in a stopped state, and there is no sulfuric acid in the sulfuric acid dosing tank. The water pollution control measure plan did not include the fact that the slag storage yard is equipped with a sloped washing platform and a sedimentation tank and the use of recycled water, with any shortfall supplemented by tap water. Additionally, no independent dedicated cumulative water flow metering device was installed on the inlet side of the wastewater treatment facility.	The content of the Linhai plant's water pollution control measure plan did not include the collection of wastewater from the underground duct for water-quenched slag feed. The sedimentation tank and the status of pH adjustment tank were inconsistent with the water pollution prevention and control measures plan. In 2022, the amount of recycled water used for pollution control equipment exceeded the approved amount specified in the water pollution control measure plan.	Water flow was observed inside the manhole near the north gate at the Kaohsiung plant, and overflow was detected along the internal pipeline.
	Content of Punishment	A fine of NT\$10,500, improvement within the given period, and 2-hour environmental seminar	A fine of NT\$10,000, improvement within the given period, and 1-hour environmental seminar	A fine of NT\$2,520,000, improvement within the given period, and 4-hour environmental seminar
	Date of Punishment (Date of Violation)	2024.07.15 (2024.03.29)	2024.07.22 (2024.06.21)	2025.03.17 (2024.10.15)
	Punishment Letter No.	Fine Notification No. 30-113-070014	Fine Notification No. 40-113-070035	Fine Notification No. 30-114-030004
	Regulations Violated	Article 18 of the Water Pollution Control Act	Paragraph 1, Article 36 of the Waste Disposal Act; Subparagraph 4, Paragraph 1, Article 6 and Subparagraph 1, Paragraph 1, Article 10 of the Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste	Article 18 of the Water Pollution Control Act
	Content of Regulations Violated	The purpose and flow directions of certain pipelines, as well as the pH value of wastewater at the Kaohsiung plant did not comply with the approved water pollution control plan.	There were no clear labels indicating the name of the waste at the waste storage locations and facilities for slag removal operations in Qishan District. Additionally, no equipment or measures were in place to prevent the inflow of rainwater or surface water.	The overflow at the Kaohsiung plant was not effectively contained, and the dosing machine for the control tray in the material yard was in a stopped state.

		2024		January to March 2025
CHC	Content of Punishment	A fine of NT\$12,500, improvement within the given period, and 2-hour environmental seminar	A fine of NT\$18,000, and 2-hour environmental seminar	A fine of NT\$30,000, improvement within the given period, and 2-hour environmental seminar
	Date of Punishment (Date of Violation)	2024.10.07 (2024.07.02)	2024.11.15 (2024.09.20)	
	Punishment Letter No.	Fine Notification No. 30-113-100002	Fine Notification No. 20-113-110046	
	Regulations Violated	Article 18 of the Water Pollution Control Act; Article 4 of the Water Pollution Control Measures and Test Reporting Management Regulations	Paragraph 1, Article 20 of the Air Pollution Control Act	
	Content of Regulations Violated	The water temperature of the drainage channel in front of the emergency discharge outlet at Linhai plant, the pH value of the water in underground manhole, and the accumulated flow measurements of the drainage pipe did not comply with the approved water pollution control plan.	The concentration of particulate pollutants from the discharge outlet at Linhai plant exceeded the emission standard value stipulated in the “Standards for Air Pollutant Emission from Stationary Pollution Sources.”	
	Content of Punishment	A fine of NT\$12,500, improvement within the given period, and 2-hour environmental seminar	A fine of NT\$600,000, improvement within the given period, and 2-hour environmental seminar	
	Date of Punishment (Date of Violation)	2024.12.20 (2024.10.15)		
	Punishment Letter No.	Fine Notification No. 30-113-120009		
	Regulations Violated	Article 18 of the Water Pollution Control Act		
	Content of Regulations Violated	The pH value of the wastewater in the sedimentation tank and pH adjustment tank, the accumulated reading of the water meter for vehicle washing platform, and the pH value of the stormwater ditch at Linhai plant did not comply with the approved water pollution control plan.		
	Content of Punishment	A fine of NT\$22,500, improvement within the given period, and 2-hour environmental seminar		

		2024		January to March 2025
DSC	Date of Punishment (Date of Violation)	2024.01.10 (2023.10.27)	2024.09.04 (2024.06.21)	2025.01.08 (2023.11.15)
	Punishment Letter No.	Fine Notification No. 20-113-010025	Fine Notification No. 20-113-090009	Fine Notification No. 20-114-010016
	Regulations Violated	Paragraph 1, Article 23 of the Air Pollution Control Act	Paragraph 1, Article 23 of the Air Pollution Control Act	Paragraph 2, Article 23 of the Air Pollution Control Act
	Content of Regulations Violated	Large amounts of dust emission was generated at the connection part between the main dust collection scrubbers and other exhaust gas incinerators in certain steelmaking processes, indicating ineffective collection of air pollutants.	In certain processes, due to the excessive silicon content in the hot metal, intense reactions occurred during the basic oxygen furnace (BOF) blowing process. As a result, a large amount of fumes escaped through the peephole, preventing the process dust collection system from effectively collecting the emissions, causing pollutants to disperse outside the plant.	The Relative Accuracy Test Audit (RATA) results for the emission pipe showed a relative accuracy of 22.64% for the monitoring item, nitrogen oxides, which did not comply with the requirement of the “Regulations for Continuous Automatic Monitoring of Air Pollutants from Stationary Sources.”
	Content of Punishment	A fine of NT\$450,000 and 4-hour environmental seminar	A fine of NT\$300,000 and 4-hour environmental seminar	A fine of NT\$150,000 and 2-hour environmental seminar
	Date of Punishment (Date of Violation)	2024.09.04 (2024.06.24)	2024.10.01 (2024.05.20)	2025.01.16 (2023.11.15)
	Punishment Letter No.	Fine Notification No. 20-113-090010	Fine Notification No. 20-113-100005	Fine Notification No. 20-114-010028
	Regulations Violated	Paragraph 1, Article 23 of the Air Pollution Control Act	Paragraph 2, Article 23 of the Air Pollution Control Act	Paragraph 2, Article 23 of the Air Pollution Control Act
	Content of Regulations Violated	The poor fluidity of hot metal in the No. 2 blast furnace resulted in inefficient material discharge, causing abnormal splashing and dust dispersion.	The pulsating baghouse dust collector used in the coke-pushing operations in certain coke making processes exhibited multiple deficiencies in compliance with the “Management Regulations for Facilities to Control Fugitive Dust Air Pollution from Stationary Pollution Sources.”	The Relative Accuracy Test Audit (RATA) results for the emission pipe showed a relative accuracy of 32.12% for the monitoring item, sulfur dioxide, and the average difference between the measured value and the recorded monitoring data was -6.12 ppm, which did not comply with the requirements of the “Regulations for Continuous Automatic Monitoring of Air Pollutants from Stationary Sources.”
	Content of Punishment	A fine of NT\$150,000 and 2-hour environmental seminar	A fine of NT\$150,000 and 2-hour environmental seminar	A fine of NT\$150,000 and 2-hour environmental seminar

		2024	January to March 2025
DSC	Date of Punishment (Date of Violation)	2024.12.05 (2024.10.04)	
	Punishment Letter No.	Fine Notification No. 20-113-120010	
	Regulations Violated	Paragraph 2 and Paragraph 4, Article 24 of the Air Pollution Control Act	
	Content of Regulations Violated	Due to a malfunction of the sprinkler system, which had not been repaired, the outdoor scrap storage yard was only watered with a water truck on the exposed ground, without spraying the fugitive particulate matter (scrap dust) storage area, and the malfunction was not reported as required.	
	Content of Punishment	A fine of NT\$100,000 and 2-hour environmental seminar	

Other listed subsidiaries of CSC Group (CHS, CEC, and CSCC) did not receive any penalty due to pollution in 2024 up to the publication date of this annual report (March 31, 2025).

(III) Countermeasures

1. Improvements proposed

(1) Improvement plans

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

Besides, the Company and subsidiaries China Steel Structure Co., Ltd., CHC Resources Corporation, and Dragon Steel Corporation have taken various immediate improvement measures, such as purchasing new equipment, repairing and replacing existing equipment, increasing the frequency of equipment inspection, completing parameter settings for monitoring facilities, revising or establishing relevant work standards and implementing related management systems, and conducting training on environmental protection-related laws and regulations in response to the aforesaid deficiencies.

(2) Expected environmental investments in the next two years

To reduce air pollution emissions, the projects including “Renovation of Section B of the No. 3 Sintering Electrostatic Precipitator” are expected to be invested in the next two years, with an investment amount of NT\$6,686,840 thousand and NT\$1,535,399 thousand in 2025 and 2026 respectively.

(3) Effects after improvement

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

Competitiveness: The CSC Group has been committed to improving and reducing air pollution for many years, with remarkable results in line with the standards of advanced international steel plants. In the future, the Company will continue to adopt the best available control technologies (BACT) and enhance pollution control measures across all processes, providing a solid foundation for the Company's transformation into a high value-added steel mill.

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

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

(I) Important Tasks in Safety and Hygiene Management

1. Workplace safety and risk control

As the occupational safety and hygiene management system is operated based on risk management, the Company successfully obtained verification for the ISO 45001 (Occupational Health and Safety Management Systems) and TOSHMS (Taiwan Occupational Safety and Health Management Systems) certifications conducted by the British Standards Institution (BSI) in 2022, and passed the annual surveillance audit every year. The certificate is valid until July 20, 2025. Meanwhile, the Company carries out hazard identification and risk assessment on all processes and engineering construction projects, and classifies assessment results into five risk levels, namely negligible, low, moderate, high, and significant. For moderate risks and above, subsequent measures should be taken to reduce risks. Furthermore, the Company regularly conducts emergency response drills and personnel training to bolster emergency response capabilities with a view to preventing personal injuries, property losses, and environmental impacts arising from accidents.

2. Safety and health education and training

Training, as the foundation of safety, enables personnel to acquire safety-related knowledge and develop safety-related awareness to avoid accidents arising from negligence. In 2024, the Company conducted 11 types of courses related to on-the-job licensing training regarding safety and hygiene regulations for 71 batches of personnel, with up to 2,465 employees trained in total, as well as 5 types of courses related to physical safety training for 82 batches of personnel, with up to 837 employees trained in total. In an effort to enhance safety knowledge among employees, the Company organized a series of workplace safety training courses and seminars in line with existing laws and regulations as well as current trends, including programs such as "Education and Training on Hazard Prevention in Limited Space Operations", "Seminar on Workplace Safety and Fire Prevention Products", "Workshops on Preventing and Communicating Workplace Hazards and Infringements", and "Training for Supervisory and Management Personnel in High-risk Operations for Contractors". The Company also enhanced education and training in Safe Job Procedures (SJP).

3. Health care

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

For the special health examination for employees working in special work-sites, test items cover high temperature, noise, radioactivity, lead, dust, as well as organic and special chemicals. A total of 3,950 examinations were conducted among these employees in 2023. Specifically, a total of 4 employees working in noisy environments were listed under Level 4 management. The Company has convened a meeting to review the issue and has implemented improvement measures. Training on the proper use of hearing protection devices has been reinforced, and regular monitoring of these employees' hearing conditions is being carried out; thus, it has been confirmed that no work adjustment is required. The remaining personnel working in special worksites were not listed in Level 4 health management.

- (2) In 2024, the Company organized 13 health promotion activities (health lecture, weight management programs, nutrition consultation, physical fitness guidance, influenza vaccination, self-paid advanced health screening, mammography, papanicolaou test, female breast ultrasound examination, gynecological ultrasound examination, body fat test, physical fitness test and carotid ultrasound examination) with a total of 4,663 counts of attendance.
- (3) In 2024, the Company's maternity protection program comprised a total of 26 maternal health promotion cases, which were all classified as Level 1 management upon assessment by occupational medicine specialists; thus, no work adjustment was required. All high-risk individuals in the overload prevention program completed the assessment interview conducted by these doctors, and were regularly tracked by the health management system.

4. Workplace safety enhancement measures

- (1) Enhancing preventive safety facilities

The Company conducted risk assessments and implemented continuous improvements in accordance with the ISO 45001 Occupational Health and Safety Management System. Furthermore, the Company enhanced preventive safety facilities, including installing permanent safety fences at the dust collector outlet baffles to prevent entanglement accidents, equipping active deceleration and anti-collision protection systems on cranes in addition to the existing collision warning systems, adding warning sign on the operation panel screen and strengthening communication and confirmation procedure to ensure the correct execution of tasks and enhance safety.

(2) On-site safety observation

The Company regularly organizes workplace safety observation activities, with the Vice President of the Production Division in charge of convening these activities and leading the members of the Occupational Safety & Hygiene Committee, department supervisors, and labor union representatives to conduct the observations and discussions. Through safety observation, employees are encouraged to produce cases of workplace safety highlights, where employees whose cases are adopted will be rewarded, while other employees are also encouraged to read the winning cases. This initiative is aimed at boosting employees' positive attitude towards workplace safety management, establishing a shared database for workplace safety highlights and shaping the atmosphere of "workplace safety equals disaster prevention." In 2024, a total of 5 observation activities were carried out while 10 second echelon units were selected as "Outstanding Units in Workplace Safety Management."

(II) Labor and Equipment Management Audit

1. Inspections of dangerous machinery, equipment, and workplace

Dangerous machinery and equipment have passed periodic inspections in accordance with the law. At the same time, all the operators have obtained professional licenses, and also receive on-the-job training on a regular basis. In 2024, the Company carried out and completed a total of 1,021 regular inspections of dangerous machinery and equipment, as well as a total of 11 modifications and final inspections on dangerous machinery and equipment. Moreover, the Company conducted workplace hazard risk assessment on 5 Class C dangerous workplaces, whose process safety is reassessed every five years in accordance with the law, aimed at ensuring safe operations in these workplaces.

2. Safety and hygiene audit and large-scale workplace safety enforcement activities

With a view to establishing an effective project for improving patrols and inspections, the Industrial Safety & Hygiene Department has formed an audit team with workplace safety auditing personnel from other departments. The team, split into several groups, conducts daily inspection at key venues in the factories while the supervisor of the Industrial Safety & Hygiene Department reviews the inspection results. These efforts contribute positively to the maintenance of operation safety at the Company's factories. In 2025, the Company resumed the massive workplace safety enforcement activities. In collaboration with the representatives of the labor union in Occupational Safety & Health Committee, the Company intensifies inspections and patrols, implements active management through on-site visits, strengthens management efforts, and enforces disciplinary actions to prevent accidents.

VI. Labor Relations

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

1. Employee welfare measures

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

Employee benefits of the Company include the following:

- (1) Offers cash allowance for four major festivals, including Chinese New Year, Dragon Boat Festival, Mid-Autumn Festival and Labor Day; club activities; education subsidies for members' children; emergency and disaster relief; marriage subsidies; domestic and overseas trips; flexible welfare points; new born congratulation cash gifts; birthday cash gifts, etc.
- (2) Established a cafeteria, providing meal boxes and group meals; set up convenience stores, food court and gymnasium in CSC Group Hall, providing complete amenities for daily living.
- (3) Regularly organizes large-scale self-improvement activities for employees and family members, as well as various events including year-end lottery, and factory celebrations.
- (4) Provides movies watching for the neighborhood, commuting transportation allowance, as well as book and newspaper borrowing and reading in the reading room.
- (5) Offers comprehensive group insurance under the employee welfare committee.
- (6) Sets up single employee dormitories, gymnasium, the CSC Group Hall and kindergarten.
- (7) Accepts applications for consumer loans, interest-free emergency loans, as well as marriage, funeral and festive supplies.

2. Retirement system

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

- (1) Those who aged 65 years old and above
- (2) Those with physical or mental disabilities who are unable to perform occupational duties.

With the implementation of the Labor Pension Act starting from July 1, 2005, employees are required to choose between the previous and new labor pension systems within five years from the date above. The new labor pension system applies to all employees who joined the Company starting from July 1, 2005. As of December 2024, a total of 7,880 employees applies to the new labor pension system, while a total of 1,638 employees remained with the previous labor pension system.

Based on the labor pension system under the "Labor Pension Act", the Company and its domestic subsidiaries shall contribute 6% of employees' monthly salaries as labor pension to individual pension accounts at the Bureau of Labor Insurance. The foreign subsidiaries also contribute labor pensions in accordance with local laws and regulations.

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

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

3. Other important agreements

(1) To promote harmonious labor relations, the Company signed a three-year collective agreement starting from April 2, 1997 with labor union of China Steel Corporation on February 14, 1997 according to the Collective Agreement Act. The current collective agreement is the sixth edition, the negotiation of which was initiated on July 7, 2023, and concluded on December 14, 2023, following seven rounds of collective agreement negotiation meetings. It was signed on March 15, 2024 and took effect on the next day, applying to all union members (covering 100% of full-time employees eligible for membership). The agreement totaled 80 articles and comprises 10 chapters, including general principles, labor union activities, human resources, working hours, rest and annual leave, compensation and bonuses, human resource development, benefits and welfare, occupational safety and hygiene, labor-management meetings, collective bargaining and handling of labor disputes, and supplementary provisions. The 6th collective agreement introduces enhanced labor rights that surpass statutory requirements, including the extension of maternity leave to 60 days and an additional day for paternity prenatal leave and paternity leave, in line with the government policies to encourage childbirth and to strengthen support for female employees. In addition, to express gratitude for employees' contributions to the Company, a new "Long Service Leave" has been introduced. Employees with 20 years of service will receive 1 day off, with an additional day for every subsequent 10 years of service. Employees are encouraged to make good use of this leave by contributing to public welfare activities within their capacity. Employees may also join the Senior Volunteer Program even after retirement to support a variety of public welfare initiatives such as serving as guides and interpreters for the Steel Journey, the environmental education tours organized by the CSC Group Education Foundation and citizen lecture events. It is hoped that both parties can work together to foster a friendly and harmonious work environment on a solid labor-management relationship, thereby enhancing the Company's competitiveness.

(2) To enhance employees' sense of belonging to the Company and increase business partners' awareness that employees are also shareholders, the Company has implemented the Employee Stock Ownership Trust system since July 1998, in hopes of connecting employees' work performance with company growth and

providing better protection for employees after retirement. 100% of full-time employees are eligible to participate and may join the system voluntarily based on their individual preference.

In this system, each participant can freely choose the monthly contribution amount within the 10% limit of his/her basic salary; however, it is limited to 12 bases only, where each base is NT\$1,000. Meanwhile, the Company contributes additional 20% of participating employees' monthly deposit amount as incentives. The Company has commissioned a financial institution to manage this trust and to purchase shares of the Company using all deposits in the name of a special account. Participating employees will receive shares from the trust upon leaving the Company. To enhance the attractiveness of recruiting and retaining talent, the Company has continuously optimized the employee stock ownership trust system. Starting from 2024, the Company introduced the "30% Stock Trust Incentive Allocation Program" and the "Incentive Bonus Trust Distribution" scheme, with the aim of enhancing employees' sense of participation in the Company and fostering greater cohesion and loyalty.

4. Employee communication

Labor-management meetings must be held once every three months as required by law. As the Company attaches great importance to labor relations, the Company convenes labor-management meetings on a monthly basis (a total of 12 meetings convened in 2024). Besides, according to the implementation directions for communication forums for plants (and departments), each plant (and department) shall conduct a forum every two to three months to communicate with employees, as well as strengthen exchange of opinions internally, so as to enhance employees' sense of belonging. A total of 240 communication forums (participated by approximately 4,527 people) were held across all plants (and departments) in 2024. In addition to labor-management meetings and communication forums held in plants (and departments), employees can also express their opinions through the following channels:

- (1) Labor Union: Employees who are members of the labor union can submit their appeals to the labor union through proper channels.
- (2) Employee Welfare Committee: This committee handles employees' welfare-related matters.
- (3) Occupational Safety & Hygiene Committee: This committee handles matters related to safety, hygiene, and environmental protection.
- (4) Labor Retirement Reserve Fund Supervisory Committee: This committee handles matters related to depositing, using, and managing the retirement reserve fund.
- (5) Appeals system: Employees, who suffer from infringement of legal rights, improper treatment, or difficulties at work, and is unable to resolve reasonably after raising them through the administrative system, may submit a written grievance to the designated postal mailbox for further handling.
- (6) Sexual Harassment Complaint Committee: The committee is responsible for handling appeals related to sexual harassment in the workplace, in order to provide a work and service environment free of sexual harassment.
- (7) Workplace Misconduct Complaint Mailbox: Employees who experience workplace misconduct may file a complaint by using the dedicated internal email address established by the Company.

5. Employee code of conduct and ethics

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

In addition, The Company specially engaged a consulting firm in 2021 (the 50th anniversary) to carry out the "Corporate Culture Revamp" project. Through interviews with top executives and vice presidents of each division, the Company has reshaped the definition and essence of its four corporate values, namely teamwork, entrepreneurial approach, down-to-earthness, and pursuit of innovation. To ensure that supervisors at all levels internalize the corporate culture into employees' behaviors and foster a shared set of values across the Company, starting from March 2023, the Company launched the corporate culture implementation project by organizing a seed instructor training program for the Cultural Consensus Camp and the Cultural Consensus Camp. The training targeted supervisors at level four and above. By the end of 2024, a total of 1,104 supervisors had completed the program. Most participating supervisors reported a deeper understanding of the Company's culture. The Company also encouraged supervisors to share examples of observed corporate culture practices, collecting a total of 120 feedback videos. These videos were lively and engaging, contributing positively to the promotion of corporate culture.

6. Employee training and talent development

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

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

To nurture talents required for the development of the Company's businesses, the Company has established the "Education and Training Manual", and the Regulations Governing Training and Continuing Education, in order to specify the education and training system as well as the training and development framework for talents of CSC Group. The Company maps out annual training plans based on business conditions to enhance employees' knowledge and skills. Through the talent development system, the

Company enhances management skills development and technical know-how, develops future management and professional talents, and encourages all employees to pursue continuing education to improve themselves.

The Company's education courses in 2024 mainly included induction training, management training, expatriate training, general education and training, professional skill training, quality management as well as EHS training, language, and AI training, etc. In 2024, the Company spent NT\$54,545 thousand on talent development and training, with an average of 27.8 hours of training per employee throughout the year. In the training plan, digital transformation is currently one of the key policies. To bolster the development of AI talents, the Company has set up a Task Force on Digital Transformation in 2023, which includes an education and training subgroup in charge of supporting the development of AI talent training programs. A diversified AI training framework was developed to cater to different training audiences, such as domain experts, data scientists, and supervisors of related business and a series of AI talent development initiatives were carried out based on the specific competencies required for each role, which included building basic digital transformation awareness for domain experts, training data engineers in the application of Python-based machine learning and deep learning, selecting relevant supervisors to attend forums and offering online courses to help them stay updated on the latest AI trends. The AI-related training courses were held for a total of 597 participants in 2024. In addition, digital transformation seminars are regularly organized to further enhance the digital capabilities of both supervisors and employees.

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

No losses caused by labor disputes were reported at China Steel Corporation and listed subsidiaries of CSC Group (i.e., Chung Hung Steel Corporation, China Ecotek Corporation, China Steel Chemical Corporation, CHC Resources Corporation, and China Steel Structure Co., Ltd.) and important subsidiary (i.e., Dragon Steel Corporation) in 2024 up to the publication date of this annual report (March 31, 2025).

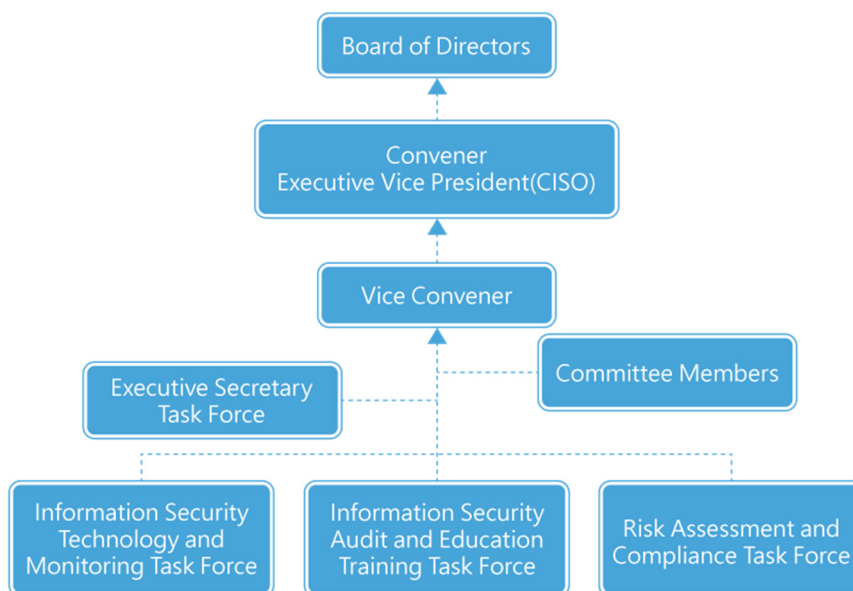
VII. Cybersecurity Management

(I) Cybersecurity Risk Management Framework

1. Information Security Governance Organization

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

2. Structure and Reporting Process of the Information Security Committee



(II) Cybersecurity Policy

1. Information Security Goals

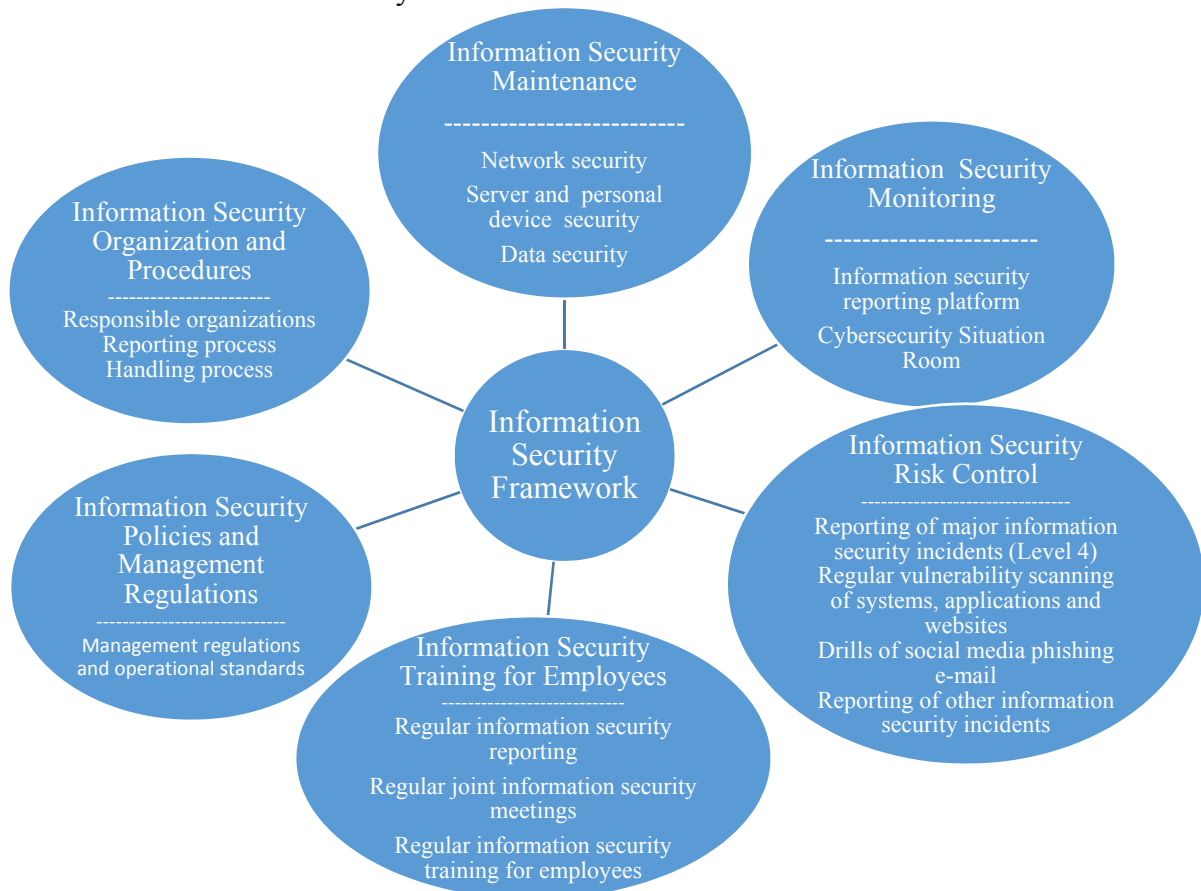
- (1) Ensure the confidentiality, integrity, and availability of the Company's business-related information to safeguard information security at the Company.
- (2) Improve information security protection capabilities to achieve the goal of business continuity.

2. Information Security Strategies

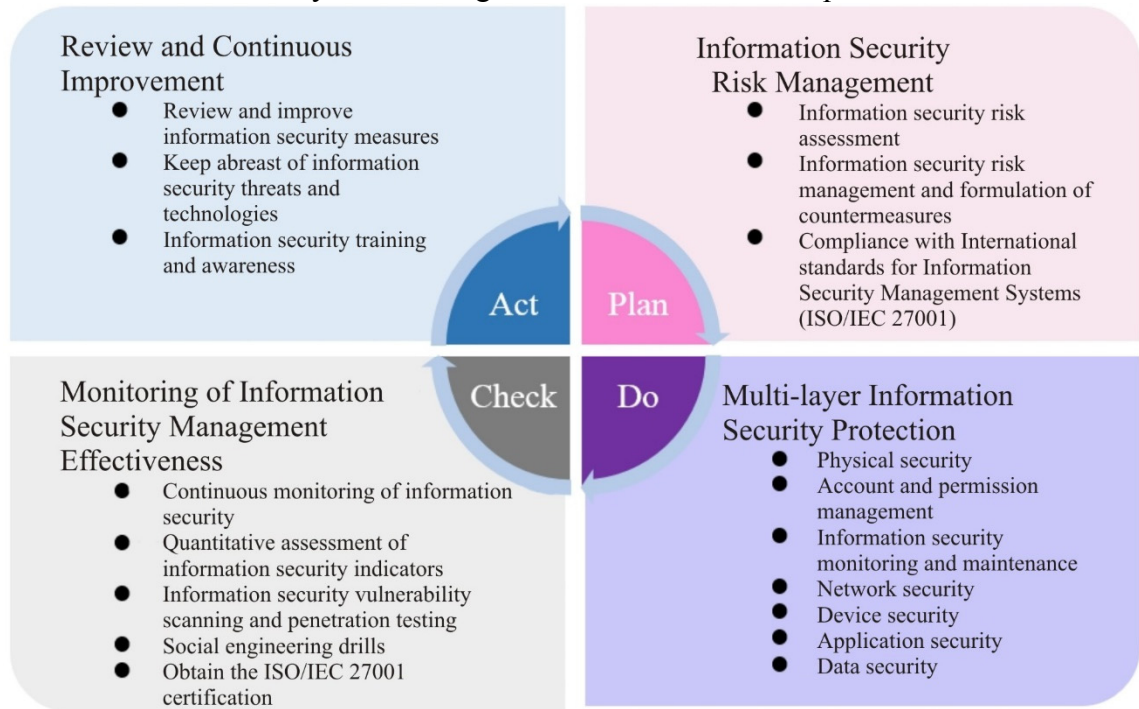
For the purpose of effectively implementing information security management, the Information Security Committee reviews the applicability of the Company's information security policies and related protection measures based on the Plan–Do–Check–Act (PDCA) management cycle, and introduces a number of information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

- (1) Assess requirements for information operations security to draw up related procedures and develop strategies, management framework, and standards, with the aim of ensuring the confidentiality, integrity, and availability of information assets.
- (2) Establish the Company's information security organization and delegation of duties and responsibilities to facilitate the implementation of information security operations.
- (3) Formulate guidelines for assessing the level of information security incidents at the Company to facilitate the implementation of various related tasks.
- (4) Set up the information security incident reporting and response mechanism to ensure that information security incidents are properly responded to, controlled, and dealt with as soon as possible, and reduce the scope of impact and losses caused by such incidents.
- (5) Enhance information security awareness among employees on a regular basis to minimize man-made information security disasters.

3. Information Security Framework



4. Information Security Risk Management and Continuous Improvement Framework



(III) Specific Management Solutions

Multi-layer Information Security Protection	
Network Security	<ul style="list-style-type: none"> ● Incorporate advanced technology to perform computer scans as well as system and software updates. ● Enhance network firewall and control to prevent the spread of computer viruses. ● Incorporate the “traffic scrubbing service” to prevent distributed denial-of-service (DDoS) attacks.
Device Security	<ul style="list-style-type: none"> ● Incorporate DNS defense mechanisms to intercept suspicious website connections, ensuring the security of the Company’s computer network connection. ● Establish endpoint antivirus and endpoint detection and response (EDR) measures according to computer and business type to reinforce detection and protection of malware behavior. ● All new computers must be installed with protection software and undergo virus scans in the quarantine zone before they can be deployed.
Application Security	<ul style="list-style-type: none"> ● Establish a web application firewall to block network threats and protect website security. ● Build an application security testing mechanism and integrate it into the development process and platform.
Data Security	<ul style="list-style-type: none"> ● USB storage media control ● E-mail control
Business Continuity Plan (BCP)	<ul style="list-style-type: none"> ● Conduct a business continuity drill of the information system annually to safeguard critical business operations, and protect the information operations activities of the Company from disruptions caused by major disasters, man-made damage, or equipment failures.

Third-Party Information Security Risk Management	<ul style="list-style-type: none"> ● Conduct the hardware security risk assessments on IT vendors during the purchase process, and contractors are required to comply with the confidentiality and information security addendum to the contract. ● Introduce the security risk rating system to rate and monitor important IT vendors and establish continuous improvement requirements.
Review and Continuous Improvement	
Education and Training	<ul style="list-style-type: none"> ● Raise employees' vigilance against e-mail social engineering attacks and perform defense and detection of phishing e-mails. ● Conduct information security training for employees on a regular basis to enhance employees' information security awareness.

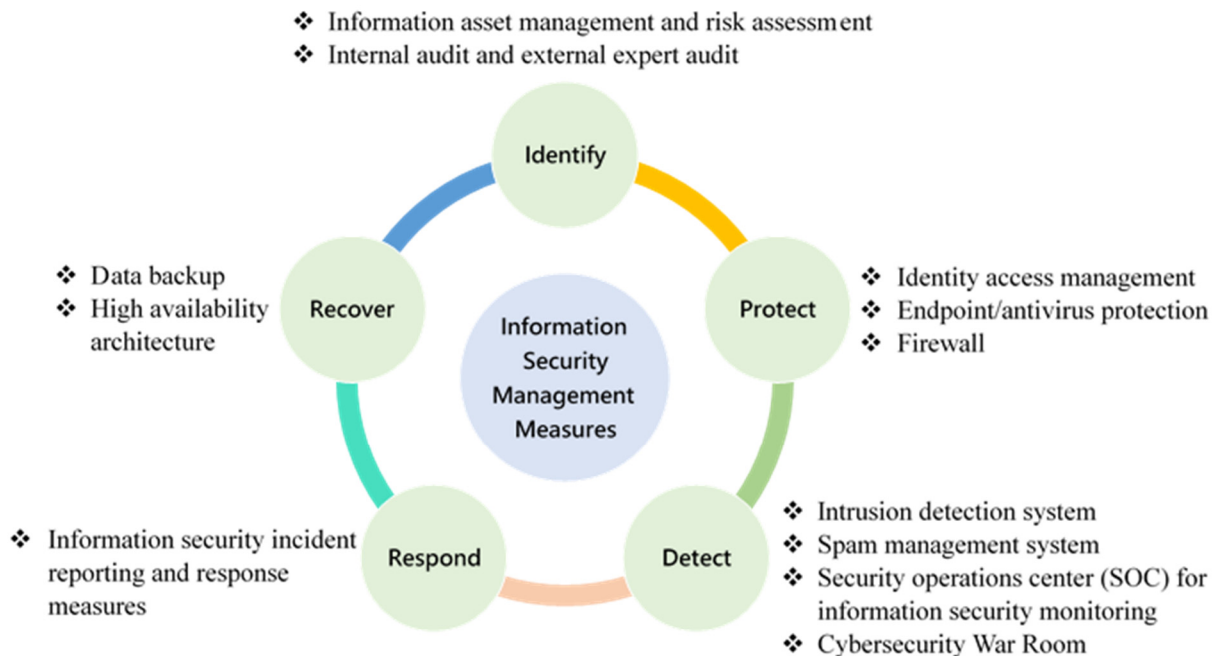
(IV) Resources for Cybersecurity Management

Achievements in promoting and implementing information security measures in 2024 are as follows:

Policy	Certification
Maintained 32 information security management regulations and operational standards and revised 19 items in 2024.	Passed the ISO/IEC 27001:2022 Information Security Management System review in 2022 and passed the surveillance audit annually. In 2024, the Company successfully passed the recertification audit. The certificate is valid until January 5, 2028.
Training/Awareness	
<ol style="list-style-type: none"> 1. Conducted information security training for new employees of 2024, with a total of 260 people trained, all of whom have completed the training and passed the examination. 2. Completed the ISO 27001:2022 Lead Auditor Transition Training, with a total of 12 people obtaining certification in 2024. 3. In 2024, a total of 8 people passed the iPAS (Industrial Professional Assessment System) Industry Talent Competency Assessment, Ministry of Economic Affairs – Junior Information Security Engineer and obtained certificates. 	<ol style="list-style-type: none"> 1. Organized an information security awareness session each month (12 sessions in total), covering updates on information security, vulnerability remediation, and important lessons on information security. 2. Conducted an information security awareness training each year to strengthen employees' information security awareness. 3. Held a group-scope joint cybersecurity defense meeting each quarter, covering information security awareness campaigns and themed educational training sessions.
Information Security Testing	
<ol style="list-style-type: none"> 1. Rated A in the third-party information security risk rating system in 2024, which was higher than the average for the manufacturing industry peers (B). 2. Conducted penetration testing and vulnerability scanning testing at 172 stations. 3. Organized 4 e-mail social engineering and phishing e-mail drill, with a total of 2,000 people being sampled for the drill. 	

(V) Information Technology Security Risk and Management Measures

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



1. Identify

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

2. Protect

Establish corresponding defensive measures, including identity and access management, endpoint/antivirus protection, and firewall, aimed at ensuring that key resources, systems, and services are not affected by information security incidents. By collecting and analyzing threat intelligence, along with security orchestration, automation, and response (SOAR), the Company can quickly identify potential risks and predict attack patterns to implement corresponding countermeasures.

3. Detect

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

4. Respond

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

5. Recover

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

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

No losses caused by major information security incidents were reported at China Steel Corporation, listed subsidiaries of CSC Group (Chung Hung Steel Corporation, China Ecotek Corporation, China Steel Chemical Corporation, CHC Resources Corporation, and China Steel Structure Co., Ltd.), and the important subsidiary (Dragon Steel Corporation) in 2024 up to the publication date of this annual report (March 31, 2025).

VIII.Important Contracts

(I) CSC

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Procurement contract	Vale S.A. (Brazil)	2023.04.01~ 2026.03.31	Iron ore	None
Procurement contract	BHP Billiton Marketing AG (Australia)	2021.04.01~ 2024.03.31	Iron ore	None
		2024.04.01~ 2025.03.31		
Procurement contract	Hamersley Iron Pty. Ltd. (Australia)	2022.04.01~ 2025.03.31	Iron ore	None
Procurement contract	Teck Coal Limited (Canada)	2021.04.01~ 2024.03.31	Coking coal	None
		2024.04.01~ 2025.03.31		
Procurement contract	BM Alliance Coal Marketing Pty Ltd (Australia)	2023.04.01~ 2024.03.31	Coking coal	None
		2024.04.01~ 2025.03.31		
Procurement contract	Nippon Steel Corporation	2020.04.01~ 2025.06.30	Supply of slabs	None
Procurement contract	Paul Wurth Italia S.p.A. (Italy)	2020.11.24~ 2024.06.30	New Phase I and II coke ovens, coke transport cars, and coal chemical equipment	None
Procurement contract	Mitsubishi Power, Ltd. (Japan)	2022.06.20~ 2025.01.28	Installation of No. 13 and No. 14 Boilers and other ancillary equipment at No. 1 Power House	None
Procurement contract	Primetals Technologies Japan Ltd. (Japan)	2023.01.12~ 2025.04.30	Plant Equipment Upgrading and Enhancement of Rolling Capacity for No. 2 Pickling and Cold Mill for Rolling Mill Department III	None
Long-term borrowing	MUFG Bank	2023.10~ 2026.09	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Bank of Taiwan	2024.05~ 2027.05	New Taiwan dollar loan with a revolving credit line	Credit utilization rate
Long-term borrowing	Chang Hwa Bank	2024.08~ 2027.07	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Taiwan Cooperative Bank	2024.08~ 2027.08	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Mega International Commercial Bank	2024.10~ 2027.10	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	First Commercial Bank	2025.02~ 2028.01	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Cathay United Bank	2022.12~ 2026.12	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Long-term borrowing	China Bills Finance Corporation	2024.03~2027.03	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Union Bank of Taiwan	2024.03~2027.03	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Mega Bills Finance Co., Ltd.	2024.03~2027.03	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Ta Ching Bills Finance Corporation	2024.04~2027.04	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Mega Bills Finance Co., Ltd.	2024.11~2028.11	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Mega Bills Finance Co., Ltd.	2024.12~2028.12	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	China Bills Finance Corporation	2024.12~2029.12	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Taishin International Bank	2025.01~2029.01	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Taishin International Bank	2025.03~2029.03	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Engineering contract	China Ecotek Corporation	2022.10~2024.12	Construction of coking ovens in replacement project of Phase I and II coking ovens	None
Engineering contract	China Ecotek Corporation	2022.10~2026.03	Miscellaneous procurement and full-site fabrication in the expansion of TG-9/10 for Power House	None
Contracting agreement	Mass Rapid Transit Bureau, Kaohsiung City	2016.10~2025.12	Turnkey project for the (Phase 2) construction of Kaohsiung Circular Light Rail	None
Contracting agreement	Department of Rapid Transit Systems, New Taipei City	2017.05~2024.07	Turnkey project for the electromechanical system of Ankeng LRT Transportation System Project	None
Contracting agreement	Taiwan High Speed Rail Corporation	2018.09~2024.03	Manufacturing and Supply of Catenary Maintenance Vehicles	None

(II) DSC

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Procurement contract	Port of Taichung, Taiwan International Ports Corporation, Ltd. Taichung City Government	To expire 15 years from the date of commencement of operation	Contract for effluent recycling and reuse at Futian Water Resource Recycling Center in Taichung City	Annual guaranteed water consumption : Dragon Steel's daily water consumption multiplied by 350 calendar days (20.3 million cubic meters per year)
Procurement contract	ShinChang Natural Gas Co., Ltd.	2022.11.01~ 2025.10.31	Natural gas procurement contract	None
Engineering contract	China Ecotek Corporation	2023.06~ 2025.12	Construction of the reclaimed water plant	None
Long-term borrowing	Mizuho Bank	2022.12~ 2025.12	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Bank of Taiwan	2023.09~ 2025.09	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Sumitomo Mitsui Banking Corporation	2024.06~ 2026.06	New Taiwan dollar loan with a revolving credit line	Shareholding ratio
Long-term borrowing	Taiwan Cooperative Bank	2024.07~ 2026.07	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Mizuho Bank	2024.09~ 2026.09	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Cathay United Bank	2022.08~ 2026.08	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Mega Bills Finance Co., Ltd.	2023.10~ 2027.10	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	China Bills Finance Corporation	2024.05~ 2028.05	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Mega Bills Finance Co., Ltd.	2024.06~ 2028.06	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Union Bank of Taiwan	2024.12~ 2028.10	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate

(III) CHS

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

(IV) CEC

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Contracting agreement	Polyplastics Taiwan Co., Ltd.	2022.04~ 2024.04	Construction of liquid-crystal polymer (LCP) plant for Polyplastics Taiwan Co., Ltd.	None
Contracting agreement	China Steel Corporation	2022.10~ 2024.12	Construction of coking ovens in replacement project of Phase I and II coking ovens	None
Contracting agreement	China Steel Corporation	2022.10~ 2026.03	Miscellaneous procurement and full-site fabrication in the expansion of TG-9/10 for Power House	None
Contracting agreement	Dragon Steel Corporation	2023.06~ 2025.12	Construction of the reclaimed water plant	None
Contracting agreement	Taiwan Water Corporation	2025.02~ 2030.02	Operation and maintenance of the Chengcing Lake Water Treatment Plant	None

(V) CSCC

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Sales contract	Koppers Carbon Materials & Chemicals Pty Ltd (Australia)	2018.01.01~ 2027.12.31	85°C Soft pitch sales contract	None
Procurement contract	China Steel Corporation	2023.03.01~ 2028.02.29	Crude light oil procurement contract	None
Procurement contract	China Steel Corporation	2019.04.01~ 2024.03.31	Coal tar procurement contract	None
		2024.04.01~ 2029.09.30		

(VI) CHC

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Engineering contract	Earth Power Construction Co., Ltd.	2024.01.01~ 2029.09.30	Cooperation project on Transportation and reclamation for Port of Taipei	None

(VII) CSSC

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Contracting agreement	Samsung C&T Corporation (Korea), Formosa Builders Inc.	2023.09~ 2026.02	Fubon Aozihdi development project (upper structure)	None
Contracting agreement	Taipei Twin Towers Limited	2023.11~ 2027.03	Construction project of the land development of Taipei Main Station designated zone C1/D1 for the Taipei western district gateway project	None
Contracting agreement	Chengyo Construction Co., Ltd.	2023.12~ 2025.12	Construction of New Taipei City second administration building	None
Contracting agreement	Shao Hua Construction Co., Ltd.	2024.01~ 2025.07	Building construction for Eastern Broadcasting Co., Ltd.	None
Contracting agreement	Reiju Construction Co., Ltd.	2024.01~ 2025.09	Construction of the Tatung Grand Manor phase III	None
Contracting agreement	Rian Construction Co., Ltd.	2024.02~ 2026.07	Construction of Kuma Tower	None
Contracting agreement	Taiwan Semiconductor Manufacturing Co., Ltd.	2025.01~ 2025.03	Construction of AP7P1 FAB A Plant for Taiwan Semiconductor Manufacturing Co., Ltd. in Chiayi Science Park	None

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

I. Financial Status

(I) Comparative Analysis of Financial Status - Consolidated

Unit: NT\$ thousands

Item \ Year	End of 2024	End of 2023	Difference	
			Amount	%
Current assets	192,898,503	197,360,430	(4,461,927)	(2)
Property, plant and equipment	397,633,498	375,609,342	22,024,156	6
Other noncurrent assets	104,527,336	105,787,559	(1,260,223)	(1)
Total assets	695,059,337	678,757,331	16,302,006	2
Current liabilities	146,943,284	167,724,439	(20,781,155)	(12)
Noncurrent liabilities	206,630,159	168,781,394	37,848,765	22
Total liabilities	353,573,443	336,505,833	17,067,610	5
Share capital	157,731,290	157,731,290	-	-
Capital surplus	41,082,914	40,688,818	394,096	1
Retained earnings	118,887,471	121,239,452	(2,351,981)	(2)
Other equity	(3,478,031)	(1,498,330)	(1,979,701)	(132)
Treasury shares	(12,923,473)	(12,394,740)	(528,733)	(4)
Non-controlling interests	40,185,723	36,485,008	3,700,715	10
Total equity	341,485,894	342,251,498	(765,604)	-

Note 1

Note 2

Note:

1. Noncurrent liabilities increased by NT\$37,848,765 thousand from the previous year, mainly due to the increase in long-term bank borrowings and long-term bills payable.
2. Other equity decreased by NT\$1,979,701 thousand from the previous year, mainly due to the decrease in the unrealized gains on financial assets at fair value through other comprehensive income.

(II) Comparative Analysis of Financial Status – Parent-only

Unit: NT\$ thousands

Item \ Year	End of 2024	End of 2023	Difference	
			Amount	%
Current assets	78,633,329	84,364,908	(5,731,579)	(7)
Property, plant and equipment	152,519,303	147,681,864	4,837,439	3
Other noncurrent assets	233,736,124	240,245,083	(6,508,959)	(3)
Total assets	464,888,756	472,291,855	(7,403,099)	(2)
Current liabilities	63,400,344	86,377,162	(22,976,818)	(27)
Noncurrent liabilities	100,188,241	80,148,203	20,040,038	25
Total liabilities	163,588,585	166,525,365	(2,936,780)	(2)
Share capital	157,731,290	157,731,290	-	-
Capital surplus	41,082,914	40,688,818	394,096	1
Retained earnings	118,887,471	121,239,452	(2,351,981)	(2)
Other equity	(3,478,031)	(1,498,330)	(1,979,701)	(132)
Treasury shares	(12,923,473)	(12,394,740)	(528,733)	(4)
Total equity	301,300,171	305,766,490	(4,466,319)	(1)

Note 1

Note 2

Note 3

Note:

1. Current liabilities decreased by NT\$22,976,818 thousand from the previous year, mainly due to a restructuring of borrowings from short-term financing to medium- and long-term financing.
2. Noncurrent liabilities increased by NT\$20,040,038 thousand from the previous year due to the reason provided in Note 1.
3. Other equity decreased by NT\$1,979,701 thousand from the previous year, mainly due to the decrease in the unrealized gains on financial assets at fair value through other comprehensive income.

II. Financial Performance

(I) Comparative Analysis of Financial Performance - Consolidated

Unit: NT\$ thousands

Item \ Year	2024	2023	Increase (Decrease)	Percentage Change (%)	
Operating revenues	360,535,714	363,326,498	(2,790,784)	(1)	
Operating costs	345,474,550	346,553,753	(1,079,203)	-	
Gross profit	15,061,164	16,772,745	(1,711,581)	(10)	
Operating expenses	13,269,169	13,186,803	82,366	1	
Profit from operations	1,791,995	3,585,942	(1,793,947)	(50)	Note 1
Non-operating income and expenses	2,785,570	1,004,152	1,781,418	177	Note 2
Profit before income tax	4,577,565	4,590,094	(12,529)	-	
Income tax expense	701,577	1,058,889	(357,312)	(34)	Note 3
Net profit for the year	3,875,988	3,531,205	344,783	10	
Other comprehensive income for the year, net of income tax	714,062	3,600,775	(2,886,713)	(80)	Note 4
Total comprehensive income for the year	4,590,050	7,131,980	(2,541,930)	(36)	Note 5

Note:

1. Profit from operations decreased by NT\$1,793,947 thousand from the previous year, mainly due to the decrease in the sales volume of the steel department.
2. Non-operating income and expenses increased by NT\$1,781,418 thousand from the previous year, mainly due to the increase in dividends received from mining investments.
3. Income tax expense decreased by NT\$357,312 thousand from the previous year, mainly due to the decrease in taxable income.
4. Other comprehensive income for the year, net of income tax decreased by NT\$2,886,713 thousand from the previous year, mainly due to the decrease of unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income compared to that of the previous year.
5. Total comprehensive income for the year decreased by NT\$2,541,930 thousand from the previous year due to the reason provided in Notes 4.

(II) Comparative Analysis of Financial Performance – Parent-only

Unit: NT\$ thousands

Item \ Year	2024	2023	Increase (Decrease)	Percentage Change (%)	
Operating revenues	193,545,508	197,149,158	(3,603,650)	(2)	
Operating costs	182,607,617	190,093,873	(7,486,256)	(4)	
Gross profit	10,937,891	7,055,285	3,882,606	55	Note 1
Unrealized gain on transactions with subsidiaries and associates	(28,137)	(34,951)	6,814	19	
Operating expenses	7,445,226	7,259,043	186,183	3	
Profit (loss) from operations	3,464,528	(238,709)	3,703,237	1,551	Note 2
Non-operating income and expenses	(614,685)	2,345,935	(2,960,620)	(126)	Note 3
Profit before income tax	2,849,843	2,107,226	742,617	35	Note 4
Income tax expense	871,491	425,547	445,944	105	Note 5
Net profit for the year	1,978,352	1,681,679	296,673	18	
Other comprehensive income (loss) for the year, net of income tax	(558,172)	3,445,274	(4,003,446)	(116)	Note 6
Total comprehensive income for the year	1,420,180	5,126,953	(3,706,773)	(72)	Note 7

Note:

- Gross profit increased by NT\$3,882,606 thousand from the previous year, mainly because the decrease in the unit cost of goods sold of steel products was greater than the decrease in the unit price, as well as the increase in gross profit of construction business.
- Profit (loss) from operations increased by NT\$3,703,237 thousand from the previous year due to the reason provided in Notes 1.
- Non-operating income and expenses decreased by NT\$2,960,620 thousand from the previous year, mainly due to the decrease in share of profit or loss of subsidiaries and associates this year.
- Profit before income tax increased by NT\$742,617 thousand from the previous year due to reasons provided in Notes 2 and 3.
- Income tax expense increased by NT\$445,944 thousand from the previous year, mainly due to the increase in profit before income tax.
- Other comprehensive income for the year, net of income tax decreased by NT\$4,003,446 thousand from the previous year, mainly due to the decrease of unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income compared to that of the previous year.
- Total comprehensive income for the year decreased by NT\$3,706,773 thousand from the previous year due to reasons provided in Notes 4 to 6.

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

Please refer to Business Objectives in IV. Operational Highlights in this annual report (Page 141).

III. Cash Flow

(I) Analysis of Changes in Cash Flow for the Most Recent Year – Consolidated

1. The net amount of cash and cash equivalents of the Company and its subsidiaries in 2024 increased by NT\$4,145,622 thousand (Note), where analysis of changes in various types of cash flows are described as follows:
 - (1) Operating activities: Net cash generated from operating activities totaled NT\$42,286,497 thousand, mainly due to the profit before income tax of NT\$4,577,565 thousand, the add-back of depreciation of NT\$32,146,850 thousand and decrease in inventory of NT\$10,976,691 thousand, as well as income taxes paid of NT\$2,352,364 thousand.
 - (2) Investing activities: Net cash used in investing activities totaled NT\$40,623,761 thousand, mainly due to the acquisition of property, plant and equipment of NT\$42,768,491 thousand, as well as dividends received of NT\$3,435,331 thousand.
 - (3) Financing activities: Net cash generated from financing activities totaled NT\$1,582,904 thousand, mainly due to a net increase in long-term and short-term financing of NT\$13,645,255 thousand, as well as dividends paid to owners of the Company of NT\$5,505,817 thousand and interest paid of NT\$5,233,505 thousand.

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

2. Cash Flow Liquidity Analysis for the Coming Year – Consolidated

Unit: NT\$ millions

Year	Cash balance at the beginning of the period ①	Estimated net cash generated from operating activities for the year ②	Estimated net cash used in investing activities for the year ③	Estimated net cash used in financing activities for the year ④	Estimated cash surplus (deficit) ①+②-③-④	Remedial measures for cash deficit
						Financing plan
2025	15,065	56,011	20,210	36,265	14,601	-

Analysis of changes in cash flows in 2025:

1. Net cash generated from operating activities mainly results from the estimated net cash generated from profit from operations.
2. Net cash used in investing activities mainly results from the estimated acquisition of property, plant and equipment.
3. Net cash used in financing activities mainly results from the estimated repayments of short-term borrowings and dividends to be paid.

(II) Analysis of Changes in Cash Flow for the Most Recent Year – Parent-only

1. The net amount of cash and cash equivalents of the Company in 2024 increased by NT\$4,961,623 thousand (Note), where analysis of changes in various types of cash flows are described as follows:

- (1) Operating activities: Net cash generated from operating activities totaled NT\$24,364,065 thousand, mainly due to the profit before income tax of NT\$2,849,843 thousand, the add-back of depreciation of NT\$13,443,993 thousand and the decrease in inventory of NT\$5,993,178 thousand.
- (2) Investing activities: Net cash used in investing activities totaled NT\$10,791,122 thousand, mainly due to the acquisition of property, plant and equipment of NT\$17,355,773 thousand, as well as dividends received of NT\$5,842,980 thousand.
- (3) Financing activities: Net cash used in financing activities totaled NT\$8,611,320 thousand, mainly due to dividends paid of NT\$5,505,817 thousand and the acquisition of additional interests in subsidiaries of NT\$2,515,690 thousand.

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

2. Cash Flow Liquidity Analysis for the Coming Year –Parent-only

Unit: NT\$ millions

Year	Cash balance at the beginning of the period ①	Estimated net cash generated from operating activities for the year ②	Estimated net cash used in investing activities for the year ③	Estimated net cash used in financing activities for the year ④	Estimated cash surplus (deficit) ①+②-③-④	Remedial measures for cash deficit
						Financing plan
2025	1,995	18,322	7,857	12,536	(76)	Note

Note: The amount of cash balance shown in the balance sheet is expected to remain positive after adding back available bank overdraft.

Analysis of changes in cash flows in 2025:

1. Net cash generated from operating activities mainly results from the estimated net cash generated from profit from operations.
2. Net cash used in investing activities mainly results from the estimated acquisition of property, plant and equipment.
3. Net cash used in financing activities mainly results from estimated dividends paid and repayments of short-term borrowings and bonds payable.

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

The Company's fixed asset investment plan included new production lines, equipment upgrades, production capacity increase or quality improvement, energy saving & environmental protection, resource recycling, and other general items. A total of NT\$42.8 billion and NT\$17.4 billion have been paid for the acquisition of property, plant and equipment in the consolidated and parent company only financial reports of the Company for 2024. Major projects of the CSC Group with an investment amount of over NT\$2 billion, which are currently in progress, are listed as follows:

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

Unit: NT\$ million

Project	With Carbon Reduction Benefits (Tick ✓)	Source of Funds	Actual or Scheduled Completion Date	Investment Amount	Funds for Each Year				
					2021	2022	2023	2024	2025
Phase 1 Construction of Coke Ovens and Coke Dry Quenching Facility	✓	Equity 70.48% Long-term borrowings 29.52%	February 2025	9,429	1,519	1,707	2,631	2,282	529
Phase 1 Replacement of Boiler Turbine Generators for No. 1 Power House (BTG-9/10)	✓	Equity 70.48% Long-term borrowings 29.52%	March 2026	5,909	526	699	1,548	1,199	1,254
Phase 2 Construction of Coke Ovens and Coke Dry Quenching Facility	✓	Equity 70.48% Long-term borrowings 29.52%	October 2025	8,080	1,656	1,679	2,444	1,594	830
Phase 3 Construction of Coke Ovens and Coke Dry Quenching Facility	✓	Equity 70.48% Long-term borrowings 29.52%	June 2027	7,996	2,204	2,085	1,677	1,081	588
Phase 2 Replacement of Boiler Turbine Generators for No. 1 Power House (BTG-9/10)	✓	Equity 70.48% Long-term borrowings 29.52%	March 2026	3,277	-	294	679	604	1,073
Installation of Straight Bar Finishing Line (Phase-C)		Equity 70.48% Long-term borrowings 29.52%	October 2025	3,244	-	330	812	1,044	1,058
Equipment Upgrading and Enhancement of Rolling Capacity for No. 2 Pickling and Cold Mill (2PLCM)		Equity 70.48% Long-term borrowings 29.52%	June 2026	5,489	-	36	770	2,558	1,724
Installation for De-NOx and De-SOx Systems for No.9, No.10, and No.12 Boilers of Power Plant		Equity 70.48% Long-term borrowings 29.52%	December 2029	2,411	-	-	-	-	122
Dragon Steel Corporation - Construction of Indoor Material Storage Yard		Equity 52.59% Long-term borrowings 47.41%	June 2025	10,388	1,002	1,418	1,046	535	472
Dragon Steel Corporation - Construction Works Related to Reclaimed Water Plant		Equity 56.90% Long-term borrowings 43.10%	December 2025	2,146	-	-	3	912	1,231
Dragon Steel Corporation - Revamping of No. 1 Blast Furnace	✓	Equity 56.90% Long-term borrowings 43.10%	December 2025	7,785	-	-	209	2,142	5,434
China Steel Power Corporation - Construction of Zhong Neng Offshore Wind Farm	✓	Equity 25.00% Long-term borrowings 75.00%	December 2024	56,127	2,110	11,834	14,110	17,712	1,387

(II) Expected Benefits

1. Replacement of Phase I and II Coke Ovens

The project for the Replacement of Phase I and II Coke Ovens is scheduled to be implemented in seven stages. The purpose of this project is to accelerate the reduction of CO₂ and PM emissions by upgrading equipment and improving environmental protection. As of the publication date of this annual report, four stages of the project have been completed, in which the Stage 4 - Phase 1 Construction of Coke Ovens and Coke Dry Quenching Facility was completed in February 2025.

Upon gradual completion of each stage in this project, the amount of electricity generated can be increased by 273 million kWh every year by turning the recycled waste heat from production processes into electric energy. In addition, this project can reduce volatile organic compounds (VOCs) emissions (percentage) by 73 metric tons (around 65%), reduce particulate matters (PMs) by 41 metric tons (around 56%), reduce energy consumption by 214 million cal/metric ton coke (around 10%), and reduce CO₂ emissions by 139 thousand metric tons per year, thereby increasing tangible and intangible benefits for the Company.

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

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

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

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

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

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

5. Installation for De-NO_x and De-SO_x Systems for No.9, No.10, and No.12 Boilers of Power Plant

The installation of De-NO_x and De-SO_x systems for No. 9, No. 10, and No. 12 Boilers, the power plant is expected to achieve reductions in nitrogen oxides (NO_x) and sulfur oxides (SO_x) emissions, with estimated annual reductions of 16 metric tons of NO_x and 68 metric tons of SO_x.

6. Dragon Steel Corporation - Construction of Indoor Material Storage Yard
The purpose of this project is to maintain smooth production of the integrated steel mill and ensure compliance with regulatory requirements, in hopes of reducing air pollution sources, air pollutant emissions, sewage discharge, and noise from equipment and machinery with dust-proof, rain-proof, and noise-proof functions.
7. Dragon Steel Corporation - Construction Works Related to Reclaimed Water Plant
Dragon Steel Corporation replaces tap water with reclaimed water from Futian Water Resource Recycling Center in Taichung City, with the aim of diversifying water resources, reducing the risk of water shortages, and thus fulfilling CSR through efforts to reserve increasingly precious and scarce tap water for the needs of the general public.
8. Dragon Steel Corporation - Revamping of No. 1 Blast Furnace
No. 1 Blast Furnace at Dragon Steel Corporation began its first campaign in February 2010, and completed its first campaign production mission in February 2025. In order to restore and improve the function of the original equipment, revamp works have to be carried out on this blast furnace so that it can meet the production competitiveness of the second-generation blast furnaces.
9. China Steel Power Corporation - Construction of Zhong Neng Offshore Wind Farm
China Steel Power Corporation has signed a 20-year power purchase agreement with Taiwan Power Company and successfully completed the construction of Zhong Neng Offshore Wind Farm as scheduled in 2024 with an installed capacity of 300 MW. It is expected to generate 1.1 billion kWh of electricity each year, which can not only generate steady revenues from power generation, but also provide clean energy for approximately 300,000 households with a carbon reduction potential of 560,000 metric tons. Following the Company's solar photovoltaic project, the Zhong Neng Offshore Wind Farm Project represents another major milestone in the Company's strategy to engage in the development of the green energy industry.

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

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

The share of loss of subsidiaries and associates indicated in the Company's 2024 parent company only financial statement was NT\$1.031 billion, a decrease of NT\$3.089 billion from 2023. This decrease primarily resulted from the weak global steel demand in 2024, which resulted in continued poor profitability within the steel business. Specifically, steel business subsidiaries including Dragon Steel Corporation, Chung Hung Steel Corporation, CSC Steel Sdn. Bhd., and CSC Steel Corporation India Pvt. Ltd. experienced a decline in operating performance compared to 2023, while the same trend was also observed among some engineering and industrial materials business subsidiaries. As a result, there was a drop in the share of profit of subsidiaries and associates compared to 2023.

The share of the profit of associates indicated in the Company's 2024 consolidated financial

statements was NT\$732 million, a increase of NT\$165 million from 2023, mainly due to the impact of the increase of the share of profit of 9404-5515 Québec Inc, an investment by CSC Australia Holdings Pty Ltd, and the decrease of the share of profit of CSCD SA, an investment by CSGT (Singapore) Pte. Ltd.

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

In the future, the Company's investment plan will continue to be focused on the steel business as the core, with business, technology and manufacturing process interconnections as the main axes, and will target emerging Asian countries with higher growth in steel demand. Based on the differences in demand for steel in various regions and the Company's product with market advantages, the Company plans to expand the business territory of the overall steel business from the Group's overall production and sales layout along with the mutual support of production lines. On the other hand, in the face of the critical era of energy transition, the Company will also review its participation in the development of green industrial chains such as offshore wind power and utilize the Group's strengths in operational integration to enhance the operational efficiency of our non-steel businesses, thereby realizing the sustainable development of the CSC Group.

Note: There is no investment with amount exceeding 5% of paid-in capital in the most recent year.

VI. Risk Management

(I) Organization and Operation of Risk Management

1. The Company's organization of risk management includes the Board of Directors, the Corporate Governance and Sustainability Committee, the business execution units, and the Internal Audit Office. The Company adopts a comprehensive risk control approach involving all employees, rather than being controlled by a single division, which are divided into three lines of defense based on risk management functions: The first line of defense is the business execution units (first echelon units – each department), which are responsible for the initial identification, assessment and control of risks. The assessed risk level and corresponding measures are reported to the managements by the first echelon units and then submitted to the Risk Management Team for consolidation. The second line of defense is the Corporate Governance and Sustainability Committee, which primarily responsible for assisting the Board of Directors in executing its risk management duties. The Committee reviews various risk management issues proposed by the Risk Management Team and regularly reports to the Board of Directors. The third line of defense is the Internal Audit Office, which is affiliated to the Board of Directors. It performs independent and objective inspections and reviews of the first and second lines of defense, as well as follow ups on the progress of deficiency improvements. The Internal Audit Office regularly reports to the Board of Directors and independent directors to maintain the effective and appropriate operation of the internal control system.



2. To ensure stable operation and sustainable development, the Company has formulated the "Procedures and Policies of Risk Management" approved by the Board of Directors as the highest guiding principle for risk management. The Procedures and Policies of Risk Management stipulates the scope of risks, which covers operational risks, financial risks, information security risks, environmental risks, compliance risks, etc. Business execution units are responsible for identifying, evaluating, and formulating response strategies or measures for the risk factors. The Risk Management Team regularly reports the semi-annual and annual risk assessment form to the Corporate Governance and Sustainability Committee and the Board of Directors to properly monitor and control the relevant risk.
3. The Company has also established an emerging risk management system. The Risk Management Team regularly consolidates external and long-term risk issues that may have also significant impacts, such as the formulation of policies and regulations, changes in the natural environment, and geopolitical influences. The managements screen and assess the risk issues based on their likelihood and severity. The Risk Management Team then compiles and prioritizes the top three significant emerging risks and provide them to the relevant units for further evaluation and specific response measures to mitigate the impact of significant emerging risks on the Company.
4. The 10-year operation and development strategy of the Company are led by the Secretariat Department, while annual management policy is led by the Industrial Engineering Department. Risk assessment at each operation level is included in the establishment and tracking of annual management policy and objectives at all first echelon units. Matters to be implemented will also be reviewed at each level, while cross-unit task forces have to be formed to implement risk identification, assessment

and control if needed. During normal times, the Internal Audit Office regularly carries out the examination of all items in each operating cycle, in hopes of early detection, correction and prevention of possible risks.

5. At the beginning of each year, all first echelon units, from bottom to top, carry out risk assessment on various operating items based on the implementation of the previous year and prepare management review (self-assessment) reports, which are then reviewed by the Internal Audit Office. Each division also performs overall risk assessment in each operating cycle, and prepares self-assessment reports based on the five major components of internal control, which are then submitted to the President for review. These reports and the written reports prepared by the Internal Audit Office, which are listed as the main basis for the Company to issue the Statement on Internal Control System, are submitted to the Audit Committee and the Board of Directors for review. In summary, the Company's approach is extremely stringent to minimize possible risks and appropriately implemented.

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

1. Impact on profit and loss of the Company

Unit: NT\$ thousands; %

Item	2024
Net interest expense	1,284,092
Net foreign exchange gain	685,564
Ratio of net interest expense to net revenue	0.66%
Ratio of net interest expense to profit before income tax	45.06%
Ratio of net foreign exchange gain to net revenue	0.35%
Ratio of net foreign exchange gain to profit before income tax	24.06%

(1) Changes in interest rate

The Company sources funds through both fixed and floating interest rates borrowings, thereby resulting in exposure to interest rate risk. Hence, the Company manages interest rate risks by maintaining a suitable combination of fixed and floating interest rates, so as to lower cost of capital and thus mitigate the impact of future interest rate fluctuations. If interest rate increases or decreases by 1%, the Company's profit before income tax in 2024 will decrease or increase by NT\$626 million assuming all other variables remain unchanged. Looking ahead to 2025, the new U.S. administration has brought greater economic uncertainty. Policies such as increased tariffs and tighter immigration controls may drive up prices, adding uncertainty to the inflation outlook. Meanwhile, the divergence in monetary policy stances among major central banks around the world have widened. However, the Central Bank of Taiwan expects domestic interest rates to remain stable in 2025, with a relatively low likelihood of interest rate cuts. All in all, the overall interest rate risk is still within a manageable range.

(2) Changes in exchange rates

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

(3) Inflation

According to the information released by the Directorate-General of Budget, Accounting and Statistics of Executive Yuan, the annual growth rate of Taiwan's consumer price index (CPI) in 2024 was 2.18%, indicating mild growth in domestic prices throughout the year. In addition, the steel product pricing strategy of the Company enables it to flexibly reflect market changes. Hence, inflation poses little risk on the Company's earnings.

2. Future response measures

(1) Response measures for changes in interest rates

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

(2) Response measures for changes in exchange rates

In order to reduce the risk of exchange rate fluctuations, for equipment or engineering procurement involving large foreign currency payment amounts and long payment periods, the Company hedges against risks by purchasing forward foreign exchange contracts in batches when opportunities arise, so as to lock in the cost of foreign currency purchases required for procurement cases and avoid rising New Taiwan dollar-denominated procurement costs due to exchange rate fluctuations in future payments. As of the end of 2024, the balance of unexpired forward foreign exchange contracts purchased by the Company for imported equipment were US\$31,318 thousand and €2,904 thousand, whereas the total unrealized gain measured at fair value was approximately NT\$125,122 thousand.

(3) Response measures for inflation

Inflation poses little risk on the Company's earnings.

(III) Since the Company's policies focus on our main businesses, the Company does not engage in high-risk or high-leverage trading activities. The purpose of derivatives trading is limited to hedging against risks. Forward foreign exchange contracts, which were yet to expire at the end of 2024, were purchased for the procurement of imported equipment in order to hedge against risks. In addition, the Company provides endorsements or guarantees only to our subsidiaries or invested companies which is guaranteed by all joint shareholders according to the shareholding ratio. Meanwhile, the Company extends loans only to our subsidiaries with short term financing necessity, where the term of each loan extended shall not exceed one year. All the endorsements, guarantees and loaning of funds are strictly controlled through careful evaluation procedures to minimize possible risks.

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

1. Impact on profit and loss of CSC Group

Unit: NT\$ thousands; %

Item	2024
Net interest expense	2,791,798
Net foreign exchange gain	1,114,974
Ratio of net interest expense to net revenue	0.77%
Ratio of net interest expense to profit before income tax	60.99%
Ratio of net foreign exchange gain to net revenue	0.31%
Ratio of net foreign exchange gain to profit before income tax	24.36%

(1) Changes in interest rates

The Company and our subsidiaries sources funds through both fixed and floating interest rates borrowings, thereby resulting in exposure to interest rate risk. Hence, the Company and our subsidiaries manage interest rate risks by maintaining a suitable combination of fixed and floating interest rates, so as to lower cost of capital and thus mitigate the impact of future interest rate fluctuations. If interest rate increases or decreases by 1%, the Company's consolidated profit before income tax in 2024 will decrease or increase by NT\$1,686 million assuming all other variables remain unchanged. Looking ahead to 2025, the new U.S. administration has brought greater economic uncertainty. Policies such as increased tariffs and tighter immigration controls may drive up prices, adding uncertainty to the inflation outlook. Meanwhile, the divergence in monetary policy stances among major central banks around the world have widened. However, the Central Bank of Taiwan expects domestic interest rates to remain stable in 2025, with a relatively low likelihood of interest rate cuts. All in all, the overall interest rate risk is still within a manageable range.

(2) Changes in exchange rates

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

(3) Inflation

According to the information released by the Directorate-General of Budget, Accounting and Statistics of Executive Yuan, the annual growth rate of Taiwan's consumer price index (CPI) in 2024 was 2.18%, indicating mild growth in domestic prices throughout the year. Hence, inflation poses little risk to the profits of companies of CSC Group.

2. Future response measures

(1) Response measures for changes in interest rates

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

(2) Response measures for changes in exchange rates

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

(3) Response measures for inflation

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

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

1. CSC

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Development of steel for low-temperature pressure vessels with a yield strength of 355 MPa	<ol style="list-style-type: none"> 1. The plant currently produces steel products for low-temperature pressure vessels with a yield strength of 265 MPa. 2. In response to the increasing demand for large storage tanks for future energy transitions, the Company has planned to develop steel products for low-temperature pressure vessel with a yield strength of 355 MPa for liquid ammonia and liquid CO₂ storage tanks. 3. Planned to establish testing equipment and methods for evaluating stress corrosion in low-temperature liquid ammonia. 	1,000	2025.12	<ol style="list-style-type: none"> 1. Mastering the influence of alloying elements on stress corrosion resistance in liquid ammonia and using the optimal hot-rolling and cooling parameters to control the formation of desired microstructure in the steel plates and ensure that the product meets the required performance specifications. 2. Once products that meet the required specifications are developed, technical marketing efforts will be undertaken. This includes working with engineering consulting firms to ensure the introduction of CSC's products during design stage of storage tanks, as well as collaborating with construction companies of storage tank to expand the supply opportunities for CSC's products.
Development of ultra-high strength and high elongation automotive steel with a tensile strength of 1,180 MPa	<ol style="list-style-type: none"> 1. Successfully developed automotive steel with a tensile strength of 980 MPa and high elongation through design of composition and annealing parameters. 2. To develop APS with higher strength and higher ductility, the Company has planned to develop ultra-high strength and high elongation automotive steel with a tensile strength of 1,180 MPa, in response to the material demands of automobile manufacturers. 	1,000	2025.12	<ol style="list-style-type: none"> 1. Controlling the influence of metallurgical processes on the microstructure by optimizing the alloying effects and annealing process parameters, aiming to produce steel strips with both ultra-high strength and high elongation. 2. To seize the opportunity of potential adoption by automobile manufacturers, the finished products will undergo further applied research, including assessments of forming technologies, weldability, and delayed fracture resistance.
Development of BOF bottom-blown CO ₂ steelmaking technology	The No.1 BOF at No.1 BOF Plant has been utilized to develop bottom-blown CO ₂ technology, aiming to reuse captured CO ₂ gas in the BOF steelmaking process. This initiative focuses on developing steelmaking technologies that utilize CO ₂ .	1,000	2025.12	Establishing a metallurgical calculation and simulation system for bottom-blown CO ₂ based on the reaction thermodynamics between molten steel and bottom-blown gas, CO ₂ , combined with the kinetics and mass-energy balances of bottom-blown stirring. By comparing with field test data, the key process technologies for bottom-blowing CO ₂ will be identified and further optimized.

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Test of coke oven gas (COG) injection in blast furnace	<ol style="list-style-type: none"> 1. Completed the automatic safety interlocking control system for single tuyere injection of hydrogen-rich gas. 2. The single tuyere injection test of natural gas has been completed, and the tuyere temperature was tested and adjusted to a reasonable operating range. 3. Planned to complete the installation of the COG compressor, and conduct a hot trial run for COG injection. 	2,500	2025.12	<ol style="list-style-type: none"> 1. Establishing a corresponding numerical model to analyze the impact of different injection scenarios on the blast furnace tuyere temperature and gas composition, aiming to master the key technologies for stable operation. 2. An operation balancing the temperature at injection tuyere and bosh gas volume.
Efficiency improvement of hot charging in hot rolling	<ol style="list-style-type: none"> 1. Completed optimization of scheduling rules in the hot strip mill and lowered the furnace temperature of electrical steel. 2. New measures for hot slab inventory management were established. The quantity of hot slabs increased by 20%, and the average charging temperature was raised, resulting in reduced reheating furnace fuel consumption. 	800	2025.12	<ol style="list-style-type: none"> 1. Developing a new generation of plate shape automatic adjustment algorithms to enhance crown height prediction accuracy and further relax hot-rolling scheduling constraints. 2. Developing scheduling selection decision logic and establishing steelmaking and rolling schedule coordination planning technology for dynamic scheduling optimization and adjustment. 3. Further improving the proportion and temperature of hot charging.
Development of cold-forming technology for ultra-high strength steel for automotive bumpers	<ol style="list-style-type: none"> 1. Developed case studies for APS applications and established practical application timeline for automotive body components. 2. Successfully completed the cold stamping forming of 1,300 MPa automotive bumper reinforcements and passed the crash test by the Certified Automotive Parts Association (CAPA). 3. Successfully produced a sample of 1,500 MPa automotive bumper reinforcement, which can be welded with 14 types of steel after forming. 	2,000	2025.12	<ol style="list-style-type: none"> 1. The quality stability of steel products will help control the forming parameters and enable strengthening treatment of the molds to reduce wear. 2. Reducing forming sequence to achieve energy savings, while process carbon reduction is accomplished through energy saving, high utilization rates, and high precision. 3. Expanding into the automotive aftermarket (AM) industry, and increasing steel consumption to achieve the profitability goals for APS.
Development of medium-low temperature selective catalytic reduction (SCR) DeNOx catalysts	Completed the acceptance of mass production equipment for 1,000L middle-low SCR catalyst and will establish the technology for connection to the plate catalyst production line. Completed the establishment of pilot production technology for DeDioxin and DeNOx catalysts, achieving 90% removal efficiency and water/sulfur resistance of ≥ 16 hours, meeting the specifications for simultaneous DeDioxin and DeNOx catalyst for	313	2026.04	<ol style="list-style-type: none"> 1. Establishment of technology for mass production of 1,000L middle-low SCR catalyst and connection to the plate catalyst production line, which will be applied to manufacture medium-low temperature DeNOx and simultaneous DeDioxin and DeNOx plate catalyst products. 2. Manufacture 110 cm x 46 cm medium-low temperature DeNOx and simultaneous DeDioxin and DeNOx plate catalyst products,

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time	Key Success Factors for R&D Project
	sintering. In addition, equipment for evaluating dioxin removal efficiency of the catalyst was accepted, and key technologies for dioxin removal evaluation will be established.			meeting quality control standards for DeNOx and DeDioxin performance and compressive strength. 3.Improvement of the transition process for replacing high-temperature catalysts with medium-low temperature catalysts on-site, in order to address operational concerns.
Development of refractories for blast furnace lining	1.Tap hole clays for blast furnace lining: A tap hole clay formulation for single-side casting of blast furnace has been developed. Formulation development for part of the blast furnaces has been completed, with a 60-ton on-site trial showing results that meet tapping requirements. In addition, to enhance the competitiveness of the self-developed tap hole clay products, the Company has developed formulations with high price–performance ratio. 2.Other Refractories: The formulation development for tap-hole castable has been completed and is currently being tested at the blast furnace tap-hole; the development of grouting material for blast furnace stack is completed, with offline testing confirming satisfactory workability. Online trials are being scheduled.	536	2025.11	1.Introducing experimental design and, through an understanding of the refractory system, developing new analytical methods to accelerate the selection of formulation and alternative material sources. 2.Analyzing current materials through reverse engineering to identify their strengths and weaknesses, in order to optimize self-developed formulations. 3.Maintaining good interaction with the personnel on site to understand their needs and the use of self-developed formulations, making necessary adjustments, and conducting rapid on-site trials after mass production to accelerate product development.
Development of high-efficiency energy-saving chemical technology	1.The new silicon-based electrolytic cleaning agent demonstrates degreasing performance at a cleaning temperature of 50°C, comparable to the current process at 85°C. 2.The new acid purification agent shows superior impurity removal performance compared to current commercial products. Besides, laboratory evaluations indicate that the changes in atomization and combustion behavior of acid resulting from the agent helps reduce natural gas consumption during the spray roasting process of pickling waste acid. Subsequently, a suitable trial will be arranged in collaboration with the waste acid recovery plant.	3,600	2027.11	1.Establishing an analysis of the effectiveness of various defoamers in suppressing and eliminating foam in the new electrolytic cleaning agent. 2.Establishing an analysis of the impact of silicon-based electrolytic cleaning agent on the silicon thin film layer thickness on the surface of steel. 3.On-site trials and feedbacks is expected to better improve the precision of formulation adjustments.

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Establishment of applied technology for self-bonding core processing and development of demonstration plans	<ol style="list-style-type: none"> 1. Continued development of self-bonding electrical steel processing technologies, with a plan to develop an automated mass production demonstration line for the inner stator of drones. 2. Ongoing optimization of process conditions for self-bonding cores, establishing guidelines for fixture design, and expanding and enriching the database for self-bonding core processing. 3. A demonstration facility for the automated stacking and forming of self-bonding core sheets is planned. Upon completion, it will be available for potential downstream manufacturers to visit and learn from. 4. Development of non-destructive testing technology for self-bonding cores to help customers implement 100% inspection during production process, reduce waste in subsequent processes, and enhance product yield. 	1,196	2025.12	<ol style="list-style-type: none"> 1. Expanding collaboration with academia to incorporate finite element analysis simulations, saving time and costs associated with continual experimentation and accelerating the establishment of a process database for various application conditions. 2. Collaborating with leading domestic partners in automation and die industries, to develop innovative and feasible key process modules, equipment, and experimental platforms. 3. Maintaining close communication with clients such as stamping and motor manufacturers domestically and abroad to ensure the implementation of technical solutions, thereby enhancing the domestic industrial technology and competitive position of clients.
Development of operational maintenance technologies for pilot plant of co-production of steel and chemicals	<ol style="list-style-type: none"> 1. Through sequence optimization and optimization of the load on rotating equipment of pressure swing adsorption (PSA), CO production energy consumption was reduced by 11.4% (from 0.96 to 0.85 kWh/Nm³), achieving the target. 2. When the inlet CO concentration exceeds 30%, by establishing a dynamic adjustment model, the energy consumption of CO production can be further reduced by 18.7% (from 0.96 to 0.78 kWh/Nm³). 3. The pilot line will be modified to install the CO₂ purification equipment, and develop CO/CO₂ co-production operation technology, in order to create greater carbon reduction benefits. 4. Established a systematic process for evaluating the performance of PSA adsorbents and completed case analyses for two potential adsorbents. 	6,000	2026.12	<ol style="list-style-type: none"> 1. Facilities including a laboratory and a pilot line are available to support the required platform for technological development. 2. Collaboration with external technical resources has been initiated to increase the chances of successful technological development. 3. Suppliers with a stable supply of adsorbent materials.
Development of low energy consumption flue gas carbon capture technology	<ol style="list-style-type: none"> 1. Completed the construction of a 500-ton flue gas carbon capture pilot plant, which has successfully passed the performance acceptance. 	2,000	2025.12	<ol style="list-style-type: none"> 1. The pilot plant has achieved basic operational capabilities and on-site testing can be conducted according to the experimental plan. 2. The flue gas carbon capture process requires an extended

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time	Key Success Factors for R&D Project
	<p>2. Currently conducting an operational characteristics analysis of the pilot plant.</p> <p>3. Designed a low-temperature heat recovery system and completed technical verification in the sinter heat recovery system.</p> <p>4. Subsequently, techniques such as operational optimization, inter-cooling, and cold split ration will be applied to reduce steam consumption during carbon capture. In addition, an operating model is proposed to reduce regeneration energy consumption for carbon capture by 5%.</p> <p>5. Subsequently, the integrated design technology for the sinter heat recovery system and low-temperature heat recovery enhancement technology will be developed. The performance of the sinter heat recovery system will be analyzed, and the basic thermal design plan will be completed to increase steam production, reduce the demand and costs of external purchased energy in the carbon capture process, and thereby improves net carbon reduction rates.</p>			<p>testing duration. In subsequent phases, process characteristics will be studied through simulation to increase the command over it, minimizing ineffective testing cycles and ensuring timely project completion.</p> <p>3. The sinter low-temperature heat recovery unit shall be designed to integrate seamlessly with the existing heat recovery system, with a primary design principle of minimizing alterations to the existing equipment.</p>
Development of combustion technology using hydrogen/ammonia blends	<p>1. Fuel conversion and hydrogen blend technology for batch annealing (BA) have been developed. One of the bell-type annealing furnaces has successfully been converted the fuel to natural gas and been operated on a natural gas and hydrogen blend as demonstration. The R&D program for this technology has also been expanded to include ammonia blend and fuel injection.</p> <p>2. In 2025, a furnace using 40% hydrogen blend will be deployed, and energy consumption and product qualification rates will be tracked through dedicated reporting systems. In addition, after conducting ammonia-blended combustion tests in the experimental furnace, burner modifications will be made based on flame pattern and appearance, combustion signal, and exhaust gas composition, in combination with numerical model. The modified burner will be tested in the experimental furnace.</p>	12,548	2027.08	<p>1. The Company has experimental furnace for conducting combustion tests in place and the experience in modifying systems to use hydrogen blend. By adding ammonia pipe to the experimental system, the study of the characteristics of ammonia-blended combustion can be conducted and the corresponding modification solutions can be built.</p> <p>2. In addition to experiment, simulation technology will also be developed concurrently to accelerate the technology development of ammonia-blended combustion.</p>

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Development of bacterial agent for coking wastewater biological treatment	<ol style="list-style-type: none"> 1. The liquid phenol- degrading mixed bacterial agent has undergone on-site trial use. This product has also been listed as a pharmaceutical agent for anomalies in biological wastewater treatment plants. 2. Freeze-drying preservation technology was utilized in preparing phenol-degrading mixed bacterial agent powder, with a shelf life of 12 months. 3. Two formulation-type phenol-degrading pure bacterial agent powders have been developed and underwent trial production, with a shelf life of over 6 months. 4. Completed the identification of the thiocyanate-degrading pure bacterial strain, excluding one pathogenic strain and one least effective strains. Three core strains and three alternative strains were selected, and sufficient bacterial cultures are being cultivated to evaluate the strain combinations for the formulation. 	1,120	2026.12	<ol style="list-style-type: none"> 1. Continue to develop the standard process for the mass production of pure culture in collaboration with the academic/research community. 2. Establish the strategy of adding pharmaceutical/ bacterial agents for anomalies in biological wastewater treatment plants using a pilot site, test and promote them to other wastewater treatment systems across CSC Group, and establish dosing guidelines for product marketing purposes.
Development of technology for sinter flue gas desulfurization and removal of acid gas and white plume	<ol style="list-style-type: none"> 1. Completed cold and hot commissioning, confirming that the induced draft fan achieves an air volume flow rate of 50 CMM, and the air flow velocities of the Flue Gas Desulfurization (FGD)/ Honeycomb Wet Scrubber (HWS) integrated with Wet Electrostatic Precipitator (WEP) meet the requirements of >2.7m/s and >3.85m/s, respectively. 2. Completed the pressure drop test between the layers of the Compounded Flue Gas Desulfurization (CFGD) system, and pressure drop data for both Dry mode and Wet mode have been established as the reference for subsequent theoretical analysis. 	1,450	2025.12	<ol style="list-style-type: none"> 1. Continuing the collaboration with academic/research institutions to complete the study on process parameters of the CFGD integrated with WEP systems. 2. Establishing a theoretical prediction on pressure drop in the CFGD system to support the layout design of the compounded layers. 3. Establishing a derivation model for dedusting efficiency in the WEP system to evaluate the design of control parameters. 4. Clarifying the SO₂ and SO₃ removal mechanisms in the CFGD integrated with WEP process to facilitate the planning of acid gas removal process in the sintering operation.

2. CCCC

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Mass production technology development and	Developed and optimized the mass production technologies for ultra-miniaturization, homogeneous	3,500	2026.Q2	Applications in ultra-high-power batteries.

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time	Key Success Factors for R&D Project
promotion to customers of ultra-high-power materials with small particle size	surface modification, and composite formulations, while also conducting promotion to customers.			
Establishment of mass production equipment for artificial graphite and product promotion to customers	Grinding and surface treatment technologies for coke-based materials have been established, and key mass production equipment is under construction. Development of mesophase graphite composite formulations and customer promotion efforts are being conducted continuously.	2,000	2025.Q4	Applications in fast-charging and high-energy-density energy storage systems.
Development of advanced carbon materials with high voltage for supercapacitor application and corresponding mass production techniques	The surface modification technique for advanced carbon materials has been developed, while related products are gradually being introduced to customers. In addition, raw material modification techniques have been developed to reduce production costs and construction plans for mass production lines are being established.	3,000	2025.Q4	Applications in wind energy storage, automobile start-stop systems, electric buses, light rail vehicles, lead carbon batteries, lithium batteries, and lithium-ion capacitors.
Development of high-purity and large-size graphite crucible for growth of silicon carbide crystal	The development of six to eight-inch crucibles, the production of isotropic graphite forming, carbonization, graphitization, and purification equipment, and the construction of mechanical processing equipment have been completed.	5,000	2025.Q4	High-purity graphite crucible for growth of silicon carbide crystal, high-purity graphite, molds, and graphite heating elements.

3. CHC Resources

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Upgrade of steel slag resourceization and cementitious materials technologies	Continue to carry out R&D (including technology development and effectiveness verification) by referencing the applications in a variety of areas domestically and abroad as follows: 1. Asphalt concrete (AC) 2. Steam curing 3. Marine engineering 4. Slag powder 5. Research on carbon sequestration	2,300	2025.12	1. Eliminate concerns regarding the use of basic oxygen furnace slag raised by all sectors of society, and encourage the inclusion of basic oxygen furnace slag in the construction specifications for public constructions of various city and county governments. 2. Achieve relevant performance. 3. In response to the global trend

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time	Key Success Factors for R&D Project
	and mineralization BOF slag 6. Advancements in slag residual steel recovery technology 7. Research on the localization evaluation of steelmaking casting powder 8. Research on the application of limestone powder in cement and concrete			towards net-zero emissions, research and evaluation are being conducted on the carbon reduction benefits of steelmaking by-products, aiming to enhance their added value.
Application of basic oxygen furnace slags in cement raw materials	1. In January 2019, the project for promoting the use of BOF slag in cement raw materials was launched. The manual for using BOF slag in cement raw materials was completed in July 2019, and officially published in January 2020 after passing the third-party audit by the Industrial Development Bureau in January 2020. In 2024, 67,950 tons of BOF slag were used as cement raw materials at cement plants, effectively replacing cement raw materials and thus realizing the benefits of energy conservation and carbon reduction. Furthermore, research on process optimization is being conducted in response to the expansion of production capacity and for continuously improving quality. 2. In 2025, a test will be conducted to add BOF slag to the tail section of the cement rotary kiln, aiming to improve rotary kiln efficiency.	200	2025.12	1. Control quality stability. 2. Engage external parties for testing regularly. 3. Contact customers to perform product technical services.

4. CSSC

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time	Key Success Factors for R&D Project
National Center for Research on Earthquake Engineering - Phase III development of automated welding technology for internal partitions of steel box columns	An AI model for welding results (i.e., virtual welding machine) has been established. It integrates optimization algorithms or reinforcement learning techniques with the virtual welding machine to form an AI expert system module. The construction of an automated welding platform has also been completed.	150	2025.12	1. AI model computation results. 2. Automation feasibility assessment. 3. On-site education and training for welding operators.

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Development of digital offset waveform process for waveform-controlled submerged arc welding machine	Planned matching test for offset waveform process with domestic welding material suppliers.	12	2025.12	1. Matching between welding materials and offset waveform process. 2. Optimization of trial and production welding parameters. 3. Establishment of welding procedure.
Development of the fillet weld process for collaborative robot (Cobot) vertical position	Planning of Cobot path and welding method settings suitable for vertical position.	10	2025.12	1. Path planning of robotic arm for vertical position. 2. Optimized vertical position parameters for use in production lines. 3. Establishment of robotic arm welding procedures.

5. CEC

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Research and development of carbon capture using the reaction between calcium ions in water and carbon dioxide in flue gas	Utilizing the calcium ions contained in the wastewater from steel mills to capture carbon dioxide from flue gases, achieving carbon reduction and carbon sequestration effects. Testing is expected to commence in the pilot plant in the fourth quarter of 2025.	300	2026.12	Used for carbon reduction and carbon sequestration to lower GHG emissions.
Research and development of carbon reduction technology	The captured carbon dioxide from flue gas is pressurized and liquefied, then transported to the BOF for bottom blowing. The effectiveness of this process will be tested to determine its benefits for the steelmaking process. The related system is currently under planning, with engineering design expected to start in Q3 2025, completion by the end of 2025, and testing to begin in early 2026.	200	2026.12	Used for carbon reduction and carbon sequestration to lower GHG emissions.
Development of acid gas and smog desulfurization technology	Research on desulfurization and white plume removal for treating acid gases/smoke (SO ₂ , HCL, HF, SO ₃ , PM2.5) shows that, when combining Honeycomb Wet Scrubber (HWS) with Wet Electrostatic Precipitator (WEP) during pilot testing, the desulfurization efficiency will reach 99%, and the PM2.5 removal rate will achieve 95%. The next stage of the research will focus on performance optimization parameters with the lowest operational cost.	300	2025.12	On-site planning for sintering desulfurization.

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time	Key Success Factors for R&D Project
Research on medium-low temperature denitrification plate catalyst	The pilot test yielded positive results, with the catalyst samples achieving up to 90% efficiency in the selective catalytic reduction (SCR) system at the sintering plant. It is planned to gradually introduce the catalyst into the SCR system of CSC's sintering plant and gradually lower the SCR operating temperature, while collecting data such as temperature and efficiency during the process. China Ecotek Corporation will conduct computational fluid dynamics (CFD) simulations to analyze and compare the differences between the numerical simulation and the actual denitrification performance.	350	2025.12	On-site planning for sintering denitrification and coke oven denitrification.

Looking into the future, the Company and companies of CSC Group will continuously devote itself to developing premium steel products with high technical content, high profitability, and high industrial benefits while creating independent core technology and promoting the development of low-carbon green manufacturing and energy saving & carbon reduction technology. At the same time, we have formed R&D alliances with domestic steel-using industries to run a more diverse range of industrial upgrading programs to meet the material quality requirements of downstream industries and facilitate the development of high value-added end products, thereby enhancing the international competitiveness of upstream and downstream steel industries. The Company also integrates CSC Group's marketing resources to improve sales and technical services for customers.

(VI) Impact on the Company's finance and business due to changes in important domestic/foreign policies and laws and response measures thereof

1. Taiwan's Three Carbon Fee Regulations

In August 2024, Taiwan announced three sub-laws related to carbon fees, including the “Regulations Governing the Collection of Carbon Fees,” the “Regulations Governing Self-determined Reduction Plans,” and “The Designated GHG Emissions Reduction Goals for Entities Subject to Carbon Fees.” The Ministry of Environment subsequently announced the “Fee-charging Rates of Carbon Fees.” In accordance with the laws, enterprises may qualify for preferential rates by submitting self-determined reduction plans with the designated targets, subject to approval by the competent authority. The Company will actively implement carbon reduction initiatives and apply for approval of the self-determined reduction plan to qualify for the preferential rate and reduce carbon fee expenditures.

2. IFRS Sustainability Disclosure Standards

In 2023, the Financial Supervisory Commission (FSC) released the Taiwan’s roadmap for aligning with IFRS Sustainability Disclosure Standards, mandating that TWSE and TPEx listed companies disclose related information in the dedicated sustainability chapter of their annual reports in accordance with IFRS Sustainability Disclosure Standards, with different stages of implementation starting from 2027 based on their paid-in capital. This initiative aims to enhance the quality and comparability of sustainability reporting in Taiwan. In 2024, the Taiwan Stock Exchange (TWSE) announced the “Reference Example for the Introduction Plan of International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards for XXX Company” to assist enterprises in establishing their IFRS Sustainability Disclosure Standards introduction plans. It further mandates that companies report the implementation status to the Board of Directors at least quarterly. According to the standards, sustainability information disclosure should encompass all subsidiaries within the scope of the consolidated financial statements and necessitate close cross-division collaboration. In addition to setting up a dedicated project team to drive the initiative, the Company has formed the Sustainable Development Department by the end of 2024, which is responsible for disclosing the sustainability information of CSC Group, coordinating the project team’s operations, and ensuring that the relevant information will be disclosed in accordance with the IFRS Sustainability Disclosure Standards within the designated timeline.

3. A certain percentage of the annual earnings shall be allocated for salary adjustments or compensation distributions for the non-executive employees

In August 2024, an amendment to Article 14 of the “Securities and Exchange Act” stipulates that 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, promoting the sharing of the Company's earnings with non-executive employees and further enhancing the reasonableness of employee compensation. The Company attaches great importance to the rights and interests of employees. Article 6 of the Articles of Incorporation of the Company currently stipulates that if there is profit in any given fiscal year, the Company shall set aside no less than 0.1% as the employee remuneration. The Company will amend its Articles of Incorporation to incorporate the

provision for sharing a certain percentage of earnings with non-executive employees in 2025, demonstrating our commitment to their well-being and care.

(VII) Impact on the Company's finance and business due to technological (including cybersecurity risk) and industrial changes and response measures thereof

With the rapid development of technology, the Company faces cross-industry competition globally, frequent geopolitical conflicts, obstacles from regional trade agreements, and the trend of low-carbon economy. In order to steadily and effectively support the ever-expanding business landscape, as well as the demand for flexible and massive capital management, the Company must improve the visibility of capital flow and financial forecasts and develop support tools for rapid financial decision-making.

The Company organizes its sustainable development roadmap using resources from industries and education institutes, as well as the latest intelligent technology in an automated, smart, and collectivized manner to conduct a revolution in system and operation process. The Company creates a common and highly integrated and compliant financial, accounting and cost system so as to integrate resources and realize synergy from group management. Furthermore, the Company enhances partnerships in the supply chain, improves product and service value, pursues production and sales intelligent collaboration, and satisfies customer needs with minimum costs and effective methods, in order to create a win-win situation through interaction and cooperation with related industries and eventually drive the transformation of the steel industry in Taiwan, thereby becoming a trustworthy steel company of global distinction.

In view of the growing attention to information security, the Company has not only incorporated assistance provided by external professional information security consultants, but also actively cultivated information security talents. In 2024, 12 employees obtained the Lead Auditor Certification of ISO/IEC 27001:2022 Information Security Management System, and 8 cybersecurity personnel passed the iPAS (Industrial Professional Ability Standard) Industry Talent Competency Assessment, Ministry of Economic Affairs – Junior Information Security Engineer. In addition, the Company has introduced more comprehensive and complete security protection from the network to the endpoint, continuously strengthened the information security incident detection, monitoring and reporting mechanism and built an information security dashboard with performance, risk and target indicators for senior managements to understand the current situation and to serve as a basis for decision-making.

The Company's Information Security Committee convenes meetings quarterly to discuss and address important information security issues. Additionally, the Company passed the audit of ISO 27001:2022 Information Security Management Systems certification. The certificate is valid until January 5, 2028. In an effort to enhance information security awareness among employees, the Company carries out information security and anti-virus reporting, announces information security guidance, and holds joint cybersecurity defense meetings, social engineering drills, and information security educational training, etc. on a regular basis. With the adoption of multiple strategies including strengthening internal protection, minimizing external attacks, and enhancing information security awareness, the Company is able to build a resilient corporate information security system amid the growing prevalence of severe cyber threats.

(VIII) Impact on the Company's corporate crisis management due to changes in corporate image and response measures thereof

The Company has long been committed to advancing ESG practices in environmental sustainability, social engagement, and corporate governance. Important information is disclosed through channels such as the corporate website and the Market Observation Post System. Each year, the Company publishes its Annual Report, Sustainability Report, and ESG Insight to communicate key updates on business operations and ESG progress to stakeholders, including domestic and international shareholders, investors, media, and customers. In addition, the Company consistently maintains smooth communication channels with all stakeholders through investor conferences, dedicated shareholder service hotline, and media contact lines to ensure information transparency and uphold a positive corporate image. Digital tools are also utilized to analyze public sentiment, supported by well-established reporting mechanisms and response procedures to effectively manage corporate image and associated risks.

(IX) Expected benefits and potential risks related to mergers and acquisitions

In the 16th meeting of the 8th Board of Directors on May 5th, 2023, ThinTech Materials Technology Co., Ltd. agreed to acquire 70% shares of Changzhou China Steel Precision Materials Co., Ltd. from China Steel Asia Pacific Holdings Pte Ltd. The acquisition was completed in May 2024. This case was an adjustment of the Group's investment structure, which could strengthen the Group's upstream and downstream linkage in targets and special alloys, and also expand the application areas of its products, thereby enhancing its overall operational performance and long-term competitiveness.

(X) Expected benefits and potential risks related to plant expansion

In assessing plant expansions, the Company and companies of CSC Group have taken into account investment benefits and potential risks, and have conducted evaluations through a complete, cautious, and professional process. Significant capital expenditures must also be reported to the Audit Committee for review, and to the Board of Directors for approval. To reduce risks arising from market changes, risk sensitivity analysis has been enhanced, while benefit performance assessment has been implemented.

(XI) Risks related to concentration of purchases and sales

1. Risk related to concentration of purchases

(1) Equipment

In order to avoid over concentrated sources of procurement, the Company has always invited well-known manufacturers from all over the world to bid for equipment procurement after carrying out extensive investigations on potential suppliers. However, the steel production equipment is a highly specialized industry, and the number of manufacturers in this industry is quite limited. In recent years, equipment suppliers in various countries has achieved business integration through mergers, acquisitions, and strategic alliances; therefore, only a handful of manufacturers are able to provide quotations. Reduced competitiveness may prompt manufacturers to raise the quoted price, thereby increasing equipment investment costs.

(2) Raw materials

The Company and Dragon Steel Corporation are the only integrated steel mills in the CSC

Group. Coking coal is mainly sourced from Australia, with a small amount from Canada. Meanwhile, iron ore is primarily sourced from Australia and Brazil, with a small amount from Canada. The Company takes the following response measures:

- 1) Develop new material sources in other regions.
- 2) Spot purchase a few amount of raw materials required in order to respond flexibly to changing circumstances.

2. Risk related to concentration of sales

In order to disperse risks arising from concentration of sales while maintaining the mindset of global development strategy, the Company and steel companies in CSC Group adopt the sales channel strategy of "focusing on domestic sales, supplemented with export sales," with adjustments made according to changes in market conditions. The specific measures taken include: increasing the promotion of new products to create new value; mastering developments in related industries to expand the scope of product supply; and establishing coil centers or sales bases in overseas markets with development potential to rapidly respond to customer needs and establish steady long-term strategic partnerships. At present, the Company has established 10 coil centers and 9 sales bases in various regions, including Mainland China, Southeast Asia, Japan, Italy, and Mexico, in order to disperse risks arising from recession in individual regional economy.

(XII) Impact of major transfers or changes in shareholdings of directors, supervisors or major shareholders with over 10% shareholding on the Company

No such circumstance was found from 2024 up to the publication date of this annual report (March 31, 2025).

(XIII) Impact and risks of changes in management rights on the Company

No such circumstance was found from 2024 up to the publication date of this annual report (March 31, 2025).

(XIV) Litigious or non-litigious matters: List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any of its director, supervisor, president, person with actual responsibility for the company, major shareholder with over 10% shareholding, and/or any affiliated companies; and (2) have been concluded with a final judgment, or are still under litigation. Where such a dispute could materially affect shareholders' rights or share prices, the annual report shall provide the facts in issue, amount of money at issue, commencement date, litigants, and current status of the case as of the publication date of this annual report.

Name of Affiliates	Litigant	Fact in Issue	Amount of Money at Issue	Commencement Date	Case Status as of the Publication Date of this Annual Report
Dragon Steel Corporation (hereinafter referred to as DSC)	Plaintiff: Tao-Yuan Ruan; Mu-Lan Lu; Ding-Yong Jiang Defendant: Environmental Protection Bureau of Taichung City Government Intervener: Dragon Steel Corporation	1. As citizens in an environmental protection group, including Tao-Yuan Ruan, were not satisfied with the resolution made at the 47th meeting of the Environment Impact Assessment Audit Committee on July 24, 2017, in the Letter of Chung-shi-huan-zhong No. 1060083497 issued by Environmental Protection Bureau of Taichung City Government on July 31, 2017, the citizens filed an appeal according to the law to rescind the administrative disposition. Taichung City Government determined to reject the appeal. The plaintiffs were unsatisfied with the result of the appeal and filed the administrative litigation according to the law. 2. As the results of the judgment for the litigation may compromise DSC's rights or legal interests, DSC attended the proceeding as an independent intervener on November 16, 2018.	None	July 26, 2018	1. The sentence made by Taichung High Administrative Court on March 25, 2020 is as follows: "1. The Appeal Decision Fu-shou-fa-su-tzu No. 1070140424 made by Taichung City Government and the original administrative disposition were discharged. 2. Reject the appeals made by plaintiffs Tao-Yuan Ruan and Mu-Lan Lu. 3. 50% of the litigation expenses shall be borne by Tao-Yuan Ruan and Mu-Lan Lu, and the remaining shall be born by the defendant. 2. The Supreme Administrative Court issued Judgment 2020 Shang-Tzu No. 576, stating that "The original judgment, except for the confirmed portion and the litigation costs of it, is vacated and remanded to the Taichung High Administrative Court." 3. The Taichung High Administrative Court issued the 2022 Su-Geng-Yi-Tzu Judgment No. 10, stating that "1. The Appeal Decision and the original administrative disposition were both discharged. 2. Except for the determined portion of the first-instance and the appeal costs prior to remand, all costs shall be borne by the defendant." 4. The case is currently being heard by the Supreme Administrative Court, pending under 2023 Shang-Tzu No. 869.

Name of Affiliates	Litigant	Fact in Issue	Amount of Money at Issue	Commencement Date	Case Status as of the Publication Date of this Annual Report
China Steel Machinery Corporation (hereinafter referred to as CSMC)	Armroc International Corporation (hereinafter referred to as Armroc)	<ol style="list-style-type: none"> After the schedule delay of Armroc, as interpellated by CSMC repeatedly, the performance has still not reached the progress and has even fallen seriously behind. As Armroc has no integrity in fulfilling the contract, on June 3, 2019, CSMC terminated the contract with Armroc and directly signed a contract with its downstream contractor, Safran, to complete the work. However, Armroc still considered that the remaining 50% of the third installment should be paid by CSMC. Since Armroc has not completed the works as promised in the meeting, CSMC refused to pay. CSMC terminated the contract with Armroc on June 3, 2019, and filed a countercharge for return of installments (the 1st, 2nd, and 1/2 of 3rd installments) paid by CSMC based on the principle of contract termination, and compensation to the damages of CSMC (Delay penalty and some punitive penalty for the integrated maintenance station of power system). 	NT\$101 million	The first court session was held on November 20, 2019. Then the first instance was closed on December 10, 2021, followed by the second instance to be held on April 14, 2022. The second-instance judgment was pronounced on November 29, 2023, followed by the final judgment being received on March 1, 2024.	<ol style="list-style-type: none"> The argument of the Armroc Case (Case No.: Taiwan Kaohsiung District Court 2019 Zon-Su-Tzu No. 219) was concluded on November 10, 2021, and the first instance was closed on December 10, 2021. The summary was as follows: <ol style="list-style-type: none"> The appeal (Armroc sued CSMC): Armroc failed. The countercharge (CSMC sued Armroc): CSMC won partially, and lost partial cases. CSMC could initiate provisional execution against Armroc by providing NT\$23.61 million to the court as security. Armroc filed an appeal with the court of second instance, and the court ruled in favor of CSMC in its entirety in the second-instance judgment pronounced on November 29, 2023. On March 1, 2024, CSMC received the certificate of the final judgment from the Taiwan High Court Kaohsiung Branch Court. On April 30, CSMC received the certificate of the obligatory claim issued by the Taiwan Taipei District Court. CSMC will conduct annual inquiries to determine whether Armroc possesses any assets subject to attachment. If such assets are found, it will petition the court to issue an order for enforcement.

Name of Affiliates	Litigant	Fact in Issue	Amount of Money at Issue	Commencement Date	Case Status as of the Publication Date of this Annual Report
C.S.Aluminium Corporation (hereinafter referred to as CSAC)	Far East Steel Enterprise Corporation (hereinafter referred to as Far East Steel)	On March 30, 2020, CSAC received a notice from the Civil Court under Taiwan Kaohsiung District Court, attached with a civil complaint filed by Far East Steel, which claimed that CSAC violated the commissioned aluminium coil slitting contracts (Contract No. 101M210001 and 106-L7-A-0002) signed by both parties, and requested CSAC to pay a compensation of NT\$130,347,384 based on the reason that the commissioned slitting volume between 2013 and 2019 failed to meet the guaranteed volume indicated in the contract.	NT\$130 million	March 30, 2020	On January 6, 2025, the court entrusted Ernst & Young Taiwan (hereinafter referred to as EY) with the appraisal of the matters raised by CSAC. Furthermore, on March 21, 2025, the court issued a letter notifying the appraisal method and quotation proposed by EY. CSAC will submit its selected appraisal method to the court by April 7, 2025.
United Steel Engineering & Construction Corporation (hereinafter referred to as USEC)	Han Huang Co., Ltd., Po-Cheng International Hospital, Lan-Ting Juan, and Hsing-Hua Juan	On July 1 and 18, 2019, USEC undertook mechanical, electrical, and renovation works at Po-Cheng International Hospital. Thereafter, Po-Cheng International Hospital issued a letter on June 5, 2020, stating that it shall re-apply for a GUI number and requested that Han Huang Co., Ltd. undertook the contract, with Po-Cheng International Hospital and Lan-Ting Juan serving as the joint guarantors of Han Huang Co., Ltd. Despite the completion and acceptance of the projects for a long period of time, Han Huang Co., Ltd. has yet to settle the project payments and additional project payments totaling NT\$201,694,848. After issuing multiple reminders without success, USEC filed a civil lawsuit,	NT\$202 million	On January 27, 2021, the plaintiff submitted the civil complaint to Taiwan Kaohsiung District Court.	Litigation proceedings continued as a result of failure to reach a resolution via mediation. Therefore, the judge ordered the case to be sent for appraisal. The field investigation for the appraisal has been completed, and the appraisal report is currently being compiled.

Name of Affiliates	Litigant	Fact in Issue	Amount of Money at Issue	Commencement Date	Case Status as of the Publication Date of this Annual Report
		requesting the defendants to settle the project payments. After filing the lawsuit, Hsing-Hua Juan, the person in charge of Han Huang Co., Ltd., was included as a defendant in this case according to Paragraph 2, Article 99 of the Company Act which stipulates that "If a shareholder abuses the company's status as a legal entity and thus causes the company to bear specific debts and to be apparently difficult for the company to pay such debts, and if such abuse is of a severe nature, the shareholder shall, if necessary, be liable for the debts." This action is currently pending in the Taiwan Kaohsiung District Court with the First Instance Case No.: 2021 Chien-tzu No. 27.			
United Steel Engineering & Construction Corporation (hereinafter referred to as USEC)	Department of Rapid Transit Systems, New Taipei City Government	USEC was contracted by the Department of Rapid Transit Systems of New Taipei City Government on November 24, 2014, for the civil engineering portion of the "First Phase Comprehensive Engineering of the Danhai Light Rail Transit Project." Subsequently, on October 28, 2015, a contract change inspection was carried out for adjustments to the machinery plant area, including reducing the land area and canceling the land development for the machinery plant. Despite several years passing since the contract change was initiated, both parties have yet to reach an agreement.	NT\$487 million	On November 4, 2022, the plaintiff submitted the civil complaint to Taiwan New Taipei District Court.	This lawsuit was referred to mediation with the mutual consent of both parties, and a settlement was reached on September 16, 2024. The settlement amount was agreed at NT\$211,460,925. The Department of Rapid Transit Systems, New Taipei City Government issued a letter on November 27, 2024, notifying USEC to issue an invoice for payment. The lawsuit is now officially closed.

Name of Affiliates	Litigant	Fact in Issue	Amount of Money at Issue	Commencement Date	Case Status as of the Publication Date of this Annual Report
		Nevertheless, the Department of Rapid Transit Systems of New Taipei City Government unilaterally approved the deduction in contract value, resulting in an improper deduction amounting to NT\$487,442,674. Despite the completion and acceptance of the project for a long period of time, the Department of Rapid Transit Systems of New Taipei City Government has yet to return the deducted project amounts from the contract change. After issuing multiple reminders without success, USEC filed a civil lawsuit, requesting the defendants to settle the project payments.			
CHC Resources Corporation (hereinafter referred to as CHC)	Taiwan Kaohsiung District Prosecutors Office	In February 2025, CHC received an indictment from the Taiwan Kaohsiung District Prosecutors Office, alleging that personnel from CHCs' Transportation Department violated the Water Pollution Control Act and other related regulations. As a result, CHC gained benefits of approximately NT\$116 million from the underpayment of wastewater treatment fees. The indictment seeks to impose fines in accordance with Article 39 of the Water Pollution Control Act and other applicable laws, and the case has been formally prosecuted.	The total amount of underpaid fees was approximately NT\$116 million, and a fine has been sought.	The indictment was received on February 27, 2025.	The case is currently being heard by the Taiwan Kaohsiung District Court.

(XV) Other significant risks: None.

VII. Other Significant Matters: None.

Chapter VI. Special Disclosures

I. Information on Affiliated Companies

- (I) 2024 Consolidated Financial Statements of Affiliated Companies: None.
- (II) 2024 Consolidated Business Report of Affiliated Companies: Please refer to the Chinese version of Market Observation Post System (MOPS) website → Individual Company → Download Electronic Documents → Section for the Three Reports/Statements of Affiliated Enterprises (https://mopsov.twse.com.tw/mops/web/t57sb01_q10)
- (III) 2024 Affiliation report: None.

II. Private Placement of Securities in the Most Recent Year up to the Publication Date of this Annual Report (March 31, 2025): None.

III. Other Matters that Require Additional Description: None

Chapter VII. During 2024 and up to the publication date of this annual report, any event which significantly affects shareholders' equity or share price pursuant to Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act

I. Changes in Chairman and President

- (I) The former Chairman of the Company, Mr. Chao-Tung Wong, retired and stepped down from the position on May 18, 2024. The Board of Directors nominated Mr. Shyi-Chin Wang to serve as the Acting Chairman on the same day, in accordance with the official interpretation No. Economics-Commerce-214490 issued by the Ministry of Economic Affairs on June 12, 1991.

On September 10, 2024, the Board of Directors approved the proposal for the election of the Chairman and elected Mr. Chien-Chih Hwang, Executive Vice President, to serve as the Chairman.

- (II) On September 10, 2024, the Board of Directors approved the appointment of the President. Mr. Shyi-Chin Wang resigned from his position as President, and Mr. Shou-Tao Chen, Vice President of Production Division, was promoted as the President with effect from the same day.

II. More than one-third of the Directors have changed (Director change ratio within the term: 6 out of 11)

- (I) On August 4, 2023, the Company received the letter from the juristic person Director, Gau Ruei Investment Corporation, notifying the re-designation of its representative. Mr. Shou-Tao Chen was appointed to replace Mr. Yueh-Kun Yang as its representative with effect from the same day.

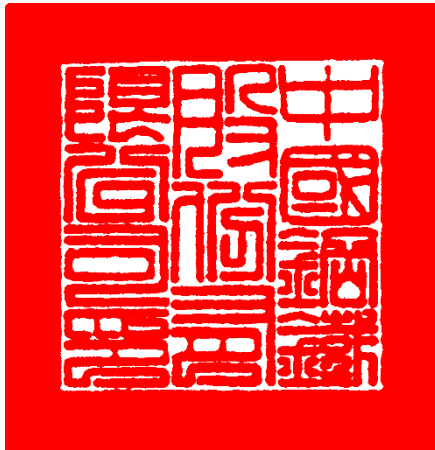
- (II) On May 2, 2024, the Company received the letter from the juristic person Director, the Ministry of Economic Affairs (MOEA), notifying the re-designation of its representative. Mr. Shyi-Chin Wang was appointed to replace Mr. Chao-Tung Wong as its representative with effect from May 18, 2024. On May 17, 2024, the Company received the letter from another juristic person Director, Chiun Yu Investment Corporation, notifying that Mr. Shyi-Chin Wang would resign from his position as its representative with effect from May 18, 2024.

- (III) On August 5, 2024, the Company received the letter from the juristic person Director, the Ministry of Economic Affairs (MOEA), notifying the re-designation of its

representative. Mr. Ching-Chang Lien was appointed to replace Mr. Wen-Sheng Tseng as its representative with effect from the same day.

- (IV) On September 5, 2024, the Company received the letter from the juristic person Director, the Ministry of Economic Affairs (MOEA), notifying the re-designation of its representatives. Mr. Chien-Chih Hwang was appointed to replace Mr. Shyi-Chin Wang, and Mr. Wen-Chung Hu was appointed to replace Mr. Ming-Jong Liu as its representatives. On September 6, 2024, the Company received the letter from another juristic person Director, Ever Wealthy International Corporation, notifying the re-designation of its representative. Mr. Jih-Jau Jeng was appointed to replace Mr. Chien-Chih Hwang as its representative. On September 6, 2024, the Company received the letter from another juristic person Director, Chiun Yu Investment Corporation, notifying the designation of Mr. Kuan-Fu Chen as its representative. All aforementioned changes became effective on September 10 of the same year.
- (V) On March 24, 2025, the Company received the letter from the juristic person Director, the Ministry of Economic Affairs (MOEA), notifying the re-designation of its representative. Mr. Chien-Hsin Lai was appointed to replace Mr. Ching-Chang Lien as its representative with effect from the same day.

China Steel Corporation



Chien-Chih Hwang

A handwritten signature in black ink, reading "chien-chih Hwang". The signature is written in a cursive, flowing style.

Chairman