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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.

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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 2025, global trade protectionism intensified, while the challenge of global steel overcapacity persisted. The United States implemented reciprocal tariffs and raised tariff rates on steel and aluminum, while the European Union also tightened its import safeguard measures. The raw materials prices, including coking coal and iron ore, came under pressure as steel mills' procurement demand weakened and supply remained relatively sufficient, resulting in a slight decline in steelmakers' costs. However, amid escalating trade barriers, uncertainties on the tariff policies suppressed global demand for steel products causing the decline in steel prices outpaced the reduction in costs, making the overall operating environment for the steel industry increasingly challenging.

In the face of these unprecedented operational challenges, CSC remained resilient against adverse market conditions by continuously deepening innovation and strengthening corporate resilience. The Company actively developed and expanded sales of Advanced Premium Steel (APS). In 2025, APS accounted for 11.5% of total sales volume while contributing more than 90% of its total gross profit, demonstrating that products with high technological content and application value can effectively withstand price volatility and support profitability. Furthermore, in response to global steel supply-demand dynamics and the trend toward carbon neutrality, CSC has promoted optimal capacity planning and is gradually consolidating production lines with lower utilization rates and longer service lives. The Board of Directors has approved to decommission No. 1 Blast Furnace no later than the first quarter of 2029 and concentrate resources to enhance operational efficiency and maximize profitability, with an estimated long-term benefit of approximately NT\$1 billion per year. With the dedication and joint efforts of all employees, CSC's consolidated monthly losses began to narrow progressively from September onward and returned to profitability in December, with recovery momentum gradually emerging.

In 2026, Taiwan officially entered the era of carbon pricing. Pursuant to three carbon fee sub-laws such as the “Regulations Governing the Collection of Carbon Fees”, enterprises whose greenhouse gas (GHG) emissions exceed a specified threshold are required, starting in 2026, to report their GHG emissions for the previous year and pay the corresponding carbon fees. In response to carbon fee requirements, CSC has not only continued to promote various carbon reduction strategies but has also submitted a self-determined reduction plan in accordance with regulatory requirements. The plan has been reviewed and approved by the Ministry of Environment, enabling the Company to apply preferential rates, thereby reducing the financial impact of carbon fees while demonstrating its pragmatic commitment to decarbonization.

Amid the global wave of low-carbon transformation, CSC has actively captured opportunities in low-carbon steel products and is committed to advancing low-carbon production processes and overcoming technical constraints. Since 2021, CSC has progressively developed steel products with high Recycled Content (RC) and obtained UL Recycled Content Certification. The supply of RC steel products now covers hot-rolled, cold-rolled, galvanized, bar and wire rod, and electrical steel. In 2025, CSC, in collaboration with its subsidiary Dragon Steel, initiated the development of an all-scrap-based production process and successfully produced galvanized products with more than 90% recycled content (RC90). The Company also developed RC30 Interstitial-Free (IF) automotive steel, which received the Green Product Certification from the Ministry of Economic Affairs, demonstrating CSC’s technological capabilities in low-carbon process innovation. In addition, sales of RC steel products have grown significantly in recent years, rising from approximately 26 thousand metric tons in 2023 to about 74 thousand metric tons in 2025, indicating strong growth potential in demand for low-carbon steel.

As revenues from steel products account for over 70% 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 2025

(I) Business and Profitability Analysis

In 2025, although raw material costs declined slightly, surging global trade protectionism coupled with uncertainties on tariff policies created a pervasive wait-and-see sentiment in the steel market and suppressed demand. Starting in June, the United States increased tariffs on steel and aluminum to 50%. Downstream customers delayed procurement and kept inventories low because of the obstacles encountered in securing export orders, putting pressure on both steel prices and sales volumes. As a result, profitability deteriorated significantly in the second and third quarters, with the Company incurring losses. In the fourth quarter, however, restocking demand emerged as market inventories were drawn down to relatively low levels. In addition, power generation from the Zhong Neng Offshore Wind Farm increased month by month during the winter, contributing to the earnings. The operating momentum gradually recovered. For the full year, operating performance was affected by subdued steel demand, resulting in a consolidated net loss after tax of NT\$3.507 billion and a parent-company-only net loss after tax of NT\$4.349 billion. Nevertheless, losses have narrowed substantially in the fourth quarter, and the Company achieved a return to monthly profitability, indicating a gradual improvement in market conditions.

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

Item \ Year	Year			
	2025	2024	Change	
Operating Revenues	317,155	360,536	(43,381)	(12%)
Gross Profit	9,025	15,061	(6,036)	(40%)
Profit from Operations	(3,904)	1,792	(5,696)	(318%)
Non-operating Income and Expenses	(781)	2,786	(3,567)	(128%)
Profit before Income Tax	(4,685)	4,578	(9,263)	(202%)
Net Profit for the Year	(3,507)	3,876	(7,383)	(190%)
Sales volume of steel products	11.25	11.85	(0.6)	(5%)

2. Parent Company Only Financial Statements

Unit: NT\$ million/million tons

Item \ Year	2025	2024	Change	
Operating Revenues	167,025	193,546	(26,521)	(14%)
Gross Profit	6,733	10,938	(4,205)	(38%)
Profit from Operations	(370)	3,465	(3,835)	(111%)
Non-operating Income and Expenses	(4,384)	(615)	(3,769)	(613%)
Profit before Income Tax	(4,754)	2,850	(7,604)	(267%)
Net Profit for the Year	(4,349)	1,978	(6,327)	(320%)
Sales volume of steel products	7.38	7.59	(0.21)	(3%)

(II) Research and Development (R&D)

CSC's R&D strategy follows the dual operational and developmental cores, "Becoming a high value-added steel mill" and "Developing green technologies, energy, and resources". It is accelerating three transformation: digital, low-carbon, and supply chain transformation, by integrating resources into critical technologies and priority application areas to strengthen product differentiation and enhance added value, while embedding the principles of sustainable operation into product development and process innovation. CSC enjoyed a fruitful year in the area of R&D with a total of 37 new product development projects completed in 2025, 17 of which were classified as Advanced Premium Steel (APS). The proportion of sales for APS and high-end steel reached 11.5% and 49.6% respectively. Major R&D outcomes are listed as follows:

1. Development of Advanced Premium Steel

- (1) High-Quality Forming Steels: CSC has developed seam-free production technology, which can be applied to highly cold-worked fasteners and safety-critical components, thereby facilitating the transformation and upgrade of the fastener and automotive component industries.

- (2) Superior Hand Tool Steels: CSC has promoted niobium (Nb) fine-grain toughening steel grades to enhance low-temperature toughness and torsional resistance while suppressing grain coarsening during hot forging, thereby reducing the need for subsequent processing and lowering the carbon footprint. In addition, for high-strength bainitic steel for screwdriver bits, CSC has developed optimized isothermal quenching heat treatment technologies to support downstream manufacturers in enhancing process control and improving product quality.
- (3) High Performance Structural Steels: CSC has developed high-performance bridge steels compliant with both CNS national standards and U.S. ASTM standards, which have already been successfully applied in domestic landmark public infrastructure projects. CSC has also developed premium-grade plates to further enhance the safety and durability of bridge infrastructure. In addition, to address the needs of machinery industry, CSC has developed ultra-thin wear-resistant plates suitable for high-abrasion components, which can significantly extend equipment service life.
- (4) Advanced Ultra-High Strength and Toughness Steels: CSC has developed ultra-thick rolled homogeneous armor (RHA) plates for defense vehicles, achieving high hardness and toughness, providing robust protective capabilities, and contributing to the self-reliant development of the national defense industry.
- (5) Steel for Green Energy & Home Appliance: To meet the demand from computer and server chassis brand manufacturers, CSC has established steelmaking technology to use more scrap in basic oxygen furnace and developed RC90 galvanized steel products produced through a full scrap steelmaking process, establishing a milestone in maximizing recycled material content in steel products.

- (6) Advanced Alloy Steels: In response to demand from mechanical hardware, hand tools and automotive parts, CSC has developed hot-rolled precise stamping steels featuring superior workability, high spheroidization rates, and high dimensional accuracy, thereby driving industry upgrading.
- (7) Cross-Generational Automotive Steels: CSC has developed a series of advanced ultra-high strength automotive steels for automotive application. By incorporating AI-enabled smart manufacturing, CSC is advancing toward advanced premium steels with higher strength, ductility, and hole-expansion performance to meet the lightweight, enhanced safety, and improved workability requirement for automotive.
- (8) Ultra-High Efficiency Electrical Steels: CSC has developed electrical steels featuring high-frequency low iron loss, high magnetic flux, and high strength to meet motor performance requirements. CSC has successfully made such products sourced by major electric vehicle manufacturers, as well as applied on emerging drone and robot applications.

2. Intelligent manufacturing technologies

- (1) Automated Crane Driving Technology: Remote control and image-assisted recognition system are combined to enhance the efficiency, accuracy and operational safety of lifting and handling.
- (2) Applications of Generative AI Technology: Equipment maintenance reports are transformed into “Equipment Failure Knowledge Model,” enabling the discovery of deeper data value.
- (3) Control Technology for Steelmaking Cost Optimization in High Recycled Content (RC) steel products: Intelligent steelmaking models and cost optimization models applicable to high-scrap-ratio processes were developed to balance both quality and cost.

- (4) Operating Guidelines for Furnace Temperature Control in the Self-Bonding Coating Process for Electrical Steel: Steel coils produced in accordance with guidelines achieve excellent bonding without glue overflow in the final core products, thereby ensuring process stability and consistent quality.
 - (5) Intelligent Fire Protection System for Enclosed Building in Raw Material Storage Yard: The system demonstrated a 100% detection rate for abnormal conditions in testing, which can provide accurate alerts and alarms and automatically activate water mist cooling and water spray to effectively prevent fires.
3. Energy saving, carbon reduction and environmental protection technologies
- (1) Blast Furnace Low-Carbon Iron Making Technology: Through intelligent slag composition optimization and burden distribution simulation technology, operational techniques for utilizing low-carbon raw materials with reduced carbon abatement costs was established.
 - (2) Low Energy Consumption Carbon Capture and Utilization Technology: By integrating parameter optimization, inter-stage cooling, and sintering waste heat recovery technologies, energy consumption was reduced by 5%. In addition, the energy consumption and cost under varying flue gas CO₂ concentrations were analyzed to serve as an evaluation basis for the flue gas carbon capture project.
 - (3) Industrial Furnace Hydrogen/Ammonia Blends Combustion Technology: The technologies of simulation analysis, combustion system evaluation, and testing and modification have been established. A 40% hydrogen-blended demonstration was completed in the coil annealing furnace, achieving a 100% coil qualification rate.
 - (4) Mercury Content Reduction Technology for Mineral Sludge: To comply with the stricter 2027 cement industry standard, a mercury removal treatment

system in sintering desulfurization system has been installed to reduce the mercury content in mineral sludge, achieving a measured total mercury removal efficiency of 96%.

- (5) Plate-shaped Medium-low Temperature Denitrification Catalyst: Catalyst formulation development and production line installation have been completed, enabling the operating temperature for denitrification process to be reduced from the conventional high-temperature range to a medium-low temperature range, and the catalyst is being actively promoted for industrial applications.

II. 2026 Business Plan and Business Development Strategies

Looking ahead to 2026, investment, consumption, and manufacturing demand are gradually recovering, which is conducive to initiating a restocking cycle. Although recent geopolitical tensions and energy price volatility, coupled with uncertainties on the U.S. tariff policies, have weighed on business investment confidence, countries continue to advance trade through negotiations, and enterprises are accelerating supply chain restructuring, supporting a recovery in economic activity. Among major economies, the U.S. is maintaining steady growth, Europe's recovery trend continues, and China is supporting its economy through expanded fiscal spending and policies to stimulate domestic demand. Against this backdrop, Taiwan is benefiting from the continued expansion of AI applications and sustained export momentum, and with support from investment and export momentum, Taiwan's economy is expected to maintain steady growth.

As for the steel industry, as tariff measures and carbon regulations in Europe and the U.S. gradually become clearer, policy uncertainty is expected to ease, helping to reduce the market's wait-and-see attitude and release steel demand, thereby supporting a recovery in the global steel market. Over the past two years, trade remedy cases initiated by various countries against steel products from China have increased significantly. CSC has also filed anti-dumping investigation petitions concerning hot-rolled steel products from China and non-oriented electrical steel from both China and South Korea. Anti-dumping duties on China's

hot-rolled steel products were approved in November 2025, and the investigation into non-oriented electrical steel was formally initiated in December. In addition, China implemented a steel export licensing system beginning in 2026. Together with its policies to curb excessive domestic competition and promote production cut and restructuring in the steel industry, the pressure from the spillover of low-priced steel products is expected to ease, thereby improving supply–demand order in the market. CSC will continue to closely monitor developments in the global economic and trade environment, respond prudently to trade protection measures adopted by various countries, optimize the geographic allocation of export markets, and expand sales channels. With both demand recovery and supply-side adjustments progressing, CSC’s production and sales in 2026 are expected to show a moderate recovery trend.

With a long-term commitment to environmental sustainability, social engagement, and corporate governance, CSC received two prestigious recognitions from S&P Global in 2025, the Top 1% distinction and the Industry Mover distinction in the Sustainability Yearbook, demonstrating that CSC’s ESG performance has been highly recognized by internationally respected rating institutions. 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 2026 to 2035, 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 Technologies, Energy and Resources. The “Three Transformations” 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. By following the example of leading international steelmakers, CSC will consolidate, its production lines. Subject to market conditions and equipment status, Blast Furnace

No. 1 will be decommissioned no later than the first quarter of 2029 to optimize the production capacity. CSC will also continue to develop advanced premium steels to enhance product value and prices, while striving to reduce costs for general steel products, thereby carving out CSC's own blue ocean market.

2. In light of international trends and the Company's future needs, which is that CSC will focus on developing carbon neutrality technologies and expanding the deployment of green energy and resources, a new second Core was formulated as "Developing Green Technologies, Energy, and Resources."
3. By leveraging artificial intelligence (AI), big data, and the Internet of Things (IoT), CSC will build smart production lines, intelligent energy and resource systems, smart scheduling, and human-machine collaboration, thereby realizing a smart factory with self-learning and decision-making.
4. Develop low-carbon steel products and achieve staged carbon reduction targets through measures such as charging low carbon raw material in the blast furnaces, injecting hydrogen-rich gas into blast furnaces, and increasing scrap use/ reducing hot metal. The Company will also adjust its decarbonization measures in line with global advancements in low-carbon ironmaking technologies, steadily progressing toward its carbon neutrality target by 2050.
5. Closely monitor steel demand trends, deepen customer relationships, and actively expand steel product sales. By supporting customers' technology development and adopting the Early Vendor Involvement (EVI) technical marketing approach, the Company will collaborate with customers to enhance both product value and prices, creating value for customers and prices for CSC.

Looking ahead, CSC will continue to enhance its R&D capabilities and production efficiency, while vigorously developing highly competitive steel products with high profitability and low substitutability. By strengthening marketing efforts and promoting the

upgrading of steel-using industries, the Company aims to foster the complementary development of a high value-added steel mill and supply chain transformation. At the same time, CSC will address the challenges of carbon neutrality in future through the development of green technologies, energy and resources and low-carbon transformation. Together with digital transformation, these initiatives will support CSC in becoming an outstanding enterprise that achieves sustainable growth with application of AI technologies.

Chien-Chih Hwang
Chairman

Handwritten signature of Chien-Chih Hwang in black ink, written in a cursive style.

Shou-Tao Chen
President

Handwritten signature of Shou-Tao Chen in black ink, written in a cursive style.

Chapter II. Corporate Governance

I. Information on Directors and Management Team

(I) Information on Directors

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 3)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	Taiwan, R.O.C.	Ministry of Economic Affairs	--	2025.06.19	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/ 66	2025.06.19	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	--	2025.06.19	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-Hsin Lai	Male/ 58	2025.06.19	3 years	Assumed office on 2025.03.24	781	0	781	0	0	0	0	0	Ph.D. 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	
Director	Taiwan, R.O.C.	Ministry of Economic Affairs	--	2025.06.19	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: Wen-Chung Hu	Male/ 63	2025.06.19	3 years	Assumed office on 2024.09.10	0	0	0	0	0	0	0	0	Ph.D. in Social Science, Maxwell School of Citizenship & Public Affairs, Syracuse University, New York, U.S.A 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	
Director	Taiwan, R.O.C.	Gau Ruei Investment Corporation	--	2025.06.19	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	None
	Taiwan, R.O.C.	Representative: Shou-Tao Chen	Male/ 64	2025.06.19	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 Director, China Steel Express Corporation	None	None	None	

As of February 28, 2026

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 3)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Director	Taiwan, R.O.C.	Ever Wealthy International Corporation	--	2025.06.19	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	
	Taiwan, R.O.C.	Representative: Jih-Jau Jeng	Male/ 64	2025.06.19	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.	Labor Union of China Steel Corporation, Kaohsiung City	--	2025.06.19	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: I-Chi Yang (Note 2)	Male/ 54	Assumed office on 2026.01.12	3 years	Assumed office on 2026.01.12	55,033	0	55,033	0	1,000	0	0	0	Two-Year Mechanical Engineering Program, Affiliated Junior College of Continuing Education, National Kaohsiung Institute of Technology Technician, China Steel Corporation	President, Labor Union of China Steel Corporation, Kaohsiung City; Director, Kang Fu Recreation Co., Ltd.	None	None	None	Not applicable
	Taiwan, R.O.C.	Chiu Yu Investment Corporation	--	2025.06.19	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	
Independent Director	Taiwan, R.O.C.	Representative: Jung-Chi Chang	Female/ 49	2025.06.19	3 years	2025.06.19	0	0	0	0	0	0	0	0	Master of Laws, The George Washington University, U.S.A. Assistant General Manager of Legal Department, China Steel Corporation	General Manager of Legal Department, China Steel Corporation	None	None	None	
	Taiwan, R.O.C.	Shih-Kun Wang	Male/ 70	2025.06.19	3 years	2025.06.19	0	0	0	0	0	0	0	0	Master of Industrial Management, National Cheng Kung University Certified Public Accountant, Deloitte & Touche Taiwan; Certified Public Accountant, Li- Yi CPAs; Partner, Li-Yang CPAs	Managing Partner, Li-Yi CPAs; Independent Director, Air Asia Company Limited	None	None	None	
Independent Director	Taiwan, R.O.C.	Chia-Chi Lu	Female/ 53	2025.06.19	3 years	2025.06.19	0	0	0	0	0	0	0	0	Ph.D. in Accounting, National Chengchi University Chairman, Graduate Institute of Accounting, National Central University	Associate Professor, Graduate Institute of Accounting and Department of Finance, National Central University; Independent Director, Song Chuan Precision 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 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 3)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Independent Director	Taiwan, R.O.C.	Wan-Ru Yang	Female/ 51	2025.06.19	3 years	2025.06.19	0	0	0	0	0	0	0	0	Ph.D. in Economics, University of California, Santa Barbara, U.S.A. Associate Professor, Department of Finance, National University of Kaohsiung	Professor and Chair, Department of Finance, National University of Kaohsiung	None	None	None	Not applicable
Independent Director	Taiwan, R.O.C.	Yu-Chin Liao	Female/ 46	2025.06.19	3 years	2025.06.19	0	0	0	0	5,000	0	0	0	Master of Laws, Northwestern University, U.S.A. Secretary-General, Taiwan Law Society	Partner, Wen Hui Attorneys at Law; Director, Taiwan Navigation Co., Ltd.; Secretary-General, Taipei Bar Association	None	None	None	

Note 1: 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: Labor Union of China Steel Corporation, Kaohsiung City re-designated Mr. I-Chi Yang to replace Mr. Chun-Sheng Chen as its representative with effect on January 12, 2026.

Note 3: 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 February 28, 2026

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%
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 February 28, 2026

Institutional Shareholders	Major Shareholders of Institutional Shareholders
China Steel Chemical Corporation	China Steel Corporation 29.04%; International CSRC Investment Holdings Co., Ltd. 4.96%; Ever Wealthy International Corporation 2.01%; Chi Cheng Teh Investment Co., Ltd. 1.46%; KGI Life Insurance Co., Ltd. 1.32%; Hsin Yang Investment Co. Ltd. 1.14%; Trust Asset Fund of China Steel Chemical Corporation under the custody of Mega International Commercial Bank Co., Ltd. 0.93%; Chang Gung Medical Foundation 0.93%; Vanguard Total International Stock Index Fund 0.90%; Hui-Ping, Yen 0.86%
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. 2.93%; Der Ching Investment Corporation 1.94%; Chia Hsin Cement Corporation 1.72%
Eminence Investment Corporation	Gains Investment Corporation 100%
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. 6.07%; 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 0.94%; Ting-Li Ren 0.42%
China Steel Structure Co., Ltd.	China Steel Corporation 33.24%; Guang Ju Holding Co.,Ltd. (formerly Youe Chung Capital Corporation) 10.95%; Taiwan Mask Corporation 7.16%; IHI Corporation 5.53%; Berlin Co., Ltd. 4.52%; Yung Chi Paint & Varnish MFG Co., Ltd. 2.50%; Hui-Chen Wu Lai 2.17%; Dragon Steel Corporation 2.11%; Great Grandeul Steel Co., Ltd. 1.95%; Employee's Stock Trust of China Steel Structure Co., Ltd. under the custody of Mega International Commercial Bank Co., Ltd. 1.92%

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 February 28, 2026

Name		Condition	Professional Qualification and Experience	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairman	Chien-Chih Hwang		Mr. Chien-Chih Hwang holds a Bachelor's degree in Economics from Tunghai University, and has served as Chairman of the Company since September 2024. Mr. Hwang joined CSC in 1985. In 2006, he was appointed as the Representative of CSC's Osaka Office in Japan and the President of CSGT Japan Co., Ltd. In 2014, he was appointed as the Vice President of Commercial Division, China Steel Sumikin Vietnam Joint Stock Company (renamed as China Steel and Nippon Steel Vietnam Joint Stock Company in 2019). Mr. Hwang has dedicated his career to the commercial sector. He had also served concurrently as the Chairman of China Steel Global Trading Corporation and the Chairman of CSCI Steel Corporation India Pvt. Ltd., and currently serves as the Chairman of China Steel Chemical Corporation. With extensive experience in both domestic and international steel markets, he demonstrates keen market insight and has earned broad trust within the steel industry. He is committed to enhancing CSC's profitability.	0
Director	Chien-Hsin Lai		Dr. Chien-Hsin Lai currently serves as the Vice Minister of Ministry of Economic Affairs and has been the Director of the Company since 2025. Dr. Lai holds a Ph.D. in Soil and Water Conservation from National Chung Hsing University. He served as the Director-General of Water Resource Agency, Ministry of Economic Affairs, from November 2016 to March 2025, and was promoted to the Vice Minister, Ministry of Economic Affairs in March 2025. Dr. Lai possesses outstanding management and cross-disciplinary integration capabilities. He is dedicated to sustainable development, actively promotes Taiwan's energy transition and carbon neutrality policies, and is committed to assisting enterprises in achieving a sustainable future.	0
Director	Wen-Chung Hu		Dr. Wen-Chung Hu currently serves as the Director of Department of State-owned Enterprise Affairs, Ministry of Economic Affairs, and has been the Director of the Company since 2024. Dr. Hu holds a Ph.D. in Social Science from Maxwell School of Citizenship & Public Affairs, Syracuse University, New York, U.S.A. He served as the Deputy Director and acting as Director of Department of State-owned Enterprise Affairs, Ministry of Economic Affairs, from September 2023 to January 2024, and has served as the Director of Department of State-owned Enterprise Affairs, Ministry of Economic Affairs since January 2024. He has made significant contributions to strengthening the structure of state-owned enterprises, integrating resources, and promoting the development of national economy, environment, and public welfare needs.	0
Director	Shou-Tao Chen		Mr. Shou-Tao Chen holds a Bachelor's degree in Power Mechanical Engineering from National Tsing Hua University, and has served as the President of the Company since September 2024. Mr. Chen joined CSC in 1985. In 2016, he was appointed as the Assistant General Superintendent of Rolling Mill Department II and in 2017 was promoted to General Superintendent of Rolling Mill Department II. He was appointed as the Assistant Vice President of Production Division in 2019, was promoted to the Vice President of Production Division in 2021. Currently, he also serves as the Chairman of China Steel Machinery Corporation. Mr. Chen possesses extensive experience in steel production. He is dedicated to enhancing the Company's manufacturing capabilities and actively addressing the challenges of carbon neutrality, laying a solid foundation for CSC's sustainable development.	0
Director	Jih-Jau Jeng		Dr. Jih-Jau Jeng holds a Ph.D. in Mining, Metallurgy and Mechanical Engineering from Clausthal University of Technology, Germany, and has served as the Executive Vice President and Spokesperson of the Company since September 2024. Dr. Jeng joined CSC in 1992. In 2013, he was appointed as the Assistant General Manager of Iron & Steel Research & Development. In 2015, he was appointed as the General Manager of Green Energy & System Integration Research & Development, and in 2018, he was appointed as the General Manager of Iron & Steel Research & Development Department. He was promoted to the Assistant Vice President of Technology Division in 2020 and the Vice President of Technology Division in 2021. Dr. Jeng leads CSC in the development of Advanced Premium Steel, artificial intelligence, and carbon reduction technology, as well as in driving the upgrading of steel-using industry. He has made significant contributions to CSC's transformation into a high value-added steel mill and to the upgrading of Taiwan's steel-using industry.	0
Director	I-Chi Yang		Mr. I-Chi Yang currently serves as the President of Labor Union of CSC. Mr. Yang graduated from the Two-Year Mechanical Engineering Program at the Affiliated Junior College of Continuing Education, National Kaohsiung Institute of Technology. He had served as the Technician in Machine Shop Repairing Unit of Plant Engineering & Maintenance Department of CSC as well as the Labor Union representative in labor-management meetings, labor representative in collective bargaining, and the Executive Director, etc. of the Labor Union of CSC. In 2026, he was elected as the 15th President of Labor Union of CSC and concurrently serves as the Director of Kang Fu Recreation Co., Ltd. He is currently also a member of the Company's Corporate Governance and Sustainability Committee. Mr. Yang has devoted many years to serving Labor Union of CSC and possesses extensive experience in collective bargaining and labor rights protection.	0
Director	Jung-Chi Chang		Ms. Jung-Chi Chang currently serves as the General Manager of Legal Department, Corporate Planning Division of the Company. She holds a Master of Laws degree in Intellectual Property Law from The George Washington University, U.S.A. She holds qualifications as an attorney and a patent attorney. She has accumulated extensive experience in corporate legal affairs and had worked at a leading law firm. Ms. Chang specializes in Intellectual Property Law, Civil Code, and Litigation, and is familiar with government procurement, the Taiwan Intellectual Property Management System (TIPS), ISO 37001 Anti-Bribery Management System standards, and other related fields. She has deep expertise in practical corporate legal affairs and has made significant contributions to the Company's corporate governance and compliance practices, providing a strong foundation for the establishment of the Company's legal framework and risk management.	0
Independent Director	Shih-Kun Wang		Independent Director, Shih-Kun Wang, currently serves as the Managing Partner of Li-Yi CPAs. He possesses a solid professional background and extensive practical experience in finance and accounting. He holds a Master's degree in Industrial Management from National Cheng Kung University. He previously served as the Manager at Deloitte & Touche Taiwan and as the Partner at Li-Yang CPAs. He has devoted many years to corporate finance and taxation, specializing in operational practices and financial planning across various industries. Mr. Wang currently also serves as the Convener of the Company's Audit Committee, and as a member of the Remuneration Committee and the Corporate Governance and Sustainability Committee. He assists the Company in focusing on corporate sustainability and ethical governance and is committed to enhancing corporate governance quality and strengthening internal control.	1
Independent Director	Chia-Chi Lu		Dr. Chia-Chi Lu currently serves as the Associate Professor of the Graduate Institute of Accounting and Department of Finance, National Central University. She specializes in financial accounting, auditing, distress prediction, and text mining. She holds a Ph.D. in Accounting from National Chengchi University. She is dedicated to cultivating students with expertise in both accounting and finance, as well as sustainable management mindset, and actively contributes to developing outstanding talent for Taiwan's industries. Dr. Lu currently also serves as a member of the Company's Audit Committee, a member of the Remuneration Committee, and the Convener of the Corporate Governance and Sustainability Committee. She has made significant contributions to the Company's corporate governance and sustainable development.	1
Independent Director	Wan-Ru Yang		Dr. Wan-Ru Yang currently serves as the Professor and Chairman of the Department of Finance, National University of Kaohsiung. She holds a Ph.D. in Economics from University of California, Santa Barbara, U.S.A. She is an expert in finance and economics, actively promotes academic development and talent cultivation, and has made significant contributions to nurturing professionals in the financial industry. Dr. Yang currently also serves as a member of the Company's Audit Committee, the Convener of the Remuneration Committee, and a member of the Corporate Governance and Sustainability Committee. She possesses a strong academic background and extensive experience, playing a key role in the Company's sustainable operations and governance quality.	0
Independent Director	Yu-Chin Liao		Ms. Yu-Ching Liao, Attorney at Law, currently serves as the Secretary-General of Taipei Bar Association and as the Partner at Wen Hui Attorneys at Law. She holds a Master of Laws degree from Northwestern University, U.S.A., and specializes in cross-border investment and mergers & acquisitions, labor laws, and the Fair Trade Act. She has long assisted domestic and international clients with cross-border investment, corporate mergers and acquisitions, and dispute resolution, has practical experience in planning management systems, such as collective bargaining agreements and organizational restructuring, and has had a profound impact on the development of legal practice and policy in Taiwan. Ms. Liao, currently also serves as a member of the Company's Audit Committee, the Remuneration Committee, and the Corporate Governance and Sustainability Committee. By leveraging her legal expertise and practical experience, she has made important contributions to the Company's governance system and sustainable development.	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			
Name		The person and the person's spouse as well as relatives within the second degree of relationship are not a director, supervisor, or the management 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.
Chairman	Chien-Chih Hwang		✓		✓
Director	Chien-Hsin Lai		✓		✓
Director	Wen-Chung Hu		✓		✓
Director	Shou-Tao Chen		✓		✓
Director	Jih-Jau Jeng		✓		✓
Director	I-Chi Yang		✓		✓
Director	Jung-Chi Chang		✓	✓	✓
Independent Director	Shih-Kun Wang	✓	The person: 0 shares (0%) Spouse: 0 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)	✓	✓
Independent Director	Chia-Chi Lu	✓	The person: 0 shares (0%) Spouse: 0 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)	✓	✓
Independent Director	Wan-Ru Yang	✓	The person: 0 shares (0%) Spouse: 0 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)	✓	✓
Independent Director	Yu-Chin Liao	✓	The person: 0 shares (0%) Spouse: 5,000 shares (0%) Other relatives within the second degree of relationship: 0 shares (0%)	✓	✓
The Independent Directors, Shih-Kun Wang, Chia-Chi Lu, Wan-Ru Yang and Yu-Chin Liao, all 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. Following the re-election of the Company's Board of Directors in 2025, the Board of Directors is composed of 11 Directors with 4 Independent Directors, including 4 female Directors (accounting for 36.4% of the total Board seats), 1 Director recommended by the labor union of the Company as employee representative, and 2 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, law, finance and accounting. Out of the current Directors, there are 3 with finance and accounting backgrounds and 4 with management experience in the steel industry. Both Independent Directors and female Directors account for one-third of the Board seats. 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 Technologies, Energy, and Resources", and driving three transformational initiatives "Digital Transformation," "Low-Carbon Transformation," and "Supply Chain Transformation."

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

The skills and experience of the Directors cover areas such as steel industry knowledge and management experience, finance and accounting, law, and climate change response. These skills are identified through an annual self-assessment, in which Directors rank their three main areas of expertise as 1, 2, and 3, while other areas of expertise are indicated with a ✓ mark without any particular order.

As of February 28, 2026

Core Diversity Element	Composition								Decision- Making	Industry Knowledge	Steel Industry Management Experience	Finance and Accounting	Marketing	Technology	Law	Risk Management	Sustainable Development	Climate Change Response	
	Gender	Employed by the Company	Ages				Tenure of Independent Directors												
			40~49	50~59	60~69	>70	< 3 yrs	4~8 yrs											> 9 yrs
Name of Director																			
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 I-Chi Yang	Male	✓		✓						1	2					3	✓		
Director Jung-Chi Chang	Female	✓	✓							3	✓	✓				1	2	✓	
Independent Director Shih-Kun Wang	Male					✓	✓			✓	3		1		✓	2	✓	✓	
Independent Director Chia-Chi Lu	Female			✓			✓			3			1			2	✓	✓	
Independent Director Wan-Ru Yang	Female			✓			✓			3			1			2	✓	✓	
Independent Director Yu-Chin Liao	Female		✓				✓			3					1	2	✓	✓	

2. Board Independence:

The Board of Directors of the Company is composed of 11 Directors, 4 of whom are Independent Directors (accounting for 36.4% of the total Board seats). 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 February 28, 2026

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	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; Director, China Steel Express Corporation	None	None	
Executive Vice President / Chief Information Security Officer	Taiwan, R.O.C.	Jih-Jau 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; Director, Formosa Ha Tinh Steel Corporation	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	Chairman, China Steel Express Corporation; Director, China Steel Security Corporation; Director, Kaohsiung Arena Development Corporation; Supervisor, Dragon Steel Corporation	None	None	Not applicable
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; Director, Fukuta Electric & Machinery Co., Ltd.	None	None	
Vice President, Finance Division	Taiwan, R.O.C.	Yueh-Kun Yang	Male	2018.07.01	32,427	0	599	0	0	0	Master of Business Management, National Sun Yat-sen University Assistant Vice President of Finance Division, China Steel Corporation	Chairman, Kaohsiung Rapid Transit Corporation; Director, C.S.Aluminium Corporation; Director, Eminent II Venture Capital Corporation	None	None	

Title	Nationality	Name	Gender	Date of Assumption of Office	Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Academic and Career Background	Positions Currently Held in Other Companies	Managers with spouses or relatives within the second degree of kinship		Remarks (Note 2)
					Shares	%	Shares	%	Shares	%			Title	Relationship	
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, C.S.Aluminium Corporation; Director, Kaohsiung Arena Development Corporation; Director, China Steel Machinery Corporation; Director, Gains Investment 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	
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.; Director, Honley Auto. Parts Co., Ltd.	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	Executive Master of Business Administration in Enterprise Innovation and Entrepreneurship Management, Shih Chien University Assistant Vice President, Production Division, China Steel Corporation	Chairman, CHC Resources Corporation; Director, China Steel Express Corporation; Director, InfoChamp Systems Corporation; Director, Tang Eng Iron Works Co., Ltd.; Director, China Steel Security Corporation	None	None	
General Manager, Finance Department	Taiwan, R.O.C.	Kuan-Ying Li	Female	2025.04.01	3,371	0	0	0	0	0	Master of Business Administration, National Chung Cheng University; Chief Financial Officer, China Steel Power Corporation	Supervisor, China Steel Power Holding Corporation; Supervisor, China Steel Power Corporation; Supervisor, Wuxi Teco Electric & Machinery Co., Ltd.	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	

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, 2025

Title	Name	Compensation Paid to Directors						Sum of A, B, C and D/ The Sum as A				Compensation Received by a Director Who is Also an Employee				Sum of A, B, C, D, E, F and G/ The Sum as A			
		Base Compensation (A)		Severance Pay and Pension(B)		Remuneration to Directors(C)		Allowances (D)		The Sum as A Percentage of Net Income (%)		Salary, Bonus and Allowance (E)		Severance Pay and Pension (F)		The Company Consolidated Entities		The Company Consolidated Entities	
		The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities
Chairman	Chien-Chih Hwang (Representative of Ministry of Economic Affairs)	0	0	0	0	0	0	24	136	24	136	6,869	6,869	132	132	7,025	7,137	-0.162%	-0.164%
	Ministry of Economic Affairs	0	0	0	0	0	0	150	150	150	150	0	0	0	0	150	150	-0.003%	-0.003%
	Chiun Yu Investment Corporation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.000%	0.000%
	Ever Wealthy International Corporation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.000%	0.000%
	Gau Ruet Investment Corporation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.000%	0.000%
	Hung Kao Investment Corporation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.000%	0.000%
	Labor Union of China Steel Corporation, Kaohsiung City	0	0	0	0	0	0	198	198	198	198	0	0	0	0	198	198	-0.005%	-0.005%
	Ching-Chang Lien (Note 1) (Representative of Ministry of Economic Affairs)	0	0	0	0	0	0	34	34	34	34	0	0	0	0	34	34	-0.001%	-0.001%
	Chen-Hsin Lai (Note 1) (Representative of Ministry of Economic Affairs)	0	0	0	0	0	0	96	96	96	96	0	0	0	0	96	96	-0.002%	-0.002%
	Wen-Chung Hu (Representative of Ministry of Economic Affairs)	0	0	0	0	0	0	125	125	125	125	0	0	0	0	125	125	-0.003%	-0.003%
Director	Shou-Tao Chen (Representative of Gau Ruet Investment Corporation)	0	0	0	0	0	0	23	141	23	141	5,732	5,732	222	222	5,977	6,095	-0.137%	-0.140%
	Jih-Jau Jeng (Representative of Ever Wealthy International Corporation)	0	0	0	0	0	0	23	112	23	112	4,608	4,608	102	102	4,733	4,822	-0.109%	-0.111%
	Cheng-T Weng (Note 2) (Representative of Hung Kao Investment Corporation)	0	0	0	0	0	0	106	106	106	106	0	0	0	0	106	106	-0.002%	-0.002%
	Kuan-Fu Chen (Note 2) (Representative of Chiun Yu Investment Corporation)	0	0	0	0	0	0	15	31	15	31	2,274	2,274	90	90	2,379	2,395	-0.055%	-0.055%
	Hung-Chi Chang (Note 2) (Representative of Chiun Yu Investment Corporation)	0	0	0	0	0	0	8	8	8	8	1,536	1,536	58	58	1,602	1,602	-0.037%	-0.037%
	Chun-Sheng Chen (Representative of Labor Union of China Steel Corporation, Kaohsiung City)	0	0	0	0	0	0	23	23	23	23	1,707	1,707	37	37	1,767	1,767	-0.041%	-0.041%
	Shyue-Bin Chang (Note 2)	338	338	0	0	0	0	154	154	492	492	0	0	0	0	492	492	-0.011%	-0.011%
	Min-Hsiung Hon (Note 2)	338	338	0	0	0	0	154	154	492	492	0	0	0	0	492	492	-0.011%	-0.011%
	Lan-Feng Kao (Note 2)	338	338	0	0	0	0	154	154	492	492	0	0	0	0	492	492	-0.011%	-0.011%
	Shih-Kun Wang (Note 2)	384	384	0	0	0	0	137	137	521	521	0	0	0	0	521	521	-0.012%	-0.012%
Independent Director	Chia-Chi Lu (Note 2)	384	384	0	0	0	0	137	137	521	521	0	0	0	0	521	521	-0.012%	-0.012%
	Wan-Ru Yang (Note 2)	384	384	0	0	0	0	137	137	521	521	0	0	0	0	521	521	-0.012%	-0.012%
	Yu-Chin Liao (Note 2)	384	384	0	0	0	0	137	137	521	521	0	0	0	0	521	521	-0.012%	-0.012%
		384	384	0	0	0	0	137	137	521	521	0	0	0	0	521	521	-0.012%	-0.012%

- ★ 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): Independent Director Lan-Feng Kao received a writing fee of NT\$677 during her tenure in 2025.
- Note:
1. Ministry of Economic Affairs re-designated Mr. Chien-Hsin Lai to replace Mr. Ching-Chang Lien as its representative on March 24, 2025.
 2. The Board of Directors was re-elected on June 19, 2025, and the 2025 compensation covers both new and former Directors. Compensations paid to Non-independent Directors (including juristic person Directors and its representatives) and Independent Directors only include the compensations received during their tenure in 2025.
 3. Remuneration to Directors of the Company is fully received by juristic person directors. The travel expenses for the Ministry of Economic Affairs are shared by juristic person and its representatives in an agreed ratio, whereas the travel expenses for Labor Union of China Steel Corporation are received by juristic person.
 4. Directors of the Company (juristic person Directors and its representatives) do not receive or contribute to severance pay and pension upon resignation or retirement. Meanwhile, for representatives of juristic person Directors who serve as employees at the Company, the total amount of severance pay and pension contributed in 2025 according to the law was NT\$641 thousand.
 5. 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".

(II) Compensations Paid to President and Vice Presidents

Unit: NT\$ thousands, as of December 31, 2025

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)		Remuneration to Employees(D)				Sum of A, B, C and D/ The Sum as A Percentage of Net Income (%)		Compensation Paid by Non- consolidated Affiliates or Parent Company	
		The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities				
												Cash	Stock		Cash
Management	President														
	Executive Vice President	Shou-Tao Chen													
		Jih-Jau Jeng													
		I-Chung Huang													
		Ming-Yuan Chen (Note 1)													
		Chia-Cheng Lee (Note 1)	32,924	32,924	1,345	1,345	6,517	7,402	0	0	0	0	40,786 -0.938%	41,671 -0.958%	48
		Yueh-Kun Yang													
		Kuan-Fu Chen													
	Hong-Yih Liou														
	Kuei-Sung Tseng (Note2)														
	Wen-Hsien Chou														

Note:

1. The Vice President of Commercial Division, Mr. Ming-Yuan Chen, reached retirement age on January 31, 2025, and Chia-Cheng Lee was promoted to the Vice President of Commercial Division on February 1, 2025.
2. The Vice President of Engineering Division, Mr. Kuei-Sung Tseng, reached retirement age on August 31, 2025.
3. Compensations paid to the President and Vice Presidents only include the compensations received during their tenure of this position in 2025.
4. Consolidated entities include the Company.

Range of Compensation

Range of compensation paid to Presidents and Vice Presidents of the Company	Name of President and Vice President		
	The Company		Consolidated Entities
Under NT\$1,000,000	Ming-Yuan Chen		Ming-Yuan Chen
NT\$1,000,000 (inclusive) - NT\$2,000,000 (not inclusive)	None		None
NT\$2,000,000 (inclusive) - NT\$3,500,000 (not inclusive)	Kuei-Sung Tseng		Kuei-Sung Tseng
NT\$3,500,000 (inclusive) - NT\$5,000,000 (not inclusive)	Jih-Jau Jeng, I-Chung Huang, Chia-Cheng Lee, Yueh-Kun Yang, Kuan-Fu Chen, Horig-Yih Liou, Wen-Hsien Chou	Jih-Jau Jeng, I-Chung Huang, Chia-Cheng Lee, Yueh-Kun Yang, Kuan-Fu Chen, Horig-Yih Liou, Wen-Hsien Chou	
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
NT\$15,000,000 (inclusive) - NT\$30,000,000 (not inclusive)	None		None
NT\$30,000,000 (inclusive) - NT\$50,000,000 (not inclusive)	None		None
NT\$50,000,000 (inclusive) - NT\$100,000,000 (not inclusive)	None		None
NT\$100,000,000 and above	None		None
Total number of persons in each amount range	10		10

(III) Compensation of the Top 5 Highest-Paid Management Personnel

Unit: NT\$ thousands, as of December 31, 2025

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			
Management	President	4,687	4,687	222	222	1,068	1,186	0	0	0	0	5,977 -0.137%	6,095 -0.140%	0
	Executive Vice President	4,219	4,219	102	102	412	501	0	0	0	0	4,733 -0.109%	4,822 -0.111%	0
	Vice President	3,615	3,615	198	198	935	948	0	0	0	0	4,748 -0.109%	4,761 -0.109%	48
		3,701	3,701	197	197	719	789	0	0	0	0	4,617 -0.106%	4,687 -0.108%	0
	Kuan-Fu Chen	3,496	3,496	194	194	887	937	0	0	0	0	4,577 -0.105%	4,627 -0.106%	0

Note: Consolidated entities include the Company.

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

As of December 31, 2025

Unit: NT\$ thousands

	Title	Name	Amount of Stock	Amount of Cash	Total	Total Amount as A Percentage of Net Income (%)
Management	President	Shou-Tao Chen	0	0	0	0.000%
	Executive Vice President	Jih-Jau Jeng				
	Vice President	I-Chung Huang				
		Ming-Yuan Chen				
		Chia-Cheng Lee				
		Yueh-Kun Yang				
		Kuan-Fu Chen				
		Horng-Yih Liou				
		Kuei-Sung Tseng				
		Wen-Hsien Chou				
	General Manager, Finance Department	Shih-Hsin Chen				
		Kuan-Ying Li				
	General Manager, Accounting Department	Pei-Yu Lee				
Director	President of Labor Union	Chun-Sheng Chen				
Director	General Manager, Legal Department	Jung-Chi Chang				

(V) Analysis on proportion of compensation paid by the Company and all consolidated entities to Directors, President and Vice Presidents of the Company to net income in the parent company only or individual financial reports for 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. Analysis on the proportion of the total compensation paid to Directors, President, and Vice Presidents to net income in the parent company only or individual financial reports.

Unit: NT\$ thousands

	The Company				Consolidated Entities			
	2025		2024		2025		2024	
	Total	Proportion	Total	Proportion	Total	Proportion	Total	Proportion
Compensation Paid to Directors, President and Vice Presidents	55,449	-1.27%	51,975	2.63%	56,446	-1.30%	54,368	2.75%
Net Income (Loss)	(4,349,185)	100%	1,978,352	100%	(4,349,185)	100%	1,978,352	100%

In 2025, total compensation paid to Directors, President and Vice Presidents of the Company accounted for -1.27% of the Company's net income. In 2024, total compensation paid to Directors, President and Vice Presidents of the Company constituted 2.63% of the Company's net income. The total compensation for 2025 increased compared with 2024, mainly due to fewer Directors concurrently served as the President or Vice Presidents after the re-election in 2025, resulting in an increase in the total number of individuals included in the compensation calculation for all the Directors, the President and Vice Presidents.

2. 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, out of which 30%-50% shall be distributed to non-executive 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.
3. 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.
4. 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, amount of cost savings, return on assets, return on equity, etc.) and non-financial indicators (e.g. number of major occupational accidents, greenhouse gas management, smart manufacturing, energy management, 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

The Company conducted the re-election of the Board of Directors on June 19, 2025, and elected the 19th Board of Directors. In 2025, the Board of Directors convened a total of 8 meetings (the 18th Board of Directors convened 4 meetings and the 19th Board of Directors convened 4 meetings). Attendance of Directors is listed as follows:

(January 1, 2025 to December 31, 2025)

Title	Name		Attendance in Person	Attendance by Proxy	Required Attendance	Percentage of Attendance in Person (%)	Remarks
Chairman	Representative of Ministry of Economic Affairs	Chien-Chih Hwang	8	0	8	100%	Re-elected on June 19, 2025
Director	Representative of Ministry of Economic Affairs	Ching-Chang Lien	0	1	1	0%	Chien-Hsin Lai was appointed as the representative on March 24, 2025 and was re-elected on June 19, 2025
		Chien-Hsin Lai	6	1	7	85.7%	
Director	Representative of Ministry of Economic Affairs	Wen-Chung Hu	8	0	8	100%	Re-elected on June 19, 2025
Director	Representative of Gau Ruei Investment Corporation	Shou-Tao Chen	7	1	8	87.5%	Re-elected on June 19, 2025
Director	Representative of Ever Wealthy International Corporation	Jih-Jau Jeng	8	0	8	100%	Re-elected on June 19, 2025
Director	Representative of Chiun Yu Investment Corporation	Kuan-Fu Chen	4	0	4	100%	Term expired on June 19, 2025
		Jung-Chi Chang	4	0	4	100%	Newly elected on June 19, 2025
Director	Representative of Hung Kao Investment Corporation	Cheng-I Weng	4	0	4	100%	Term expired on June 19, 2025
Director	Representative of Labor Union of China Steel Corporation, Kaohsiung City	Chun-Sheng Chen	8	0	8	100%	Re-elected on June 19, 2025
Independent Director	Shyue-Bin Chang		4	0	4	100%	Term expired on June 19, 2025
Independent Director	Min-Hsiung Hon		4	0	4	100%	Term expired on June 19, 2025
Independent Director	Lan-Feng Kao		4	0	4	100%	Term expired on June 19, 2025
Independent Director	Shih-Kun Wang		4	0	4	100%	Newly elected on June 19, 2025
Independent Director	Chia-Chi Lu		4	0	4	100%	Newly elected on June 19, 2025
Independent Director	Wan-Ru Yang		4	0	4	100%	Newly elected on June 19, 2025
Independent Director	Yu-Chin Liao		4	0	4	100%	Newly elected on June 19, 2025

Other matters to be noted:

- 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:
 - 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 38-42 Operation of the Audit Committee of this annual report.
 - 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 18th meeting of the 18th Board of Directors on February 27, 2025: Proposal regarding the 2024 year-end performance evaluation of President, Executive Vice President and Vice Presidents (from January to December): Directors Shou-Tao Chen, Jih-Jau Jeng and Kuan-Fu Chen recused themselves according to applicable laws.
 - (2) The 21th meeting of the 18th Board of Directors on June 11, 2025: Proposal regarding the acquisition of 53.29% of all remaining shares held by other shareholders of the Company's affiliate, Sing Da Marine Structure Corporation (hereinafter referred to as "SDMS") at a total amount not exceeding NT\$295 million (including transaction-related taxes and fees) in response to the subsequent transformation planning of SDMS: Directors Shou-Tao Chen, Jih-Jau Jeng and Kuan-Fu Chen recused themselves according to applicable laws.
 - (3) The 21th meeting of the 18th Board of Directors on June 11, 2025: Proposal regarding the salary and benefit adjustments for appointed management: Directors Shou-Tao Chen, Jih-Jau Jeng and Kuan-Fu Chen recused themselves according to applicable laws.
 - (4) The 2nd meeting of the 19th Board of Directors on August 8, 2025: Proposal regarding the 2025 mid-year performance evaluation of President, Executive Vice President and Vice Presidents (from January to June): Directors Shou-Tao Chen, Jih-Jau Jeng and Jung-Chi Chang recused themselves according to applicable laws.
3. TWSE/TPEX listed companies shall disclose the information of self-evaluation (or peer evaluation) of the Board of Directors, such as evaluation cycle, period, scope, method and contents:
The Company has formulated the Rules Governing the Performance Evaluation of the Board of Directors approved by the Board of Directors, which specifies that the Company shall 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 Taipei Foundation of Finance (TFF) in 2025, to conduct an external performance evaluation of the Board of Directors. The evaluation results were submitted to the Board Meeting on May 9, 2025 and disclosed on the corporate website. The Company has planned to implement the items suggested by the external evaluation institution to strengthen corporate governance.

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
To conduct at least once every three years	2024.01.01 ~ 2025.01.21	Board of Directors, Board Members, and Functional Committees of the Board of Directors	The TFF reviewed the relevant documents provided by the Company and sent 3 evaluation experts to the Company on March 7, 2025 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 seven areas, including safeguarding shareholders' equity; strengthening the structure and function of the Board of Directors; the level of participation in the Company's operations; enhancing the quality of decisions made by the Board of Directors; improving information transparency; internal control, the promotion of sustainable development, and other relevant issues as appropriate.

The results of the external performance evaluation for the Board of Directors are summarized as follows:

A. Overall evaluation:

- a. The Company engaged in active discussions with the evaluation team regarding the preparatory work for the assessment. All required written materials, supplementary documents, and online information were duly provided to ensure that the evaluation committee could conduct a comprehensive review based on the established evaluation indicators.
- b. After reviewing the self-assessment report and the corresponding supporting materials, the evaluation committee concluded that the written documentation provided by the Company in relation to the assessment items under the seven areas met the requirements of the evaluation metrics. The overall operation of the Board of Directors was also found to be in compliance with the relevant regulations of the competent authorities. During the on-site evaluation visit, the Board of Directors and the management demonstrated the high importance they attach to this external assessment.
- c. Amid numerous challenges in the steel market, the Company is actively adjusting its production strategies to respond to market changes and is seeking to enhance product quality to ensure the competitiveness of its products.

B. Recommendations:

- a. With respect to succession planning for members of the Board of Directors and key management personnel, it is recommended that the nomination pool be broadened. In addition, basic qualification thresholds for various professional fields may be established separately for Directors and the management, thereby enabling the Company to deploy talent from diverse backgrounds to address future industry developments and challenges.
- b. Currently the Company's risk management oversight is undertaken by the Audit Committee and the Corporate Governance and Sustainability Committee. It is recommended that such authority be consolidated under a single committee responsible for unified supervision, in order to more clearly and effectively implement the assessment and monitoring of existing and potential risks faced by the Company.

C. Corresponding measures or response:

a. In response to Recommendation a:

- ✓ Nomination and professional qualifications of Board members: In the future, this will be handled by the Nomination Committee in accordance with regulatory requirements when such committee becomes mandatory. The Company will also continue to place greater emphasis on diversity and professional qualification thresholds when nominating Director candidates.
- ✓ Succession and professional qualifications of key management personnel: Continue to implement succession planning, establish clear promotion and job rotation pathways, and strengthen senior executives' professional management capabilities and cross-functional competencies through initiatives such as the CSC Group Executive Management Program and rotational assignments.

b. In response to Recommendation b:

- ✓ The Company has established the Risk Management Team under the Corporate Governance and Sustainability Committee, which is responsible for overall risk management matters, including reviewing risk factors identified by business units and supervising the implementation of corresponding measures. The Audit Committee, on the other hand, focuses on case-specific risk oversight related to the Company's financial affairs, major asset transactions (such as investment projects and capital expenditures), derivative transactions, and matters involving Directors' conflicts of interest. Through this division of responsibilities, the committees jointly implement the evaluation and supervision of existing and potential risks faced by the Company, and such arrangements have operated smoothly without material difficulties.
- ✓ Currently applicable regulations do not mandate that exclusively a single committee conduct the risk management oversight. In light of the ongoing development of initiatives related to the identification of sustainability risks, the Company will maintain the current allocation of responsibilities, whereby the Audit Committee and the Corporate Governance and Sustainability Committee will continue to oversee their respective areas of risk management.

(2) Internal Self-Evaluation

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
To conduct once in a year	2025.01.01 ~ 2025.12.31	Board of Directors, Board Members, and Functional Committees of the Board of Directors	Self-Evaluation Questionnaire	(1) The measurement items for the performance evaluation of the Board of Directors include the following five aspects: A. Involvement in the Company's operations B. Improvement in the quality of decision-making of the Board of Directors C. Composition and structure of the Board of Directors D. Election and continuing education of Directors E. Internal Control (2) The measurement items for the performance evaluation of the Board Members include the following six aspects: A. Alignment of the Company's goals and missions B. Awareness of the duties of the Director C. Involvement in the Company's operations D. Management of internal relations and communication E. Professionalism and continuing education of Directors F. Internal Control (3) The measurement items for the performance evaluation of the Functional Committees include the following five aspects: A. Involvement in the Company's operations B. Awareness of the duties of the functional committees C. Improvement in the quality of decisionmaking of the functional committees D. Composition of the functional committees, and election of its members E. Internal Control

Internal performance evaluation of the Board of Directors in 2025 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 26, 2026 and are summarized as follows:

Type of self-evaluation	Average indicator score	Average total score of the questionnaire
Board of Directors	4.89	97.73
Board Members	4.98	98.64
Audit Committee	4.97	99.50
Remuneration Committee	5.00	100
Corporate Governance and Sustainability Committee	4.98	99.67

- 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 issues related to corporate sustainability and risk governance, and to improve the Company's decision-making resilience and effectiveness in the face of uncertainties, in addition to relevant external training programs attended by the Directors themselves, the Company also offered a training course titled "Corporate Sustainability and Risk Management" in August 2025. The course is intended for the Company's Directors, management, and supervisors of each division, as well as Directors and Supervisors of invested companies, and managers of subsidiaries designated by the Company.
 - (2) To assist the newly elected Directors of the 19th Board of Directors in gaining a comprehensive understanding of the Company's operations, in 2025 the Company, in accordance with the "Operational Standards for Handling Matters for Newly Appointed Directors," provided materials including the most recent Annual Report and Sustainability Report, the latest business report of the Management, and the Company's corporate governance regulations, thereby enhancing the competencies and operational efficiency of the Board of Directors.
 - (3) To ensure that Directors are fully informed regarding material proposals, such as the capital increase in Taiwan Smart Electricity & Energy Co., Ltd., the acquisition of shareholdings of Sing Da Marine Structure Corporation as well as its main operating assets and liabilities, and the investment in the Installation Project for New Coke Production and Handling Control Process, the Company arranged communication meetings with external Directors before the Board meetings and Audit Committee meetings in 2025. These meetings provided advance briefings and opportunities for discussion on the relevant proposals, enabling Directors to gain a thorough understanding of key issues and to provide professional advice, thereby enhancing the quality of the Board's decision-making.
 - (4) In order to properly respond to relevant issues of concern to stakeholders and understand their expectations and needs, the Company has delegated various departments to be responsible for stakeholder communication, and arranged engagements between domestic and foreign investors and the Board members from time to time. In December 2025, the President met with domestic financial institutions and the Asia Investor Group on Climate Change (AIGCC) to exchange views and share insights on global low-carbon transition trends in the steel industry and the Company's progress in carbon reduction. In addition, to ensure effective Board oversight and to keep Directors informed of stakeholders' concerns, the Corporate Governance and Sustainability Committee reported the annual stakeholder engagement results to the Board of Directors in August 2025, and also reported topics of concern to institutional investors for 2025 and their suggestions for improvement to the Board of Directors in February 2026.
 - (5) 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. Following the re-election of the Board of Directors on June 19, 2025, the 19th Board's Corporate Governance and Sustainability Committee was reconstituted to comprise 6 Directors, including 4 Independent Directors, whose expertise covers areas including finance, accounting, economics and law, 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:
 - A. Promoting and improving the corporate governance structure and systems
 - B. Promoting and implementing ethical corporate management related work
 - C. Promoting and implementing policies of sustainable development and matters related to sustainable management
 - D. Implementing and assisting in supervision of matters related to risk management
 - E. Planning and promoting matters related to energy saving & carbon reduction and carbon neutrality
 - F. Planning and promoting matters related to digital transformation
 - G. Implementing other matters resolved by the Board of Directors
 - (3) Operation of the Corporate Governance and Sustainability Committee
 In 2025, the Corporate Governance and Sustainability Committee of the Board of Directors convened a total of 3 meetings (the Corporate Governance and Sustainability Committee of the 18th Board of Directors convened 2 meetings and the Corporate Governance and Sustainability Committee of the 19th Board of Directors convened 1 meeting), discussing the amendments of the organization regulations of the Committee, the establishment of the Company's Anti-corruption and Anti-bribery Policies, and the implementation of sustainable development.

The Corporate Governance and Sustainability Committee of the 18th Board of Directors:

(2025.01.01~2025.06.19)

Title	Name	Attendance in Person	Attendance by Proxy	Percentage of Attendance in Person (%)	Remarks
Independent Director (Convener)	Shyue-Bin Chang	2	0	100%	Term expired on June 19, 2025
Independent Director	Min-Hsiung Hon	2	0	100%	Term expired on June 19, 2025
Independent Director	Lan-Feng Kao	2	0	100%	Term expired on June 19, 2025
Director	Jih-Jau Jeng	2	0	100%	None
Director	Chun-Sheng Chen	2	0	100%	None

The Corporate Governance and Sustainability Committee of the 19th Board of Directors:

(2025.06.19~2025.12.31)

Title	Name	Attendance in Person	Attendance by Proxy	Percentage of Attendance in Person (%)	Remarks
Independent Director (Convener)	Chia-Chi Lu	1	0	100%	Newly appointed on June 19, 2025
Independent Director	Shih-Kun Wang	1	0	100%	Newly appointed on June 19, 2025
Independent Director	Wan-Ru Yang	1	0	100%	Newly appointed on June 19, 2025
Independent Director	Yu-Chin Liao	1	0	100%	Newly appointed on June 19, 2025
Director	Jih-Jau Jeng	1	0	100%	Reappointed on June 19, 2025
Director	Chun-Sheng Chen	1	0	100%	Reappointed on June 19, 2025

(II) Operation of the Audit Committee

The Company established the Audit Committee on June 23, 2016. In 2025, the Audit Committee of the Board of Directors convened a total of 7 meetings (the Audit Committee of the 18th Board of Directors convened 4 meetings and the Audit Committee of the 19th Board of Directors convened 3 meetings). Attendance of Independent Directors is listed as follows:

(2025.01.01~2025.12.31)

Title	Name	Attendance in Person	Attendance by Proxy	Percentage of Attendance in Person (%)	Remarks
Independent Director (Convener)	Lan-Feng Kao	4	0	100%	Former Directors
Independent Director	Shyue-Bin Chang	4	0	100%	Directors re-election date: June 19, 2025
Independent Director	Min-Hsiung Hon	4	0	100%	
Independent Director (Convener)	Shih-Kun Wang	3	0	100%	New Directors
Independent Director	Chia-Chi Lu	3	0	100%	Directors re-election date: June 19, 2025
Independent Director	Wan-Ru Yang	3	0	100%	
Independent Director	Yu-Chin Liao	3	0	100%	

1. Professional qualifications and experience of Audit Committee members: Please refer to page 16-17 Information on Independent Directors and page 19 Independent Directors' Professional Qualification and Experience of this annual report.
2. Annual focus of the Audit Committee:
 - (1) Audit of the annual business report and financial statements.
 - (2) Review of planned capital expenditure projects and supervise the enhancement and completeness of the relevant evaluation reports.
 - (3) Review of the investment projects.
 - (4) Provide strategic recommendations for the transformation and development of Sing Da Marine Structure Corporation, while closely monitoring the overall financial and operational risks.
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 and the Company's actions in response to the members' opinions	Resolution of the Audit Committee
2025.02.25 The 14th meeting of the Audit Committee of the 18th Board of Directors	Discussion Item 1: The Company's 2024 Business Report and Financial Statements.	None	Unanimously approved by all the Committee members present.
	Discussion Item 3: Proposal for Distribution of 2024 Profits.	None	Unanimously approved by all the Committee members present.
	Discussion Item 4: Proposal regarding the loaning of funds totaling NT\$1.4 billion to 4 subsidiaries, including Sing Da Marine Structure Corporation, etc.	None	Unanimously approved by all the Committee members present.
	Discussion Item 5: Proposal regarding the sale of 1,111 shares of Class A Preferred Stock of East Asia United Steel Corporation held by the Company to Nippon Steel Corporation with a total amount of JPY 1.111 billion.	None	Unanimously approved by all the Committee members present.
	Discussion Item 6: The Company's "2024 Statement on Internal Control System".	None	Unanimously approved by all the Committee members present.
2025.03.27 The 15th meeting of the Audit Committee of the 18th Board of Directors	Discussion Item 1: Proposal to participate in the cash capital increase of Taiwan Smart Electricity & Energy Co., Ltd. with a total amount not exceeding NT\$200 million, and to sign a Joint Venture Agreement.	None	Unanimously approved by all the Committee members present.
2025.05.06 The 16th meeting of the Audit Committee of the 18th Board of Directors	Discussion Item 1: The Company's 2025 1st quarter Financial Statements.	None	Unanimously approved by all the Committee members present.
	Discussion Item 2: Proposal regarding the loaning of funds totaling NT\$2.2 billion to 5 subsidiaries, including Kaohsiung Rapid Transit Company, etc.	None	Unanimously approved by all the Committee members present.
	Discussion Item 3: Proposal to release the prohibition on Mr. Chien-Hsin Lai, when elected as the Director of the 19th Board of Directors at the Shareholders' Meeting, from holding the position in CSBC Corporation, Taiwan.	None	Unanimously approved by all the Committee members present.
	Discussion Item 4: Proposal to release the prohibition on Ms. Chia-Chi Lu, when elected as the Director of the 19th Board of Directors at the Shareholders' Meeting, from holding the position in Song Chuan Precision Co., Ltd.	None	Unanimously approved by all the Committee members present.
	Discussion Item 5: Proposal to release the prohibition on Mr. Chien-Chih Hwang, when elected as the Director of the 19th Board of Directors at the Shareholders' Meeting, from holding the positions in the invested companies, China Ecotek Corporation and Taiwan High Speed Rail Corporation, to protect the investment rights of the Company.	None	Unanimously approved by all the Committee members present.
	Discussion Item 6: Proposal to release the prohibition on Mr. Shou-Tao Chen, when elected as the Director of the	None	Unanimously approved by all the Committee members present.

Date and Session of Audit Committee Meeting	Proposal	Independent Directors' Opinions or Major Suggestions and the Company's actions in response to the members' opinions	Resolution of the Audit Committee
	19th Board of Directors at the Shareholders' Meeting, from holding the positions in the invested companies, China Steel Machinery Corporation, China Ecotek Corporation and Chung Hung Steel Corporation, to protect the investment rights of the Company.		
	Discussion Item 7: Proposal to release the prohibition on Mr. Jih-Jau Jeng, when elected as the Director of the 19th Board of Directors at the Shareholders' Meeting, from holding the positions in the invested companies, China Steel Structure Co., Ltd., Formosa Ha Tinh (Cayman) Limited, and Formosa Ha Tinh Steel Corporation, to protect the investment rights of the Company.	None	Unanimously approved by all the Committee members present.
	Discussion Item 8: Proposal for the disposal of equipments located on the north side of the Plant of CSC Precision Metal Industrial Corporation that has not yet reached the end of its service life.	None	Unanimously approved by all the Committee members present.
	Discussion Item 9: Proposal to appoint China Ecotek Corporation as the contractor through a designated price negotiation method for the Installation of De-NOx and De-SOx Systems for No.9, No.10, and No.12 Boilers at Power Plant.	None	Unanimously approved by all the Committee members present.
2025.06.06 The 17th meeting of the Audit Committee of the 18th Board of Directors	Discussion Item 1: Proposal regarding the acquisition of 53.29% of all remaining shares held by other shareholders of the Company's affiliate, Sing Da Marine Structure Corporation (hereinafter referred to as "SDMS") at a total amount not exceeding NT\$295 million (including transaction-related taxes and fees) in response to the subsequent transformation planning of SDMS.	Suggestions: It is recommended that, in addition to transforming into a technical services and manufacturing support company for the green energy industry, SDMS can make effective use of its existing plant facilities, equipment, and human resources, and actively seek collaboration opportunities with other industries, such as shipbuilding and national defense, in order to expand diversified development opportunities. The Company's Response: SDMS possesses advantages including quay facilities and capabilities in steel structure blasting and coating. SDMS has already engaged in discussions with enterprises that have demand for quay usage regarding potential cooperation. In addition, with comprehensive coating facilities and cranes available on site, SDMS also plans to	Unanimously approved by all the Committee members present.

Date and Session of Audit Committee Meeting	Proposal	Independent Directors' Opinions or Major Suggestions and the Company's actions in response to the members' opinions	Resolution of the Audit Committee
		undertake large-scale structural projects, such as bridge, in the future.	
2025.08.05 The 1st meeting of the Audit Committee of the 19th Board of Directors	Discussion Item 2: The Company's 2025 2nd quarter Financial Statements.	None	Unanimously approved by all the Committee members present.
	Discussion Item 3: Proposal regarding the loaning of funds totaling NT\$1.5 billion to Kaohsiung Rapid Transit Company and Sing Da Marine Structure Corporation.	None	Unanimously approved by all the Committee members present.
2025.11.06 The 2nd meeting of the Audit Committee of the 19th Board of Directors	Discussion Item 1: The Company's 2025 3rd quarter Financial Statements.	None	Unanimously approved by all the Committee members present.
	Discussion Item 2: Proposal regarding the loaning of funds totaling NT\$2.2 billion to 5 subsidiaries, including Kaohsiung Rapid Transit Company, etc. to coordinate the financial resources of the Group and enhance the efficiency of fund utilization.	None	Unanimously approved by all the Committee members present.
	Discussion Item 3: Proposal to renew the Company's lease of Land No. 0506-0000 at 1st Subsection, Dianzaihou Section, Xiaogang District, Kaohsiung City from China Steel Chemical Corporation after the expiration of the lease on December 31, 2025.	None	Unanimously approved by all the Committee members present.
	Discussion Item 4: In response to the subsequent transformation plan of the Company's affiliate, Sing Da Marine Structure Corporation, it is proposed that the Company acquire its main operating assets and liabilities for a total amount not exceeding NT\$138.5 million.	Suggestions: 1. The maturity schedule of bank borrowings shall be closely monitored to address potential short-term debt servicing pressure. 2. The subsequent allocation of revenues and expenses of SDMS, the associated financial obligations and implementation feasibility, shall be clearly clarified. The Company's Response: The Company has conducted full coordination with the banks, and will continue the monitoring and follow-up.	Unanimously approved by all the Committee members present.
	Discussion Item 5: Proposal to provide an endorsement/guarantee, according to proportion of shareholding, for the performance guarantees already issued by Sing Da Marine Structure Corporation for the substructures of Ørsted's Greater Changhua 1 Offshore Wind Farm and Zhong Neng Offshore Wind Farm, with the maximum endorsement/guarantee amount capped at NT\$1,504.07 million.	None	Unanimously approved by all the Committee members present.
	Discussion Item 6: In line with the equity change of the Company's affiliate Sakura Ferroalloy Sdn. Bhd., it	None	Unanimously approved by all the Committee members present.

Date and Session of Audit Committee Meeting	Proposal	Independent Directors' Opinions or Major Suggestions and the Company's actions in response to the members' opinions	Resolution of the Audit Committee
	is proposed to reduce the endorsement/guarantee limit for its power contracts and bank financing, with the term ending at the end of 2030.		
	Discussion Item 7: Proposal to invest NT\$640 million in the Replacement Project of the Mold Segment Equipment of the No.1 Slab Continuous Casting Machine.	None	Unanimously approved by all the Committee members present.
	Discussion Item 8: Proposal to invest NT\$400 million in the Replacement Project of the Welder at the Hot-Rolled Pickling and Oiling Line.	Suggestions: When evaluating capital expenditures, considerations should include potential production losses if replacements are not performed, costs associated with restoring operations after equipment downtime, and comparative benefits during the shutdown period. Incorporating these factors could help enhance the completeness of decision-making information and the quality of decisions. Please continue to review and strengthen the content of evaluation reports to facilitate the Audit Committee's decision-making. The Company's Response: The Company will adjust its benefit analyses and evaluations for the subsequent capital expenditure proposals in accordance with the Committee's suggestion.	Unanimously approved by all the Committee members present.
2025.12.24 The 3rd meeting of the Audit Committee of the 19th Board of Directors	Discussion Item 1: Proposal to invest NT\$1,561,024,000 in the "Installation Project for New Coke Production and Handling Control Process."	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 2025 is listed as follows:

Date and Session of Audit Committee Meeting	Proposal	Independent Directors' Opinions	Actions in Response to Independent Directors' Opinions
2025.02.25 The 14th meeting of the Audit Committee of the 18th Board of Directors	The "2024 Statement on Internal Control System" of the Company	1.No opinion. 2.Unanimously approved by all the Committee members present.	Not applicable
Date and Session of Communication with Independent Directors	Key Points	Independent Directors' Opinions	Actions in Response to Independent Directors' Opinions
2025.02.25 The 1st communication between Independent Directors and Chief Auditor in 2025	Audit implementation from October 2024 to January 2025	Are Auditors entitled to any audit-related allowance?	Auditors are assigned a higher job grade than those in other departments and therefore receive relatively higher remuneration. Only the Chief Auditor is eligible to receive an additional managerial allowance.
2025.05.06 The 2nd communication between Independent Directors and Chief Auditor in 2025	Audit implementation from February to March 2025	What protective measures did the Company provide for named whistleblowers?	When handling whistleblowing cases, the members in the Internal Audit Office are prohibited from disclosing the identity or information of the whistleblower to the accused individual and relevant units, or discussing case details with external personnel.
2025.08.05 The 3rd communication between Independent Directors and Chief Auditor in 2025	Audit implementation from April to June 2025	1.For CHS, a relatively large subsidiary within the Group, it appears that its Chief Auditor is not appointed by CSC? What is the criteria to determine whether the parent company appoints the Chief Auditor for its subsidiaries? 2.Are there any differences in the handling procedures between named and anonymous whistleblowing cases?	1.For subsidiaries that have already established internal audit personnel, their existing operating practices will, in principle, remain unchanged. In past cases, CSC has only assigned personnel to subsidiaries to strengthen oversight when there were vacancies arose due to retirement. 2.Anonymous whistleblowing may not be accepted if no specific evidence or

			contact information is provided. In practice, the Internal Audit Office will first review whether the reported matters constitute reasonably suspicious facts and assess whether further investigation is warranted. For named whistleblowing, the evidence is typically clearer; if additional clarification is required, the whistleblower may be contacted directly.
2025.11.06 The 4th communication between Independent Directors and Chief Auditor in 2025	Audit implementation from July to September 2025	How does the Company manage and control the disclosure of information that must be publicly announced on behalf of its subsidiaries?	The subsidiary oversight unit will provide guidance on relevant requirements during the Group Planning Supervisors' Meeting. Any operational deficiencies will also be reflected in the subsidiaries' annual performance evaluations.

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 2025 is listed as follows:

Date and Session of Audit Committee Meeting	Proposal	Independent Directors' Opinions	Actions in Response to Independent Directors' Opinions
2025.02.25 The 14th 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 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.
2025.05.06 The 16th meeting of the Audit Committee of the 18th Board of Directors	Reporting and communication on the 2025 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.
2025.08.05 The 1st meeting of the Audit Committee of the 19th 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 2025 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.

2025.11.06 The 2nd meeting of the Audit Committee of the 19th Board of Directors	Reporting and communication on the 2025 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
2025.08.05 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 2025.	Raised questions and discussed	The questions raised by Independent Directors were answered by the CPA.
2025.11.06 The meeting between the CPA and the Audit Committee of the Board of Directors	Summary report on non-assurance services for the 3rd quarter of 2025 and routine non-assurance services expected for 2026.	Raised questions and discussed	The questions raised by Independent Directors were answered by the CPA.
	Communication of key audit matters in the 2025 CPAs' audit report.	Raised questions and discussed	The meeting was held solely between the CPA and the Independent Directors, with no representatives from the Company in attendance.
2025.12.24 The meeting between the CPA and the Audit Committee of the Board of Directors	Report on audit quality indicators of 2024.	Raised questions and discussed	The questions raised by Independent Directors were answered by the CPA.

(III) Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	Yes		The Company has formulated the "Corporate Governance Best-Practice Principles" in March 2017. The third amendment to the Principles took effect upon approval by the Board of Directors on February 25, 2022, and is disclosed on 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.	No significant difference
2. Shareholding Structure and Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly? (2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders? (3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates? (4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	(1) Yes (2) Yes (3) Yes (4) Yes		(1) 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 suggestion, concern, dispute or litigation matter, both dedicated personnel and stock transfer agents have been appointed to handle related matters. (2) 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. Listed subsidiaries of CSC Group also have the list of their major shareholders, while the appointed stock transfer agents help to manage stock-related affairs. (3) 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 Companies" set forth by the Financial Supervisory Commission, and urged its subsidiaries to establish internal control systems, and	No significant difference

Evaluation item	Implementation status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			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 supervise the operation and financial status of subsidiaries to ensure that the responsible persons of subsidiaries exercise the due care of a good administrator, and 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. (4) 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 the management of the Company that they are not permitted to trade the Company's securities in their own name or through others during the closed period prior to the announcement of financial statements. The Company has also formulated the "Procedures for Handling Material Internal Information and Guidelines for Establishment of Spokesperson as well as Deputy Spokespersons" to prevent improper disclosure of information. Furthermore, the "Codes of Ethics for Directors," the "Codes of Ethics for First Echelon Supervisors and Executives" (refer to page 63-67 in this annual report for more details), and the "Guidelines for Recusal Due to

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			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.	
3. Composition and Responsibilities of the Board of Directors (1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented? (2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee? (3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms? (4) Does the Company regularly evaluate its external auditors' independence?	(1) Yes (2) Yes (3) Yes (4) Yes		(1) According to the Sample Template for Procedures for Election of Directors released by Taiwan Stock Exchange Corporation, the Company has incorporated the concept of diversity into the "Rules Governing the Election of Directors", which specifies that 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. In 2025, the Company completed the re-election of its Board of Directors. After the re-election, the Board is composed of 11 Directors (including 4 Independent Directors), comprising 4 female Director, 1 Director recommended by the labor union of the Company as labor representative, and 2 Directors holding a management position, whose professional knowledge and skills cover	No significant difference

Evaluation item	Implementation status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			different areas, including steel, economics, soil and water conservation, social sciences, mechanical engineering, mining engineering, law, 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 3 and 4 respectively. In addition, Independent Directors and female Directors both account for 1/3 of the total Board seats. The Company fully implements Board independence and diversity in its composition, which contributes to the advancement of the “Dual cores and three transformations strategies”. This strategy encompasses two operational and developmental cores of “Becoming a high value-added steel mill” and “Developing green technologies, energy, and resources” along with three major transformation initiatives of “low carbon transformation”, “digital transformation”, and “supply chain transformation”. 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 educational backgrounds, professional expertise or gender 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 each appointed at least 1 female director. At China Steel Chemical, female directors account for 1/3 of the board seats. Meanwhile, China Ecotek, China Steel Structure, and CHC Resources are also working toward the target of increasing the proportion of female directors to 1/3 of their respective board seats. (2) The Company and listed subsidiaries of CSC Group have established the Audit Committee and the Remuneration Committee (which are composed of all Independent Directors) as required by the law. In addition, the Company established the “Corporate Governance and Sustainability Committee” in 2019.

Evaluation item	Implementation status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	
			currently comprised of 6 Directors with 4 Independent Directors to promote corporate governance and implement the sustainable development. Meanwhile, China Steel Chemical, CHC Resources, China Steel Structure, and China Ecotek have also respectively set up the Corporate Governance and Sustainability Committee or the Sustainable Development Committee under their Board of Directors. (3) The Company has formulated the "Rules Governing the Performance Evaluation of the Board of Directors", stipulating that the Board of Directors shall conduct performance evaluation every year. In an effort to enhance the independence and effectiveness of performance evaluation, 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. In 2025, the Company engaged the Taipei Foundation of Finance to conduct an external performance evaluation of the Board of Directors for the period from January 1, 2024 to January 21, 2025. The results were reported to the Board of Directors on May 9, 2025 and disclosed on the corporate website. On the other hand, the internal performance evaluation of the Board of Directors for 2025 was conducted through self-evaluation questionnaires, with the results reported to the Board of Directors on February 26, 2026 and used as the basis for review and improvement. For the method, content, and result of the internal and external performance evaluation, please refer to page 33-35 of this annual report. The results of the performance evaluation for the Board of Directors shall be used as a reference for the election or nomination of Director; the results of performance evaluation for each Director (excluding Independent Directors) shall be used as a reference for determining the remuneration allocation for Directors.

Evaluation item	Implementation status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	
			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 own corporate websites or in their annual reports. (4) A. 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 approval 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 their spouses and dependents do not violate the independence requirements either. For specific evaluation criteria, please refer to page 62 of this annual report. B. The Company has carried out assessments on the independence and suitability of CPAs according to the Audit Quality Indicators (AQIs) issued by the Financial Supervisory Commission, 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

Evaluation item	Implementation status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			“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 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. C. 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. D. 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 25, 2025 and February 23, 2026 respectively. Subsequently, the results were reported to the Board of Directors for discussion and approval on February 27, 2025 and February 26, 2026. E. 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 that their spouses and dependents do not violate the independence requirement either. Also, the assessments on the independence and suitability of CPAs were carried out according to the AQLs, with the results of the assessments reported to the Board of Directors.
4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and	Yes		On September 10, 2024, the Board of Directors of the Company 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

Evaluation item	Implementation status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	
supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?			Department, the Company have an adequate number of corporate governance personnel with appropriate qualifications in charge of the execution of corporate governance affairs. The aforementioned affairs include handling matters related to Board meetings and shareholders' meetings and the preparation of meeting minutes, 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 61. Listed subsidiaries of CSC Group have set up their Corporate Governance Officer, which is concurrently held by various senior executives, including Vice President or 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.
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	Yes		Respecting the rights and interests of stakeholders, the Company identifies stakeholders and learns about their expectations and needs through appropriate communication methods. 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 8, 2025: (1) Shareholders/Investors A. Annual General Meeting is convened in the 2nd quarter of each year. Each proposal is voted on a case-by-case basis.

Evaluation item	Implementation status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	
			Shareholders can exercise their voting rights by electronic means, allowing them to fully participate in the voting process. B. Publish Chinese and English version of annual report every year for investors' reference. C. Disclose consolidated revenues, revenues breakdown and preliminary results on MOPS and corporate website monthly. D. Shareholders can communicate with the Company through our toll-free telephone line and email address for shareholders. E. Established an investor relations contact window for the reception of domestic and foreign institutional shareholders, and regularly attends investor conferences held by domestic and foreign brokers. (2) 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). (3) 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. (4) Customers A. Obtain feedback from customers through production-sales meeting (every quarter), customer satisfaction survey (every year), customer briefings, R&D alliances, market surveys and customer interviews.

Evaluation item	Implementation status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	
			B. Provide total solution for customers' businesses through electronic supply chain and e-Sales system. C. Expand customer services through integration of the marketing resources of CSC Group. D. Enhance technical services, actively engage in technical marketing, respond real-time to customer needs, and provide customized specifications. E. Understand customers' needs and assist customers with process improvement and materials use, and keep improving the quality of products and services. F. Hold technical seminars and high-level business management seminars to improve the flexibility of steel supply chain in Taiwan to trends. G. Conduct surveys on demands for development of new products, and improvement of quality, and trends of materials use of different steel-using industries. In addition to the stakeholder communication channels mentioned above, the Company regularly discloses information on corporate governance, environmental management, and commitment to social harmony in the annual report and corporate website. CSC has 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. 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.
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	Yes		No significant difference

Evaluation item	Implementation status		Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)? (3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	(1) Yes (2) Yes (3) Yes	(1) (2) (3)	No significant difference The Company and listed subsidiaries of CSC Group have all established various sections including "Stockholder Service", "Customer Service" and "Corporate Governance" on their own corporate websites to fully disclose information on financials, business and corporate governance. To enhance information disclosure, the Company also established an ESG section on the corporate website, which consolidates the implementation status of environmental, social, and governance initiatives for external stakeholders to promptly access and understand. 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: A. The Company has set up multi-language websites (including traditional Chinese, simplified Chinese and English), and 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. B. 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. 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.

Evaluation item		Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons		
		Yes	No	Summary description			
8.	Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	Yes		Related information is summarized in page 57-62 of this annual report.	No significant difference		
(1) Continuing education for Directors of the 19th Board of Directors							
Title	Name	Date of Assumption of Duty	Date of Training		Organizer	Course Title	Training Hours
			From	to			
Director	Chien-Chih Hwang	2025.06.19	2025.11.11	2025.11.11	Taiwan Investor Relation Institute	Exploring the Legal Liability of Business Decisions from the Perspective of the Business Judgment Rule	3.0
			2025.08.14	2025.08.14	Taiwan Investor Relation Institute	Corporate Sustainability and Risk Management	3.0
			2025.11.11	2025.11.11	Taiwan Investor Relation Institute	Exploring the Legal Liability of Business Decisions from the Perspective of the Business Judgment Rule	3.0
Director	Chien-Hsin Lai	2025.06.19	2025.07.09	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6.0
			2025.06.25	2025.06.25	Independent Director Association Taiwan	Trump's Tariff Policy, the Global Trade Order, and Response Strategies for Taiwanese Businesses	3.0
Director	Wen-Chung Hu	2025.06.19	2025.08.14	2025.08.14	Taiwan Investor Relation Institute	Corporate Sustainability and Risk Management	3.0
			2025.03.24	2025.03.24	Taipei Foundation of Finance	Corporate Governance - Sustainable Finance	3.0
			2025.02.17	2025.02.17	Taipei Foundation of Finance	Corporate Governance - Carbon Management for Sustainable Environment - Low-carbon Transition Planning: Carbon Credits and Carbon Pricing	3.0

Title	Name	Date of Assumption of Duty	Date of Training		Organizer	Course Title	Training Hours
			From	to			
Director	Shou-Tao Chen	2025.06.19	2025.08.14	2025.08.14	Taiwan Investor Relation Institute	Corporate Sustainability and Risk Management	3.0
			2025.07.09	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6.0
Director	Jih-Iau Jeng	2025.06.19	2025.08.14	2025.08.14	Taiwan Investor Relation Institute	Corporate Sustainability and Risk Management	3.0
			2025.05.23	2025.05.23	Securities and Futures Institute	2025 Seminar on Prevention of Insider Trading	3.0
Director	Jung-Chi Chang	2025.06.19	2026.02.02	2026.02.02	Taipei Foundation of Finance	Corporate Governance – Climate Change Transition Risk Assessment	2.0
			2025.12.15	2025.12.15	Taipei Foundation of Finance	Corporate Governance Reform Begins! Key Highlights of the 2026 Transformation of Corporate Governance Evaluation into the ESG Evaluation	3.0
			2025.12.01	2025.12.01	Taipei Foundation of Finance	Corporate Governance – Information Security - Personal Data Protection Audit	3.0
			2025.11.11	2025.11.11	Taiwan Investor Relation Institute	Exploring the Legal Liability of Business Decisions from the Perspective of the Business Judgment Rule	3.0
			2025.10.31	2025.10.31	Securities and Futures Institute	2025 Seminar on Legal Compliance for Insider Equity Trading	3.0
			2025.12.17	2025.12.17	National Federation of CPA Association of the R.O.C.	Analysis of Corporate Regulations and Company Registration Practices	3.0
			2025.11.11	2025.11.11	Taiwan Investor Relation Institute	Exploring the Legal Liability of Business Decisions from the Perspective of the Business Judgment Rule	3.0
Independent Director	Shih-Kun Wang	2025.06.19	2025.09.26	2025.09.26	Securities and Futures Institute	2025 Seminar on Prevention of Insider Trading	3.0
			2025.08.28	2025.08.29	Taiwan Corporate Governance Association	Greenhouse Gas Management Practical Workshop and Sustainable Development Promotion Seminar – Kaohsiung Session	9.0
			2025.08.14	2025.08.14	Taiwan Investor Relation Institute	Corporate Sustainability and Risk Management	3.0
			2025.07.16	2025.07.16	National Federation of CPA Association of the R.O.C.	Experience Sharing about CPAs' Professional Services for the Real Estate (Construction) Industry	3.0

Title	Name	Date of Assumption of Duty	Date of Training		Organizer	Course Title	Training Hours
			From	to			
Independent Director	Chia-Chi Lu	2025.06.19	2025.08.22	2025.08.22	Chinese National Association of Industry and Commerce, Taiwan	Directors and Supervisors Training Program – "2025 Taishin – Shin Kong Net-Zero Summit"	3.0
			2025.08.14	2025.08.14	Taiwan Investor Relation Institute	Corporate Sustainability and Risk Management	3.0
			2025.07.25	2025.07.25	Securities and Futures Institute	2025 Seminar on Legal Compliance for Insider Equity Trading	3.0
			2025.07.09	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6.0
			2025.11.21	2025.11.21	Securities and Futures Institute	2025 Seminar on Legal Compliance for Insider Equity Trading	3.0
Independent Director	Wan-Ru Yang	2025.06.19	2025.08.14	2025.08.14	Taiwan Investor Relation Institute	Corporate Sustainability and Risk Management	3.0
			2025.07.09	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6.0
			2025.11.11	2025.11.11	Taiwan Investor Relation Institute	Exploring the Legal Liability of Business Decisions from the Perspective of the Business Judgment Rule	3.0
Independent Director	Yu-Chin Liao	2025.06.19	2025.08.22	2025.08.22	Taiwan Corporate Governance Association	Operation of the Remuneration Committee and the Performance-Based Remuneration System for Directors and the Management Team	3.0
			2025.08.14	2025.08.14	Taiwan Investor Relation Institute	Corporate Sustainability and Risk Management	3.0
			2025.07.09	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6.0
			Only the training courses attended during the period from 2025 to February 28, 2026 by the current Directors as of February 28, 2026 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→Directors' Participation in Climate Change Related Training and Activities.				

(2) 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 competitive activities 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.

(3) Continuing education and training related to corporate governance participated by the management

A. Course title: Corporate Sustainability and Risk Management

- a. Date: August 14, 2025
- b. Training hours: 3 hours
- c. 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-Jau Jeng	Executive Vice President/ Chief Information Security Officer
I-Chung Huang	Vice President, Administration Division
Mao-Yuan Huang	Assistant Vice President, Administration Division
Chia-Cheng Lee	Vice President, Commercial Division
Wei-Ting Chen	Assistant Vice President, Commercial Division
Tung-Chieh Chuang	Assistant Vice President, Commercial Division
Yueh-Kun Yang	Vice President, Finance Division
Hung-Tai Chou	Assistant Vice President, Finance Division
Fu-Chang Huang	Assistant Vice President, Corporate Planning Division
Hong-Yih Liou	Vice President, Technology Division
Kuei-Sung Tseng	Vice President, Engineering Division (retired on August 31, 2025)
Chih-Feng Lee	Assistant Vice President, Engineering Division
Jung-Huei Wu	Assistant Vice President, Production Division
Kuo-Hua Huang	Assistant Vice President, Production Division
Kuan-Ying Li	General Manager, Finance Department
Pei-Yu Lee	General Manager, Accounting Department

B. Course title: Exploring the Legal Liability of Business Decisions from the Perspective of the Business Judgment Rule

- a. Date: November 11, 2025
- b. Training hours: 3 hours
- c. 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
I-Chung Huang	Vice President, Administration Division
Mao-Yuan Huang	Assistant Vice President, Administration Division
Chia-Cheng Lee	Vice President, Commercial Division
Tung-Chieh Chuang	Assistant Vice President, Commercial Division
Yueh-Kun Yang	Vice President, Finance Division
Hung-Tai Chou	Assistant Vice President, Finance Division
Kuan-Fu Chen	Vice President, Corporate Planning Division/ Corporate Governance Officer
Hong-Yih Liou	Vice President, Technology Division
Tsung-Jung Chen	Assistant Vice President, Technology Division (retired on January 31, 2026)
Chih-Feng Lee	Assistant Vice President, Engineering Division
Jung-Huei Wu	Assistant Vice President, Production Division
Kuan-Ying Li	General Manager, Finance Department
Pei-Yu Lee	General Manager, Accounting Department

(4) 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	2025.11.11	Taiwan Investor Relation Institute	Exploring the Legal Liability of Business Decisions from the Perspective of the Business Judgment Rule	3.0
		2025.05.23	Securities and Futures Institute	2025 Seminar on Prevention of Insider Trading	3.0
		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

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

- Continuing education for directors: Please refer to the annual report published by each subsidiary and the Market Observation Post System.
- Implementation of diversity policy for members of the Board of Directors: Please refer to the annual report published by each subsidiary.
- CPAs' Independence and Suitability Assessment Criteria: Please refer to the annual report published by each subsidiary.
- Relevant certifications obtained by finance, accounting, and internal audit personnel: Please refer to page 124 of this annual report.

(6) 2025 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

9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.)

The status of improvements proposed for the results of the 11th (2024) Corporate Governance Evaluation announced in April 2025 are as follows:

- (1) The Company:
 - #2.6 If directors of each gender account for at least one-third of the total Board seats, an additional point will be awarded.
 - #2.7 Is the number of independent directors of the Company more than one-third of the total director seats?
The Company has increased the number of female Directors and Independent Directors during the 2025 re-election of Directors, and currently female and Independent Directors both account for more than one-third of the total Board seats.
- (2) Listed subsidiaries of CSC Group:

Following progressive improvements by subsidiaries, all listed subsidiaries within the Group have achieved the following: 1. #1.19 The video recording file or viewing link of the shareholders' meeting is provided on the corporate website; 2. #2.17 The Board of Directors regularly refers to Audit Quality Indicators (AQIs) to assess the independence and competence of CPAs, with the evaluation procedures fully disclosed in the annual report; 3. #3.6 English interim financial reports are disclosed within two months after the filing deadline of the Chinese version; 4. #4.4 The sustainability report was prepared in accordance with the GRI Standards, with additional ESG disclosures referencing the SASB Standards.

In addition, ongoing improvements will be made as follows: 1. Convene the shareholders' meeting by the end of May; 2. Ensure that the number of independent director represents no less than one-third of the total Board seats.

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 and systems for Directors and appointed management, reviewing the performance of each personnel, as well as formulating and regularly reviewing the policies, systems, standards, and structures relevant to the remuneration (including the travel expenses for Directors) of Directors and appointed management.

1. Information on Remuneration Committee

(As of February 28, 2026)

Title	Criteria Name	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Member Concurrently Serves as a Remuneration Committee Member
Independent Director (Convener)	Wan-Ru Yang	Please refer to page 16-17 Information on Independent Directors and page 19-20 Information on Independent Directors' Professional Qualification and Experience as well as Independence Criteria of this annual report.		0
Independent Director	Shih-Kun Wang			1
Independent Director	Chia-Chi Lu			1
Independent Director	Yu-Chin Liao			0

2. Operation of Remuneration Committee

(1) The Remuneration Committee of the 18th Board of Directors is composed of three members. The Remuneration Committee of the 19th Board of Directors is composed of four members.

(2) Tenure of the Remuneration Committee members of the 18th Board of Directors: June 17, 2022 to June 19, 2025. Tenure of the Remuneration Committee members of the 19th Board of Directors: June 19, 2025 to June 18, 2028. In 2025, the Remuneration Committee of the Board of Directors convened a total of 3 meetings.

The attendance of members are listed as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Percentage of Attendance in Person (%)	Remarks
The Remuneration Committee of the 18th Board of Directors					Former Directors (Director re-election date: June 19, 2025)
Convener	Min-Hsiung Hon	2	0	100%	
Committee Members	Shyue-Bin Chang	2	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.
	Lan-Feng Kao	2	0	100%	

Title	Name	Attendance in Person	Attendance by Proxy	Percentage of Attendance in Person (%)	Remarks
The Remuneration Committee of the 19th Board of Directors					New Directors (Director re-election date: June 19, 2025)
Convener	Wan-Ru Yang	1	0	100%	
Committee Members	Shih-Kun Wang	1	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.
	Chia-Chi Lu	1	0	100%	
	Yu-Chin Liao	1	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 management.
- C. Salary and benefit adjustments for appointed management.
- D. Amendment of the Organization Regulations for the Remuneration Committee
- E. Reviewing the policies, systems, standards, and structures relevant to the remuneration of Directors.

Date and Session of Remuneration Committee Meeting	Proposal	Members' Opinions and Resolution	Actions in Response to Members' Opinions
2025.02.25 The 11th meeting of the Remuneration Committee of the 18th Board of Directors	Discussion Item 1: Proposal for the Company's distribution of remuneration for Directors of 2025.	1.No opinion. 2.Unanimously approved by all the Committee members present.	Not applicable
	Discussion Item 2: Proposal regarding the 2024 year-end performance evaluation of President, Executive Vice President and Vice Presidents (from January to December), as assessed by the Chairman.	1.No opinion. 2.Unanimously approved by all the Committee members present.	Not applicable
2025.06.06 The 12th meeting of the Remuneration Committee of the 18th Board of Directors	Discussion Item 1: Proposal to adjust the salary and benefits of appointed managements.	1.No opinion. 2.Unanimously approved by all the Committee members present.	Not applicable
	Discussion Item 2: Proposal for the amendment to Article 2 of the Organization Regulations for the Remuneration Committee.	1.No opinion. 2.Unanimously approved by all the Committee members present.	Not applicable

Date and Session of Remuneration Committee Meeting	Proposal	Members' Opinions and Resolution	Actions in Response to Members' Opinions
2025.08.05 The 1st meeting of the Remuneration Committee of the 19th Board of Directors	Discussion Item 1: Proposal for the principles of attendance for the Remuneration Committee.	1.No opinion. 2.Unanimously approved by all the Committee members present.	Not applicable
	Discussion Item 2: Proposal for the review of the policies, systems, standards and structures relevant to the remuneration of Directors.	1.No opinion. 2.Unanimously approved by all the Committee members present.	Not applicable
	Discussion Item 3: Proposal for the 2025 mid-year performance evaluation of President, Executive Vice President and Vice Presidents (from January to June), as assessed by the Chairman.	1.No opinion. 2.Unanimously approved by all the Committee members present.	Not applicable
The Company's actions in response to opinions from the Remuneration Committee: The proposals above were unanimously approved by all members of the Remuneration Committee.			

(V) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons; Climate-related Information of TWSE/TPEx Listed Companies

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	Yes		1. The Company has established the “Corporate Governance and Sustainability Committee” under the Board of Director in 2019, which is responsible for promoting sustainable development, implementing sustainable management concepts, and supervising matters related to risk management. This committee shall convene at least two meetings a year. The powers of this committee are listed as follows: (1) Promote and strengthen corporate governance organization and system. (2) Promote and implement ethical corporate management-related work. (3) Promote and fulfill sustainable development policies and matters related to sustainable management. (4) Implement and assist in supervising matters related to risk management. (5) Plan and promote matters related to energy saving & carbon reduction and carbon neutrality. (6) Plan and promote matters related to digital transformation. (7) Implement other matters adopted by resolution of the Board of Directors. In order to ensure the implementation of sustainable management policies and sound risk control, this committee 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 divisions. 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. The Committee has reported the plan for 2026 and the implementation status of each team in 2025 to the Board of Directors on February 26, 2026.	No significant difference

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			2. Implementation results for 2025 are summarized as follows: (1) Continued to promote listed subsidiaries of CSC Group to sign the Task Force on Climate-related Financial Disclosures (TCFD) initiative and disclose relevant information in their sustainability reports, (2) Introduced the ISO 37001 Anti-Bribery Management System and obtained certification, (3) Continued to increase the use of recycled water and adopt air pollution reduction measures, (4) Continued to conduct employee caring activities and prepared the establishment of a childcare center for CSC's employees' children, (5) Formulated the Company's risk appetite statement and continuously identified operational and emerging risks, in order to respond promptly and manage potential threats, (6) Continued to refine dual control targets for "Total Greenhouse Gas Emissions" and "Carbon Intensity," with regular tracking and reviews, and kept promoting the "Reward Rules for Greenhouse Gas Reduction" to enhance the Company's overall carbon reduction motivation, and (7) Continued to promote innovative technologies such as remote human-machine collaboration, digital twinning, hybrid cloud, generative AI, to enhance production and operational efficiency, and also provided AI-related training and digital transformation seminars to enhance employees' digital competencies. The implementation results above have been disclosed on the corporate website in "Investor Relations" → "Corporate Governance" → "Committees of the Board" → "Corporate Governance and Sustainability Committee" section. 3. In addition to reporting the implementation status to the Board of Directors, the Committee also reports sustainability performance targets set up for 2026, 2030, and 2035, 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. 4. All the listed subsidiaries of CSC Group have established exclusively or concurrently dedicated units in charge of corporate sustainable

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			development. For instance, China Steel Chemical, CHC Resources, China Steel Structure and Chin Ecotek have established the “Corporate Governance and Sustainability Committee” or the “Sustainable Development Committee” under the Board of Directors respectively, while Chung Hung Steel has established the sustainable development committee chaired by its president, which regularly convenes meetings and reports the promotion and implementation status to the board of directors.	
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	Yes		1. The Company has formulated the Risk Management Policies and Procedures, which clearly define the risk management process, including risk identification, assessment, response, monitoring, and reporting. The scope of risk assessment primarily covers the Company. Each business unit is responsible for monitoring risks associated with its operations, proposing corresponding mitigation measures, and periodically submitting reports on material risk management to the Executive Teams of the Committee, which will then report to the Corporate Governance and Sustainability Committee. A Risk Management Team established under the Committee is responsible for overseeing overall risk management. For environmental, social, and governance issues identified as material, the Company formulates appropriate response measures to mitigate potential operational impacts. 2. The Company and listed subsidiaries of CSC Group have all established the material issues analysis process in compliance with the 2021 edition of the GRI Universal Standards and stakeholder engagement standards. Through data collection and analysis, the Company examines issues highly relevant to the industry and identifies the nature of their impacts. Based on the principle of both financial materiality and impact materiality, the Company identifies issues that have significant impacts on its operations as well as on external environment. The results of this assessment are incorporated into the risk management evaluation, forming the basis for developing risk mitigation measures and related management strategies. 3. The risk assessment results for 2025, based on the materiality principle, are summarized as follows:	No significant difference

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			(1) Environmental aspect – Increasing GHG Emission Restrictions or Emission-Related Costs: Given the increasingly stringent emission standards and rising GHG-related costs imposed by governments and international organizations, the Company has identified “Increasing GHG Emission Restrictions or Emission-Related Costs” as a material risk issue. Corresponding mitigation measures include setting short-, medium-, and long-term carbon reduction targets, planning phased decarbonization strategies, and proposing the self-determined reduction plan to qualify for preferential rates, thereby alleviating the impact of carbon fee implementation. (2) Social aspect - Industry Workforce / Talent Shortage: Given the rapid development of emerging industries and the declining attractiveness of traditional industries to younger talent, the Company has identified “Industry Workforce / Talent Shortage” as a material risk issue. Corresponding mitigation measures include continuously monitoring the reasonableness of employee remuneration, planning annual salary adjustments, providing the Employee Stock Ownership Trust System, and offering other appropriate welfare benefits. (3) Corporate governance aspect - Economic Downturn / Financial and Currency Market Volatility: Given the macroeconomic fluctuations and the increased risks associated with interest rate and exchange rate volatility, the Company has identified “Economic Downturn / Financial and Currency Market Volatility” as a material risk issue. Corresponding mitigation measures include increasing the proportion of fixed-rate borrowings and implementing hedging for large-value or long-term foreign currency-denominated equipment procurements or engineering projects.
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics? (2) Does the Company endeavor to use	(1) Yes (2)	(1)	No significant difference

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
energy more efficiently and to use renewable materials with low environmental impact? (3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them? (4) Did the Company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	Yes (3) Yes (4) Yes		successfully passed the recertification of the ISO 14001:2015 environmental management system by the British Standards Institution (BSI) Taiwan Branch. The certificate is valid from July 21, 2025 to July 20, 2028. The scope encompasses the R&D 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. In 2025, the Company implemented environmental management systems covering biodiversity as well as environmental and ecological protection, toxic and concerned chemical substance control, air pollution management, GHG management, and water pollution prevention, etc. For further details, please refer to pages 161-163 (I) Environmental Management of this annual report. 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. B. The Company has conducted GHG inventory operation in accordance with international standards (ISO 14064) since 2006. Starting from 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. C. 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,

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			which regularly reports environmental and energy management performance to the President. (2) A. To enhance energy-saving performance, the Company established the ISO 50001 Energy Management System in 2011, and successfully passed the recertification for the ISO 50001:2018 by the British Standards Institution (BSI) Taiwan Branch in 2025. The certificate is valid from July 8, 2025 to July 7, 2028. 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. The Company has saved a total of 7,788,868 GJs of energy in its 4th phase (2021-2025) of energy-saving action plan, with a target achievement rate of 295%. The Company is currently continuing to implement the 5th phase (2026-2030) of energy-saving action plan. In 2025, the energy consumption per metric ton of slab was 22.70 GJ, achieving the target of 22.89 GJ. Besides, the Company has also set a power saving target. Energy Administration, Ministry of Economic Affairs, which requires that "the annual power saving rate and average annual power saving rate for energy users with contracted capacity exceeding 10,000 kW from 2025 to 2028 should be more than 1.5%." B. 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 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 and industries, the Company has achieved significant results in various areas, such as reduction of process residues, on-site recycling, and off-site resourceization. In 2025, there were 4,287 million metric tons of by-products (wet basis) from manufacturing processes, where on-site recycling and off-site resourceization accounted for 10% and 90% of the total amount of by-products generated, respectively. Besides, in line with the government's circular economy policy, the Company has continued to promote resourceization of by-

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			product, including: (1) steadily promotes the use of basic oxygen furnace slag powder and mineral fines as cement raw materials. The Company supplied more than 390 thousand metric tons to cement plants in 2025, achieving the target set at 348 thousand metric tons. The application can replace limestone and iron slag, thereby reducing load on the environment caused by natural ore mining in the cement industry, (2) conducted BOF slag land reclamation, applying approximately 2.02 million metric tons of BOF slag to the logistics and storage area at Port of Taipei in 2025, with continued stable use in public construction, (3) 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 2025, approximately 2.51 million metric tons of blast furnace slag were used for resourceization. C. 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, using renewable energy, giving priority to the procurement of green mark certified products, producing green products, and developing eco-friendly technologies. The Company also requires companies under CSC Group to pass the verification process for ISO 50001 so as to ensure the energy-saving performance. (3) A. The Company followed the framework of the TCFD reporting to review risks and opportunities related to climate change, and referred to 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 the Announced Pledges Scenarios (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. This includes identifying physical risks, such as disruptions of raw material supply caused by extreme weather events (e.g., typhoons and floods) and water shortages resulting from changes in climate

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			patterns, transition risks, such as increased operating or R&D costs arising from the implementation of carbon fee mechanisms, raw material transitions, low-carbon energy planning, and the development of carbon neutrality technologies, and opportunities, such as entering supply chains related to renewable energy and automotive materials, and providing high-strength and low-carbon steel products. Countermeasures have been planned based on the assessment results, including the development of emerging low-carbon steelmaking technologies, evaluation of low-emission raw material, and submission of self-determined reduction plan to qualify for preferential rates, etc. B. 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. (4) A. 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 105-107 of this annual report. B. Statistics on GHG emissions and related management policies: a. The Company has carried out GHG inventory audit on an annual basis. Scope 1 and 2 inventories cover the Company's major operation locations, including domestic factories, the CSC Building and overseas offices, and has obtained a declaration from a third-party verification agency accredited by the Ministry of Environment (MOENV). The relevant information has also been registered on the Climate Change 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.

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			b. Details of the GHG emissions of the Company in 2024 and 2025 are as follows: • In 2024, Scope 1 and Scope 2 emissions were 17,587 and 1,166 thousand metric tons of CO₂e respectively, with a total emission of 18,753 thousand metric tons of CO₂e and an emission intensity of 2,372 metric tons of CO₂e/ton of slab; Scope 3 emissions were 11,037 metric thousand tons of CO₂e. • In 2025, Scope 1 and Scope 2 emissions were 16,376 and 1,147 thousand metric tons of CO₂e respectively, with a total emission of 17,523 thousand metric tons of CO₂e and an emission intensity of 2,30 tons of CO₂e/ton of slab; Scope 3 emissions were 9,322 thousand metric tons of CO₂e. (internal verification data) c. The Company is committed to acting against climate change. Short, medium, and long-term GHG reduction targets have been set against 2018 base year emissions (Scope 1: 20,806 thousand metric tons of CO₂e; Scope 2: 1,295 thousand metric 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 target of carbon neutrality by 2050 (long-term). The Company recorded a 20.7% reduction of GHG emissions in 2025 compared to the base year of 2018. From 2018 to 2025, a total of 1,459 carbon reduction action plans were completed, achieving a carbon reduction of 1.5872 million metric tons/year (Scope 1 & Scope 2, not adjusted for electricity coefficient), a 7.18% reduction from the base year of 2018, and the planned target in the carbon neutrality path. In 2025, 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. d. In response to the carbon fee collection, the Company submitted the self-determined reduction plan to the Ministry of Environment in May 2025, in which using 2021 as the base year, a target has been set to reduce emissions by 25.3% by 2030 compared with the base year. The plan was approved by the Ministry of Environment in 2026. The Company's carbon neutrality pathway will be adjusted accordingly based on the newly approved self-determined reduction plan.

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			C. Statistics on water consumption and related management policies: a. 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. Urban Polluted Water Recycling Demonstration Plan: Since August 2018, Fengshan Creek reclaimed water has been adopted, with 41 thousand metric tons of reclaimed water introduced every day. Since December 2021, Linhai reclaimed water has been adopted, with 20 thousand metric tons of reclaimed water introduced every day. Also for 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 metric 9,700 tons per day since May 2024. b. The water consumption data of the Company is mainly based on the premises of the Company's factories, the Hsiao Kang Plant, and is disclosed in the Sustainability Report. The third-party verification was obtained from British Standards Institution (BSI). In 2024 and 2025, the Company's total water consumption reached 42.21 and 40.78 million metric tons respectively, with water consumption per metric ton of slab being 5.10 and 5.12 metric tons respectively. Wherein, tap water consumption amounted to 17.98 and 15.92 metric million tons, while reclaimed water consumption totaled 24.23 and 24.86 million metric tons, accounting for approximately 57.4% and 61.0% of total water use respectively.

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			c. Compared to the 130 thousand metric tons of daily total water consumption in 2017, before the introduction of reclaimed water, the Company has reduced its daily total water consumption to 112 thousand metric tons by 2025, wherein, the use of raw water has dropped to 44 thousand metric tons per day. Compared to the 2017 base year, the raw water consumption in 2025 has decreased by 66.4%, achieving the target of 57.0%, and further reduced by approximately 11.0% compared with the previous year. D. Statistics on waste and management policies: With respect to waste management targets, the Company aims to achieve a resourceization rate of more than 92% 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. The data is disclosed in the Sustainability Report and certified by British Standards Institution (BSI). The amount of waste disposal in 2024 and 2025 were 505,171 and 474,754 metric tons respectively, with each metric ton of slab generating 63.9 and 74.6 kg respectively. Among which, the general industrial waste disposal in 2024 and 2025 were 505,158 and 474,705 metric tons respectively, with resourceization rate of 94.8% in both year; 13 and 49 metric tons of hazardous industrial waste were disposed, with a resourceization rate of 100%. E. 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, medium, and long-term carbon reduction targets and have received verification of GHG emission data.
4. Social Issues (1) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and	(1) Yes	(1)	No significant difference

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
international human rights conventions? (2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation? (3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees? (4) Has the Company established effective career development training programs for employees? (5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies? (6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	rights (2) Yes (3) Yes (4) Yes (5) Yes (6) Yes		codes on human rights, the Company and listed subsidiaries of CSC Group have been treating all current employees and personnel of business partners fairly and with dignity, as well as eradicating any infringement of human rights. B. To implement human rights protection, the Company has established and put into practice the "Human Rights Policy of CSC," which explicitly stipulates issues such as the elimination of unlawful discrimination to ensure equal employment opportunities; prohibition on human trafficking and child labor; prohibition on forced labor; safeguarding freedom of association and the right to collective bargaining right; support for employees' physical and mental health and work-life balance; and the provision of a safe and healthy working environment. The policy applies to all levels of units and requires investees, suppliers, subcontractors, customers, and other business partners to adhere to its spirit and fundamental principles. Relevant human right principles and management measures have also been incorporated into internal regulations such as the personnel management system, the Guidelines for Subcontractor Safety and Health Management, and Regulations for Subcontractor Environmental Protection Management, serving as operational and management standards. In addition, the Company enhances awareness and understanding of human rights issues among employees and related personnel through training programs and awareness initiatives. To ensure effective implementation of the Human Rights Policy, the Company has established the following systems and mechanisms: a. 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." b. 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

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	
			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 “Regulations of Sexual Harassment Prevention”. c. Established complaint channels in accordance with the “Guidelines for Handling Complaints,” with the purpose of providing employees with the relevant channels when their legal rights have been infringed or improperly handled and such incidents cannot be resolved reasonably. C. The Company’s human rights management is implemented by the Human Resources Department, Industrial Safety & Hygiene Department, and Plant Engineering & Maintenance Department, based on their respective responsibilities. They systematically promote the implementation, risk management, and performance tracking of human rights policies, and regularly review implementation effectiveness to ensure proper functioning of human rights management practices. The Company also conducts regular human rights due diligence, integrating the identification, prevention, and mitigation of human rights risks into its daily management processes. Issues such as labor conditions, equal employment opportunity, workplace safety, and subcontractor human rights management are periodically reviewed and assessed, with continuous improvements made based on the assessment results. D. Implementation status of human rights-related policies: a. In 2025, the Company conducted human rights due diligence targeting employees, subcontractors, and neighboring communities. In addition, ESG due diligence for suppliers was conducted in 2026, covering material human rights-related issues. For details regarding the due diligence process, findings on material risk issues, as well as preventive, mitigation, and remedial measures, please refer to (3) Human Rights Due Diligence on pages 95-98 of this annual report. b. All employees have received courses on human rights training. In 2025, the Company provided 8,031 hours of training on human rights (covering topics such as sexual harassment prevention and complaint channels for new employees, anti-discrimination, and prevention of

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	Yes	No	
			workplace misconduct), with a total of 2,797 counts of attendance for the training, and also held meetings for communication and information dissemination, with a total of 10,097 hours. E. In 2025, Chung Hung Steel received 1 complaint involving alleged workplace bullying, which is currently under investigation in accordance with internal grievance mechanisms. No violations of human rights or discrimination incidents were reported by other listed subsidiaries of CSC Group in 2025. Additionally, Chung Hung Steel, China Ecotek, and CHC Resources conducted employee human rights due diligence or human rights risk assessments for their employees, while China Steel Chemical incorporated human rights issues into its supplier due diligence, thereby continuously strengthening the management of human rights-related issues. (2) A. 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. Pay from the Company is determined without gender-based differences, and the basic salary paid to women and men of the same position and level is the same. However, the pay grade of the same position may vary due to difference in seniority because of the link between salary and tenure. For employees of the same position and the same tenure, pay is the same regardless of gender. The Company has been dedicated to creating a diverse workplace and has set a target of achieving 3.60% or more female employee representation by 2030. By the end of 2025, the percentage of female employees was 3.76%. The employees from non-production unit, including administration, finance and corporate planning divisions, totaled 389 and 111 of which were female employees, accounting for 28.53%. Female supervisors accounted for 1.80% of the total number of supervisors (including the management). B. 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

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	Yes	No	
			operating bridge crane at basic oxygen furnace), year-end bonus, and surplus bonus for production and sales. C. The Company's Articles of Incorporation 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, out of which 30%-50% shall be distributed to non-executive employees under the resolution of the Board of Directors. Furthermore, the Company has established regulations governing employee remuneration, incentives, and bonuses to reflect the 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. As the Company reported no profit in 2025, the Board of Directors approved a proposed distribution of remuneration for employees of NT\$0 in 2026. D. The Company has established a working environment with great benefits to enhance the well-being of employees: - Setting up welfare facilities such as the cooperative store, restaurant, the CSC Group Hall, single employee dormitories, gymnasium, and kindergarten, and planning for the establishment of a childcare center to meet employees' welfare needs. - Organizing activities every year, such as team-building activities and corporate anniversaries, to maintain relationships between employees and their families. - Starting from 1997, the Company has signed a three-year collective agreement with the CSC Labor Union. The current collective agreement, signed in 2024, is the sixth edition and applies to all union members (covering 100% of full-time employees eligible for membership). - Starting from 1998, the Company has implemented the Employee Stock Ownership Trust system. 100% of full-time employees are eligible to participate and may join the system voluntarily based on their individual preference to enhance employees' sense of belonging. - Setting 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

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			pregnancy checkup and delivery, so as to emphasize work-life balance. For more details about employees' welfare, please refer to page 171-174 VI. Labor Relations of this annual report. E. 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. Based on the labor pension system under the "Labor Standard Act", employees' labor pension shall be calculated based on years of service and average salary for the 6 months before the approved retirement date. 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. As of December 2025, a total of 7,833 employees applies to the new labor pension system, while a total of 1,413 employees remained with the previous labor pension system. For further details of employees' pension system, please refer to pages 171-172 2. Retirement System of this annual report. F. 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. (3) A. 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 from July 21, 2025 to July 20, 2028. 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

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			organizes industrial safety related 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 pages 168-170 V. Protection Measures for Working Environment and Employees' Personal Safety of this annual report. B. The Company achieved the target of zero major occupational accident in 2025. There were 5 disabling injury accidents (i.e., temporary absence from work for more than one day) in 2025, involving 5 people, which accounted for 0.05% of the total number of employees at the end of 2025, while the disabling injury frequency rate was 0.25, which was slightly higher than the Company's statutory rate of 0.18. The Company has completed root cause analyses for all incidents and the 5 employees involved in the accident was provided with proper health care and support, and has now all returned to work. Based on the latest statistics in 2022~2024 provided by the Occupational Safety and Health Administration, Ministry of Labor, the Company's disabling injury frequency rate remains significantly lower than the industry average rate of 2.17. The Company continued to improve its management practices and has proposed various safety and health management measures after internal reviews and assessments. In addition, the Company conducted the large-scale workplace safety enforcement activities in 2025, with a total of 185 inspections conducted, and all identified deficiencies and recommendations have been addressed. The Company will continuously enhance operational safety at the plant, improve safety awareness of operators and establish a sound occupational safety culture to achieve the ultimate target of zero disaster. C. There were a total of 2 fires in 2025, all of which were minor fires with no casualties reported. In addition to enhancing fire prevention measures across all units, the Company conducted 5 fire prevention and safety training sessions and 4 fire watch personnel training sessions in 2025, with a total of 241 participants, thereby improving employees' emergency response capabilities. D. Listed subsidiaries of CSC Group have all acquired ISO 45001 certification. Annual surveillance audits are conducted, and the

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	
			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 2025. (4) A. 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 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, intellectual property and EHS-related training. For detailed information on employee training, please refer to pages 173-174 5. Employee training and talent development of this annual report. Total training hours in 2025 were 229,961 hours, while average training hours per employee are 24.9 hours. B. 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. (5) A. The Company has established a complete pricing system. After setting domestic prices, the Company will announce the price change on the corporate website, ensuring fairness in acquiring price information through fully disclosure to customers. B. 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,

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	Yes	No	
			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. The Company's customer service performance in 2025 is as follows: Conducted 9 cases of market quality feedback, 100 cases of technical exchange for key customers, as well as 130 cases of process technology improvement, and 17 of which are related to product safety. C. The Company conducts satisfaction survey for both domestic and international customers every year. Customer feedback is collected through questionnaires, telephone interviews, and focus group discussions. Improvement measures are proposed to address customer dissatisfaction, ensuring the maintenance of high service quality. Customers can also ensure their rights through channels such as customer service email, hotline, and industry forums. 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. D. The Company strictly adheres to provisions of the "Personal Data Protection Act" and has implemented the following protection policies and measures on personal data: a. The Company has formulated the "Employee Personnel Data Management Guidelines," with the Human Resources Department 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. In addition, the Company established the "Regulations for Maintenance and Management of Personal Data File Security" in May 2025, applicable to all personal data collected, processed, and utilized in the Company's business operations, to ensure proper data protection and management. The implementation is carried out in two phases in

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	Yes	No	
			conjunction with training programs. The first phase focused on employee and customer personal data, while the second phase, scheduled for 2026, will extend coverage to subcontractors and suppliers. The policy governs the collection, processing, and utilization of personal data, stipulates procedures for exercising rights of the data subjects, and establishes risk assessment and handling mechanisms. It also incorporates physical, environmental, and personnel security measures, implements access control, usage logging, and audit mechanisms, and establishes incident prevention, reporting, and response procedures. Furthermore, through regular training programs and continuous improvements, the Company ensures that personal data is handled in compliance with applicable laws and regulations, both during business operations and after their termination, thereby safeguarding data security and protecting the rights and interests of data subjects. b. 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: (a) All computers in the Company are equipped with legal antivirus software to prevent being exploited to spread computer viruses in e-commerce system. (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 identify verification is not allowed to make a search. At the same time, SSL encryption is employed to ensure the security of information transmission. (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. The Company also promotes awareness of customer privacy protection and ensures its effective implementation through internal meetings and training programs on a regular basis. In 2025, there

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	Yes	No	
			were no complaints regarding violation of customer privacy. c. 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 2025, a total of 61 individuals attended the training, with a total of 122 training hours. E. The Company has passed the IECQ QC 080000 Hazardous Substance Process Management System certification. The Company designs, develops and manufactures products in compliance with relevant international product standards (such as CNS, JIS, ASTM, EN, etc.) or the specifications agreed by both parties during the product inspecting, packing, and labeling 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), Packaging and Packaging Waste Regulation, 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), Persistent Organic Pollutants (POPs), and Per-and Polyfluoroalkyl Substances, etc. For low-risk and environmentally friendly coatings, packaging, and auxiliary materials used for steel products are subject to risk control. Appropriate handling methods, such as removal, classification, isolation, or improvement for subsequent recycling and reuse, are established based on potential risks at the end of their useful life. Furthermore, even during periods of pandemics or economic downturns, the Company strictly refrains from procuring raw materials containing hazardous substances. Through source management, the Company achieves its Hazardous Substances Free (HSF) target and can provide customers with product quality certificates

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			and HSF certificates, etc., for their subsequent use. Regulations regarding product specifications and customer communication are also set out in the “Basic Business Rules for the Marketing Department” as a guideline for sales and marketing. F. 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. (6) A. All procurement contracts the Company formulates with coal and iron ore suppliers include clauses requiring suppliers to comply with relevant ESG terms and clauses. The Company also established the “Supplier Code of Conduct,” which covers five major standards: ethics, labor and human rights, health and safety, environmental standards, and management systems, in hopes of achieving various sustainability targets together with suppliers, such as practicing environmental sustainability, respecting labor and human rights, and complying with ethical standards. As of the end of 2025, a total of 4,038 suppliers had accepted the “Supplier Code of Conduct,” with 100% of newly added suppliers accepting it. Besides, 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 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. B. In order to implement the Environmental, Health and Safety (EHS) policies, 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

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			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 policies 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 "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. C. In terms of information and communication security, the Company's information security policy applies to vendors and subcontractors who have access to the Company's business information or provide related services. To mitigate information security risks within the supply chain and enhance overall cyber resilience, the Company conducts security risk assessments on IT vendors, and contractors are required to comply with the confidentiality and information security addendum to the contract. The Company has also introduced the security risk rating system, applying tiered management and ongoing monitoring for critical information suppliers. D. 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, China Steel Chemical has formulated Supplier Code of Conduct; China Steel Chemical and Chung Hung Steel have established supplier due diligence mechanisms; Chung Hung Steel, CHC Resources, and China Ecotek 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.

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	Yes	No	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	Yes		No significant difference
	The Company's 2024 Sustainability Report was approved by the Board of Directors in May 2025 and published in June of the same year. The Report was prepared in accordance with the Global Reporting Initiative (GRI) Standards, verified by the independent third-party organization, British Standards Institution (BSI), in accordance with Type 1 of AA1000 Assurance Standard v3 (AA1000AS v3) and obtained a moderate level of assurance, while part of the data in the report (waste and byproduct, air pollutant, water resource, occupational safety and health, and energy) were verified in accordance with Type 2 of AA1000AS v3 and obtained a high level of assurance. 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 Chung Hung Steel, China Ecotek, CHC Resources and Dragon Steel have passed the verification conducted by BSI, while the reports of C.S.Aluminium and China Steel Express have passed the verification conducted by Afnor Group and Lloyd's Register Quality Assurance (LRQA), respectively; and the most recently reports of China Steel Chemical and China Steel Structure have been assured by Crowe (TW) CPAs.		
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: 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 the corporate website. All the implementation complies with the Sustainable Development Code of Practice.			
7. Other important information to facilitate better understanding of the Company's promotion of sustainable development: (1) 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. For example, in response to demands from major global technology companies for materials with higher recycled content, the Company has, since 2021, progressively developed steel products with a high proportion of recycled materials and obtained UL 2809 certification. Since 2024, the Company further collaborated with the Group's subsidiary Dragon Steel Corporation, to introduce an innovative process, "adding hot metal to the electric arc furnace and then directly send to the billet casting machine", to produce high-end steel comparable in quality to that of the blast furnace process. In 2025, the Company initiated the development of a fully scrap-based production process and successfully manufactured the "Galvanized RC90" product, marking a new milestone in the proportion of recycled content in steel products. To date, the Company has obtained a total of 14 UL 2809 certifications for recycled content steel products, with recycled content ranging from 12% to 90% (RC12 to RC90). The product portfolio includes hot-rolled, cold-rolled, hot-dip galvanized, electro-galvanized, electrical steel, and bar and wire rod products. These products have been widely recognized by leading global technology companies and are extensively applied in end-use products such as computers, home appliances, servers, and			

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	
furniture. They are also suitable for applications in construction bolts, bicycle components, automobile panels, and electric vehicle motors, thereby meeting the diverse demand for recycled content steel materials across various industries.			
(2)	Biodiversity		
	A. The Company recognizes the protection of biodiversity and forest resources as fundamental elements of sustainable development. It has established the CSC Biodiversity and No Deforestation Policy, which is disclosed on the corporate website. CSC is committed to complying with regional and national legal requirements in its operations and value chain activities and avoiding development activities near globally or nationally important biodiversity areas. By 2050, CSC will strive to achieve the goals of no net deforestation, net positive impact (NPI), and work towards no net loss (NNL) in biodiversity-related priority areas. B. In 2025, the Company adopted the guidance issued by the Taskforce on Nature-related Financial Disclosures (TNFD) and implemented the LEAP (Locate, Evaluate, Assess, Prepare) approach to assess its operational dependencies and impacts on natural resources, including water resources, biodiversity, air quality, and soil. Based on this assessment, the Company identified material risks and opportunities and implemented various mitigation measures and action plans. Based on the assessment results, the Company has implemented a range of mitigation measures and action plans. These include proactively reducing production and scheduling annual maintenance of production equipment during periods of poor air quality in the autumn and winter seasons; continuously introducing urban reclaimed water; and supporting the maintenance and care of vegetation in the Kaohsiung Park. The Company also consistently avoids undertaking development activities in World Heritage Sites and protected areas classified under IUCN Categories I–IV, in order to reduce impacts on biodiversity. Detailed information is disclosed on the corporate website under the “ESG” → “Environmental” → “Biodiversity” section.		
(3)	Human Rights Due Diligence		
	A. Human rights due diligence conducted in 2025 for employees, subcontractors, and neighboring communities		
	a. Due Diligence Process:		
	Steps	Description	
	A. Review and Revision of Human Rights Policies / Regulations	The Company regularly evaluates whether its human rights policies require revision in response to changes in the operating environment, ensuring alignment with organizational strategies and targets. It also reviews relevant internal regulations to ensure consistency with human rights policies.	
	B. Identification of Material Human Rights Issues and Subjects	The Company reviews applicable regulations at its operating locations as well as relevant international human rights conventions to identify issues with significant implications for human rights protection. It also conducts identification and assessment of potential risks that may affect human rights and labor rights throughout its operations. The scope of assessment covers the Company’s employees, subcontractors, and neighboring communities.	
	C. Internal Audits and External Investigations	Based on the identified human rights issues and stakeholders, the Company conducts regular internal audits and external assessments. These include random employee sampling and verification, periodic subcontractor audits, and the regular collection and monitoring of relevant data.	
	D. Remediation and Tracking	Corrective actions are implemented based on the results of internal audits and external investigations, with ongoing monitoring to ensure the effectiveness of such improvements.	
	E. Information Disclosure	The Company discloses the results of its human rights due diligence to enhance stakeholder communication and transparency.	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
b. Investigation Results:				
Investigation Subjects	Material Human Rights Issues	Preventive and Mitigation Measures	2025 Investigation Results and Remedial Actions	
	Elimination of unlawful discrimination to ensure equal employment opportunities	Interview training is provided to interviewers, emphasizing the prohibition of discrimination and compliance with the Employment Service Act and related regulations.	No internal or external complaints or government penalties were reported during the year.	In the event of any internal or external complaints or government penalties, the Company will initiate internal investigation procedures to clarify the facts, scope of impact, and responsibilities; provide psychological counseling and necessary assistance to affected individuals as appropriate; and strengthen anti-discrimination education and training.
	Prohibition on child labor	Identity verification is conducted during the application stage, with further verification performed during the interview and onboarding stages.	No internal or external complaints or government penalties were reported during the year.	In the event of any internal or external complaints or government penalties, the Company will immediately terminate the improper employment in accordance with applicable laws; clarify responsibilities and impose disciplinary actions on personnel responsible for management oversight failures; and strengthen pre-employment age verification procedures.
	Prohibition on forced labor	Working hours are managed through system controls in compliance with applicable laws and regulations, and employees are encouraged to schedule leave during off-peak work periods.	No internal or external complaints or government penalties were reported during the year.	In the event of any internal or external complaints or government penalties, the Company will reiterate relevant labor laws and regulations internally to ensure that employees are fully informed of their rights and that supervisors have a clear understanding of applicable legal requirements.
Employees of the Company	Freedom of association and collective bargaining rights	● CSC Labor Union covers 100% of full-time employees with membership qualification. ● Labor-management meetings are convened monthly, and a dedicated platform is established for employees to track the progress of proposals online.	No internal or external complaints or government penalties were reported during the year.	In the event of any internal or external complaints or government penalties, the Company will continue to provide diversified two-way labor-management communication mechanisms to foster an open environment for expression and dialogue; support the independent operation of the Labor Union and labor-management meetings; uphold fairness and transparency in the election and operation of employee representatives; and continue to safeguard employees' rights to freedom of association and collective bargaining, while maintaining effective communication with the Labor Union to ensure that negotiations are conducted on the basis of equality and mutual respect.

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
	Provision of a safe and healthy working environment	- Introduced the ISO 45001 Occupational Health and Safety Management System and maintained certification. - Established an Occupational Health and Safety Policy and set up an Occupational Safety & Hygiene Committee, which convenes meetings every two months to oversee occupational safety and health management and ensure employee health and safety. - Continue to conduct certification-based training programs to strengthen safety awareness. - Implement health management practices to enhance the prevention and monitoring of occupational injuries and illnesses.	- In accordance with ISO 45001, incident investigations were conducted following each event, including root cause analysis, risk reassessment, formulation and implementation of corrective actions, and verification of effectiveness, along with strengthened employee training. - Increased the frequency and intensity of inspections on on-site operations and working environments. - For personnel in special work environments who were listed under Level 4 management after the special health examination, the Company has confirmed that workplace conditions comply with regulatory requirements, provided enhanced training on the use of protective devices, and conducted ongoing monitoring of employee health conditions. 5 cases of employee disabling injury accidents occurred in 2025.	
Subcontractors	Violations of labor conditions	Annual audits of subcontractors' labor conditions are conducted to ensure that their systems, covering wages, bonuses, labor insurance, national health insurance, and working hours/overtime, comply with the "Labor Standards Act" and CSC's requirements.	No internal or external complaints or government penalties were reported during the year.	In the event of any identified violations, points will be deducted in performance evaluations and penalties will be imposed in accordance with contractual terms. Subcontractors will be required to propose corrective action plans, and improvements will be continuously monitored with deadlines for completion. If no improvement is observed after multiple audits, contract termination will be evaluated.
Neighboring communities	Air pollution control	CSC's Environmental Monitoring Center has established 6 air quality monitoring stations and 2 electronic display boards to provide surrounding air quality information to the public. In addition, 31 continuous monitoring systems are installed to monitor the concentration and total emissions of conventional pollutants.	No complaints were received from neighboring communities during the year.	In the event of any complaints from neighboring communities, the Company will promptly report pollution incidents to local environmental protection authorities and relevant regulatory agencies to ensure compliant handling.

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	
Summary description			
B. 2026 Supplier ESG Due Diligence (including Human Rights-related Issues)			
a. Due Diligence Process:			
Steps	Description		
A. Identification of Material Issues and Questionnaire Design	The Company identifies the material issues for its supplier ESG due diligence questionnaire with reference to ESG-related standards issued by domestic and international organizations, the Self-Assessment Questionnaire (SAQ) framework, and stakeholder concerns. These include major human rights issues such as personal safety, protection of working and labor conditions, the right to health, prohibition on child labor, anti-discrimination and anti-harassment, and prohibition on forced labor. Based on these considerations, survey indicators are established to facilitate the identification and mitigation of potential supplier risks, while promoting the overall implementation of social responsibility across the supply chain.		
B. External Investigations	Regular questionnaire surveys are conducted, and the results are compiled into a statistical platform for scoring and analysis, serving as the basis for subsequent tracking and the formulation of improvement measures.		
C. Remediation and Tracking	Based on the results of external investigations, the Company conducts continuous tracking, on-site interviews, and risk improvement and evaluations. Mitigation or remedial measures are implemented for higher-risk issues.		
b. Investigation Results:			
In 2026, the scope of the supplier ESG due diligence covered 88 first-tier suppliers, with a questionnaire response rate of 70%. Scoring and analysis were conducted based on the responses received from 62 suppliers. The risk levels of survey indicators related to material human rights issues are summarized as follows:			
Human Rights-related Assessment Indicators			Risk Level Assessment
A. Compliance with local labor laws and provision of reasonable wages, working hours, and benefits			Low
B. Prohibition on child labor, forced labor, and discriminatory hiring practices			Low
C. Establishment of an occupational health and safety management system or mechanism (e.g., ISO 45001)			High
D. Provision of employee training and career development opportunities			Low
E. Establishment of human rights/labor policies			Low
F. Tracking and management of workplace accidents and incidents			Low
G. Identification and prevention of human rights-related risks			Low
H. Establishment of grievance mechanisms for employees to raise concerns or file complaints			Low
Mitigation or Remedial Measures: The Company will conduct individual inquiries and ongoing tracking of suppliers identified as having higher human rights risks, and will urge them to establish comprehensive occupational health and safety management systems, thereby strengthening human rights risk management across the supply chain.			

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	
(4) Community Involvement and Social Welfare A. Provides sponsorships to schools in Hsiao Kang District for the renewal of teaching equipment and assist them in greening and landscaping works. B. Sets up a merit scholarship for schools in Hsiao Kang District. In 2025, the Company provided festival relief payments to a total of 1,859 low-income households and distributed scholarship to 369 schoolchildren from low-income families in Hsiao Kang District, as well as organized 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, with a total of 477 people benefited. C. Organizes the “Steel Journey” field trip for graduating students at elementary schools in Hsiao Kang District. In 2025, a total of 1,400 participants benefited from the program, enhancing students’ environmental and scientific literacy. And assists schools in Hsiao Kang District in organizing various teaching activities. D. 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. E. Organizes arts and cultural activities over the long run in collaboration with the city government, with a view to contributing to efforts in enhancing the international visibility of port city, Kaohsiung. (5) CSC Group Education Foundation The Company’s Board of Directors approved the establishment of the “CSC Group Education Foundation” 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 from 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. The Vice President of Administration Division of the Company is concurrently served as the executive director of the Foundation. The services launched by the Foundation in 2025 are as follows: A. Steel Talent Cultivation: Approximately 9,000 counts of benefit Organized steel talent cultivation by organizing seminars and workshops on steel and environmental technology to enhance the domestic steel industry’s technical capabilities; conducted special courses on steel manufacturing process at universities and provided the Steel Talent Scholarship; 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,” and workshops for teachers. B. Ecological and Environmental Sustainability: A total of 6,000 counts of benefit Promoted environmental education by organizing ecological camps; adopted green lands and promoted environmental greening activities; 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. C. Humanities and Arts: Approximately 9,000 counts of benefit a. Collaborated with cultural and artistic organizations, including the Kaohsiung Philharmonic Cultural & Arts Foundation, Baroque Camerata, and Pro-Art Camerata, to enhance artistic literacy as well as cultural inclusion through the organization of music-related events. In addition, it promoted traditional culture preservation efforts, such as shadow puppetry, traditional silk-and-bamboo music, Hakka cultural experiences, and historical city tours. b. Organized humanities lecture series, such as campus lecture sessions, activities of the Literary Salon at Steel City, and CSC citizen lecture sessions, inviting distinguished speakers from various fields to share their life stories.			

Item	Implementation Status		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	
(6) Build a Healthy and Green Life A. 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 2025, a total of 6,971 top-ups were made by CSC employees for the TPASS 399 and the average number of people who commute to and from the KRTC Red Line R3 station was 5,686 each month. B. Continue to promote tree planting and maintenance to create a diversified ecological environment. In 2025, the amount of regular maintenance of green landscaping was NT\$57,004 thousand and that of replanting/removal/fixing was NT\$20,631 thousand, totaling NT\$77,635 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. C. Employees are encouraged to order veggie food box and purchase local ingredients. 243,759 veggie food boxes were ordered by CSC employees in 2025, accounting for 13% of total food boxes. 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 Dragon Steel, China Steel Express, C.S.Aluminium, China Steel Machinery, InfoCHAMP, HIMAG, China Steel Security, ThinTech, CSC Steel, CSVC, CSCL, China Steel Global Trading, and Kaohsiung Rapid Transit, please refer to the sustainability reports of these companies or the CSR/sustainability section on their corporate websites.			

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
1. Describe the supervision and governance by the Board of Directors and management on climate-related risks and opportunities.	(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. (2) To address the issue of carbon neutrality, the "Corporate Governance and Sustainability Committee" has established the "Task Force on Energy Saving & Carbon Reduction and Carbon Neutrality" under its purview. This task force is primarily responsible for carbon management and carbon neutrality issues. It is chaired by the Chairman of the Board of Directors, who oversees climate change issues. The task force regularly reports its implementation plans and outcomes to the Corporate Governance and Sustainability Committee and the Board of Directors. (3) The Company has 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. (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 related committees to oversee climate change risks. Through the establishment of Risk Management or Sustainable Environment Teams, regular reports on the execution of climate-related risk management are submitted to the Board of Directors.
2. Describe how the identified climate risks and opportunities impact the business, strategies, and finance of the Company (short, medium, and long-term).	(1) The Company, in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) framework, identified its short, medium, and long-term climate-related risks and opportunities. Four scenario analyses were conducted to examine the impact of various climate risks and opportunities on business, strategies, and finance, and response strategies are formulated and reviewed on an annual basis. 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. (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 business impacts.

Item	Implementation
3. Describe the impacts of extreme weather events and transition actions on finance.	(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 disrupt the raw material supply and production operations. To mitigate the impact of physical risks, the Company has implemented several response measures, including diversifying water sources, increasing the proportion of reclaimed water usage, and selecting locations with less susceptibility to climate impacts as raw material transfer hubs. (2) 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 emerging low-carbon steelmaking technologies and offer low-carbon products to capitalize on the opportunities arising from the low-carbon transition. For instance, the Company continues promoting the adoption of electrical steel for electric vehicles and advanced high-strength steel to major automobile brands, while optimizing the product performance to meet the specific requirements of these brands. (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.
4. Describe how the identification, assessment, and management process of climate risks are integrated into the overall risk management system.	The Company and listed subsidiaries of CSC Group have integrated climate-related risks into the overall risk management framework. The management process for climate-related risks and opportunities is as follows: (1) Selection of assessment methods: Analyze applicable reduction pathways for industry (e.g. steel industry) and set suitable scenarios. (2) Identification of climate risks and opportunities: Screen for risk and opportunity issues across various operational aspects under climate change. (3) Assessment and materiality identification of climate risks and opportunities: Identify climate-related risks and opportunities based on the professional experience of each department, and develop a risk matrix with likelihood of occurrence and level of impact for prioritization and classification. (4) Response: Establish management and response measures for identified risks and opportunities, and track the progress through performance indicators and targets.

Item	Implementation
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.	(1) To analyze the impact of climate-related risks and opportunities on business strategies, the Company's latest assessment of climate risks and opportunities referred 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). (2) The Company analyzed the financial impact of various climate risks and opportunities based on the four aforementioned scenarios. For instance, in the SSP2-4.5 and SSP5-8.5 scenarios, there may be an escalation in the frequency and severity of extreme weather events, which could disrupt the stability of raw material supply and affect production and operation. (3) Listed subsidiaries of CSC Group respectively consider various scenarios, including the IPCC's stringent mitigation scenario (RCP2.6), high GHG emissions scenario (RCP8.5), very high GHG emissions scenario (SSP5-8.5), and 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.
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.	(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 was on increasing the use of renewable energy and intensifying efforts to improve energy efficiency. A 7% phased reduction target has been achieved in 2025. 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 "using low-carbon raw materials in blast furnaces," "increasing scrap use / reducing hot metal," "co-production of steel and chemicals," and "installation / revamping projects of new large-scale equipment." Beyond 2030, the Company's long-term plan towards carbon neutrality includes 5 main strategies: "injecting hydrogen-rich gas into blast furnaces," "electrification," "use of carbon-free fuels," "carbon capture, utilization, and storage (CCUS)," and "hydrogen reduction processes." These strategies are aimed at actively and pragmatically reducing carbon emissions. (2) In addition, in response to the carbon fee collection, the Company submitted its self-determined reduction plan to the Ministry of Environment in May 2025, in which using 2021 as the base year, a target has been set to reduce emissions by 25.3% by 2030 compared with the base year. The plan

Item	Implementation
	was approved by the Ministry of Environment in 2026. The Company's carbon neutrality pathway will be adjusted accordingly based on the newly approved self-determined reduction plan. (3) Listed subsidiaries of CSC Group have established short, medium, and long-term GHG reduction targets. Additionally, CHS, CHC, CSHC, 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 refining manufacturing process, replacing old equipment to enhance energy efficiency, increasing the use of green energy, adopting low-carbon fuels, and implementing wastewater recycling. These efforts also address physical and transition risks.
7. If internal carbon pricing is used as a planning tool, it should clarify the pricing basis.	Starting from 2024, the Company has adopted an internal carbon pricing (ICP) mechanism of NT\$300 per metric ton, in reference to the Standard Rate under the "Regulations Governing the Collection of Carbon Fees" announced by the Ministry of the Environment. This ICP is used to assess the benefits of carbon reduction-related capital expenditures or R&D investments, thereby promoting the development of lower-carbon production processes and technologies and improving internal decarbonization performance. Listed subsidiaries of CSC Group, such as CHS, CSHC, CHC, and CSSC, have also established appropriate internal carbon pricing with reference to the carbon fee standards set by the Ministry of Environment.
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.	(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 short-term (2025) and medium-term (2030) carbon reduction targets. 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 Plans. For CSC's standalone detailed information such as GHG emissions scope and annual carbon reduction progress, please refer to pages 78-79 of this annual report on GHG emissions statistics and management policies. (2) In response to the government's green energy policies, CSC Group established CSC Solar Corporation in 2016, installing solar photovoltaic panels on the rooftops of factories at companies of CSC Group. As of the end of 2025, the installed capacity has reached 101.0 MW, with a cumulative power generation of 764 million kWh. In 2025, 54.36 million kWh of green power was supplied to the companies of the CSC Group. (3) The Company has installed a total of 529 kW of self-consumed solar power generation systems. In 2025, the self-consumed green power amounted to 0.48 million kWh. Additionally, a total of 28.59 million kWh of green power was obtained through the subsidiary CSC Solar Corporation in 2025, with renewable energy certificates secured for all of it.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately provided in 1-1 and 1-2).	Please refer to 1-1 and 1-2 below.

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:

2025:

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	16,376,266	98.05	ISO 14064-1/ GHG Protocol	CSC Group: The sites within organizational boundaries using the Operational Control Approach.
Subsidiaries of CSC Group	8,016,049	Not Applicable		
Total	24,392,315	76.91		
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	1,146,379	6.86	ISO 14064-1/ GHG Protocol	CSC Group: The sites within organizational boundaries using the Operational Control Approach.
Subsidiaries of CSC Group	949,419	Not Applicable		
Total	2,095,798	6.61		
Other indirect GHG emissions (Scope 3)	9,321,990 (Standalone)			

Note: The inventory information provided above is based on internal verification as of the publication date of this annual report. If more accurate supporting evidence is obtained and evaluated, the update will be disclosed in the 2025 Sustainability Report along with an explanation of the differences.

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)			

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:

	2025	2024
Scope of verification	CSC	CSC
Verification institution	As of the publication date of this annual report, the GHG verification opinion has not yet been obtained. The complete verification information will be disclosed in the 2025 Sustainability Report.	DNV Business Assurance Co., Ltd.
Verification criteria		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.

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, with the Group's major carbon-emitting companies have designating 2018 as their base year. In addition, group companies, CSC, DSC, CHS, CHC, CSCC, and CSAC, will revise its base year for emissions reduction, the decarbonization roadmap, and the reduction targets for each phase after their self-determined reduction plans are approved by the Ministry of Environment in 2026.

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 2025, the CSC Group achieved its 7% reduction target compared to the base year. Moving forward, the Group will continue to implement the following strategies and concrete action plans to further enhance carbon reduction performance and achieve its medium-term carbon reduction target:

Term	Strategies	Concrete action plans
Short-term	Improving energy efficiency	1. Improvement and replacement of energy-intensive equipment 2. Reduction of vehicle emissions
	Utilizing renewable energy	Use of green power

Term	Strategies	Concrete action plans
Medium-term	Improving energy efficiency	1. Waste heat recovery and cogeneration 2. Use of low-emission vehicles
	Utilizing renewable energy	Increase in the proportion of green power usage
	Refining manufacturing process	1. Charging low carbon ferrous burden into blast furnaces 2. Injection of hydrogen-rich gas into blast furnaces to replace pulverized coal 3. Co-production of steel and chemicals 4. Increase in the use of recycled materials 5. Replacement of process equipment 6. Installation of energy saving devices on vehicles

(VI) Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation Item	Implementation status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
1. Formulation of Ethical Corporate Management Policies and Programs (1) 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? (2) Has the Company established a risk assessment mechanism against unethical behavior, periodically analyzed and assessed operating activities with higher risk of unethical behavior within its business scope, and established prevention programs accordingly which at least include precautions against behaviors stipulated in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE /TPEX Listed Companies? (3) 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?	(1) Yes (2) Yes (3) Yes		(1) A. The Company's Anti-Corruption and Anti-Bribery Policy was approved by the Corporate Governance and Sustainability Committee and became effective on June 6, 2025, which was reported to the Board of Directors on June 11, 2025. B. 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. C. The Company promotes moral values and ethics, as well as compliance with discipline and company regulations through internal publications, and encourages 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. D. Ethical corporate management policies are publicized on the corporate 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. E. 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 2025 was 99.8%. F. 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 the

Evaluation Item	Implementation status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			corporate websites. In addition, policies related to ethical corporate management, such as the Codes of Ethics for Directors and Senior Executives, Integrity and Ethics Directions for Employees have been formulated, meanwhile ethical corporate management philosophy or values and ethics have also been regularly promoted through internal website, meetings or education and training. (2) A. Through the planning of internal organizational structure and functions, the Company establishes mutual supervised check-and-balance mechanisms for business activities with higher risk of being involved in an unethical conduct within the business scope. B. In 2025, the Company introduced ISO 37001 Anti-Bribery Management System and established a bribery risk control mechanism. The Company formulated the "Operational Process Bribery Risk Assessment Procedure," "Supplier Bribery Risk Assessment and Control Procedure," and "Employee Position Bribery Risk Assessment and Control Procedure." These procedures establish bribery risk assessment mechanisms for various operational processes, business partners, and employee positions. Appropriate risk responses are implemented based on the assessment results, and the relevant control measures are reviewed periodically to ensure their adequacy. Regarding employee position-related bribery risks, the Company has conducted a comprehensive position risk assessment and compiled a position risk map. Corresponding control measures are implemented based on the risk level, such as conducting personnel background checks, requiring the completion of the "Employee Anti-Bribery Commitment Form" and "Employee Conflict of Interest Declaration Form," participating in additional training programs, and incorporating such positions into job rotation evaluations, in order to strengthen bribery risk identification and control. C. The Company has also formulated the "Guidelines on Hosting Business Banquets" and "Guidelines on Handling Acceptance of Valued Gifts, Invitations to Banquets and Requests for Making An Intercession", which establish monetary limits and reporting mechanisms in accordance with normal social and business etiquette. These guidelines serve 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

Evaluation Item	Implementation status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			employee receives a valued gift from persons related to the 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. D. 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, Chung Hung Steel, Chian Steel Chemical, China Steel Structure, and CHC Resources have also successfully obtained the Taiwan Intellectual Property Management System (TIPS) certification, which prevent intellectual property infringement and leakage, and foster employees' awareness of confidentiality to strengthen the ethical corporate management through the establishment of intellectual property related management regulations and procedures. (3) A. The Company, in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and its own "Ethical Corporate Management Best Practice Principles", formulated the "Procedures for Ethical Management and Guidelines for Conduct," which provides 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 Complaint Committee and the Rewards and Punishments Review Committee to ensure that appropriate punishments are given to cases of violation subject to procedural legitimacy.

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			B. In 2025, the Company introduced ISO 37001 Anti-Bribery Management System and obtained certification, enhancing integrity management and bribery risk management. C. The Internal Audit Office formulates the "Annual Audit Plan" each year to review 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. It also evaluates the compliance status of ethical corporate management based on the relevant business execution process and results, and provides suggestions for improvement. Upon approval of the suggestions for improvement, the suggestions are keyed into the Company's "Audit Management System" for control and management, and the progress of related improvements is continuously tracked until completion. In accordance with applicable regulations, follow-up reports are prepared at least on a quarterly basis and reported to Independent Directors for review. This is an important mechanism for the Board of Directors to supervise the implementation of the Company's ethical corporate management policy. D. 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.	
2. Implementation of Ethical Corporate Management (1) Does the Company evaluate the ethical records of counterparties and specify ethical conduct clauses in business contracts? (2) 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	(1) Yes (2) Yes		(1) A. The Company's "Supplier Bribery Risk Assessment and Control Procedure" requires business partners to sign contracts containing anti-bribery clauses or the "Supplier Anti-Bribery Commitment Letter," thereby declaring their compliance with the Company's anti-corruption and anti-bribery policies and regulations. In addition, the Company conducts annual evaluations of its suppliers. In 2025, a total of 1,245 suppliers accepted the anti-bribery contractual clauses, and 792 suppliers committed to complying with the Company's anti-corruption and anti-bribery policies. The Company has also formulated 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	No Significant Difference

Evaluation Item	Implementation status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
Board of Directors regularly (at least once a year)? (3) Does the Company formulate policies to prevent conflict of interests, provide appropriate reporting channels, and implement it accordingly? (4) 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? (5) Does the Company regularly hold internal and external trainings on ethical corporate management?	(3) Yes (4) Yes (5) Yes		in the transaction terms of steel sales contracts, explicitly prohibiting buyers from offering any commissions or similar gratuities. If the buyer violates the clause, the seller is entitled to claim liquidated damages and may terminate or rescind the transaction. 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 also specified in the universal conditions. B. If a business partner is involved in any of the following circumstances, the unit that executes the contract may, with the approval of the authorized supervisor, permanently blacklist such partner or impose sanctions in accordance with relevant regulations, depending on the severity of the offense: a. The business partner commits breach of contract, causing significant detriment to the rights and interests of the Company. b. 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. c. The business partner is found engaging in illegal conducts such as manipulation and collusion upon investigation. d. 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. e. The business partner refuses or delays handling claims raised by the Company, resulting in the claim being approved and classified as bad debt. f. The certificates or documentation submitted by the awarded contractor are found to be false, inaccurate, or misleading. g. The contractor has a verified record of violating the principles of business integrity within the preceding two years. C. 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

Evaluation Item	Implementation status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			for withdrawal of certification. D. In 2025, 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 1 company that violated ethical principles in 2025. As for engineering business, there were no issues with business partners' bill credits. E. Listed subsidiaries of CSC Group have included ethical records as an important condition for screening business partners, which is implemented using the following methods: - Specify ethical conduct clauses in contracts. - 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. - Formulate regulations such as the "Regulations Governing Evaluation of Contractors and Suppliers" and the "Regulations Governing Customer Credit Management", and conduct regular evaluations. (2) A. To ensure sound mechanism for ethical corporate management, the Company has established the "Corporate Governance and Sustainability Committee" under the Board of Directors, and the "Ethical Corporate Management Team" was set up under the Committee. Members of the Team include the Legal Department and the Human Resources Department, which are responsible for promoting matters related to integrity management. The "Ethical Corporate Management Team" convenes at least two meetings annually to review the execution of integrity-related initiatives. It submits semi-annual performance reports, formulates annual anti-unethical conduct plans incorporated into the Annual Execution Plan, and reports the annual execution results to the Corporate Governance and Sustainability Committee and the Board of Directors. B. The implementation status of the "Ethical Corporate Management Team" in 2025 is as follows: - Introduced the ISO 37001 Anti-Bribery Management System and successfully obtained certification. - Recorded zero major legal violation. - Achieve a real-time identification rate for regulatory compliance of over 99%, with less than 1% of identified regulations remaining

Evaluation Item	Implementation status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			unresolved. Efforts will continue to enhance the timeliness of regulatory identification and confirmation. d. Promoted compliance and integrity management education and training, including orientation sessions for new employees (a total of 16 sessions for 116 participants in 2025) and integrity-related training on topics such as intellectual property rights and business philosophy (a total of 3,352 participants and 11,294 training hours in 2025). C. Within the governance framework of the Anti-Bribery Management System, the Chairman serves as the highest management authority, and the Management Team forms the Management Review Committee. Each first echelon unit, including the Internal Audit Office, forms a task force. Together, these entities ensure the effective implementation of the Anti-Bribery Management System, strengthen integrity governance mechanisms, and systematically prevent and mitigate the risks of unethical behavior. D. 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. It also evaluates the compliance status of ethical corporate management based on the relevant business execution process and results, and reported to the Board of Directors. E. 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. (3) A. The Company has formulated the following regulations: a. 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 Directors specifies

Evaluation Item	Implementation status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			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.” b. 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. c. 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. d. Guidelines on Handling Acceptance of Valued Gifts, Invitations to Banquets and Requests for Making An Intercession: To fulfill excellent corporate culture, maintain company image, provide employees with a basis for handling the acceptance of valued gifts, invitations to banquets, and requests for intercession. e. Guidelines on Hosting Business Banquets: Any employee at the Company who has to host banquets to develop business relationships shall comply with these guidelines. B. 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. C. The Company has provided appropriate reporting channels to report illegal activities and protect employees' rights (accessible via the corporate website under "ESG" → "Governance" → "Integrity Management" → "Whistleblowing and Ombudsman" → "The Whistleblowing System"). For more details on implementation, please refer to page 119-121 III.

Evaluation Item	Implementation status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			Implementation of Whistleblowing System of this annual report. D. 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. 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 2025, there was 1 case at China Steel Structure investigated by regulatory authorities involving deception, breach of trust, and other acts that violated principles of integrity. Going forward, this case will serve as a lesson, prompting a thorough review and strengthening of internal controls and management mechanisms across critical areas, including operational processes and project execution, to prevent similar incidents from occurring. The Company and the other listed subsidiaries of CSC group did not receive any internal or external complaints regarding conflicts of interest and recusal violations. (4) Accounting system: A. The Company formulates its 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, while also taking into consideration of the Company's operating policies, actual business conditions and development, and actual management needs. In coordination with information systems, the Company expects to fully utilize accounting in assisting corporate management, enhance the

Evaluation Item	Implementation status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			operating efficiency of the Company, and achieve a fair presentation of the Company's financial status, operating results and cash flows. B. 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. C. 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 Article 2 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers. D. The accounting affairs of each division at the Company are handled in accordance with the provisions of this accounting system, and are reviewed by the responsible managers. Internal control system: A. Establish an effective internal control system: a. The Company has formulated the "Internal Control System Provisions" approved by the Board of Directors as the basis for all units and personnel to implement the internal control. b. The Company has also formulated the "Internal Control System Self-Assessment Procedures". 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.

Evaluation Item	Implementation status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
			B. Fully implement internal audit: a. The Internal Audit Office is subordinated to the Board of Directors. The "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" explicitly stipulate that the Internal Audit Office is responsible for auditing and supervising the Company's integrity management operations, and is required to report regularly to the Board of Directors. b. The Internal Audit Office formulates the "Annual Audit Plan" each year. After the plan was approved by the Board of Directors, the Internal Audit Office review in accordance with the plan to determine 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. It also evaluates the compliance status of ethical corporate management based on the relevant business execution process and results, and reported to the Board of Directors. Under the "2025 Annual Audit Plan," a total of 44 audit reports were completed, 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. c. After the suggestions for improvement listed in the audit report were approved, the suggestions were keyed into the Company's "Audit Management System" for control and management, and the progress of related improvements is continuously tracked until completion. The tracking report was prepared and then submitted to each Independent Director for reference at least every quarter in accordance with the regulations. In addition, listed subsidiaries of CSC Group have established appropriate accounting systems in accordance with regulations such as Business Entity Accounting Act and Regulations Governing the Preparation of Financial Reports by Securities Issuers. These companies have also established and implemented an internal control system in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, according to which the internal audit office formulates audit plan and reports the internal control audit result to the Board of Directors.

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary description	
			(5) A. The Company continues to promote moral values and ethics, as well as compliance with discipline and company regulations through internal publications and announcements. In addition, 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 2025, the Company held a total of 16 new employee seminars, with 116 participants in attendance. The Company also continues to conduct internal training related to ethical management for all current employees, covering courses on corporate culture, quality system, intellectual property, and internal auditor training, with a total of 3,352 attendances and 11,294 man-hours in 2025. In conjunction with the introduction of the ISO 37001 Anti-Bribery Management System, the Company also conducted training in 2025 on the overall system operation mechanisms, ISO 37001 operational procedures, and bribery risk assessments for employees and suppliers, with a total of 1,024 participants. Besides, 1 special lecture on ethical norms and legal compliance (including protection of trade secrets) was conducted for middle and senior-level executives. B. 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. Listed subsidiaries of CSC Group also 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.	
3. Implementation of Whistleblowing System (1) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	(1) Yes		(1) A. The Company has established a whistleblowing system, providing reporting channels on the corporate website and managing cases through a systematic platform to ensure effective implementation. When a whistleblowing case is verified as substantiated and results in material economic benefits, the whistleblower is rewarded in accordance with the	No Significant Difference

Evaluation Item	Implementation status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
(2) Does the Company establish standard operating procedures for investigating cases reported, follow-up measures to be adopted after investigation, and related confidentiality mechanisms?	(2) Yes		reward and punishment regulation of the "Personnel Management System." B. The Company's whistleblowing system stipulates the following: a. Whistleblower shall report the unlawful conduct through a proper channel and may choose to report either with their identity disclosed or anonymously. Anonymous reports must describe and include specific evidence and provide valid contact information. Whistleblower must not report with the purpose of defaming, framing-up or causing disciplinary action against others.
(3) Does the Company adopt measures to protect whistleblowers?	(3) Yes		b. When handling a whistleblowing case, unless otherwise required 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. c. The identities of the reported party, the whistleblower, and personnel handling the case must not be disclosed externally. All parties involved are obligated to maintain confidentiality to protect the whistleblower from unfair treatment, retaliation, or threats. C. 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. The following appeals channels are provided: a. Tel.: 07-8021111 ext 2191 (Hsiao Kang Plant); 07-3371111 ext 22191 or hotline: 07-3371296 (CSC Building); b. Mailbox: P.O. Box 47-13 Kaohsiung; c. The Company has set up the Whistleblowing System on the corporate website. D. 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). E. The Internal Audit Office designates personnel to accept whistleblowing complaints. After accepting a complaint, a case shall be recorded and managed through internal system. F. In 2025, the Company handled a total of 36 appeals, which were handled properly by the relevant units upon duly investigation. No material illegal event was found in such investigations.

Evaluation Item	Implementation status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
			G. 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. (2) A. The Internal Audit Office has formulated the “Whistleblowing Case Investigation and Handling Procedure” to ensure a consistent process for investigating and managing cases received through the Company’s Whistleblowing System. B. 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. C. After investigation, if an appeal is found to involve a violation of laws or the Company’s regulations, and it pertains to systemic deficiencies or has a material impact on the Company, the Internal Audit Office may coordinate with relevant units to review and amend internal policies or operational procedures. D. The Internal Audit Office regularly reports the number of appeals to the Board of Directors. E. When handling a whistleblowing case, unless otherwise required by law, appropriate measures shall be taken in accordance with laws and regulations. The identities of the reported party, the whistleblower, and personnel handling the case must not be disclosed externally. All parties involved are obligated to maintain confidentiality. Subsidiaries of CSC Group also handle the reporting materials in a confidential manner during the whole process while handling a whistleblowing case. (3) Investigators and relevant personnel of the Company and listed subsidiaries of CSC Group all maintain strict confidentiality regarding the investigation process, related materials, the identity of the whistleblower, and the content of the whistleblowing report. They must not disclose the names of the whistleblower or the reported party, nor any other information that could identify the individuals involved, in order to protect the whistleblower from retaliatory action for filing an appeal.

Evaluation Item	Implementation status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
4. Strengthening Information Disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on corporate website and MOPS?	Yes		(1) The Company discloses relevant ethical corporate management regulations on the corporate website under "Investor Relations" → "Corporate Governance" → "Corporate Governance Regulations." These regulations include "Codes of Ethics," "Ethical Corporate Management Best Practice Principles," and "Procedures for Ethical Management and Guidelines for Conduct." A link to our Corporate Governance Information Section is also provided on the Market Observation Post System (MOPS). In addition, a dedicated section titled "Integrity Management" is available under the "ESG" → "Governance" section of the corporate website, which covers the "Anti-Corruption and Anti-Bribery Policy" and serves to promote employees' understanding and compliance with the above-mentioned ethical regulations and to explain the principles of avoiding conflict of interest. (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 "2025 Results" under "Investor Relations" → "Corporate Governance" → "Committees of the Board" → "Corporate Governance and Sustainability Committee" section on 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. (3) Listed subsidiaries of CSC Group all disclose the "Ethical Corporate Management Best Practice Principles" and related regulations on their corporate websites, and provide a link to the Corporate Governance section on the MOPS. They also disclose the implementation of ethical corporate management on their websites, annual reports, or sustainability reports.
5. If the Company has formulated its own Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe the implementation and its discrepancies with the Principles: The Company has formulated the Ethical Corporate Management Best Practice Principles. All Directors, managements, employees, mandatory, 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.			

Evaluation Item	Implementation status		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
6. Other important information to facilitate a better understanding of the Company's ethical corporate management practices (e.g. reviews and amends its Ethical Corporate Management Best Practice Principles).			
(1) Intellectual Property Management			
A. Intellectual Property Management Plan: The Company has established a management system that links intellectual property management with operational targets by introducing the Taiwan Intellectual Property Management Standard (TIPS), formulating the "Intellectual Property Management Manual," and implementing the PDCA (Plan-Do-Check-Act) cycle. Also, the Company has established a dedicated unit responsible for promoting intellectual property management. Besides providing incentives to encourage innovation, the unit has also developed the Website "CSC Intellectual Property Updates" and conducts various training programs to strengthen employees' understanding of intellectual property concepts and practical skills. B. Status of Implementation: The Company annually reports the implementation status of intellectual property management, as well as the management policies and targets for the following year, to the Board of Directors. The implementation status for 2025 was reported to the Board of Directors on December 26, 2025, with the following key achievements: a. A total of 6 intellectual property courses were conducted throughout the year, with a cumulative total of 6,872 participants over the years. b. Employees were encouraged to innovate and focus on strategic development to achieve the annual patent proposal target. c. Patent gazette reviews and patent map analyses were completed to prevent intellectual property disputes and reduce barriers to technological development. d. An online proposal and review process for core trade secrets was established to ensure more rigorous and traceable management. e. The total number of granted patents worldwide reached 3,608, including 3,434 domestic patents and 174 overseas patents, ranking first among traditional industries. Additionally, based on the standards of the World Intellectual Property Organization (WIPO) and the European Patent Office (EPO), a total of 185 green patents over the past 6 years were identified, covering high-value utilization of spent refractories, air pollution control, and energy-efficient processes. f. The Company received the Silver Medal in the Invention Award at the National Invention and Creation Award for its "Self-Bonding Coated Electrical Steel" technology. To date, CSC has been awarded 3 Gold Medals, 10 Silver Medals, and 1 Industry Contribution Award. C. Status of Certification: The Company successfully underwent re-certification under the Taiwan Intellectual Property Management Standard (TIPS) in 2024, with the certificate valid until December 31, 2026. The certification covers 4 items, patents, trade secrets, trademarks, and copyrights, making the Company one of the few in the industry to receive comprehensive national-level certification.			
(2) The Company's General Penal Provisions for Subcontractors stipulate the following:			
A. 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. B. 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. C. 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.			
(3) The Company's domestic procurement agreement stipulates that "The seller may not offer any commission or similar gift to personnel on the buyer side. If the buyer finds that the seller violates the provisions of this paragraph, the commission or similar gift is treated as an equivalent allowance provided to the buyer or deducted an equivalent amount from the payment of goods to be paid by the buyer, while anything illegal regarding such violations shall be handled in accordance with the law. Any seller violation of the provisions above shall be deemed as a breach of contract, the buyer may terminate or rescind the contract from the date when such violations are found and may permanently blacklist the seller. For the items or quantity purchased but yet to be delivered according to the Contract, the buyer may cancel the order, and at the same time unconditionally terminate or rescind other contracts signed with the seller without notice. The Company's foreign procurement agreement stipulates the following content: "TERMS AND CONDITIONS OF CONTRACT(WARRANTY AGAINST CONTINGENT FEES · OFFICIALS AND EMPLOYEES NOT TO BENEFIT)"			

(VII) 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) - 25 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 - 13 persons (2) International certifications: U.S. Certified Public Accountant (U.S. CPA) - 2 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 (CPA) - 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 (CPA) - 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

- 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 → Year: 114 → Company Code: 2002
(<https://mops.twse.com.tw/mops/#/web/t06sg20>)
- 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 5th meeting of the 19th Board of Directors (February 26, 2026):

The 5th meeting of the 19th Board of Directors of the Company was held in the morning of February 26, 2026. Major resolutions were:

1. Proposal for Distribution of 2025 Profits

The meeting proposed to appropriate NT\$1.4 per share in cash for the dividend of preferred stocks; NT\$0.15 per share in cash for the bonus of common stocks. The above proposal will be submitted to the 2026 Annual General Meeting of Shareholders for adoption.

2. Revamping Project for the 2nd Campaign of No. 4 Blast Furnace

In order to enhance production efficiency and stability for ensuring smooth production, and replace aging equipment for reducing maintenance costs, an investment of NT\$7.757 billion was approved for the Revamping Project for the 2nd Campaign of No. 4 Blast Furnace. This project is scheduled to last for 3 years and 6 months from March 1, 2026 to August 31, 2029.

3. Date and venue for 2026 Annual General Meeting of Shareholders and the time and place for accepting shareholders' proposals

(1) The Company's 2026 Annual General Meeting of Shareholders:

Date: 9:00 am, May 22, 2026(Friday)

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

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

Date: March 16, 2026 to March 25, 2026

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

● Material resolutions in the 4th meeting of the 19th Board of Directors (December 26, 2025):

The 4th meeting of the 19th Board of Directors of the Company was held in the afternoon of December 26, 2025. Major resolutions were:

1. Capacity Optimization and the Decommissioning Project for No. 1 Blast Furnace

After careful evaluation of global steel capacity, future market demand, and production efficiency, the Company has planned a capacity optimization program. No. 1 Blast Furnace is scheduled to be decommissioned by the first quarter of 2029 at the latest, aiming to consolidate resources for operation, maximize profitability and value, minimize costs, and enhance the Company's sustainable competitiveness.

2. Installation Project for New Coke Production and Handling Control Process of Raw Material Handling & Inplant Transportation Department

In order to ensure stable supply of coke for the blast furnaces, maintain blast furnace capacity, and secure smooth production, an investment of NT\$1.56 billion was approved for the Installation Project for New Coke Production and Handling Control Process of Raw Material

Handling & Inplant Transportation Department. This project is scheduled to last for 3 years from January 1, 2026 to December 31, 2028.

- Material resolutions in the 3rd meeting of the 19th Board of Directors (November 12, 2025):
The 3rd meeting of the 19th Board of Directors of the Company was held in the morning of November 12, 2025. Major resolutions were:
 1. Revamping Project for the Mold Section Equipment of No. 1 Slab Continuous Casting Machine in Steelmaking Department
In order to enhance product quality and improve equipment stability, thereby increasing production flexibility, an investment of NT\$640 million was approved for the Revamping Project for the Mold Section Equipment of No. 1 Slab Continuous Casting Machine in Steelmaking Department. This project is scheduled to last for 2 years and 6 months from January 1, 2026 to June 30, 2028.
 2. Revamping Project for the Welder of the Hot-Rolled Pickling and Oiling Line in Rolling Mill Department II
In order to reduce production costs, enhance production efficiency, and strengthen order-taking flexibility, an investment of NT\$400 million was approved for the Revamping Project for the Welder of the Hot-Rolled Pickling and Oiling Line in Rolling Mill Department II. This project is scheduled to last for 3 years from January 1, 2026 to December 31, 2028.
- Material resolutions in the 2nd meeting of the 19th Board of Directors (August 8, 2025):
The 2nd meeting of the 19th Board of Directors of the Company was held in the morning of August 8, 2025, in which the Board of Directors approved the loaning of funds totaling NT\$1.5 billion to 2 subsidiaries.
- Material resolutions in the 1st meeting of the 19th Board of Directors (June 19, 2025):
The 1st meeting of the 19th Board of Directors of the Company was held in the afternoon of June 19, 2025, in which the Board of Directors elected Mr. Chien-Chih Hwang, Representative of Ministry of Economic Affairs, to continue serving as the Chairman.
- Material resolutions in the 21st meeting of the 18th Board of Directors (June 11, 2025):
The 21st meeting of the 18th Board of Directors of the Company was held in the morning of June 11, 2025, in which the Board of Directors approved Proposal regarding the acquisition of 53.29% of all remaining shares held by other shareholders of Sing Da Marine Structure Corporation, at a total amount not exceeding NT\$295 million (including transaction-related taxes and fees).
- Material resolutions in the 20th meeting of the 18th Board of Directors (May 9, 2025):
The 20th meeting of the 18th Board of Directors of the Company was held in the morning of May 9, 2025, in which the Board of Directors approved the loaning of funds totaling NT\$2.2 billion to 5 subsidiaries.
- Material resolutions in the 19th meeting of the 18th Board of Directors (April 1, 2025):
The 19th meeting of the 18th Board of Directors of the Company was held in the morning of April 1, 2025, in which the Board of Directors approved the Proposal to participate in the cash

capital increase of Taiwan Smart Electricity & Energy Co., Ltd. with a total amount not exceeding NT\$200 million, and to sign a Joint Venture Agreement.

- 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 Annual General Meeting of Shareholders

- Material resolutions in the 2025 Annual General Meeting of Shareholders (June 19, 2025):

1. Voted to adopt 2024 Business Report and Financial Statements.

2. Voted to adopt distribution of 2024 profits:

- (1) The Company's earnings distribution of 2024 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 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. Voted to approve amendments to the Articles of Incorporation

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

The list of elected Directors is as follows:

Director	Representative of Ministry of Economic Affairs	Chien-Chih Hwang
Director	Representative of Ministry of Economic Affairs	Chien-Hsin Lai
Director	Representative of Ministry of Economic Affairs	Wen-Chung Hu
Director	Representative of Gau Ruei Investment Corporation	Shou-Tao Chen
Director	Representative of Ever Wealthy International Corporation	Jih-Jau Jeng
Director	Representative of Chiun Yu Investment Corporation	Jung-Chi Chang
Director	Representative of Labor Union of China Steel Corporation, Kaohsiung City	Chun-Sheng Chen
Independent Director		Shih-Kun Wang
Independent Director		Chia-Chi Lu
Independent Director		Wan-Ru Yang
Independent Director		Yu-Chin Liao

5. Voted to approve releasing the prohibition on Director, Mr. Chien-Chih Hwang, from holding the positions in China Ecotek Corporation and Taiwan High Speed Rail Corporation.
 6. Voted to approve releasing the prohibition on Director, Mr. Chien-Hsin Lai, from holding the position in CSBC Corporation, Taiwan.
 7. Voted to approve releasing the prohibition on Director, Mr. Shou-Tao Chen, from holding the positions in China Steel Machinery Corporation, China Ecotek Corporation and Chung Hung Steel Corporation.
 8. Voted to approve releasing the prohibition on Director, Mr. Jih-Jau Jeng, from holding the positions in China Steel Structure Co., Ltd., Formosa Ha Tinh (Cayman) Limited, and Formosa Ha Tinh Steel Corporation.
 9. Voted to approve releasing the prohibition on Independent Director, Ms. Chia-Chi Lu, from holding the position in Song Chuan Precision 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	Names of CPAs		Period covered by the CPA audit	Audit Fees	Non-Audit Fees	Total	Remarks
Deloitte & Touche	Jui-Hsuan Hsu	Jr-Shian Ke	2025.01~2025.12	21,468	4,148	25,616	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. Information on Replacement of CPAs

(I) Information Regarding the Former CPAs

Date of Replacement	Approved by the Board of Directors on February 26, 2026		
Reason for Replacement and Explanation	The original CPAs of the Company were Jui-Hsuan Hsu and Jr-Shian Ke from Deloitte & Touche. Due to internal transfer at Deloitte & Touche, the CPAs of the Company were changed to Lee-Yuan Kou and Jr-Shian Ke, beginning the first quarter of 2026.		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	Circumstances	Parties	CPAs
	Terminated the engagement		Not applicable
	No longer accepted (discontinued) the engagement		
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons	Not applicable		
Disagreement with the Company?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Audit scope or steps
			Other
	No	✓	
	Specify details	Not applicable	
Other Disclosures (Any matters required to be disclosed under sub-items d to g of Article 10.6.A)	None		

(II) Information Regarding the Successor CPAs

Name of Accounting Firm	Deloitte & Touche
Names of CPAs	Lee-Yuan Kou
Date of Engagement	Approved by the Board of Directors on February 26, 2026
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	Not applicable
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	Not applicable

(III) The reply letter from the former CPA regarding the Company's disclosures regarding the matters under Article 10.6.A and 10.6.B(c) of the Regulations: Not applicable

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 → Stock Code: 2002.

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

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.

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

As of December 31, 2025

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.	411,301,297	2.61%	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.	188,699,000	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
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: Shih-Hsin Chen	306	0.00%	0	0%	0	0%	None	None	None
Yuanta/P-shares Taiwan Top 50 ETF	158,795,429	1.01%	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	150,627,247	0.95%	Not applicable	Not applicable	0	0%	None	None	None
Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch	143,263,308	0.91%	Not applicable	Not applicable	0	0%	None	None	None
Taiwan Life Insurance Co., Ltd.	123,499,000	0.78%	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
Labor Pension Fund	113,046,579	0.72%	Not applicable	Not applicable	0	0%	None	None	None

IX. Ownership of Shares in Affiliated Companies

As of December 31, 2025

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%	577,521	0.47%	55,970,659	45.23%
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)	560,592,000	51.00%	0	0.00%	560,592,000	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	79,766,623	100.00%	0	0.00%	79,766,623	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%
China Steel Security Corporation	25,036,986	99.96%	0	0.00%	25,036,986	99.96%
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%
HIMAG Magnetic Corporation	27,815,765	69.49%	7,264,794	18.15%	35,080,559	87.64%
InfoChamp Systems Corporation	41,465,634	99.99%	0	0.00%	41,465,634	99.99%
Sing Da Marine Structure Corporation	74,710,458	100.00%	0	0.00%	74,710,458	100.00%
ChinaSteel Management Consulting Corporaion	999,993	100.00%	0	0.00%	999,993	100.00%
China Steel Power Corporation (Note)	8	0.00%	1,098,599,990	100.00%	1,098,599,998	100.00%
Taiwan Rolling Stock Co., Ltd.	95,527,811	47.76%	0	0.00%	95,527,811	47.76%
Kaohsiung Arena Development Corporation	45,000,000	18.00%	27,500,000	11.00%	72,500,000	29.00%
Hsin Hsin Cement Enterprise Corporation	28,658,729	30.80%	9,298,583	10.00%	37,957,312	40.80%
Eminent II Venture Capital Corporation	12,675,000	46.25%	0	0.00%	12,675,000	46.25%
Honley Auto. Parts Co., Ltd.	35,751,427	29.28%	18,825,189	15.42%	54,576,616	44.70%
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%

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

February 28, 2026

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

February 28, 2026

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.	411,301,297	2.61%
3	Transglory Investment Corporation	257,615,331	1.63%
4	Chunghwa Post Co., Ltd.	188,699,000	1.20%
5	Winning Investment Corporation	160,506,339	1.02%
6	Yuanta/P-shares Taiwan Top 50 ETF	158,795,429	1.01%
7	Vanguard Total International Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch	150,627,247	0.95%
8	Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch	143,263,308	0.91%
9	Taiwan Life Insurance Co., Ltd.	123,499,000	0.78%
10	Labor Pension Fund	113,046,579	0.72%

Note: It is the data based on the latest book closure date before the publication date of this annual report.

Major Shareholders of Corporate Shareholders

As of February 28, 2026

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%; Transglory Investment Corporation 30.00%; Maruichi Steel Tube Ltd. 21.00%
Taiwan Life Insurance Co., Ltd.	CTBC Financial Holding Co., Ltd. 100%

Note: 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%.

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 2025 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\$0.15 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	
2025	
Earnings Distribution Table	Unit: NT\$

Item	Amount
Undistributed earnings at the beginning of the period	9,183,862,549.96
Net profit (loss) after tax of 2025	(4,349,185,277.13)
Disposal of equity instruments at fair value through other comprehensive income	(1,272,552,474.00)
Reverse of special reserve: disposal of fixed assets	234,211.00
Actuarial gains (losses) from defined benefit pension plans (included in retained earnings)	488,346,477.00
Effects resulting from changes in long-term equity investment	280,123,789.00
Amount to be included in undistributed earnings by adding up net profit (loss) after tax of 2025 and other items (A)	(4,853,033,274.13)
Appropriation of legal reserve=(A)* 10%	0.00
Appropriation of special reserve as required by the law (Note 1)	(267,448,715.00)
Reverse of special reserve to undistributed earnings (Note 2)	1,558,486,100.00
Subtotal of distributable earnings	5,621,866,660.83
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\$0.15 per share (NT\$0.15 in cash)	2,337,729,150.00
Subtotal of distribution items	(2,391,304,349.00)
Undistributed earnings at the end of the period	3,230,562,311.83
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, 2025 was recognized as special reserves in proportion of shareholding.	
Note 2: In the past, pursuant to the Articles of Incorporation and Paragraph 2, Article 237 of the Company Act, special reserves for debt repayment and expansion were appropriated during the plant construction period. However, upon completion of the four-phased plant construction, the original reasons for appropriation no longer exist. Part of the special reserve is proposed to reverse to undistributed earnings.	

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, out of which 30%-50% shall be distributed to non-executive employees, and no more than 0.15% as the remuneration for Directors under the resolution 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. Of the

employee remuneration set aside for the current year, 30% to 50% shall be distributed to non-executive employees. The estimated remunerations of employees and directors for 2025 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 26, 2026):

(1) Amount of employees' remunerations: NT\$0.

(2) Amount of directors' remunerations: NT\$0.

4. Actual Distribution of 2024 Earnings in 2025

Unit: NT\$

	Distribution Amount Approved by the Board of Directors on February 27, 2025	Amount Recognized in 2024	Difference
Remuneration for Employees	2,852,696	2,852,696	0
Remuneration for Directors	0	0	0

(VI) Buyback of the Treasury Shares

1. Buyback of the Treasury Shares (Executed)

February 28, 2026

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

February 28, 2026

Type of Corporate Bonds		1 st Unsecured Corporate Bond C in 2013	1 st Unsecured Corporate Bond C in 2014	1 st Unsecured Corporate Bond in 2018	2 nd Unsecured Corporate Bond in 2018
Issue Date		July 12, 2013	January 23, 2014	May 28, 2018	August 8, 2018
Par Value		NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million
Place of Issue and Trading		Not applicable	Not applicable	Not applicable	Not applicable
Issue Price		At par value	At par value	At par value	At par value
Total Amount		NT\$3.6 billion	NT\$9.0 billion	NT\$6.0 billion	NT\$5.6 billion
Coupon Rate		1.88% per annum	2.15% per annum	0.95% per annum	1.10% per annum
Term		15-year tenor Maturity date: July 12, 2028	15-year tenor Maturity date: January 23, 2029	7-year tenor Maturity date: May 28, 2025	10-year tenor Maturity date: August 8, 2028
Guarantor		None	None	None	None
Trustee		Trust Department, Mega International Commercial Bank	Trust Department, Taipei Fubon Commercial Bank	Hua Nan Bank Co., Ltd.	Trust Department, Taipei Fubon Commercial Bank
Underwriter		None	None	8 underwriters, like Capital Securities Corporation, etc.	12 underwriters, like KGI Securities Corporation, etc.
Certified Lawyer		Chien Yeh Law Offices	Chien Yeh Law Offices	Chien Yeh Law Offices	Chien Yeh Law Offices
Certified Public Accountant		Deloitte & Touche Taiwan	Deloitte & Touche Taiwan	Deloitte & Touche Taiwan	Deloitte & Touche Taiwan
Repayment		From the issue date, interest will be paid once a year based on the coupon rate, while 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 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.	From the issue date, interest will be paid once a year based on the coupon rate, while 50% of the principal will be paid at the end of the ninth and tenth years, respectively.
Outstanding Principal Balance		NT\$3.6 billion	NT\$9.0 billion	NT\$0 billion	NT\$5.6 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 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)
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		3 rd Unsecured Corporate Bond A in 2018	3 rd Unsecured Corporate Bond B in 2018	1 st Unsecured Corporate Bond A in 2020	1 st Unsecured Corporate Bond B in 2020
Issue Date		October 9, 2018	October 9, 2018	December 28, 2020	December 28, 2020
Par Value		NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million
Place of Issue and Trading		Not applicable	Not applicable	Not applicable	Not applicable
Issue Price		At par value	At par value	At par value	At par value
Total Amount		NT\$4.15 billion	NT\$2.25 billion	NT\$1.6 billion	NT\$4.2 billion
Coupon Rate		0.90% per annum	1.05% per annum	0.39% per annum	0.43% per annum
Term		7-year tenor Maturity date: October 9, 2025	10-year tenor Maturity date: October 9, 2028	5-year tenor Maturity date: December 28, 2025	7-year tenor Maturity date: December 28, 2027
Guarantor		None	None	None	None
Trustee		Trust Department, Taipei Fubon Commercial Bank	Trust Department, Taipei Fubon Commercial Bank	Mega International Commercial Bank	Mega International Commercial Bank
Underwriter		11 underwriters, like Capital Securities Corporation, etc.	8 underwriters, like Capital Securities Corporation, etc.	4 underwriters, like Yuanta Securities Co., Ltd., etc.	6 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 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.	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.
Outstanding Principal Balance		NT\$0 billion	NT\$2.25 billion	NT\$0 billion	NT\$4.2 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 16, 2020 AA-(tw) given by Fitch Ratings Inc. on December 5, 2019 (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 A in 2023	1 st Unsecured Corporate Bond B in 2023	1 st Unsecured Corporate Bond in 2024	1 st Unsecured Corporate Bond in 2025
Issue Date		July 5, 2023	July 5, 2023	May 28, 2024	April 29, 2025
Par Value		NT\$1 million	NT\$1 million	NT\$1 million	NT\$1 million
Place of Issue and Trading		Not applicable	Not applicable	Not applicable	Not applicable
Issue Price		At par value	At par value	At par value	At par value
Total Amount		NT\$7.2 billion	NT\$3.8 billion	NT\$1.57 billion	NT\$5.8 billion
Coupon Rate		1.50% per annum	1.57% per annum	1.84% per annum	2.06% per annum
Term		3-year tenor Maturity date: July 5, 2026	5-year tenor Maturity date: July 5, 2028	5-year tenor Maturity date: May 28, 2029	5-year tenor Maturity date: April 29, 2030
Guarantor		None	None	None	None
Trustee		Taipei Fubon Commercial Bank	Taipei Fubon Commercial Bank	Taipei Fubon Commercial Bank	Taipei Fubon Commercial Bank
Underwriter		13 underwriters, like KGI Securities Corporation, etc.	13 underwriters, like KGI Securities Corporation, etc.	6 underwriters, like MasterLink Securities Corporation, etc.	13 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 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.	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\$7.2 billion	NT\$3.8 billion	NT\$1.57 billion	NT\$5.8 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 28, 2023 AA(twn) given by Fitch Ratings Inc. on December 7, 2022 (Note1)	twAA- given by Taiwan Ratings Corporation on April 28, 2023 AA(twn) given by Fitch Ratings Inc. on December 7, 2022 (Note1)	twAA- given by Taiwan Ratings Corporation on April 29, 2024 AA(twn) given by Fitch Ratings Inc. on April 16, 2024 (Note1)	twAA- given by Taiwan Ratings Corporation on April 29, 2024 AA(twn) given by Fitch Ratings Inc. on April 14, 2025 (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>

Type of Corporate Bonds		2 nd Unsecured Corporate Bond in 2025	1 st Unsecured Corporate Bond A in 2026	1 st Unsecured Corporate Bond B in 2026
Issue Date		September 17, 2025	January 6, 2026	January 6, 2026
Par Value		NT\$1 million	NT\$1 million	NT\$1 million
Place of Issue and Trading		Not applicable	Not applicable	Not applicable
Issue Price		At par value	At par value	At par value
Total Amount		NT\$7.8 billion	NT\$7.6 billion	NT\$2.7 billion
Coupon Rate		1.89% per annum	1.79% per annum	1.82% per annum
Term		5-year tenor Maturity date: September 17, 2030	5-year tenor Maturity date: January 6, 2031	7-year tenor Maturity date: January 6, 2033
Guarantor		None	None	None
Trustee		Taipei Fubon Commercial Bank	Taipei Fubon Commercial Bank	Taipei Fubon Commercial Bank
Underwriter		12 underwriters, like Yuanta Securities Co., Ltd., etc.	14 underwriters, like Yuanta Securities Co., Ltd., etc.	8 underwriters, like Capital Securities Corporation, etc.
Certified Lawyer		Chien Yeh Law Offices	Chien Yeh Law Offices	Chien Yeh Law Offices
Certified Public Accountant		Deloitte & Touche Taiwan	Deloitte & Touche Taiwan	Deloitte & Touche Taiwan
Repayment		From the issue date, interest will be paid once a year based on the coupon rate, while 50% of the principal will be paid at the end of the fourth and fifth years, respectively.	From the issue date, interest will be paid once a year based on the coupon rate, while 100% of the principal will be paid at the end of the fifth year.	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 seventh year.
Outstanding Principal Balance		NT\$7.8 billion	NT\$7.6 billion	NT\$2.7 billion
Terms of Redemption or Early Repayment		None	None	None
Restrictive Covenants		None	None	None
Name of Credit Rating Agency, Rating Date and Corporate Bond Ratings		twAA- given by Taiwan Ratings Corporation on April 24, 2025 AA(twn) given by Fitch Ratings Inc. on April 14, 2025 (Note1)	twAA- given by Taiwan Ratings Corporation on April 24, 2025 AA(twn) given by Fitch Ratings Inc. on April 14, 2025 (Note1)	twAA- given by Taiwan Ratings Corporation on April 24, 2025 AA(twn) given by Fitch Ratings Inc. on April 14, 2025 (Note1)
Other Rights Attached	Amount of Converted or Exchanged Common Shares, GDR or Other Securities	None	None	None
	Terms of Issuance and Conversion or Option of Shares	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
Custodian		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 (2025 and up to February 28, 2026)			
	Number of Shares not Recovered or Converted	38,267,999 shares (as of February 28, 2026)			
	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	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		
	2025	Highest	41.55		
		Lowest	38.30		
		Average	39.67		
Current year as of February 28, 2026	Highest	39.10			
	Lowest	38.60			
	Average	38.86			
Other Rights Attached	Amount of Shares Converted or Subscribed as of February 28, 2026		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\$327,600,000.00	US\$186,607,572.50	US\$936,086,488.00	US\$751,067,478.00
Issue Price per unit		US\$18.20/1 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		7,199,950 shares (as of February 28, 2026)			
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	2025	Highest	US\$ 15.01		
		Lowest	US\$ 10.93		
		Average	US\$ 12.84		
	Current year up to February 28, 2026	Highest	US\$ 13.57		
		Lowest	US\$ 11.75		
		Average	US\$ 12.73		

(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 → Company Code: 2002.

(https://mopsov.twse.com.tw/mops/web/bfhtml_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 157-158 for more details on the Company's current products. Please refer to Page 203-206 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 CSCI 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; offshore wind power generation, etc.

(II) Revenue Breakdown

Parent-only

Unit: NT\$ thousands

Item	2025		2024	
	Amount	%	Amount	%
Revenue from sales of goods	162,310,425	97.18	187,490,138	96.87
Revenue from construction contracts, rendering of services, and others	4,714,454	2.82	6,055,370	3.13
Operating revenues	167,024,879	100.00	193,545,508	100.00

Consolidated

Unit: NT\$ thousands

Item	2025		2024	
	Amount	%	Amount	%
Revenue from sales of goods	278,953,466	87.95	325,832,085	90.37
Revenue from construction contracts, rendering of services, and others	38,201,798	12.05	34,703,629	9.63
Operating revenues	317,155,264	100.00	360,535,714	100.00

(III) Industry Overview

In 2025, revenues from steel products account for over 70% 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 2025, the global economy remained volatile. The Trump administration announced the imposition of reciprocal tariffs in April, and raised the Section 232 tariffs on steel and aluminum from 25% to 50% in June, exerting a considerable impact on the global steel industry and prompting a restructuring of existing international trade networks. However, to stimulate domestic economic activity, the U.S. Federal Reserve (Fed) initiated a series of interest rate cut cycles in the second half of the year, with a cumulative rate cut of 1.75% for the year. This effectively alleviated corporate financing cost pressures and contributed to a rebound in steel demand. In Taiwan, the Directorate-General of Budget, Accounting and Statistics of Executive Yuan announced that Taiwan's economic growth reached 8.68% in 2025, primarily benefiting from robust demand for artificial intelligence and high-performance computing, with rapid growth in related product exports. In addition, demand from the infrastructure and automotive sectors gradually stabilized amid the low-carbon transition trend. 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) forecasted global economic growth of 3.3% for this year in January 2026. Rising trade protectionism and policy uncertainty remain major risk factors. However, supported by cooling inflation,

a gradually easing financial environment, and continued expansion of investment in emerging technologies such as artificial intelligence, global economic growth is expected to maintain a certain degree of resilience. In addition, in February 2026, the U.S. Supreme Court ruled the reciprocal tariffs unconstitutional. Although the Trump administration instead imposed a 10% tariff under Section 122 of the Trade Act of 1974, the overall tariff burden is lower than that in 2025, and companies worldwide have gradually relocated supply chains to cope with the higher U.S. tariffs. As for Taiwan, the government continues to actively promote the “Trillion NT Dollar Investment National Development Plan.” In 2025, private participation in public infrastructure reached an estimated NT\$250 billion in contracted amounts, and as of the end of February 2026, a total of 43 related regulatory relaxations had been completed. These measures are expected to guide private capital investment and further drive domestic economic growth and industrial momentum.

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 recent years, competition in the global common-grade steel market has been fierce, and high trade barriers in many countries have subjected exports to increasingly strict tariff and non-tariff measures. In addition to carefully planning the export strategies, 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 2025:

Unit: NT\$ thousands	Parent-only	Consolidated
2025	2,152,309	2,172,583

R&D status in 2025:

The Company's R&D strategy is centered on its corporate 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." Guided by this vision, the Company implements the dual operational and developmental cores of "becoming a high value-added steel mill" and "developing green technologies, energy, and resources" and is fully accelerating three major transformations: "Digital Transformation, Low-Carbon Transformation, and Supply Chain Transformation." R&D resources are strategically directed toward critical technologies and priority application areas to strengthen product differentiation and enhance added value, while embedding the principles of sustainable operation into product development and process innovation. The Company enjoyed a fruitful year in the area of R&D with a total of 37 new product development projects completed in 2025, 17 of which were classified as new Advanced Premium Steel (APS). The proportion of sales for APS and high-end steel reached 11.5% and 49.6% respectively. Major R&D outcomes are listed as follows:

1. Development of Advanced Premium Steel

- (1) High-Quality Forming Steels: To meet the demand for highly complex forged automotive and motorcycle parts, the Company has developed seam-free production technology. Through three-dimensional finite element analysis (FEA), the formation mechanisms of surface seams in steel materials were systematically analyzed, leading to the development of a unique rolling technique capable of mitigating angle strain and the successful development of seam-free process technology. This technology has been applied to highly cold-worked fasteners and safety-critical components, thereby facilitating the transformation and upgrade of the overall processing value chain within the fastener and automotive component industries.
- (2) Superior Hand Tool Steels: The Company continues to promote niobium (Nb) fine-grain toughening steel grades to effectively address the insufficient toughness and torsional resistance of conventional steels under the low-temperature environment.

At the same time, the application of fine-grain technology with Nb addition also suppresses grain coarsening during hot forging process, reducing the need for subsequent normalizing heat treatment and lowering the process carbon footprint. In addition, for high-strength bainitic steel for screwdriver bits, the Company has developed optimized isothermal quenching heat treatment technologies to support downstream hand tool and metal heat treatment manufacturers in enhancing process control and improving product quality.

- (3) **High Performance Structural Steels:** In response to the design trend of “large spans, high piers, deep foundations” in bridge engineering, the Company has progressively developed high-performance bridge steels compliant with both CNS national standards and U.S. ASTM standards, which have already been successfully applied in domestic landmark public infrastructure projects. The Company is also actively developing premium-grade plates to further enhance the safety and durability of domestic bridge infrastructure. In addition, to address the needs of the domestic machinery industry, the Company has successfully developed ultra-thin wear-resistant plates with thicknesses ranging from 6~9 mm, suitable for high-abrasion components such as ore skips. These products significantly extend equipment service life, reduce maintenance frequency, decrease reliance on imported materials, and strengthen overall market competitiveness.
- (4) **Advanced Ultra-High Strength and Toughness Steels:** To meet the requirements of next-generation national defense technology vehicles, the Company has developed ultra-thick rolled homogeneous armor (RHA) plates. Through optimized medium-carbon composition design and the addition of hardening alloy elements, combined with a rolling forging air-cooling hardening process, the materials achieve high hardness levels while maintaining excellent toughness performance. These advanced steels provide robust protective capabilities and contribute to greater self-reliance and technological advancement within the national defense industry.
- (5) **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 production method to use more scrap in basic oxygen furnace, successfully developing RC90 galvanized steel products produced through a full scrap steelmaking process and establishing a milestone in maximizing recycled material content in steel products.
- (6) **Advanced Alloy Steels:** In response to the demand of high-quality products for mechanical hardware, hand tools and automotive parts, the Company has not only enhanced heat treatability through the application of hardening alloy elements, but

also actively developed a series of hot-rolled precise stamping steels featuring superior workability, high spheroidization rates, and high dimensional accuracy. These efforts aim to drive continuous industry upgrading and expand new business opportunities.

- (7) Cross-Generational Automotive Steels: To meet lightweight, enhanced safety, and improved workability requirements for automotive bodies, the Company has developed a series of advanced ultra-high strength automotive steels with excellent functions for automotive application. By incorporating AI-enabled smart manufacturing technologies, the Company is advancing toward advanced premium steels with higher strength, ductility, and hole-expansion ratio to fill the gap in the industrial chain and to meet the material requirements of automakers.
- (8) Ultra-High Efficiency Electrical steels: In response to the rapid growth of electric vehicles (EVs), drones, humanoid robots, and four-legged bionic robots, the Company has developed electrical steels featuring high-frequency low iron loss, high magnetic flux, and high strength. These materials are designed to meet motor performance requirements, including low energy consumption, high power density, high torque, and high rotational speed. The Company has successfully made such products sourced by major electric vehicle manufacturers, as well as applied on emerging drone and robot applications, and has become a critical supplier of electrical steel.

2. Intelligent manufacturing technologies

- (1) Completed the development of automated crane driving technology, enabling seamless switching to autonomous mode during remote control to enhance lifting and handling efficiency. An image-assisted recognition system was also implemented to identify whether the grab claw securely clamps the steel coils, thereby preventing steel coils from falling during lifting operations.
- (2) Completed the knowledge graph-based generative AI system, transforming hundreds of isolated equipment maintenance reports into a structured and navigable “Equipment Failure Knowledge Model.” This initiative shifts the approach from "passive single-data retrieval" to "proactive multi-data relational exploration," thereby discovering deeper value from data.
- (3) Completed the development of an intelligent control technology for steelmaking cost optimization in high recycled content (RC) steel products. This includes the establishment of intelligent steelmaking models and cost optimization models applicable to high-scrap-ratio processes, achieving an optimal balance between quality and cost. The system provides Steelmaking Department with a robust decision-making basis to reduce costs, improve product quality, and advance energy saving and carbon reduction objectives.
- (4) Implemented an innovative AI development tool integrating internal systems with cloud technologies, enabling direct access to more than 350 ready-to-use cloud-based algorithms and pre-trained models. Combined with standardized cloud

development workflows, this tool significantly enhances the efficiency of AI application and service development.

- (5) Completed the development of the Operating Guidelines for Furnace Temperature Control in the Self-Bonding Coating Process for Electrical Steel. Steel coils produced in accordance with these furnace temperature control guidelines achieve excellent bonding without glue overflow in the final core products, thereby ensuring process stability and consistent quality, and strengthening customer confidence in self-bonding electrical steel.
 - (6) Completed the development and establishment of an Intelligent Fire Protection System for Enclosed Building in Raw Material Storage Yard. The system demonstrated a 100% detection rate for abnormal conditions in testing. In addition to issuing accurate alerts and alarms, the system can automatically activate a two-stage fire response strategy, water mist cooling followed by water spray fire suppression, thereby effectively preventing fire incidents.
3. Energy saving, carbon reduction and environmental protection technologies
- (1) The “Development of Blast Furnace Low-Carbon Iron Making Technology” has been further advanced. Three low-carbon burden charging tests were conducted in 2025. Through intelligent slag composition optimization, the final blast furnace slag was controlled to meet required fluidity characteristics, ensuring smooth tapping operations. In addition, high-fidelity blast furnace burden distribution simulation technology was applied to ensure that pellet, lump, and sinter were distributed in their optimal reaction zones, thereby maintaining stable gas permeability. Based on stable furnace operation, operational techniques for utilizing low-carbon blast furnace raw materials at reduced carbon abatement costs have been successfully established.
 - (2) In the ongoing development of “By-Product Gas Carbon Capture and High-Value Utilization Technology,” the analytical technology for evaluating adsorbent physical properties and conducting adsorption isotherm were established. These efforts enabled the identification of alternative domestic secondary supply sources, thereby mitigating the risk of supply disruption associated with reliance on a single adsorbent supplier.
 - (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). By integrating parameter optimization, inter-stage cooling, and sintering waste heat recovery technologies, energy consumption was reduced by 5%. In addition, the energy consumption and cost under varying flue gas CO₂ concentrations were analyzed to serve as an evaluation basis for the establishment of an on-site flue gas carbon capture project.
 - (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.” The technologies of simulation analysis, combustion system evaluation, and testing and modification have been established. More than 60 times of 40% hydrogen-blended demonstration were completed in the coil annealing furnace, achieving a 100% coil qualification rate. This confirmed the successful establishment of hydrogen blends combustion technology.

- (5) In response to the upgrade of the preheating system for benzene-rich oil in the No. 3 Light Oil Plant, where the tubular furnace was replaced with a superheated steam heat exchanger, the Company utilized chemical process simulation software to develop a virtual plant model of the No. 3 Light Oil Plant and established the operational guidelines to effectively control the preheating temperature and reduce post-retrofit preheating costs after the replacement.
- (6) To comply with the stricter 2027 cement industry standard for mercury content in mineral sludge, the Company addressed the high mercury content of sintering desulfurization wastewater by implementing a cyclone separator combined with the model of coagulation–sedimentation and plate-and-frame dewatering in sintering desulfurization system to reduce the mercury content in mineral sludge. This system achieved a measured total mercury removal efficiency of 96%, with dewatered sludge containing 32% moisture. This technology can replace the original candle filter, ensuring the continuous supply of mineral sludge for cement industry reuse and enhancing resource recycling efficiency.
- (7) The Company has developed energy-efficient electrolytic cleaning agents and optimized the formulation through molecular design. The new formulation maintains existing cleaning performance under lower operating temperatures and reduced electricity consumption, achieving both efficiency and energy saving.
- (8) In response to global trends in energy saving, carbon reduction, and environmental protection, the Company has developed plate-shaped medium-low temperature denitrification catalyst. The operating temperature for Selective Catalytic Reduction (SCR) denitrification process has been planned to reduce from conventional high-temperature range (280–320°C) to a medium-low temperature range (200–220°C). Currently catalyst formulation development and production line installation have been completed. Plate-shaped catalyst products have entered mass production and are being actively promoted for industrial applications.

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 promoting the development of high value-added products, advancing low-carbon processes and developing technology for downstream applications.

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

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.
- (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) Strengthen understanding of industries related to the steel industry in terms of sales, technology and processes, and evaluate the feasibility of development.
- (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 green technologies, energy, and resources, 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

2025 Domestic and Export Sales Breakdown by Region - Parent-only

Sales Target	Amount (metric ton)	Percentage
Taiwan	4,268,883	57.87%
Southeast Asia	1,223,733	16.59%
Europe	623,062	8.45%
Japan	460,278	6.24%
Mainland China (including Hong Kong)	253,492	3.44%
Others	546,712	7.41%
Total	7,376,160	100.00%

2025 Domestic and Export Sales Breakdown by Region- Consolidated

Sales Target	Amount (metric ton)	Percentage
Taiwan	6,161,238	54.79%
Southeast Asia	2,083,507	18.53%
Japan	798,076	7.10%
Europe	797,394	7.09%
Mainland China (including Hong Kong)	274,368	2.44%
Others	1,130,808	10.05%
Total	11,245,391	100.00%

(II) Market Supply and Demand Outlook

Looking back at 2025, global crude steel production reached 1,849.4 million metric tons, representing a 2.0% decrease compared to that of 2024. The global steel supply continued to be constrained, with Mainland China continuing its production restrictions and capacity replacement controls. In 2025, China's crude steel output stood at 960.8 million metric tons, a 4.4% decrease compared to that of 2024. However, amid uncertainties including changes in international trade policies and geopolitical factors, the recovery in end-market demand was limited, and the steel industry remained in oversupply.

Looking ahead to 2026, major economies including Europe, the U.S., Mainland China, India, and Southeast Asia are continuing to promote infrastructure development and economic stimulus policies, providing a certain degree of support for steel demand. In China, the policy direction on production restriction remains unchanged, with steel production continuing to be regulated, while demand is being driven through measures such as expanding infrastructure investment, boosting consumption, and strengthening domestic demand. In addition, since the beginning of 2026, China has implemented an export licensing system for steel products to strengthen export management and curb non-compliant trading practices. Pressure from supply-demand imbalance in the global steel market is expected to gradually alleviate.

In 2025, the domestic market share of the Company's main steel products were 53% for plates, 47% for bar and wire rods, 31% for hot-rolled coils, 43% for cold-rolled coils, 60% for electrical steels, 27% for hot-dip galvanized steels and 60% for electrogalvanized steels, respectively. (The joint market share of hot-rolled coils produced by the Company, Dragon Steel Corporation and Chung Hung Steel Corporation was 79%, while the market share of cold-rolled coils produced by the Company and Chung Hung Steel Corporation was 49%.)

(III) Business Objectives

In 2026, the Company plans to sell a total of 7.51 million metric tons of steel products, including domestic sales of 4.51 million metric tons and export sales of 3.00 million metric tons. The Steel Division of CSC Group is targeting sales of 12.82 million metric tons, including domestic sales of 8.18 million metric tons and export sales of 4.64 million metric 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 2026, the International Monetary Fund (IMF) forecasted global economic growth of 3.3% for the year. Supported by continued expansion in technology investment, fiscal and monetary support measures implemented by governments worldwide, a relatively easing financial environment, and corporate adjustments of operating models, the global economy is expected to demonstrate a certain degree of resilience, partially alleviating the unfavorable impacts arising from changes in trade policies. In Taiwan, the Directorate-General of Budget, Accounting and Statistics of Executive Yuan indicated that in 2025, benefiting from demand of technology industries such as artificial intelligence (AI) and high-performance computing far exceeding expectations, which drove exports and investment momentum to increase significantly, resulting in an annual economic growth rate reaching 8.68%. For 2026, with uncertainties easing and momentum in the technology industry continuing, the economic growth rate is projected to reach 7.71%, representing robust growth despite the high base in 2025.

In the steel market, in 2025, affected by U.S. tariff adjustments and uncertainties in trade policies among various countries, steel market exhibited a strong wait-and-see sentiment, while downstream inventories remained at low levels. In 2026, with the U.S. initiating an interest rate cut cycle, China continuing to promote production restrictions and implementing an export licensing system for steel products, the supply-demand structure is expected to gradually improve. In addition, in February 2026, the U.S. Supreme Court ruled the reciprocal tariffs unconstitutional. Although the Trump administration instead imposed a 10% tariff under Section 122 of the Trade Act of 1974, the overall tariff burden is lower than that in 2025. Furthermore, items initially imposed under Section 232 of the Trade Expansion Act, for which Taiwan have secured most-favored treatment through the negotiation with the U.S., including automotive components and aircraft components, are entitled to a maximum tariff of 15%, with overall conditions relatively favorable.

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 green technologies, energy, and resources.” 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 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, in addition to supplying steel, the Company will try our best to stay close to customers and meet their potential needs, to promote 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 regulate steel production while expanding infrastructure and stimulating consumption and domestic demand. And starting in 2026, China has implemented an export licensing system for steel products to curb non-compliant trading practices, which is expected to alleviate the pressure from supply-demand imbalances in the global steel market.
- (3) The U.S. Supreme Court ruled the reciprocal tariffs unconstitutional. Although the Trump administration instead imposed a 10% tariff under Section 122 of the Trade Act of 1974, for certain downstream industries that were originally subject to reciprocal tariffs, the overall tariff burden is lower than that in 2025. Furthermore, items such as automotive components and aircraft components are entitled to a maximum tariff of 15% under Section 232 pursuant to agreements between Taiwan and the U.S., enhancing export competitiveness.
- (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.

Unfavorable factors:

- (1) The Trump administration’s tariff policies change rapidly, while countries worldwide are actively erecting trade barriers, which 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 and the Carbon Border Adjustment Mechanism (CBAM)) and the need for upgrading the energy and resource efficiency of various assets (e.g., replacing equipment with higher efficiency).
 - (4) China's steel demand has significantly weakened due to sluggish domestic economic conditions, industrial relocation, and the prolonged downturn in the real estate market, resulting in an overall industry oversupply. In 2025, China's steel exports reached 119 million metric tons, reaching a historical high, with the spillover of excess steel supply continuing to impact the global steel market.
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 trade barriers imposed by various countries, continue to monitor developments in tariffs and anti-dumping policies of various countries, and actively explore new export channels; (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, 2025 to December 31, 2025)

China Steel Corporation			Dragon Steel Corporation		
Country	Amount (ten thousand metric tons)	Percentage (%)	Country	Amount (ten thousand metric tons)	Percentage (%)
Australia	445	88.29%	Australia	207	90.39%
Canada	59	11.71%	Canada	22	9.61%
Total	504	100.00%	Total	229	100.00%

2. Sources of Iron Ore (January 1, 2025 to December 31, 2025)

China Steel Corporation			Dragon Steel Corporation		
Country	Amount (ten thousand metric tons)	Percentage (%)	Country	Amount (ten thousand metric tons)	Percentage (%)
Australia	893	76.59%	Australia	385	73.47%
Brazil	231	19.81%	Brazil	127	24.24%
Canada	42	3.60%	Canada	12	2.29%
Total	1,166	100.00%	Total	524	100.00%

3. Sources of Limestone (January 1, 2025 to December 31, 2025)

China Steel Corporation			Dragon Steel Corporation		
Country	Amount (ten thousand metric tons)	Percentage (%)	Country	Amount (ten thousand metric tons)	Percentage (%)
Japan	171	69.51%	Japan	75	66.96%
Thailand	27	10.98%	Taiwan	13	11.61%
Taiwan	23	9.35%	Philippines	13	11.61%
Philippines	20	8.13%	Thailand	9	8.04%
Others	5	2.03%	Others	2	1.78%
Total	246	100.00%	Total	112	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
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
2025	Company A	13,066,405	14.33	Supplier
	Others	78,124,570	85.67	N/A
	Net purchases	91,190,975	100.00	N/A
As of the previous quarter in 2026	Information for the previous quarter prior to the publication date of this annual report is the information for 2025. Hence, the information is as above.			

Note on increase or decrease: The decreased purchase amount of Company A in 2025 was mainly due to the decrease in unit purchase price and the volume of products purchased.

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

Year	Name	Amount (NT\$ thousands)	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer
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
2025	Company A	19,971,880	10.97	Supplier
	Others	162,012,895	89.03	N/A
	Net purchases	181,984,775	100.00	N/A
As of the previous quarter in 2026	Information for the previous quarter prior to the publication date of this annual report is the information for 2025. Hence, the information is as above.			

Note on increase or decrease: The decreased purchase amount of Company A in 2025 was mainly due to the decrease in unit purchase price and the volume of products purchased.

III. Human Resources Overview

- (I) Number of employees, average age, average years of service and education levels at the Company in the most recent two years up to the publication date of this annual report (February 28, 2026):

Fiscal Year		2024	2025	2026.02.28
Number of Employees		9,525	9,263	9,249
Average Age		42.67	43.00	43.03
Average Years of Service		13.24	13.67	13.72
Education Distribution Percentage (%)	Ph.D.	2.17	2.26	2.21
	Master's degree	21.40	21.62	21.82
	College	59.05	59.46	59.48
	Senior high school	17.35	16.62	16.45
	Below senior high school	0.03	0.04	0.04

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

- (II) Number of employees, average age, average years of service and education levels at CSC Group in the most recent two years up to the publication date of this annual report (February 28, 2026):

Fiscal Year		2024	2025	2026.02.28
Number of Employees		27,209	26,864	26,715
Average Age		42.23	42.74	42.86
Average Years of Service		12.37	12.86	12.98
Education Distribution Percentage (%)	Ph.D.	0.93	0.96	0.94
	Master's degree	16.28	16.24	16.33
	College	57.95	58.55	58.70
	Senior high school	21.50	21.04	20.92
	Below senior high school	3.34	3.21	3.11

2025	CSC	CSC and DSC
Crude steel production (metric ton)	7,959,249	11,572,711
Revenues (NT\$ thousands)	167,024,879	228,779,082
Average number of workers - excluding Directors not acting as employees(persons)	9,342	12,591
Average annual crude steel production per capita (metric ton)	852	919
Average annual revenues per capita (NT\$ thousands)	17,879	18,170
Working hours per ton of crude steel (hour/ton)	2.36	2.25

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 2025, the Company successfully completed the recertification audited by the British Standards Institution (BSI) Taiwan Branch for the 2015 edition of the certification, where no deficiencies were found. The certificate is valid from July 21, 2025 to July 20, 2028. By upholding the spirit of continuous improvement demonstrated by ISO 14001-EMS, 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. Biodiversity and Environmental and Ecological Protection: The Company adopts the nature-related risk disclosure framework proposed by the Taskforce on Nature-related Financial Disclosures (TNFD) and has implemented the LEAP (Locate, Evaluate, Assess, Prepare) approach to assess its operational dependencies and impacts on natural resources, including water resources, biodiversity, air quality, and soil. Based on the assessment results, the Company identifies material risks and opportunities and develops corresponding mitigation measures and action plans to reduce the dependence and impacts of its operations on biodiversity. In addition, 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-EMS, 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 (SOx), nitrogen oxides (NOx), volatile organic compounds (VOCs), and dioxins (DXNs), etc. in all chimneys, and has applied for stationary pollution source installation, modification, alteration and extension permits in accordance with the law. The Company continuously strengthens in-plant inspections, reviews the implementation of pollution prevention, and plans reduction and improvement measures in line with the “Air Pollution Prevention and Control Plan” formulated by the Executive Yuan and the “Air Pollution Control Act” set forth by the Ministry of Environment.

4. Greenhouse Gas (GHG) Management: In order to effectively monitor greenhouse gas emissions status and promote reductions, the Company conducts annual organizational-level GHG inventory, and obtained the verification conducted by third-party verification agencies. For details of the GHG inventory and assurance results for 2024 and 2025 please refer to pages 105-106 of this annual report. In line with the regulatory requirements, the Company also registers its emission data annually on the Mandatory Greenhouse Gas Reporting System.

Regarding carbon credit management, the Company has established the "Regulations for Carbon Trading and Management" and has incorporated relevant procedures into its ISO 14001-EMS. In addition, a computerized carbon credit management system has been established to continuously manage GHG reduction credits, including credits generated from GHG Early Action Projects and GHG Offset Projects. As of the end of February 2026, the remaining balance was 4,532,782 metric tons of CO₂e.

In response to carbon neutrality issues, the Company has established the “Task Force on Energy Saving & Carbon Reduction and Carbon Neutrality” under the Corporate Governance and Sustainability Committee. The task force is primarily responsible for carbon management and carbon neutrality issues, with the Chairman serving as its head and overseeing climate change issues. Implementation plans and results are reported to the Board of Directors on a quarterly basis. The Company does not plan to use carbon offsets as a carbon reduction strategy.

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 2025, the amount of wastewater discharged at the Company averaged approximately 43.6 thousand metric 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 2025, the accumulated volume of BOF slag used has reached 8.18 million metric 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 2025, the industrial ecology network centered on the Company comprised 36 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

		2025		January to February 2026
China Steel	Date of Punishment (Date of Violation)	2025.07.15 (2024.03.29)	2025.07.15 (2024.03.29)	2026.01.05 (2025.08.08)
	Punishment Letter No.	Fine Notification No. 20-114-070014	Fine Notification No. 20-114-070015	Fine Notification No. 20-115-010005
	Regulations Violated	Paragraph 1, Article 23 of the Air Pollution Control Act	Paragraph 2, Article 24 of the Air Pollution Control Act	Paragraph 1, Article 23 of the Air Pollution Control Act
	Content of Regulations Violated	During the coke production/by-product process, coke oven gas generated from coke oven facilities is conveyed through enclosed pipelines for use in downstream plants. However, multiple cracks were found in pipelines that are required to be sealed, resulting in ineffective gas collection and fugitive emissions.	During the primary ironmaking/sintering process, materials (fine coke) were not collected in a sealed manner during bunker operations. In addition, a new material flow (recycled materials) was introduced in the bunker system (including the weigh feeder), whereby the recycled materials were conveyed to tank trucks. These practices were inconsistent with the contents registered in the operating permit.	During the primary ironmaking/sintering process, accumulated dust in the electrostatic precipitator chamber was not removed after the process shutdown and maintenance. Upon restarting the process, the electrostatic precipitator was unable to effectively remove the dust, resulting in the release of dust (particulate matter) into the atmosphere through the emission pipelines.
	Content of Punishment	A fine of NT\$330,000, and 2-hour environmental seminar	A fine of NT\$100,000, and 2-hour environmental seminar	A fine of NT\$150,000, and 2-hour environmental seminar
	Date of Punishment (Date of Violation)	2025.12.19 (2025.09.21)		2026.01.05 (2025.08.28)
	Punishment Letter No.	Fine Notification No. 20-114-120023		Fine Notification No. 20-115-010004
	Regulations Violated	Subparagraph 1, Paragraph 1, Article 32 of the Air Pollution Control Act		Paragraph 3, Article 22 of the Air Pollution Control Act
	Content of Regulations Violated	A fire accidentally broke out during the construction work for a standby induced draft fan at the Coal Chemicals Plant. The fire spread and damaged the control lines of the main exhaust fan, causing the fan to trip. As a result, gas could not be extracted, and process gas generated from the coke ovens was not effectively collected or treated, leading to the release of pollutants outside the plant. The gas was subsequently directed to the emergency bleeder for bleeding off; however, incomplete combustion resulted in particulate matter emissions.		The steelmaking process is classified as a stationary pollution source subject to the installation of continuous emission monitoring systems and real-time data transmission to the competent authority. The associated emission pipelines are required to complete calibration error audit of opacity monitoring systems for particulate matter by the second quarter of 2025. However, the Company did not complete the required audit until July 5, 2025.
	Content of Punishment	A fine of NT\$960,000, and 2-hour environmental seminar		A fine of NT\$100,000, and 2-hour environmental seminar

		2025		January to February 2026
China Steel Structure	Date of Punishment (Date of Violation)	2025.11.24 (2024.12.10)		None
	Punishment Letter No.	Fine Notification No. 22-114-110017		None
	Regulations Violated	Subparagraph 4, Article 8 of the Noise Control Act		None
	Content of Regulations Violated	At the construction site located in Gushan District, Kaohsiung City, lifting operations and the operation of excavators were conducted prior to 8:00 a.m., resulting in noise pollution. Such activities were not continuous or necessary construction work with prior approval from the competent authority.		None
	Content of Punishment	A fine of NT\$3,000		None
CHC Resources	Date of Punishment (Date of Violation)	2025.03.17 (2024.10.15)	2025.03.17 (2024.10.15)	None
	Punishment Letter No.	Fine Notification No. 30-114-020002	Fine Notification No. 30-114-030004	None
	Regulations Violated	Paragraph 1, Article 18-1 of the Water Pollution Control Act	Article 18 of the Water Pollution Control Act	None
	Content of Regulations Violated	Water flow was observed inside the manhole near the north gate at the Kaohsiung plant, and overflow was detected along the internal pipeline.	The overflow from the wastewater collection basin (T02-01) and the grit chamber (T02-02) 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.	None
	Content of Punishment	A fine of NT\$2,520,000, improvement within the given period, and 4-hour environmental seminar	A fine of NT\$30,000, improvement within the given period, and 2-hour environmental seminar	None
	Date of Punishment (Date of Violation)	2025.04.11 (2025.01.16)		None
	Punishment Letter No.	Fine Notification No.30-114-040006		None
	Regulations Violated	Article 18 of the Water Pollution Control Act		None
	Content of Regulations Violated	The wastewater collection basin (T01-01), grit chamber (T01-02), and neutralization basin (T01-03) at the Kaohsiung Plant were interconnected. An unidentified pipeline was observed within the discharge manhole, through which light yellow wastewater was being discharged. These conditions were inconsistent with the approved water pollution control measures plan.		None
	Content of Punishment	A fine of NT\$64,000, improvement within the given period, and 2-hour environmental seminar		None

		2025		January to February 2026
Dragon Steel	Date of Punishment (Date of Violation)	2025.01.08 (2023.11.15)	2025.01.16 (2023.11.15)	None
	Punishment Letter No.	Fine Notification No. 20-114-010016	Fine Notification No. 20-114-010028	None
	Regulations Violated	Paragraph 2, Article 23 of the Air Pollution Control Act	Paragraph 2, Article 23 of the Air Pollution Control Act	None
	Content of Regulations Violated	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.”	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.”	None
	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	None
	Date of Punishment (Date of Violation)	2025.05.09 (2025.01.03)	2025.05.26 (2025.03.05)	None
	Punishment Letter No.	Fine Notification No. 20-114-050013	Fine Notification No. 20-114-050034	None
	Regulations Violated	Paragraph 2, Article 24 of the Air Pollution Control Act	Paragraph 2 and Paragraph 4, Article 24 of the Air Pollution Control Act	None
	Content of Regulations Violated	Settler tar sludge or wastewater sludge generated from the coke production/by-product process was recycled back into the original process for use as raw material. However, such materials and process flows were not specified in the stationary pollution source operating permit, and operations were therefore not conducted in accordance with the approved permit conditions.	During the electric arc furnace (EAF) steelmaking process, particulate matter and exhaust gas were released into the atmosphere. This was inconsistent with the operating permit for the EAF steelmaking process, which stipulate that emissions shall be collected under enclosed conditions.	None
	Content of Punishment	A fine of NT\$100,000, improvement within the given period, and 2-hour environmental seminar	A fine of NT\$260,000, improvement within the given period, and 4-hour environmental seminar	None

Other listed subsidiaries of CSC Group (Chung Hung Steel, China Ecotek, and China Steel Chemical) did not receive any penalty due to pollution in 2025 up to the publication date of this annual report (February 28, 2026).

(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, including carrying out relevant improvement and enhancement projects, completing parameter settings for monitoring facilities, increasing the frequency of equipment inspection, 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” and “Installation of De-NO_x and De-SO_x Systems for No.9, No.10, and No.12 Boilers at Power Plant” are expected to be invested in the next two years. The total investment amount for environmental protection projects are expected to be NT\$1,821,989 thousand and NT\$1,436,032 thousand in 2026 and 2027 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

The Company has completed the recertification for the ISO 45001 (Occupational Health and Safety Management Systems) and TOSHMS (Taiwan Occupational Safety and Health Management Systems) by the British Standards Institution (BSI) in 2025. The certificate is valid from July 21, 2025 to July 20, 2028. 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 2025, the Company conducted 14 types of courses related to on-the-job licensing training regarding safety and hygiene regulations for 77 batches of personnel, with up to 2,502 employees trained in total, as well as 5 types of courses related to physical safety training for 42 batches of personnel, with up to 382 employees trained in total. In an effort to enhance safety knowledge among employees, the Company organized a series of workplace safety and health-related training courses and seminars in line with existing laws and regulations as well as current trends, including programs such as “Updates on Burn and Scald Injury Treatment”, “Training for Supervisory and Management Personnel in High-risk Operations for Contractors”, “Training on Fire Safety” and “Workshops on Prevention of Workplace Infringements”.

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 3,825 examinations were conducted among these employees in 2025. Specifically, a total of 3 employees working in noisy environments were listed under Level 4 management. It has been confirmed that noise exposure at their workplaces complies with applicable regulations. In addition, 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, no work adjustment is required. The remaining personnel working in special worksites were not listed in Level 4 health management.

- (2) In 2025, the Company organized 11 health promotion activities (health lecture, nutrition consultation, 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 4,137 counts of attendance.
- (3) In 2025, the Company's maternity protection program comprised a total of 15 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) The Company provides employee health examinations with check-up intervals and items exceeding statutory requirements, and has developed an online and mobile app-based inquiry system that enables employees to conveniently access their examination reports at any time. In addition, to enhance protection for employees at high risk of cardiovascular disease, the Company provides carotid artery ultrasound examinations for those whose results are abnormal in all four of the following indicators: systolic blood pressure >130 mmHg, diastolic blood pressure >80 mmHg, low-density lipoprotein cholesterol >130 mg/dl, and fasting blood glucose >100 mg/dl. In 2025, a total of 58 employees underwent the examination. The Company will subsequently invite professional health instructors to conduct health education seminars and provide health consultations. Follow-up blood biochemical re-examinations, covering all four indicators, including total cholesterol, high-density lipoprotein cholesterol, blood pressure, and blood glucose, will also be conducted to evaluate changes in health indicators before and after the program.

4. Workplace safety enhancement measures

(1) Spring safety enforcement activities

The Company regularly conducts its annual "Spring Safety Enforcement

Activities" from the year-end period through the Lantern Festival. Key measures include implementing management by walking around by supervisors, strengthening on-site inspections, enhancing management oversight and audit efforts, and clearly defining the responsibilities of supervisors at all levels to ensure personnel safety and stable operations.

- (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 conducted the large-scale workplace safety enforcement activities in collaboration with the representatives of the labor union in Occupational Safety & Health Committee, intensifying inspections and audits regarding occupational safety and health issues in on-site operations and working environments. A total of 185 inspections were conducted, with 22 non-compliance findings and improvement recommendations identified, all of which have been rectified.

- (3) 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 2025, a total of 5 observation activities were carried out while 10 second echelon units were selected as "Outstanding Units in Workplace Safety Management."

5. 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 2025, the Company carried out and completed a total of 1,070 regular inspections of dangerous machinery and equipment, as well as a total of 55 modifications and final inspections on dangerous machinery and equipment. In addition, for Class C hazardous workplaces, workplace hazard risk assessments are conducted every five years in accordance with applicable regulations to ensure operational safety.

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 subsidies; education subsidies for members' children; emergency and disaster relief; marriage subsidies; group tour subsidies; flexible welfare points; new born congratulation cash gifts; birthday cash gifts; commuting transportation allowance, 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) Provides movies watching for the neighborhood, 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) Offers comprehensive group insurance under the employee welfare committee.
- (5) Equipped with single employee dormitories, gymnasium, the CSC Group Hall, kindergarten and the reading room.
- (6) 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 2025, a total of 7,833 employees applies to the new labor pension system, while a total of 1,413 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 of its subsidiaries also have provisions for employee consolation payment and holiday benefits.

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

3. Other important agreements

(1) Collective Agreement

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) Employee Stock Ownership Trust system

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 2025). 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 236 communication forums (approximately 4,274 counts of attendance) were held across all plants (and departments) in 2025. 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 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, in addition to recruiting outstanding talents, talent development, knowledge management, corporate culture and succession have become urgent priorities to effectively pass down our extensive experience in steel production, operations and management.

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 training program in 2025 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 2025, the Company spent NT\$57,955 thousand on talent development and training, with an average of 24.9 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 with a total of 718 counts of attendance in 2025. 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 2025 up to the publication date of this annual report (February 28, 2026).

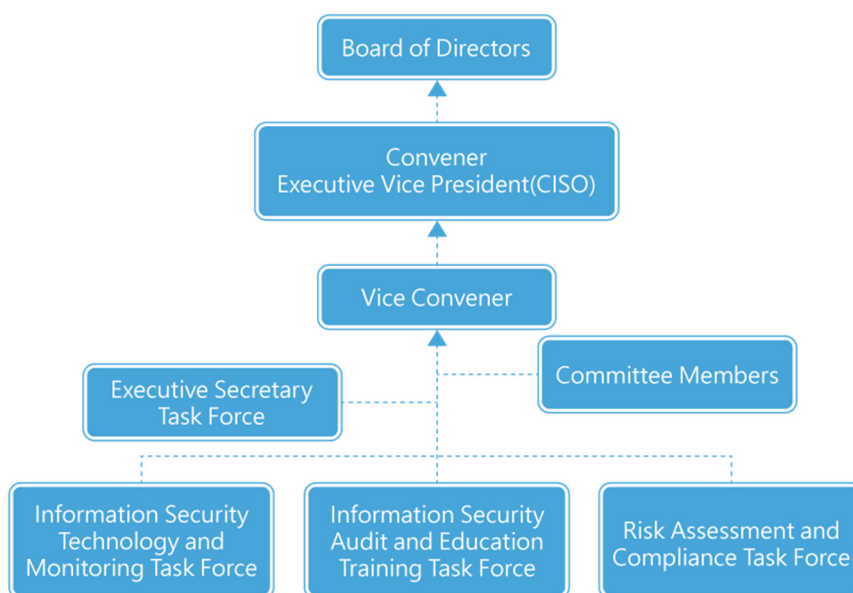
VII. Cybersecurity Management

(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

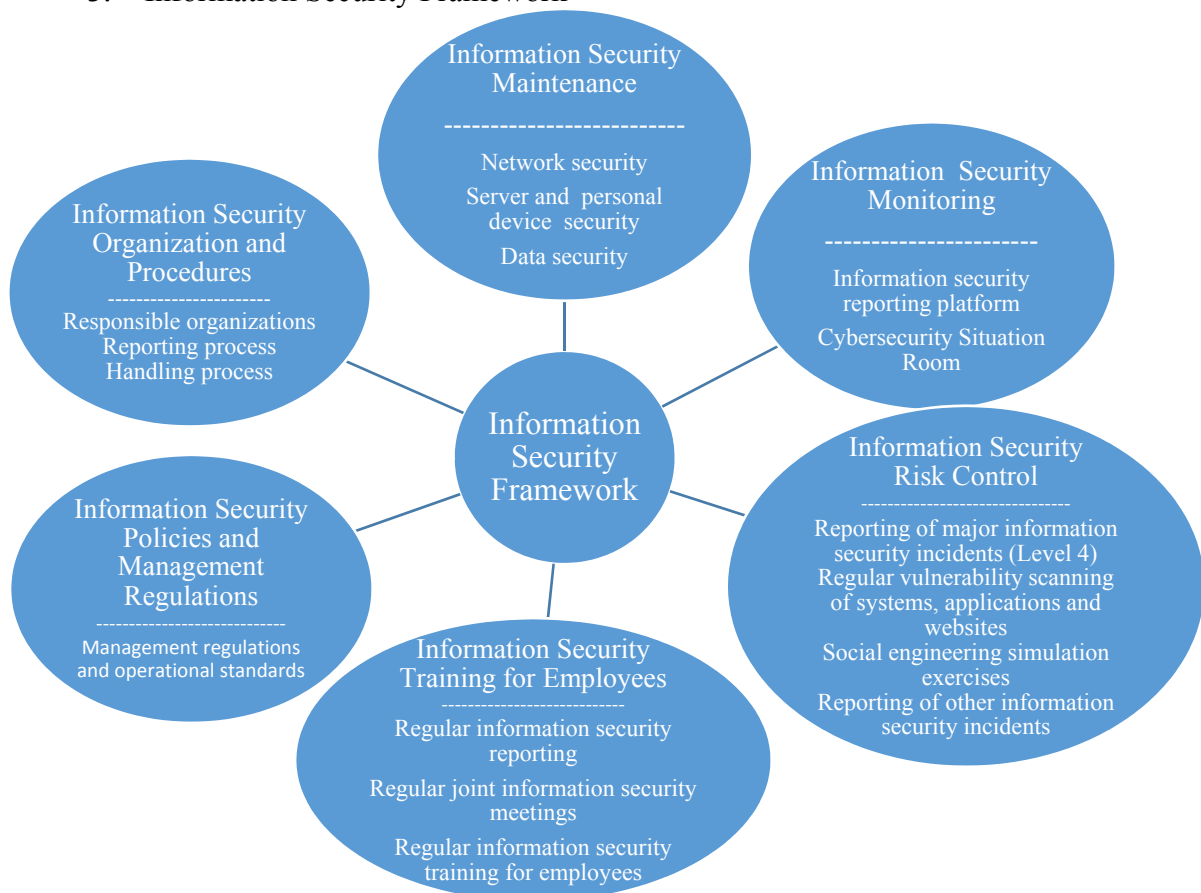
- (1) Ensure the confidentiality, integrity, and availability of the Company's business-related information to safeguard information security at the Company.
- (2) Improve information security protection capabilities to achieve the goal of business continuity.

2. Information Security Strategies

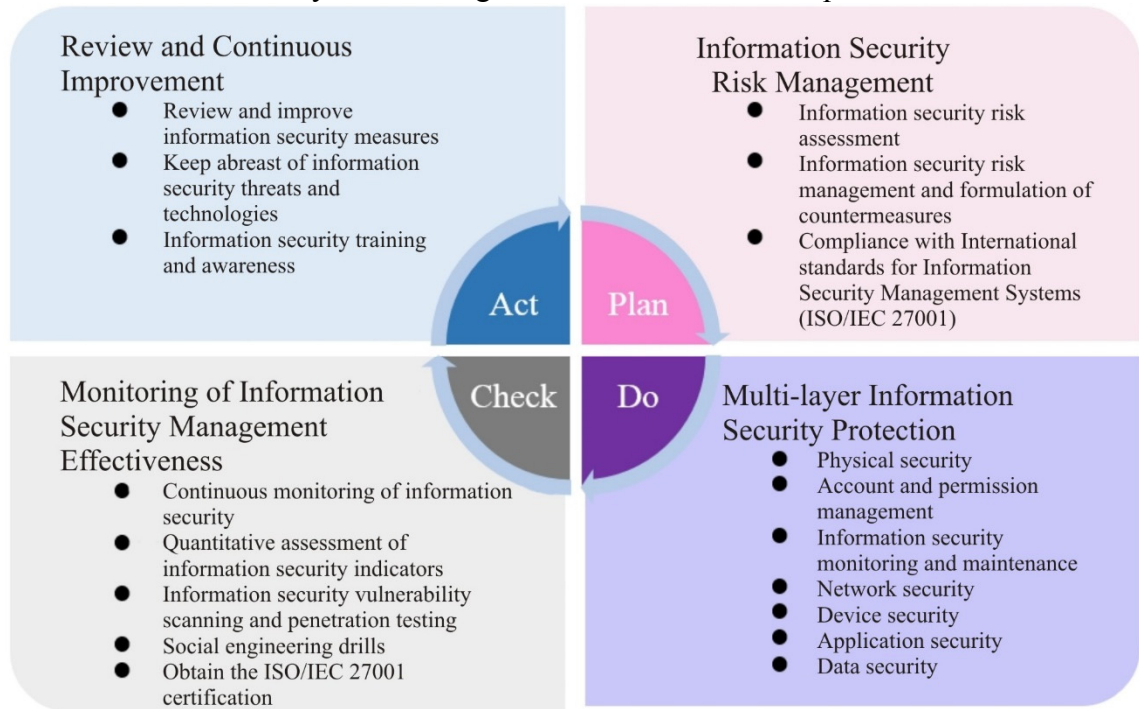
For the purpose of effectively implementing information security management, the Information Security Committee reviews the applicability of the Company's information security policies and related protection measures based on the Plan–Do–Check–Act (PDCA) management cycle, and introduces a number of information 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	● 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. ● Implement the Zero Trust principle of least privilege and established a network micro-segmentation architecture.
Device Security	● 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	● Establish a web application firewall to block network threats and protect website security. ● Build an application security testing mechanism and integrate it into the development process and platform.
Data Security	● USB storage media control ● E-mail control
Business Continuity Plan (BCP)	● 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.

Multi-layer Information Security Protection	
Third-Party Information Security Risk Management	● Conduct the 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 require continuous improvement.
Review and Continuous Improvement	
Education and Training	● Raise employees' vigilance against e-mail social engineering attacks and perform social engineering simulation exercises. ● Conduct information security training for employees on a regular basis to enhance employees' information security awareness.
Policy Compliance	● The Information Security Policy and related regulations stipulate the requirements to be followed by employees. Any violations will be addressed in accordance with the Company's Personnel Management System.

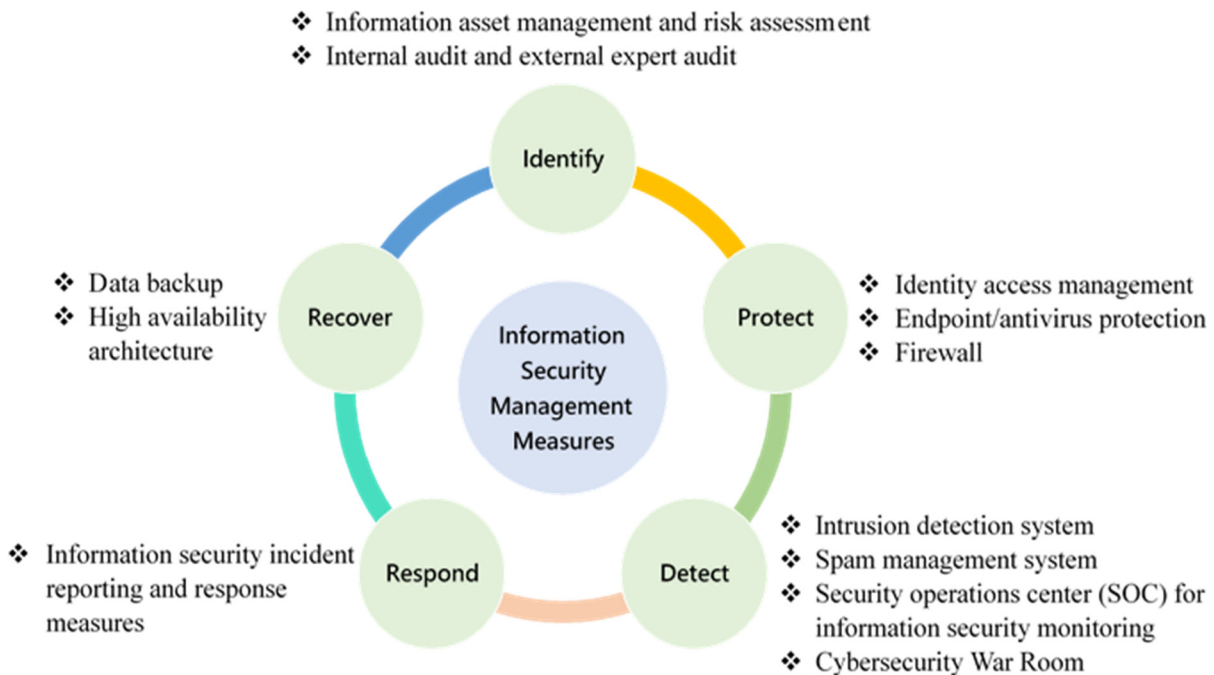
(IV) Resources for Cybersecurity Management

Achievements in promoting and implementing information security measures in 2025 are as follows:

Policy	Certification
Maintained 33 information security management regulations and operational standards and revised 12 items in 2025.	Passed the ISO/IEC 27001:2022 Information Security Management System audit in 2025 and the certification remains valid. The certificate is valid from January 6, 2025 to January 5, 2028.
Training/Awareness	
1. Conducted information security training for new employees of 2025, with a total of 116 people trained, all of whom have completed the training and passed the examination. 2. As of the end of 2025, a total of 12 people obtained the ISO 27001:2022 Information Security Management System Lead Auditor certification. 3. As of the end of 2025, a total of 13 people passed the iPAS (Industrial Professional Assessment System) Industry Talent Industry Talent Competency Assessment, Ministry of Economic Affairs – Junior Information Security Engineer.	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	
1. Rated A in the third-party information security risk rating system in 2025, which was higher than the average for the manufacturing industry peers (B). 2. Conducted penetration testing and vulnerability scanning testing at 182 stations. 3. Organized 4 e-mail social engineering simulation exercises annually, with a total of 2,000 people being sampled for the exercises.	

(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 2025 up to the publication date of this annual report (February 28, 2026).

VIII. Important Contracts

(I) China Steel Corporation

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Procurement contract	Hamersley Iron Pty. Ltd. (Australia)	2022.04.01~ 2025.03.31	Iron ore	None
		2025.04.01~ 2026.03.31		
Procurement contract	Vale S.A. (Brazil)	2023.04.01~ 2026.03.31	Iron ore	None
Procurement contract	BHP Billiton Marketing AG (Australia)	2024.04.01~ 2025.03.31	Iron ore	None
		2025.04.01~ 2026.03.31		
Procurement contract	EVR Operations Ltd. (Canada) (formerly Teck Coal Limited)	2024.04.01~ 2025.03.31	Coking coal	None
		2025.04.01~ 2026.03.31		
Procurement contract	BM Alliance Coal Marketing Pty Ltd (Australia)	2024.04.01~ 2025.03.31	Coking coal	None
		2025.04.01~ 2026.03.31		
Procurement contract	Paul Wurth Italia S.p.A. (Italy)	2020.11.24~ 2027.06.30	New Phase I and II coke ovens, coke transport cars, and coal chemical equipment	None
Procurement contract	Mitsubishi Power, Ltd. (Japan)	2022.06.20~ 2026.06.30	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
Procurement contract	Taiwan Smart Electricity & Energy Co., Ltd.	2026.02.12~ 30 years from the issuance date stated in the formal notification letter for the initial issuance of the power generation license of the last wind turbine of the offshore wind power project company	Renewable energy electricity and certificates	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

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Long-term borrowing	Mega International Commercial Bank	2024.10~2027.10	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Yuantan Bank	2025.08~2028.08	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Taiwan Cooperative Bank	2025.08~2028.08	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	MUFG Bank	2025.09~2028.09	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Mega Bank	2025.10~2028.10	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Hua Nan Bank	2025.10~2028.10	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Taishin Bank	2025.11~2028.11	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	First Commercial Bank	2026.01~2029.01	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Mizuho Bank	2025.09~2027.09	Comprehensive loan with a revolving credit line	None
Long-term borrowing	Mizuho Bank	2025.10~2027.10	Comprehensive loan with a revolving credit line	None
Long-term borrowing	Cathay United Bank	2022.12~2025.12	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	China Bills Finance Corporation	2024.03~2026.02	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Union Bank of Taiwan	2024.03~2026.02	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Mega Bills Finance Co., Ltd.	2024.03~2026.03	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Ta Ching Bills Finance Corporation	2024.04~2026.02	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Mega Bills Finance Co., Ltd.	2024.11~2026.02	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Mega Bills Finance Co., Ltd.	2024.12~2026.01	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	China Bills Finance Corporation	2024.12~2026.01	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Taishin International Bank	2025.01~2026.02	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Long-term borrowing	Taishin International Bank	2025.03~ 2026.02	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Engineering contract	China Ecotek Corporation	2022.10~ 2026.05	Construction of coking ovens in replacement project of Phase I and II coking ovens	None
Engineering contract	China Ecotek Corporation	2022.10~ 2026.08	Miscellaneous procurement and full-site fabrication in the expansion of TG-9/10 for Power House	None
Engineering contract	China Ecotek Corporation	2025.07~ 2028.08	Mechanical, Electrical, and Piping Works for the Installation of De-NOx and De-SOx Systems for No. 9 and No. 10 Boilers at the 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	Taiwan High Speed Rail Corporation	2025.11~ 2031.05	Manufacturing and Supply of Catenary Maintenance Vehicles (Phase 2)	None

(II) Dragon Steel Corporation

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 : DSC'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	Sumitomo Mitsui Banking Corporation	2025.06~ 2027.06	New Taiwan dollar loan with a revolving credit line	Shareholding ratio

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Long-term borrowing	Taiwan Cooperative Bank	2025.07~ 2027.07	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Chang Hwa Bank	2025.07~ 2028.07	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Bank of Taiwan	2025.08~ 2027.08	New Taiwan dollar loan with a revolving credit line	None
Long-term borrowing	Mizuho Bank	2025.09~ 2027.09	New Taiwan dollar loan with a revolving credit line	None
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~ 2028.12	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate
Long-term borrowing	Cathay United Bank	2025.09~ 2029.09	New Taiwan dollar nonguaranteed commercial paper	Credit utilization rate

(III) Chung Hung Steel Corporation

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
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) China Ecotek Corporation

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Contracting agreement	China Steel Corporation	2022.10~ 2026.05	Construction of coking ovens in replacement project of Phase I and II coking ovens	None
Contracting agreement	China Steel Corporation	2022.10~ 2026.08	Miscellaneous procurement and full-site fabrication in the expansion of TG-9/10 for Power House	None
Contracting agreement	China Steel Corporation	2025.07~ 2028.08	Mechanical, Electrical, and Piping Works for the Installation of De-NOx and De-SOx Systems for No. 9 and No. 10 Boilers at the 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) China Steel Chemical Corporation

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	2024.04.01~ 2029.09.30	Coal tar procurement contract	None

(VI) CHC Resources Corporation

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Sales contract	Taiwan Cement Corporation	2024.04.01~ 2026.03.31	Sales of blast furnace slag powder	None
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) China Steel Structure Co., Ltd.

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

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Terms
Contracting agreement	Taipei Twin Towers Limited	2023.11~ 2028.05	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~ 2026.02	Construction of New Taipei City second administration building	None
Contracting agreement	Reiju Construction Co., Ltd.	2024.01~ 2025.09	Construction of the Tatung Grand Manor phase III	None
Contracting agreement	Shao Hua Construction Co., Ltd.	2024.01~ 2026.03	Building construction for Eastern Broadcasting Co., Ltd.	None
Contracting agreement	Rian Construction Co., Ltd.	2024.02~ 2026.07	Construction of Kuma Tower	None
Contracting agreement	Pingshih Senhuo Co., Ltd.	2025.03~ 2027.08	Construction of the Building at Tainan Pingshih Integrated Transfer Station	None
Contracting agreement	Lien Jade Construction Co., Ltd.	2026.01~ 2029.05	Construction of Alioth Palace	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 2025	End of 2024	Difference	
			Amount	%
Current assets	177,774,877	192,898,503	(15,123,626)	(8)
Property, plant and equipment	390,532,916	397,633,498	(7,100,582)	(2)
Other noncurrent assets	105,539,180	104,527,336	1,011,844	1
Total assets	673,846,973	695,059,337	(21,212,364)	(3)
Current liabilities	128,948,463	146,943,284	(17,994,821)	(12)
Noncurrent liabilities	214,979,505	206,630,159	8,349,346	4
Total liabilities	343,927,968	353,573,443	(9,645,475)	(3)
Share capital	157,731,290	157,731,290	-	-
Capital surplus	41,189,617	41,082,914	106,703	-
Retained earnings	108,837,625	118,887,471	(10,049,846)	(8)
Other equity	(2,006,778)	(3,478,031)	1,471,253	42
Treasury shares	(13,118,233)	(12,923,473)	(194,760)	(2)
Non-controlling interests	37,285,484	40,185,723	(2,900,239)	(7)
Total equity	329,919,005	341,485,894	(11,566,889)	(3)

Note

Note: Other equity increased by NT\$1,471,253 thousand from the previous year, mainly due to the increase 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 2025	End of 2024	Difference	
			Amount	%
Current assets	67,138,435	78,633,329	(11,494,894)	(15)
Property, plant and equipment	161,977,621	152,519,303	9,458,318	6
Other noncurrent assets	219,778,720	233,736,124	(13,957,404)	(6)
Total assets	448,894,776	464,888,756	(15,993,980)	(3)
Current liabilities	55,721,796	63,400,344	(7,678,548)	(12)
Noncurrent liabilities	100,539,459	100,188,241	351,218	-
Total liabilities	156,261,255	163,588,585	(7,327,330)	(4)
Share capital	157,731,290	157,731,290	-	-
Capital surplus	41,189,617	41,082,914	106,703	-
Retained earnings	108,837,625	118,887,471	(10,049,846)	(8)
Other equity	(2,006,778)	(3,478,031)	1,471,253	42
Treasury shares	(13,118,233)	(12,923,473)	(194,760)	(2)
Total equity	292,633,521	301,300,171	(8,666,650)	(3)

Note

Note: Other equity increased by NT\$1,471,253 thousand from the previous year, mainly due to the increase 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	2025	2024	Increase (Decrease)	Percentage Change (%)	
Operating revenues	317,155,264	360,535,714	(43,380,450)	(12)	
Operating costs	308,130,007	345,474,550	(37,344,543)	(11)	
Gross profit	9,025,257	15,061,164	(6,035,907)	(40)	Note 1
Operating expenses	12,929,335	13,269,169	(339,834)	(3)	
Profit (loss) from operations	(3,904,078)	1,791,995	(5,696,073)	(318)	Note 2
Non-operating income and expenses	(780,618)	2,785,570	(3,566,188)	(128)	Note 3
Profit (loss) before income tax	(4,684,696)	4,577,565	(9,262,261)	(202)	Note 4
Income tax expense (benefit)	(1,177,995)	701,577	(1,879,572)	(268)	Note 5
Net profit (loss) for the year	(3,506,701)	3,875,988	(7,382,689)	(190)	Note 6
Other comprehensive income for the year, net of income tax	722,651	714,062	8,589	1	
Total comprehensive income for the year	(2,784,050)	4,590,050	(7,374,100)	(161)	Note 7

Notes:

1. Gross profit decreased by NT\$6,035,907 thousand from the previous year, mainly because of the decrease in the sales volume of the steel department, and because the decrease in the unit price was greater than the decrease in the unit cost of goods sold.
2. Profit (loss) from operations decreased by NT\$5,696,073 thousand from the previous year due to the reason provided in Note 1.
3. Non-operating income and expenses decreased by NT\$3,566,188 thousand from the previous year, mainly due to the decrease in dividends received from mining investments.
4. Profit (loss) before income tax decreased by NT\$9,262,261 thousand from the previous year due to reasons provided in Notes 1 and 3.
5. Income tax expense (benefit) increased by NT\$1,879,572 thousand from the previous year, mainly due to the decrease in profit (loss) before income tax.
6. Net profit (loss) for the year decreased by NT\$7,382,689 thousand from the previous year due to reasons provided in Notes 1, 3 and 5.
7. Total comprehensive income for the year decreased by NT\$7,374,100 thousand from the previous year due to reasons provided in Notes 1, 3 and 5.

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

Unit: NT\$ thousands

Item \ Year	2025	2024	Increase (Decrease)	Percentage Change (%)	
Operating revenues	167,024,879	193,545,508	(26,520,629)	(14)	
Operating costs	160,292,232	182,607,617	(22,315,385)	(12)	
Gross profit	6,732,647	10,937,891	(4,205,244)	(38)	Note 1
Realized (unrealized) gain on transactions with subsidiaries and associates	58,156	(28,137)	86,293	307	Note 2
Operating expenses	7,160,907	7,445,226	(284,319)	(4)	
Profit (loss) from operations	(370,104)	3,464,528	(3,834,632)	(111)	Note 3
Non-operating income and expenses	(4,384,068)	(614,685)	(3,769,383)	(613)	Note 4
Profit (loss) before income tax	(4,754,172)	2,849,843	(7,604,015)	(267)	Note 5
Income tax expense (benefit)	(404,987)	871,491	(1,276,478)	(146)	Note 6
Net profit (loss) for the year	(4,349,185)	1,978,352	(6,327,537)	(320)	Note 7
Other comprehensive income (loss) for the year, net of income tax	999,037	(558,172)	1,557,209	279	Note 8
Total comprehensive income for the year	(3,350,148)	1,420,180	(4,770,328)	(336)	Note 9

Notes:

- Gross profit decreased by NT\$4,205,244 thousand from the previous year, mainly because of the decrease in the sales volume of steel products, and because the decrease in the unit price was greater than the decrease in the unit cost of goods sold.
- Realized (unrealized) gain on transactions with subsidiaries and associates increased by NT\$86,293 thousand from the previous year, mainly due to the increase in realized gross profit from steel products sold to subsidiaries.
- Profit (loss) from operations decreased by NT\$3,834,632 thousand from the previous year due to the reason provided in Note 1.
- Non-operating income and expenses decreased by NT\$3,769,383 thousand from the previous year, mainly due to the decrease in share of profit or loss of subsidiaries and associates.
- Profit (loss) before income tax decreased by NT\$7,604,015 thousand from the previous year due to reasons provided in Notes 1 and 4.
- Income tax expense (benefit) increased by NT\$1,276,478 thousand from the previous year, mainly due to the decrease in profit (loss) before income tax.
- Net profit (loss) for the year decreased by NT\$6,327,537 thousand from the previous year due to reasons provided in Notes 1, 4 and 6.
- Other comprehensive income for the year, net of income tax increased by NT\$1,557,209 thousand from the previous year, mainly due to the increase 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\$4,770,328 thousand from the previous year due to reasons provided in Notes 1, 4, 6 and 8.

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

Please refer to (III) Business Objectives in IV. Operational Highlights in page 155 of this annual report.

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 2025 increased by NT\$1,753,653 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\$ 49,299,218 thousand, mainly due to the loss before income tax of NT\$4,684,696 thousand, the add-back of depreciation of NT\$ 32,545,494 thousand and decrease in inventory of NT\$17,363,614 thousand.
 - (2) Investing activities: Net cash used in investing activities totaled NT\$31,962,684 thousand, mainly due to the acquisition of property, plant and equipment of NT\$32,157,586 thousand.
 - (3) Financing activities: Net cash used in financing activities totaled NT\$15,881,584 thousand, mainly due to a net decrease in long-term and short-term financing of NT\$395,359 thousand, dividends paid to owners of the Company of NT\$5,196,331 thousand and interest paid of NT\$5,546,665 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
2026	16,819	44,400	13,901	27,314	20,004	-

Analysis of changes in cash flows in 2026:

1. Net cash generated from operating activities mainly results from the estimated net cash generated from profit from operations and the add-back of non-cash expenses such as depreciation and amortization.
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 long-term and 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 2025 increased by NT\$262,224 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\$22,925,787 thousand, mainly due to the loss before income tax of NT\$4,754,172 thousand, the add-back of depreciation of NT\$13,797,064 thousand and the decrease in inventory of NT\$9,702,930 thousand.
- (2) Investing activities: Net cash used in investing activities totaled NT\$11,066,765 thousand, mainly due to the acquisition of property, plant and equipment of NT\$18,086,736 thousand, as well as dividends received of NT\$6,671,225 thousand.
- (3) Financing activities: Net cash used in financing activities totaled NT\$11,596,798 thousand, mainly due to a net decrease in long-term and short-term financing of NT\$5,103,594 thousand, as well as dividends paid of NT\$5,196,331 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	Estimated net cash generated from operating activities for the year	Estimated net cash used in investing activities for the year	Estimated net cash used in financing activities for the year	Estimated cash surplus (deficit)	Remedial measures for cash deficit
						Financing plan
	①	②	③	④	①+②-③-④	
2026	2,257	20,195	6,222	12,528	3,702	-

Analysis of changes in cash flows in 2026:

1. Net cash generated from operating activities mainly results from the estimated net cash generated from profit from operations and the add-back of non-cash expenses such as depreciation.
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\$32.2 billion and NT\$18.1 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 2025. The Company's planned capital expenditures for 2026, as approved by the Board of Directors, amount to approximately NT\$4.90 billion, including approximately NT\$2.17 billion for carbon neutrality and emission reduction initiatives and approximately NT\$2.73 billion for other non-emission reduction projects.

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				
					2022	2023	2024	2025	2026
Phase 1 Construction of Coke Ovens and Coke Dry Quenching Facility	✓	Equity 70.48% Long-term borrowings 29.52%	February 2025	9,429	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%	October 2026	5,909	699	1,548	1,199	1,253	488
Phase 2 Construction of Coke Ovens and Coke Dry Quenching Facility	✓	Equity 70.48% Long-term borrowings 29.52%	March 2026	8,202	1,679	2,444	1,594	747	83
Phase 3 Construction of Coke Ovens and Coke Dry Quenching Facility	✓	Equity 70.48% Long-term borrowings 29.52%	June 2027	8,032	2,085	1,677	1,081	588	337
Phase 2 Replacement of Boiler Turbine Generators for No. 1 Power House (BTG-9/10)	✓	Equity 70.48% Long-term borrowings 29.52%	October 2026	3,277	294	679	604	1,073	627
Installation of Straight Bar Finishing Line (Phase-C)		Equity 70.48% Long-term borrowings 29.52%	April 2026	3,244	330	812	1,044	967	91
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	37	770	2,559	1,724	399
Installation of De-NOx and De-SOx Systems for No.9, No.10, and No.12 Boilers at Power Plant	✓	Equity 70.48% Long-term borrowings 29.52%	December 2029	2,411	-	-	-	122	733
Revamping Project for the 2nd Campaign of No. 4 Blast Furnace	✓	Equity 70.48% Long-term borrowings 29.52%	August 2029	7,757	-	-	-	-	775
Dragon Steel Corporation - Construction of Indoor Material Storage Yard		Equity 52.59% Long-term borrowings 47.41%	March 2026	10,388	1,418	1,046	535	620	4

Project	With Carbon Reduction Benefits (Tick ✓)	Source of Funds	Actual or Scheduled Completion Date	Investment Amount	Funds for Each Year				
					2022	2023	2024	2025	2026
Dragon Steel Corporation - Construction Works Related to Reclaimed Water Plant		Equity 56.90% Long-term borrowings 43.10%	March 2026	2,146	-	3	912	737	494
Dragon Steel Corporation - Revamping of No. 1 Blast Furnace	✓	Equity 56.90% Long-term borrowings 43.10%	June 2026	7,426	-	209	2,142	3,875	1,200

(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, five 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, and the Stage 5 - Construction of Coke Conveying and Handling System for the Raw Material Handling & Inplant Transportation Department was completed in September 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 advanced premium steel with higher 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 of De-NOx and De-SOx Systems for No.9, No.10, and No.12 Boilers at Power Plant

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

6. Revamping Project for the 2nd Campaign of No. 4 Blast Furnace

The 2nd Campaign of No. 4 Blast Furnace has been in operation since February 2004. Following the completion of its 2nd campaign production mission, a shutdown and revamping work is required to restore the original equipment functions, so as to ensure stable production, reduce future maintenance costs, and improve operational safety and the working environment.

7. 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.

8. 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.

9. 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.

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 2025 parent company only financial statement was NT\$4.713 billion, a decrease of NT\$3.682 billion from 2024. This decrease primarily resulted from the persistently weak global steel demand in 2025, which resulted in operating losses of steel business subsidiaries including Dragon Steel Corporation, Chung Hung Steel Corporation, China Steel and Nippon Steel Vietnam Joint Stock Company, and CSCI Steel Corporation India Pvt. Ltd. In addition, certain subsidiaries in the logistics & investment business and the green energy business also experienced a decline in operating performance. A decrease in the share of profit of CSC Australia Holdings Pty Ltd also led to a reduction in the Company's share of investment income.

The share of the profit of associates indicated in the Company's 2025 consolidated financial statements was NT\$203 million, a decrease of NT\$529 million from 2024, mainly due to the impact of the decrease of the share of profit of 9404-5515 Québec Inc, an investment by CSC Australia Holdings Pty Ltd, and CSCD SA, an investment by CSGT (Singapore) Pte. Ltd., which led to a reduction in the share of the profit of associates.

The Company will continue to improve investment management, to implement performance appraisal system, and to supervise 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 energy industrial chains 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 management 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 also have significant impacts, such as the formulation of policies and regulations, changes in the natural environment, and geopolitical influences. The management screens and assesses 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 the management review 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	2025
Net interest expense	1,235,953
Net foreign exchange gain	483,954
Ratio of net interest expense to net revenue	0.74%
Ratio of net interest expense to profit before income tax	(26.00%)
Ratio of net foreign exchange gain to net revenue	0.29%
Ratio of net foreign exchange gain to profit before income tax	(10.18%)

(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 mitigate the impact of future interest rate fluctuations. If interest rate increases or decreases by 1%, the Company's loss before income tax in 2025 will increase or decrease by NT\$581 million assuming all other variables remain unchanged. Looking ahead to 2026, the direction of U.S. government policies and their impact on the international political and economic landscape will introduce uncertainties to the global economic outlook, including potential influences on geopolitical developments and monetary policy adjustments by the Federal Reserve System, which may affect the trajectory of global economic and financial market developments. Central banks in various countries have recently maintained unchanged policy rates, while continuing to monitor the potential impact of the conflict between the U.S. and Iran on energy, inflation, and the broader economy. In Taiwan, the monetary policy of the Central Bank will be adjusted in accordance with developments in the second quarter. Should inflation continue to rise and become entrenched in expectations, a tightening monetary stance may be adopted to maintain price stability. However, with the support of the government's existing price stabilization measures, the overall interest rate risk is still within a manageable range.

(2) Changes in exchange rates

The Company is exposed to foreign currency risk due to purchases, construction undertaking, capital expenditures and equity investments denominated in foreign currencies. 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. If the NT\$ appreciates or depreciates by 1% against the US\$, the Company's loss before income tax in 2025 will increase or decrease by NT\$383 thousand assuming all other variables remain unchanged.

(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 2025 was 1.66%, indicating mild growth in domestic prices throughout the year. In addition, the steel product pricing of the Company enables it to flexibly reflect market changes. Hence, inflation poses little risk on the Company's profit or loss.

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 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 2025, the balance of unexpired forward foreign exchange contracts purchased by the Company for imported equipment were US\$14,407 thousand and €370 thousand, whereas the total unrealized gain measured at fair value was approximately NT\$43,712 thousand.

(3) Response measures for inflation

Inflation poses little risk on the Company's profit or loss.

(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 2025, 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	2025
Net interest expense	3,922,253
Net foreign exchange gain	640,686
Ratio of net interest expense to net revenue	1.24%
Ratio of net interest expense to profit before income tax	(83.72%)
Ratio of net foreign exchange gain to net revenue	0.20%
Ratio of net foreign exchange gain to profit before income tax	(13.68%)

(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 and using interest rate swap contracts, so as to mitigate the impact of future interest rate fluctuations. If interest rate increases or decreases by 1%, the Company's consolidated loss before income tax in 2025 will increase or decrease by NT\$1,641 million assuming all other variables remain unchanged. Looking ahead to 2026, the direction of U.S. government policies and their impact on the international political and economic landscape will introduce uncertainties to the global economic outlook, including potential influences on geopolitical developments and monetary policy adjustments by the Federal Reserve System, which may affect the trajectory of global economic and financial market developments. Central banks in various countries have recently maintained unchanged policy rates, while continuing to monitor the potential impact of the conflict between the U.S. and Iran on energy, inflation, and the broader economy. In Taiwan, the monetary policy of the Central Bank will be adjusted in accordance with developments in the second quarter. Should inflation continue to rise and become entrenched in expectations, a tightening monetary stance may be adopted to maintain price stability. However, with the support of the government's existing price stabilization measures, the overall interest rate risk is still within a manageable range.

(2) Changes in exchange rates

The Company and its subsidiaries are exposed to foreign currency risk due to sales, purchases, capital expenditures and equity investments denominated in foreign currencies. 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. If the functional currencies appreciate or depreciate by 1% against the US\$, the Company's consolidated profit (loss) before income tax in 2025 will increase or decrease by NT\$39.235 million assuming all other variables remain unchanged.

(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 2025 was 1.66%, indicating mild growth in domestic prices throughout the year. Hence, inflation poses little risk to the profit or loss 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 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 profit or loss of the Company and our subsidiaries.

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

1. China Steel Corporation

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Estimated Completion Time
Development of coarse-grain-resistant nickel-chromium-molybdenum alloy steel for vacuum carburizing	1.Through microalloying additions and rolling parameter design, the coarse-grain-resistant steel for high-temperature gas carburizing was successfully developed, achieving temperature resistance up to 960 °C. 2.In response to environmental protection and carbon reduction demands, vacuum carburizing technology is expected to have significant market potential. In line with the demand for high-performance automotive nickel-chromium-molybdenum alloy steels, plans have been made to develop coarse-grain-resistant steel for 1050 °C vacuum carburizing.	1,000	2026.12
Development of hot rolled complex phase steel with a tensile strength of 980 MPa	1.To meet automotive weight-reduction and lightweight targets, customers have requested high-strength complex phase steel. 2.Successfully completed the laboratory optimization of composition and design of process parameters, the steel demonstrates both high strength (>980MPa) and high ductility (elongation >10%).	1,000	2026.12
Development of heavy scrap blowing technology in BOF process	The steelmaking department's BOF steelmaking was originally conducted under normal practices with heavy scrap content <10%. Testing has now been conducted using 20% BOF scrap and >20% heavy scrap content, reaching a maximum heavy scrap proportion of 27%. The testing results indicate that both the temperature and chemical composition of endpoint liquid steel meet the required specifications.	1,000	2026.12
Establishment of in-furnace reaction visualization technology for low carbon BF steelmaking	1.Adopted full blast furnace in-furnace reaction simulation software developed by the academic/research community. Completed the acceptance of simulation functionality, as well as training and software code verification. 2.In-furnace reaction simulation was conducted using a simplified burden distribution and single reducing gas injection conditions, allowing analysis of the solid, liquid, and gas phases as well as the chemical reduction reactions inside the furnace.	1,000	2029.12
Establishment of continuous warm rolling technology for thin gauge electrical steel	1.Addressing the hard, brittle, and thin characteristics of electrical steel, the development of technologies for induction heating temperature control, high-speed slitting and coiling stability control, and flying start control have been completed. 2.Successfully established full-series continuous rolling production technology for	2,000	2026.12

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Estimated Completion Time
	0.35mm high-end electrical steel, with subsequent development directed toward 0.25mm thin gauge electrical steel products.		
Development of ultra-high strength automotive steel and intelligent-forming technologies	1. Successfully organized an automotive R&D alliance and passed the conceptual review of the Industrial Technology Foresight Research Program under the A+ Industrial Innovative R&D Program, organized by the Ministry of Economic Affairs (MOEA). 2. Successfully completed the development of 1.3GPa ultra-high-strength automotive steel suitable for cold forming, and will use it as a foundation to advance toward next-generation automotive steel with even higher strength grades.	4,000	2027.12
Development of medium-low temperature selective catalytic reduction (SCR) DeNOx catalysts	Successfully completed the establishment of mass production line for plate-shaped catalyst. Catalyst testing indicates that both DeNOx removal efficiency and water/sulfur resistance meet the steel mill's required performance specifications, and small-scale on-site deployment has been conducted to evaluate potential catalyst flaking.	1,123	2026.04
Development of high-efficiency energy-saving chemical technology	1. The new silicon-based electrolytic cleaning agent has achieved the established quality standards under conditions of reduced operating current. 2. The new pickling inhibitor can maintain post-pickling surface quality even with reduced additive usage, while the development of pickling accelerators effectively enhances pickling performance for hard-to-pickle steel grades and helps lower pickling operating temperatures, achieving energy saving.	1,276	2027.11
Development of refractory technology for precast shapes used in steelmaking	Successfully completed the formulation development of forsterite bulkheads and initiated on-site trials. Concurrently, formulations and mold designs for magnesia turbulence inhibitors are in progress.	3,010	2028.07
Establishment of applied technology for self-bonding core processing and development of demonstration plans	1. Continued development of self-bonding electrical steel processing technologies, with plans to develop and establish prototyping platforms for motors for drones and robots. 2. Continued development of dynamic power measurement platforms for drones and robots, which, once completed, will be available for downstream manufacturers to observe and exchange ideas, thereby accelerating the application of electrical steel. 3. 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.	2,540	2026.12

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Estimated Completion Time
	4. Continued 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.		
Development of operational maintenance technologies for pilot plant of co-production of steel and chemicals	1. Through a systematic process for evaluating the performance of pressure swing adsorption (PSA) adsorbents, a commercially available CO₂ adsorbent was identified as a cost-effective alternative. 2. The laboratory has completed the formulation development of desulfurization agents and deoxidizing agents. Subsequently, kilogram-scale trial production will be conducted, along with the establishment of a systematic process for evaluating the performance. 3. Successfully completed the design adjustments of the high-purity CO₂ pilot line to develop CO/CO₂ co-production operation technology, in order to create greater carbon reduction benefits.	3,000	2026.12
Development of low energy consumption flue gas carbon capture technology	1. Successfully completed the analysis of carbon capture energy consumption and cost for flue gas with varying CO₂ concentrations (6–28%). 2. Initiated independent development of low energy consumption, easy-to-operate, long-life, and low-cost absorbents. Current progress has reduced the risk of precipitate plugging in commercial absorbents, with further strengthening ongoing. 3. Established the process flow diagram (PFD) for the new open-type sinter heat recovery system, designed for a steam production of 97 thousands tons per year. Cost analysis and benefit calculation are currently initiated. 4. Through operational optimization, the regeneration energy consumption for carbon capture at the pilot plant has been further reduced to 2.79GJ per ton of CO₂.	8,297	2026.12
Development of combustion technology using hydrogen/ammonia blends	1. Successfully completed the upgrading of equipment for fuel conversion of the existing burners. The upgraded equipment now enables operation of combustion application with 40% hydrogen blend by volume. Since 2025, the furnace using 40% hydrogen blend has been continuously run for over 60 heats, achieving a 100% product qualification rate. 2. Through modifying the burner to enable ammonia injection, NO_x emissions from combustion with a 20% ammonia blend can be effectively reduced to below 150ppm.	6,980	2027.08
Development of fluoride removal technology for biological wastewater treatment plants	1. Successfully completed testing and selection procedures for the fluoride removal performance of 7 different agents targeting	600	2027.07

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Estimated Completion Time
	coking wastewater, and established optimized reaction conditions and unit agent dosing parameters for each fluoride removal agent as a reference for subsequent process design. 2. Successfully completed the evaluation of procurement costs and operational benefits for the fluoride removal agents. 3. Successfully completed the impact evaluation of defluoridated wastewater on the biological system. Chemical oxygen demand degradation efficiency and microbial oxygen uptake rate tests were measured for coagulation-sedimentation treated wastewater. The results confirm that the wastewater, after fluoride removal, does not adversely affect microbial metabolic activity when entering the biological treatment tank.		
Development of mercury removal technology from the flue gas of Rotary Hearth Furnace (RHF)	1. Successfully completed functional testing of the pilot-scale equipment, confirming that the induced airflow of the blower reaches 20 cubic meters per minute (CMM), and calibrated the mercury continuous emission monitoring instruments at the inlet and outlet of the flue gas at the pilot site. 2. Successfully completed mercury removal efficiency tests at different activated carbon injection rates and confirmed the stability of the activated carbon injection unit. 3. Successfully completed mercury removal efficiency tests for different types of activated carbon injections, along with the evaluation of procurement costs and operational benefits of the mercury removal activated carbon agents.	1,000	2027.07

2. China Steel Chemical Corporation

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time
Mass production technology development and promotion to customers of ultra-high-power materials with small particle size	Developed and optimized the mass production technologies for ultra-miniaturization, homogeneous surface modification, and composite formulations, while also conducting promotion to customers.	3,500	2026.Q4
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	2026.Q2

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time
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.	2,000	2026.Q4
Development of high-purity and large-size graphite crucible for growth of silicon carbide crystal	The development of 8–12-inch crucibles, the production of isotropic graphite forming, carbonization, graphitization, and purification equipment, and the construction of mechanical processing equipment have been completed.	3,000	2026.Q4

3. CHC Resources Corporation

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time
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.Marine engineering 3.Slag powder 4.Research on the application of limestone powder in cement and concrete 5.Research on cement-free binder materials	1,833	2026.12
Research on carbon reduction benefits of applying by-products generated in steelmaking processes	1. Research and evaluation of carbon stabilization in BOF slag. 2. Evaluation of carbon reduction benefits for on-site application of portland blast-furnace slag cement. 3. Verification of the full life cycle carbon footprint of asphalt concrete roads incorporating BOF slag. 4. Advancements in slag residual steel recovery technology.	888	2026.12

4. China Steel Structure Co., Ltd.

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time
National Center for Research on Earthquake Engineering - Advancements and promotion of automated welding technology for internal partitions of steel box columns	Enhanced the multi-layer, multi-pass AI expert system to reduce the frequency and procedures of slag removal and weld bead contour scanning. In addition, the robotic arm's motion trajectories and speeds were optimized to accelerate the overall operational process.	75	2026.12

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time
Development of weld bead visual recognition technology	Established visual recognition technology suitable for collaborative robot (Cobot). Fillet weld bead recognition testing is currently in progress.	300	2026.12
Establishment of automated welding procedures for cold-rolled box column (BCR)/ cold-pressed box column (BCP)	Established automated flipping welding equipment.	5	2026.08

5. China Ecotek Corporation

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time
Improvement of crystallization softening technology for calcium hardness removal in water and research on seedless crystallization	Technical development project established in collaboration with the academic/research community: 1. Conducted small-scale experimental model testing of seedless crystallization in the laboratory. 2. Conducted small-scale pilot testing of seedless crystallization at the water treatment plant.	200	2027.12
Research and development of carbon reduction technology	Explored potential utilization methods for captured CO ₂ from flue gas, such as transporting it to the BOF for bottom blowing to test if it benefits the steelmaking process. Relevant data are being collected from various sources to explore feasible utilization pathways.	100	2027.12
Establishment of acid gas and smog desulfurization technology	In 2025, the pilot system was upgraded. Under conditions more closely simulating the actual flue gas composition of the sinter plant, a 120-hour continuous operation was completed, achieving the targets of SO ₂ removal rate >95% and PM2.5 removal rate >90%. The next stage will evaluate its application in the existing desulfurization reactor at the sinter plant.	300	2026.12
Testing of medium-low temperature plate-shaped DeNOx catalyst	1. Evaluated the application of medium-low temperature catalysts. In 2025, the target of small-scale application in the existing DeNOx reactor at the sinter plant was achieved. Continuous monitoring of the medium-low temperature catalysts' efficiency under gradually decreasing temperature conditions will be carried out. Data on temperature and removal efficiency will be collected to support numerical simulation and validation. DeNOx and DeDioxin removal efficiencies in full-scale applications are both estimated to reach >80%. 2. Replacing the DeNOx reactor catalyst with medium-low temperature catalysts can significantly reduce fuel consumption,	300	2026.12

Project in the Most Recent Year	Current Progress	Further R&D Expenditure (NT\$ ten thousands)	Completion Time
	enhancing environmental and energy-saving benefits. Future work will evaluate expanding the application to the coke oven plant.		

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 setting designated reduction targets for 2030 and submitting self-determined reduction plans, subject to approval by the competent authority. The Company submitted its self-determined reduction plan to the Ministry of Environment in May 2025, and the plan has been approved by the Ministry of Environment in 2026, confirming eligibility for the preferential rate when declaring the carbon fee payable for the first applicable year (2026), thereby reducing carbon fee expenditures.

2. Implementation of the European Union (EU) Carbon Border Adjustment Mechanism (CBAM)

The Carbon Border Adjustment Mechanism (CBAM) has been formally implemented by the EU starting in 2026. Importers are required to declare the carbon emissions embedded in imported products on an annual basis and must purchase a corresponding number of CBAM certificates for emissions exceeding the benchmark levels established by the EU. In response, the Company has established verifiable information flows and carbon inventory capabilities in compliance with CBAM requirements. In addition, the Company continues to implement carbon reduction initiatives to lower the embedded carbon content of its products, while strengthening communication with customers and dynamically adjusting its sales portfolio to maintain smooth trade flows and mitigate potential impacts.

3. IFRS Sustainability Disclosure Standards

Pursuant to the Order No. Financial-Supervisory-Securities-Audit-11403851756 issued by the Financial Supervisory Commission (FSC) in November 2025, the Company is required to formally adopt the IFRS Sustainability Disclosure Standards in 2026, and disclose relevant sustainability-related financial information in a dedicated section of its annual report starting from 2027. The Company has completed the identification of sustainability-related risks and opportunities across the Group and assessed their potential financial impacts. Based on the evaluation of material sustainability-related financial information, the Company also identified the data required to be collected within the reporting boundary and across the value chain. The Company has confirmed that the required data collection complies with the IFRS Sustainability Disclosure Standards and relevant regulatory requirements. Implementation progress is in line with the timeline stipulated by the competent authority and is reported to the Board of Directors on a quarterly basis for oversight. The Company will continue to review and refine its operational processes, information systems, and internal control regulations to ensure the timely completion of the required disclosures.

4. The U.S. 50% Steel and Aluminum Tariffs and Reciprocal Tariffs

In June 2025, the U.S. increased import tariffs on steel and aluminum products from 25% to

50% pursuant to Section 232 of the Trade Expansion Act, causing significant disruption to the international steel market. Although the Company's direct exports to the U.S. are limited, domestically export-oriented customers, such as re-rollers and the API industry, had experienced substantial order impacts due to restrictions in major export markets. From Q4 2025, the rebound of U.S. domestic steel prices has helped domestic downstream customers secure export orders to the U.S., while local buyers have gradually been able to pass costs through to end markets. Additionally, domestic downstream customers have sought to develop previously untapped export regions. The order intake is expected to gradually improve in 2026. On the other hand, in April 2025, the U.S. announced the implementation of reciprocal tariffs globally. Taiwan's reciprocal tariff rate was set at 20% on top of the Most-Favored-Nation (MFN) rate. Customers delayed orders due to policy uncertainty and pending trade agreements. In January 2026, Taiwan and the U.S. reached an Agreement on Reciprocal Trade (ART), reducing Taiwan's reciprocal tariff to 15% without stacking the MFN rate. This effectively lowered the overall tax burden for steel downstream sectors, such as machinery, machine tools, automotive components, furniture, and fitness equipment, aligning Taiwan with Japan and the EU. The agreement has helped restore customer confidence and reduce market uncertainty. In February 2026, the Supreme Court of the U.S. ruled the reciprocal tariffs unconstitutional. The Trump administration subsequently announced to impose a 10% global tariff under Section 122 of the Trade Act of 1974. The implementation of trade agreements between the U.S. and other countries remains pending, and policy directions may continue to fluctuate; however, the overall impact has lessened compared with 2025.

In recent years, in response to rising global trade barriers, the Company has gradually expanded its export footprint to the Middle East, Africa, South America, and Northeast Asia, while continuing to promote high-value transformation. By focusing on steel for vehicle and home appliance, optimizing product portfolios, and providing customized services, the Company is strengthening the technological barriers and application value of its products to maintain competitiveness in overseas markets.

5. Promulgation of the Public Interest Whistleblower Protection Act

The Public Interest Whistleblower Protection Act was promulgated on January 22, 2025, and came into effect six months after its announcement. The Company is subject to this law. The Company's designated whistleblowing unit is the Internal Audit Office, and whistleblowers may report improper conduct, including seeking private gains, fraud, or impairing the interests of the Company, through dedicated hotlines, email, or the Whistleblowing System on the corporate website. The Company has established a whistleblower protection system, ensuring that all reports are handled with complete confidentiality. Moving forward, the Company will continue to revise and enhance its whistleblowing system in accordance with the formulation of Enforcement Rules of the Public Interest Whistleblower Protection Act.

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

1. Cybersecurity Risk

With the rapid development of technology, the Company has formulated a sustainable development roadmap from the perspectives of automation, intelligentization, and group

integration to support the Group's operational needs. By integrating resources from industries, government and education institutes with the latest intelligent technology, the Company promotes the optimization of systems and processes, and establishes a highly integrated and compliant business system.

In response to increasing cybersecurity risks, the Company continuously updates information security requirements. In addition to engaging external professional consultants, the Company also actively cultivates cybersecurity talent. As of 2025, 12 employees obtained the Lead Auditor Certification of ISO 27001 Information Security Management System, and 13 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. In effort to enhance information security awareness among employees, the Company holds joint cybersecurity defense meetings, social engineering email drills, and educational training on a regular basis. Moreover, the Company continuously strengthens the information security incident detection, monitoring and reporting mechanism, and has built an information security dashboard. Key information suppliers are also subject to tiered management and continuous monitoring to reduce supply chain information security risks.

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 from January 6, 2025 to January 5, 2028. With the adoption of multiple strategies including strengthening internal protection, minimizing external attacks, and enhancing information security awareness, the Company is able to fulfill its responsibility for information security management and build a resilient corporate information security system.

2. Digital Transformation

Given that artificial intelligence (AI), the Internet of Things (IoT), big data, robotics, and automation have become common core pillars of smart manufacturing transformation, which are able to drive production capacity enhancement, quality optimization, cost reduction, as well as safety and environmental benefits, in recent years the Company has focused on internal digital transformation and leveraged AI to improve process efficiency and address workforce challenges. Furthermore, in 2023, the Company established the "Task Force on Digital Transformation" under the Corporate Governance and Sustainability Committee, responsible for promoting business-domain projects, cultivating AI talent, and upgrading technologies. Through specialized lectures and digital skills training programs, including practical AI applications and generative AI tools, the Company continuously enhances employees' digital competencies while actively engaging with external experts to ensure the development direction and ongoing advancement in technological standards. To date, a total of 465 digital transformation projects have been completed, generating annual benefits of approximately NT\$2 billion.

The Company's digital transformation adopts a cross-disciplinary collaboration model, forming teams across departments to drive smart solutions based on real business needs. Early

successful cases are gradually replicated and promoted, thereby maximizing the benefits of digital transformation.

3. Introduction of Low-Carbon Manufacturing Process Technologies

The steel industry is recognized internationally as one of the Hard-to-Abate Sectors. In the transition toward carbon neutrality, the industry generally faces challenges such as the limited commercialization of advanced low-carbon manufacturing processes, unstable supply of critical resources, and substantial capital requirements for equipment replacement and technology development. In the short term, improving process energy efficiency remains the most feasible pathway, while in the long term, the gradual adoption of technologies such as hydrogen-based metallurgy and carbon capture, utilization, and storage (CCUS) is essential to achieve deep decarbonization targets.

In 2021, the Company established the “Taskforce on Energy Saving & Carbon Reduction and Carbon Neutrality” under the Corporate Governance and Sustainability Committee to benchmark international leading steelmakers and industry trends. The Taskforce has formulated a carbon neutrality roadmap through 2050, adopting a “short-term carbon reduction, medium-to long-term transition from low-carbon to net-zero” approach, and regularly monitors the R&D progress of various carbon reduction technologies. The Company focuses on improving energy efficiency and increasing the use of renewable energy in its short-term reduction measures, yielding significant results. In 2025, the Company achieved a milestone target of reducing emissions by 7% compared with the base year of 2018. For medium-term reduction measures, the Company has invested in the R&D and testing of technologies such as the charge of low carbon raw material, increasing scrap use / reducing hot metal consumption, injection of hydrogen-rich gas, and co-production of steel and chemicals. Through continuous verification and regular tracking, the Company is progressively building the technological foundation for low-carbon manufacturing process adoption, aiming to accelerate the transition to low-carbon steelmaking.

(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. The Company also utilizes digital tools to analyze public sentiment, and 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

On June 11, 2025, the 21st meeting of the 18th Board of Directors approved the acquisition of 53.29% of all remaining shares held by other shareholders of Sing Da Marine Structure

Corporation, and the transaction was completed in July 2025. This equity acquisition is primarily intended to facilitate subsequent adjustments to the Group's financial structure. Additionally, on November 12, 2025, the 3rd meeting of the 19th Board of Directors approved the acquisition of the main operating assets and liabilities of Sing Da Marine Structure Corporation. This acquisition aims to assist this company in improving its financial structure and adjusting its operational direction, thereby enhancing the business synergies of the Group.

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

The Company and companies of CSC Group have all conducted prudent evaluations of the investment benefits and potential risks associated with plant expansions. All projects undergo comprehensive and professional assessment procedures, and significant capital expenditures must be reported to the Audit Committee for review, and to the Board of Directors for approval. In line with future business development needs, in 2025, the Board of Directors of China Steel Chemical Corporation approved the expansion of the advanced carbon materials and blocks factory. The Board of Directors of China Steel Machinery Corporation also approved a plant expansion project, which is expected to increase its production capacity.

To reduce risks arising from market changes, risk sensitivity analysis is enhanced and performance evaluations of project benefits are implemented for all plant expansion plans. During construction period, occupational safety management and progress monitoring are emphasized to ensure that all risks are effectively controlled in real time.

(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

CSC Group mainly engages in the steel industry. Among the major raw materials used in the integrated steel mill operations, coking coal is mainly sourced from Australia, with a small amount from Canada, while iron ore is primarily sourced from Australia and Brazil, with a small amount from Canada. To mitigate the risks of concentrated procurement, the Company takes the following response measures:

- 1) Continuously monitor and evaluate alternative source of material 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 concentrated 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 9 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 2025 up to the publication date of this annual report (February 28, 2026).

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

No such circumstance was found from 2025 up to the publication date of this annual report (February 28, 2026).

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

Name of Affiliates	Litigant	Fact in Issue	Amount of Money at Issue	Commencement Date	Case Status as of the Publication Date of this Annual Report
Dragon Steel Corporation	Plaintiff: Tao-Yuan Ruan; Mu-Lan Lu; Ding-Yong Jiang Defendant: Environmental Protection Bureau of Taichung City Government Intervener: Dragon Steel Corporation (hereinafter referred to as DSC)	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 No. Taichung-City-Environmental-Comprehensive-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 No. Government-Authorized-Legal-Trial-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 No.2020-Appeal-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 Judgment No.2022-Trial-First-Retrial-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. Dragon Steel filed an appeal on October 19, 2023. On May 28, 2025, the Supreme Administrative Court issued Judgment No.2023-Appeal-869, stating that "Appeal dismissed." and affirming the original judgment, which revoked the initial administrative disposition and the administrative appeal decision. The Taichung City Government and DSC lost the case with final and binding effect. Following assessment, the outcome has no material impact on DSC's current operations.

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	Plaintiff: C.S.Aluminium Corporation (hereinafter referred to as CSAC) Defendant: 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. EY has completed its on-site inspection on November 26, 2025. CSAC and EY are currently engaged in ongoing discussions and clarification regarding issues related to ERP orders and production data within the inspection period. EY is expected to complete the appraisal report by the end of April 2026.
United Steel Engineering & Construction Corporation	Plaintiff: United Steel Engineering & Construction Corporation (hereinafter referred to as USEC) Defendant: Han Huang Co., Ltd., Po-Cheng International Hospital, Lan-Ting Juan, and Hsing-Hua Juan	1. 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,	NT\$202 million	On January 27, 2021, the plaintiff submitted the civil complaint to the 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 on-site inspection for the appraisal has been completed, and the appraisal report is expected to be submitted to the court in March 2026. The court will schedule subsequent hearings upon receipt of the appraisal 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
		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, 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." 2. The case is currently pending before the Taiwan Kaohsiung District Court with the First Instance Case No.2021-Construction-27.			
CHC Resources Corporation	Defendant: CHC Resources Corporation (hereinafter referred to as CHC)	In February 2025, CHC received an indictment from the Taiwan Kaohsiung District Prosecutors Office, alleging that personnel from CHCs' Transportation Department violated	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.

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
		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.			
China Steel Structure Co., Ltd.	Plaintiff: China Steel Structure Co., Ltd. (hereinafter referred to as CSSC) Defendant: *-Lu Hsieh, *-He Chang, *-Feng Lin, *-Chan Chen, *-Lun Chen, Chan ** Co., Ltd. (and its legal representative, * Shen), Ssu ** Co., Ltd. (and its legal representative, *-Chieh Chen), Jian ** Co., Ltd. (and its legal representative, *-I Wan), Zheng * Enterprise (sole proprietorship of *-Nan Wan), *-Wen Chang, and *-Chih Tseng.	1. The eleven defendants, including *-Lu Hsieh, are alleged to have committed offenses including fraud. Following a complaint filed by CSSC and an investigation conducted by the Kaohsiung City Field Division, Ministry of Justice Investigation Bureau, the Taiwan Kaohsiung District Prosecutors Office concluded its investigation and initiated public prosecution on November 19, 2025 (Case No.: 2025-Investigation-24496 and 35818). It is alleged that the defendants' unlawful acts caused CSSC to incur losses totaling NT\$134,189,983. 2. On February 26, 2026, CSSC filed an incidental civil litigation attached to the criminal proceedings with the Taiwan Kaohsiung District Court, seeking	NT\$134 million	On February 26, 2026, the plaintiff submitted the incidental civil litigation complaint attached to the criminal proceedings to the Taiwan Kaohsiung District Court.	The Taiwan Kaohsiung District Court has scheduled a hearing (preparatory proceedings) on April 15, 2026.

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
		damages from the individuals and vendors involved. 3. The case is currently pending before the Taiwan Kaohsiung District Court with the First Instance Case No. 2025-Trial-850.			

(XV) Other significant risks: None.

VII. Other Significant Matters: None.

Chapter VI. Special Disclosures

I. Information on Affiliated Companies

- (I) 2025 Consolidated Financial Statements of Affiliated Companies: None.
- (II) 2025 Consolidated Business Report of Affiliated Companies: Please refer to the Market Observation Post System (MOPS) website → Electronic Books → Shareholders' meetings → Stock Code: 2002; Year: 2026 → Consolidated Business Report of Affiliates (<https://emops.twse.com.tw/server-java/t58query>)
- (III) 2025 Affiliation report: None.

II. Private Placement of Securities in the Most Recent Year up to the Publication Date of this Annual Report: None.

III. Other Matters that Require Additional Description: None

Chapter VII. During 2025 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

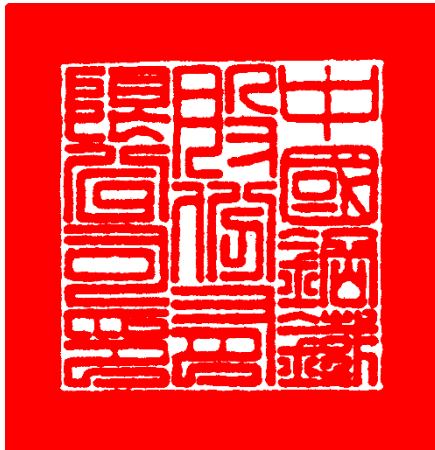
I. More than one-third of the Directors have changed (newly elected directors / total board seats upon board re-election: 5/11)

(I) The term of the 11 Directors (including 3 Independent Directors) of the 18th Board of Directors expired on June 16, 2025. At the Annual General Meeting held on June 19, 2025, all 11 Directors (including 4 Independent Directors) for the 19th Board of Directors were elected. The 19th Board of Directors elected Mr. Chien-Chih Huang, the representative of Ministry of Economic Affairs, to continue serving as Chairman on the same day. The lists of former and newly elected Directors are as follows:

Former Directors of the 18th Board		Elected Directors of the 19th Board	
Title	Name	Title	Name
Chairman	Ministry of Economic Affairs Representative: Chien-Chih Hwang	Chairman	Ministry of Economic Affairs Representative: Chien-Chih Hwang
Director	Ministry of Economic Affairs Representative: Chien-Hsin Lai	Director	Ministry of Economic Affairs Representative: Chien-Hsin Lai
Director	Ministry of Economic Affairs Representative: Wen-Chung Hu	Director	Ministry of Economic Affairs Representative: Wen-Chung Hu
Director	Gau Ruei Investment Corporation Representative: Shou-Tao Chen	Director	Gau Ruei Investment Corporation Representative: Shou-Tao Chen
Director	Ever Wealthy International Corporation Representative: Jih-Jau Jeng	Director	Ever Wealthy International Corporation Representative: Jih-Jau Jeng
Director	Hung Kao Investment Corporation Representative: Cheng-I Weng	Director	Chiun Yu Investment Corporation Representative: Jung-Chi Chang
Director	Chiun Yu Investment Corporation Representative: Kuan-Fu Chen	Director	Labor Union of China Steel Corporation, Kaohsiung City Representative: Chun-Sheng Chen (Note)
Director	Labor Union of China Steel Corporation, Kaohsiung City Representative: Chun-Sheng Chen	Independent Director	Shih-Kun Wang
Independent Director	Shyue-Bin Chang	Independent Director	Chia-Chi Lu
Independent Director	Min-Hsiung Hon	Independent Director	Wan-Ru Yang
Independent Director	Lan-Feng Kao	Independent Director	Yu-Chin Liao

Note: On January 12, 2026, the Company received the letter from the juristic person Director, Labor Union of China Steel Corporation, Kaohsiung City, notifying the re-designation of its representative. Mr. I-Chi Yang was appointed to replace Mr. Chun-Sheng Chen as its representative with effect from the same day.

China Steel Corporation



Chien-Chih Hwang

Chairman

Chien-chih Hwang