



China Steel Chemical Corporation  
2025 Annual Shareholders' Meeting

# Handbook

Meeting Type: In-person Shareholders' Meeting

Time: 17 June 2025 (Tuesday) at 9 a.m.

Venue: 3F, No. 5, Zhongshan 2nd Rd., Qianzhen  
Dist., Kaohsiung City (Kaohsiung Business  
Convention Center)

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# **A. Meeting Procedure**

China Steel Chemical Corporation

## **2025 Annual Shareholders' Meeting Procedures**

- I. Call the Meeting to Order
- II. Chairperson's Remarks
- III. Reporting Items
- IV. Ratification Items
- V. Discussion Items
- VI. Election Items
- VII. Other Proposals
- VIII. Extempore Motions
- IX. Adjournment

## **B. Meeting Agenda**

### **Meeting Agenda for the 2025 Annual Shareholders' Meeting of China Steel Chemical Corporation**

- I. Time: 17 June 2025 (Tuesday) at 9 a.m.
- II. Venue: Kaohsiung Business Convention Center (3F., No. 5, Zhongshan 2nd Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.))
- III. Chairperson's Remarks
- IV. Reporting Items
  - (I) 2024 Business and Financial Reports.
  - (II) The Audit Committee's Review Report on the 2024 Financial Statements.
  - (III) Report on the 2024 Remuneration Allocation of Employees and Directors.
- V. Ratification Items
  - (I) Ratification of 2024 Business Report and Financial Statements.
  - (II) 2024 Earnings Distribution Proposal.
- VI. Discussion Items
  - (I) Amendment of the Articles of Incorporation.
  - (II) 2024 Proposal for Cash Distribution from the Legal Surplus Reserve.
- VII. Election Items
  - (I) Election of the CSCC's 13th Board of Directors.
- VIII. Other Proposals
  - (I) Proposal to Lift Non-Compete Clause for Newly-Appointed Directors.
- IX. Extempore Motions
- X. Adjournment

# I. Reporting Items

- I. CSCC 2024 Business and Financial Reports  
(Please refer to pages 7-32 of this Handbook)
  
- II. The Audit Committee's Review Report on the CSCC's 2024 Financial Statements  
(Please refer to page 13 of this Handbook)
  
- III. Report on the CSCC's 2024 Remuneration Allocation for Employees and Directors
  - 1. According to the requirements under Article 26 of the Articles of Association of CSCC: "Where the Company recorded any profit for the year, the Board shall resolve to appropriate no less than 1‰ as the remuneration to employees and no more than 1% as that to directors; the distribution targets for the remuneration of employees include employees of subsidiaries fulfilling certain conditions. However, if CSCC has accumulated losses, this reserve shall be retained in advance before allocating the employee remuneration and Directors remuneration."
  - 2. In 2024, earnings before taxes and before deducting remuneration for employees and directors were NT\$1,509,909,160. The CSCC proposed to provide NT\$53,964,596 (approximately 3.5740%) as remuneration for employees and NT\$10,792,919 (approximately 0.7148%) as remuneration for directors.
  - 3. These amounts for employee and director remuneration were discussed and approved at the 18th meeting of the 12th Board of Directors on 24 February 2025.

## II. Ratification Items

## Proposal 1

Proposed by the Board of Directors

Explanation: Proposal for the 2024 Business Report and Financial Statements.  
Submitted for ratification.

Description: Please see attachments for more details on the CSCC's 2024 Business Report, 2025 Business Plan, and 2024 Consolidated Financial Statements and Standalone Financial Statements (please refer to pages 7 to 32 of this Handbook).

Resolution:



# China Steel Chemical Corporation

## Business Report

### A. 2024 Business Report

#### I. Business Overview

In 2024, our consolidated operating revenue totaled NT\$7.647 billion, and we earned a net profit before tax of NT\$1.448 billion, a decrease of 8% and 16% respectively compared to 2023. In 2024, Taiwan's economic growth rate increased to 4.3% due to the rise of AI-related industries. The other industries were still impacted by China's economic downturn and capacity spillover, and the outlook remains uncertain. For coal chemical products, international oil prices in 2024 were slightly lower than the previous year. The Company's sales volume was thus lower than expected due to weak overall market demand in the industry. However, we have worked to increase the prices of certain major products, which contributed to the revenue and gross margins. Carbon material products did not grow as expected due to the slowdown in the development of electric vehicles in the market, which led to a decrease in demand from the second half of the year and a significant decrease in shipments in the fourth quarter. Looking ahead in 2025, President Trump's policies will have significant impact. The resumption of the tariff war will inevitably create uncertainties in the global economy. Coupled with the continued threat of prolonged low-priced competition from China, the Company will monitor industry developments and seek new paths for growth. As the global demand for AI continues to grow, we shall actively integrate our products into related supply chains. To support the global goal of attaining zero carbon emissions by 2050, the Company will continue to push for expanded use and development of carbon products, and will continue to promote energy conservation and carbon reduction programs, and achieve short, medium, and long-term ESG goals.

Significant business results achieved by the CSCC in 2024 are as follows:

- The Company's operating revenue and profits have met 98% and 111% respectively of internal budget targets.
- Transported all by-products such as light oil and coal tar generated from the coking of the CSC Group on time, imported light oil to increase our utilization rate, and sold all manufactured products at market rates.

- The development plan of using high-purity graphite crucible for SiC crystal growth for compound semiconductors received subsidies for industrial innovation projects.
- Completed the second-phase expansion project to graphitization furnace and initiated commissioning.
- Continue to implement energy conservation and carbon reduction solutions to reduce the Company's carbon emissions.

## II. Business Plan Implementation Results

(I) In 2024, the amount of coal tar and light oil processed totaled 230,415 metric tons and 83,976 metric tons respectively. The annual sales volumes of coal tar and light oil products totaled 214,261 metric tons and 80,000 metric tons respectively; Annual sales of green mesophase powder and mesophase graphite powder totaled 2,646 metric tons.

### (II) Execution of Business Plan Implementation Unit: Tonne

Item		Actual Amount	Budgeted Amount	Deviation	Fulfillment Rate (%)
Coal tar products	Production volume	227,857	247,736	(19,879)	92
	Sales volume	214,261	222,977	(8,716)	96
Light oil products	Production volume	79,401	96,746	(17,345)	82
	Sales volume	80,000	96,794	(16,794)	83
Refined carbon materials	Production volume	8,060	13,091	(5,031)	62
	Sales volume	7,732	13,002	(5,270)	59
Coke products	Sales volume	52,199	43,800	(8,399)	119
Trading item	Sales volume	7,675	6,000	1,675	128
Processing item	Processing volume	176,352	169,200	7,152	104

Relevant consolidated and standalone financial information is as follows:

Consolidated Statements of Comprehensive Income

Unit: NT\$ thousand

Item	2024	2023	Increase (Decrease) Amount	Increase (Decrease) Rate (%)
Operating revenue	7,647,470	8,317,678	(670,208)	(8%)
Operating costs	5,826,594	6,221,768	(395,174)	(6%)
Operating gross profit	1,820,876	2,095,910	(275,034)	(13%)
Operating expenses	579,714	576,493	3,221	1%
Net operating profit	1,241,162	1,519,417	(278,255)	(18%)
Total non-operating income and expenses	207,191	214,033	(6,842)	(3%)
Net profit before tax	1,448,353	1,733,450	(285,097)	(16%)
Net profit for the year	1,206,201	1,436,277	(230,076)	(16%)
Other comprehensive income (loss) for the year (after tax)	(281,973)	(49,648)	(232,325)	(468%)
Total comprehensive income for the year	924,228	1,386,629	(462,401)	(33%)
Net profit (loss) attributable to:				
Owners of the Corporation	1,206,201	1,435,809	(229,608)	(16%)
Non-controlling interests	-	468	(468)	(100%)
Total comprehensive income (loss) attributed to:				
Owners of the Corporation	924,228	1,387,085	(462,857)	(33%)
Non-controlling interests	-	(456)	456	100%
Earnings per share				
Basic	5.20	6.18	(0.98)	(16%)

1. The decrease in revenues and gross profit for 2024 was due to both the decrease in revenue from trading items and a decrease in the price and volume of certain products compared to the same period in last year.
2. The slight increase in operating expenses for this period was due to the increase in sales expenses as a result of the increase in shipping costs and the decrease in research and development expenses due to the decrease in material expenses for trial products and industrial innovation projects.
3. The decrease in non-operating income and expenses during the period was the result of the decrease in investment gains calculated using the equity method.
4. Based on the above, the consolidated net profit after tax for 2024 was NT\$ 1.206 billion, representing a decrease of NT\$230 million or 16% compared to last year's figure of NT\$1.436 billion during the same period.

## Standalone Statements of Comprehensive Income

Unit: NT\$ thousand

Item	2024	2023	Increase (Decrease) Amount	Increase (Decrease) Rate (%)
Operating revenue	7,489,924	8,091,691	(601,767)	(7%)
Operating costs	5,752,855	6,085,721	(332,866)	(5%)
Operating gross profit	1,737,069	2,005,970	(268,901)	(13%)
Operating expenses	565,844	562,647	3,197	1%
Net operating profit	1,171,225	1,443,323	(272,098)	(19%)
Total non-operating income and expenses	273,927	282,327	(8,400)	(3%)
Net profit before tax	1,445,152	1,725,650	(280,498)	(16%)
Net profit for the year	1,206,201	1,435,809	(229,608)	(16%)
Other comprehensive income (loss) for the year (after tax)	(281,973)	(48,724)	(233,249)	(479%)
Total comprehensive income for the year	924,228	1,387,085	(462,857)	(33%)

### III. Analysis of Income, Expenditure and Profitability

Please refer to the Financial Statements enclosed under Financial Overview for 2024.

### IV. Research and Development

#### (I) Development of Anode Materials

Small-particle UF series products offer excellent rapid charging performance and lower cyclic expansion rate than synthetic graphite. These products have been tested by several high-end mobile phone battery manufacturers.

#### (II) Development of Advanced Carbon Materials

The Company shall promote the use of advanced carbon materials in lithium-ion capacitor (LIC) products, which are mainly used as backup power supplies for AI servers.

#### (III) Development Isotropic Graphite

Commenced construction of mass-production purification furnace and expansion of the 240-ton isotropic graphite plant in 2025. In terms of product promotion, we have consolidated machining, purification, and in-house graphite production to provide diverse services. In addition to graphite crucible for SiC crystal growth and high-purity carbon powders

for SiC, we will expand our product portfolio to include silicon semiconductor applications.

#### (IV) Development of graphite purification process

1. We tested the use of halogen hydrocarbons as process purification gases, which can purify graphite blocks to a purity of 5N5 or above. It creates opportunities to reduce the use of halogen toxic gases, which require regulatory oversight.
2. We will continue to develop small-particle high-purity carbon powder to meet customer demand.
3. Completed the installation of purification furnace equipment for mass production.

### B. Overview of 2025 Business Plan

#### I. Operating Policy

- (I) Create operating revenue, stabilize profits, reduce costs, and improve efficiency.
- (II) Develop refined products and strengthen quality control.
- (III) Implement measures for occupational safety management, and facilitate smooth labor-management relationships.
- (IV) Improve ESG management, achieve sustainable energy conservation and carbon reduction.

#### II. Production and Sales Policy

- (I) Transport all by-products such as coal tar, crude light oil, and coke produced by group companies on time. Smoothly process and produce different products satisfying demand of market and customers and make sales in full in due course at the market rate to create greater economic value.
- (II) Reinforce the expansion of downstream customers, increase the customer base, and continue to develop new suppliers to increase healthy competition and reduce procurement costs.
- (III) Develop a greater variety of carbon material products and more sales markets for these products. Incorporate customer demand to establish more production lines, increasing sales revenue and profit from carbon material products.

- (IV) In response to the development of carbon materials, we continue to refine production technologies to reduce costs, and promote expansion plans for advanced carbon materials and bulk materials.
- (V) Reinforce our advantage of having the only graphitization plant in Taiwan, cooperate with customers, and increase our OEM business to advance our sales and OEM at once, and expand the value chain of our carbon material business.

Chairman:  
Chien-Chih Hwang

Manager:  
Ming-Dar Fang

Accounting Manager:  
Li-Li Kuo

# China Steel Chemical Corporation

## Audit Committee's Review Report

The Board of Directors has prepared and submitted the 2024 Business Report, Financial Statements, and Earnings Distribution Proposal. The financial statements, in particular, have been duly audited by CPAs Chao-Chun Wang and Hung-Ju Liao from Deloitte & Touche appointed by the Board of Directors, and they have issued an audit report. The said business report, financial statements, and the earnings distribution proposal have been reviewed by the Audit Committee and it considered that they are in compliance with the Company Act and relevant laws and regulations. Therefore, the Audit Committee's report is hereby prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Submitted for your review.

Sincerely,

2025 China Steel Chemical Corporation Annual Shareholders' Meeting

China Steel Chemical Corporation

Convener of the Audit Committee: Hsing-Shu Hsieh

February 24, 2025

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders

China Steel Chemical Corporation

### **Opinion**

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation and its subsidiaries as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Corporation and its subsidiaries' consolidated financial statements for the year ended December 31, 2024 is stated as follows:



### Appropriateness of the export sales cutoff

The Corporation and its subsidiaries' export transaction procedures are complex and need to be confirmed manually to ensure that the control of the goods is transferred to the customer according to the trade terms of the sale and revenue is recognized at the time of the transfer of the control. The management is under pressure to achieve the expected target and market expectations, which may lead to the manipulation of operating revenue. As a result, we considered the timing of revenue recognition of the operating revenue from export sales within a certain period before and after the financial reporting date as a key audit matter.

Our audit procedures for the above export sales included the following:

1. We obtained an understanding of and tested the operating effectiveness of the design and implementation of internal control of sales.
2. We performed cutoff procedures for export sales that took place within a certain period of the financial reporting date and verified the related documents to confirm the appropriateness of the revenue recognition.

### **Other Matter**

We have also audited the parent company only financial statements of China Steel Chemical Corporation as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion with emphasis of matter paragraph.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation and its subsidiaries' financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the Corporation and its subsidiaries. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chao-Chun Wang and Hung-Ju Liao.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 24, 2025

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

# CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,151,306	10	\$ 1,174,677	10
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	378,329	3	373,357	3
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	247,711	2	284,802	3
Financial assets for hedging - current (Notes 4 and 10)	33,374	-	-	-
Notes receivable (Notes 4 and 11)	44,903	-	173,112	2
Accounts receivable, net (Notes 4 and 11)	431,260	4	582,501	5
Accounts receivable - related parties (Notes 4, 11 and 29)	92,465	1	98,898	1
Other receivables (Note 29)	16,930	-	12,790	-
Current tax assets (Notes 4 and 24)	879	-	808	-
Inventories (Notes 4, 5 and 12)	1,333,369	12	1,127,402	10
Other current assets	41,324	-	164,010	1
<b>Total current assets</b>	<b>3,771,850</b>	<b>32</b>	<b>3,992,357</b>	<b>35</b>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit of loss - non-current (Notes 4 and 7)	80,867	1	81,543	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	128,238	1	128,480	1
Financial assets at amortized cost - non-current (Notes 4 and 9)	20,000	-	20,000	-
Investments accounted for using the equity method (Notes 4 and 14)	1,792,062	16	1,970,518	17
Property, plant and equipment (Notes 4, 15 and 29)	4,441,619	39	3,896,434	35
Right-of-use assets (Notes 4, 16 and 29)	601,907	5	615,351	5
Investment properties (Notes 4 and 17)	533,013	5	533,013	5
Deferred tax assets (Notes 4 and 24)	59,263	1	64,688	1
Prepaid equipment	1,350	-	50,770	-
Refundable deposits	4,451	-	4,521	-
Other non-current assets	30,840	-	26,783	-
<b>Total non-current assets</b>	<b>7,693,610</b>	<b>68</b>	<b>7,392,101</b>	<b>65</b>
<b>TOTAL</b>	<b>\$ 11,465,460</b>	<b>100</b>	<b>\$ 11,384,458</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 18)	\$ 301,009	3	\$ 447,341	4
Short-term bills payable (Note 18)	100,000	1	-	-
Contract liabilities - current (Notes 4 and 22)	98,399	1	44,966	-
Accounts payable	30,180	-	41,085	-
Accounts payable - related parties (Note 29)	240,524	2	255,186	2
Other payables (Notes 19, 20 and 29)	341,917	3	395,214	4
Current tax liabilities (Notes 4 and 24)	106,867	1	289,112	3
Lease liabilities - current (Notes 4, 16 and 29)	36,050	-	34,126	-
Other current liabilities	10,196	-	9,043	-
<b>Total current liabilities</b>	<b>1,265,142</b>	<b>11</b>	<b>1,516,073</b>	<b>13</b>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Note 18)	1,300,000	11	950,000	9
Deferred tax liabilities (Notes 4 and 24)	3,489	-	1,643	-
Lease liabilities - non-current (Notes 4, 16 and 29)	577,686	5	587,166	5
Net defined benefit liabilities (Notes 4 and 20)	98,587	1	111,196	1
Guarantee deposit received	3,960	-	3,910	-
<b>Total non-current liabilities</b>	<b>1,983,722</b>	<b>17</b>	<b>1,653,915</b>	<b>15</b>
<b>Total liabilities</b>	<b>3,248,864</b>	<b>28</b>	<b>3,169,988</b>	<b>28</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4 and 21)</b>				
Ordinary shares capital	2,369,044	21	2,369,044	21
Capital surplus	971,984	8	928,925	8
Retained earnings				
Legal reserve	3,090,378	27	2,948,165	26
Special reserve	193,150	2	193,150	2
Unappropriated earnings	2,027,539	18	1,910,865	16
Total retained earnings	5,311,067	47	5,052,180	44
Other equity	(317,861)	(3)	(18,041)	-
Treasury shares	(117,638)	(1)	(117,638)	(1)
<b>Total equity</b>	<b>8,216,596</b>	<b>72</b>	<b>8,214,470</b>	<b>72</b>
<b>TOTAL</b>	<b>\$ 11,465,460</b>	<b>100</b>	<b>\$ 11,384,458</b>	<b>100</b>

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

# CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 29)				
Sales	\$ 7,544,496	99	\$ 8,224,292	99
Other operating revenue	<u>102,974</u>	<u>1</u>	<u>93,386</u>	<u>1</u>
Total operating revenue	7,647,470	100	8,317,678	100
OPERATING COSTS (Notes 12, 20, 23 and 29)	<u>5,826,594</u>	<u>76</u>	<u>6,221,768</u>	<u>75</u>
GROSS PROFIT	<u>1,820,876</u>	<u>24</u>	<u>2,095,910</u>	<u>25</u>
OPERATING EXPENSES (Notes 20, 23 and 29)				
Selling and marketing expenses	179,379	2	146,636	2
General and administrative expenses	153,886	2	151,407	2
Research and development expenses	<u>246,449</u>	<u>3</u>	<u>278,450</u>	<u>3</u>
Total operating expenses	<u>579,714</u>	<u>7</u>	<u>576,493</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>1,241,162</u>	<u>17</u>	<u>1,519,417</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES (Notes 23 and 29)				
Interest income	14,579	-	19,863	-
Other income	80,113	1	88,737	1
Other gains and losses	38,425	-	24,794	-
Share of profit of associates	88,475	1	99,194	1
Interest expense	<u>(14,401)</u>	<u>-</u>	<u>(18,555)</u>	<u>-</u>
Total non-operating income and expenses	<u>207,191</u>	<u>2</u>	<u>214,033</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	1,448,353	19	1,733,450	20
INCOME TAX EXPENSES (Notes 4 and 24)	<u>242,152</u>	<u>3</u>	<u>297,173</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>1,206,201</u>	<u>16</u>	<u>1,436,277</u>	<u>17</u>
OTHER COMPREHENSIVE LOSS (Notes 20, 21 and 24)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	7,911	-	(15,393)	-
Unrealized (loss) gain on financial assets at fair value through other comprehensive income	(84,021)	(1)	29,415	-
Loss on hedging instruments	(1,104)	-	-	-

(Continued)

# CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2024		2023	
	Amount	%	Amount	%
Share of the other comprehensive loss of associates accounted for using the equity method	\$ (205,884)	(3)	\$ (79,386)	-
Income tax related to items that will not be reclassified subsequently	(1,361)	-	3,079	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	6,646	-	6,510	-
Unrealized gain on financial assets in debt instruments at fair value through other comprehensive income	2,212	-	2,464	-
Share of the other comprehensive (loss) income of subsidiaries and associates accounted for using the equity method	<u>(6,372)</u>	<u>-</u>	<u>3,663</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(281,973)</u>	<u>(4)</u>	<u>(49,648)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 924,228</u>	<u>12</u>	<u>\$ 1,386,629</u>	<u>17</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 1,206,201	16	\$ 1,435,809	17
Non-controlling interests	<u>-</u>	<u>-</u>	<u>468</u>	<u>-</u>
	<u>\$ 1,206,201</u>	<u>16</u>	<u>\$ 1,436,277</u>	<u>17</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 924,228	12	\$ 1,387,085	17
Non-controlling interests	<u>-</u>	<u>-</u>	<u>(456)</u>	<u>-</u>
	<u>\$ 924,228</u>	<u>12</u>	<u>\$ 1,386,629</u>	<u>17</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 5.20</u>		<u>\$ 6.18</u>	
Diluted	<u>\$ 5.18</u>		<u>\$ 6.17</u>	

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

(Concluded)

# CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation						Other Equity							
	Ordinary Shares Capital	Capital Surplus	Retained Earnings			Total Retained Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total Other Equity	Treasury Shares	Total Equity Attributable to Owners of the Corporation	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings									
BALANCE AT JANUARY 1, 2023	\$ 2,369,044	\$ 902,804	\$ 2,775,710	\$ 193,150	\$ 1,845,707	\$ 4,814,567	\$ (38,144)	\$ 63,748	\$ 133	\$ 25,737	\$ (117,638)	\$ 7,994,514	\$ 81,038	\$ 8,075,552
Appropriation of 2022 earnings (Note 21)														
Legal reserve	-	-	172,455	-	(172,455)	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,184,522)	(1,184,522)	-	-	-	-	-	(1,184,522)	-	(1,184,522)
	-	-	172,455	-	(1,356,977)	(1,184,522)	-	-	-	-	-	(1,184,522)	-	(1,184,522)
Net profit for the year ended December 31, 2023	-	-	-	-	1,435,809	1,435,809	-	-	-	-	-	1,435,809	468	1,436,277
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(13,095)	(13,095)	11,215	(46,726)	(118)	(35,629)	-	(48,724)	(924)	(49,648)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	1,422,714	1,422,714	11,215	(46,726)	(118)	(35,629)	-	1,387,085	(456)	1,386,629
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	23,768	-	-	-	-	-	-	-	-	-	23,768	-	23,768
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(80,582)	(80,582)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	8,149	8,149	-	(8,149)	-	(8,149)	-	-	-	-
Difference between consideration and carrying amount of associates acquired	-	-	-	-	(2,678)	(2,678)	-	-	-	-	-	(2,678)	-	(2,678)
Changes in capital surplus from investments in associates accounted for using the equity method	-	2,353	-	-	(6,050)	(6,050)	-	-	-	-	-	(3,697)	-	(3,697)
BALANCE AT DECEMBER 31, 2023	2,369,044	928,925	2,948,165	193,150	1,910,865	5,052,180	(26,929)	8,873	15	(18,041)	(117,638)	8,214,470	-	8,214,470
Appropriation of 2023 earnings (Note 21)														
Legal reserve	-	-	142,213	-	(142,213)	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(947,618)	(947,618)	-	-	-	-	-	(947,618)	-	(947,618)
	-	-	142,213	-	(1,089,831)	(947,618)	-	-	-	-	-	(947,618)	-	(947,618)
Net profit for the year ended December 31, 2024	-	-	-	-	1,206,201	1,206,201	-	-	-	-	-	1,206,201	-	1,206,201
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	8,616	8,616	285	(289,980)	(894)	(290,589)	-	(281,973)	-	(281,973)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,214,817	1,214,817	285	(289,980)	(894)	(290,589)	-	924,228	-	924,228
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	9,231	9,231	-	(9,231)	-	(9,231)	-	-	-	-
Adjustments to capital surplus arising from dividends paid to subsidiaries	-	19,014	-	-	-	-	-	-	-	-	-	19,014	-	19,014
Changes in capital surplus from investments in associates accounted for using the equity method	-	24,045	-	-	(17,543)	(17,543)	-	-	-	-	-	6,502	-	6,502
BALANCE AT DECEMBER 31, 2024	\$ 2,369,044	\$ 971,984	\$ 3,090,378	\$ 193,150	\$ 2,027,539	\$ 5,311,067	\$ (26,644)	\$ (290,338)	\$ (879)	\$ (317,861)	\$ (117,638)	\$ 8,216,596	\$ -	\$ 8,216,596

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

# CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 1,448,353	\$ 1,733,450
Adjustments for:		
Depreciation expense	438,764	459,210
Amortization expense	6,004	6,327
Net gain on fair value change of financial assets at fair value through profit or loss	(21,294)	(17,445)
Interest expense	14,401	18,555
Interest income	(14,579)	(19,863)
Dividend income	(9,597)	(17,425)
Share of profit of associates	(78,216)	(104,988)
Loss on disposal of property, plant and equipment	962	214
Gain on disposal of investment properties	-	(33,742)
(Gain) loss on acquisition of investments accounted for using the equity method	(35,169)	211
Impairment loss on non-financial assets	9,772	-
Reversal of impairment loss on non-financial assets	-	(6,864)
Loss on disposal of subsidiary	-	11,878
Changes in operating assets and liabilities		
Financial instruments mandatorily classified as at fair value through profit or loss	7,067	(135,957)
Notes receivable	128,209	(89,904)
Accounts receivable	151,241	(114,559)
Accounts receivable - related parties	6,433	(2,396)
Other receivables	(1,573)	7,148
Inventories	(215,846)	(99,485)
Other current assets	98,174	(77,329)
Contract liabilities	53,433	(76,303)
Accounts payable	(10,905)	7,517
Accounts payable - related parties	(14,662)	41,308
Other payables	(80,695)	(5,597)
Other current liabilities	1,153	1,875
Net defined benefit liabilities	(4,698)	(4,041)
Cash generated from operations	1,876,732	1,481,795
Income taxes paid	(418,630)	(374,479)
Net cash generated from operating activities	<u>1,458,102</u>	<u>1,107,316</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(69,226)	(88,404)
Proceeds from sale of financial assets at fair value through other comprehensive income	49,262	16,090
Acquisition of financial assets at amortized cost	-	(20,000)
Acquisition of financial assets at fair value through profit or loss	(433,000)	(285,336)
Proceeds from disposal of financial assets at fair value through profit or loss	442,931	368,505

(Continued)



# CHINA STEEL CHEMICAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2024	2023
Acquisition of financial assets for hedging	\$ (34,478)	\$ -
Acquisition of investments accounted for using the equity method	(30,000)	(2,202)
Proceeds from investments accounted for using the equity method	40,645	39,762
Increase in prepayments for investments	-	(24,512)
Proceeds from the capital reduction on investments accounted for using the equity method	-	3,375
Acquisition of property, plant and equipment	(854,148)	(548,510)
Increase in refundable deposits	-	(30)
Decrease in refundable deposits	70	-
Proceeds from disposal of investment properties	-	53,717
Increase in other non-current assets	(10,266)	-
Decrease in other non-current assets	-	1,024
Interest received	12,718	20,246
Dividend received from associates	74,736	90,196
Dividend received	<u>9,597</u>	<u>17,425</u>
Net cash used in investing activities	<u>(801,159)</u>	<u>(358,654)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	5,443,092	5,189,798
Repayments of short-term borrowings	(5,589,795)	(5,293,838)
Increase in short-term bills payable	150,000	190,000
Decrease in short-term bills payable	(50,000)	(190,000)
Increase in long-term borrowings	1,300,000	1,100,000
Repayments of long-term borrowings	(950,000)	(830,000)
Increase in guarantee deposit received	50	28
Repayments of the principal of lease liabilities	(35,100)	(35,439)
Cash dividends paid	(928,604)	(1,160,754)
Interest paid	(26,187)	(24,235)
Decrease in non-controlling interests	<u>-</u>	<u>(80,582)</u>
Net cash used in financing activities	<u>(686,544)</u>	<u>(1,135,022)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>	<u>6,230</u>	<u>(5,189)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(23,371)</u>	<u>(391,549)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>1,174,677</u>	<u>1,566,226</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 1,151,306</u>	<u>\$ 1,174,677</u>

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

(Concluded)

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
China Steel Chemical Corporation

### **Opinion**

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

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Corporation as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Corporation's parent company only financial statements for the year ended December 31, 2024 is stated as follows:

#### **Appropriateness of the export sales cutoff**

The Corporation's export transaction procedures are complex and need to be confirmed manually to ensure that the control of the goods is transferred to the customer according to the trade terms of the sale and revenue is recognized at the time of the transfer of the control. The management is under pressure to achieve the expected target and market expectations, which may lead to the manipulation of operating revenue. As a result, we considered the timing of revenue recognition of the operating revenue from export sales within a certain period of the financial reporting date as a key audit matter.

Our audit procedures for the above export sales included the following:

1. We obtained an understanding of and tested the operating effectiveness of the design and implementation of internal control of sales.
2. We performed cutoff procedures for export sales that took place within a certain period of the financial reporting date and verified the related documents to confirm the appropriateness of the revenue recognition.

### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chao-Chun Wang and Hung-Ju Liao.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 24, 2025

#### Notice to Readers

*The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.*

# CHINA STEEL CHEMICAL CORPORATION

## PARENT COMPANY ONLY BALANCE SHEETS AS OF DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,088,557	10	\$ 1,150,449	10
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	19,605	-	24,855	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	158,038	1	170,693	2
Financial assets for hedging - current (Notes 4, 9 and 26)	33,374	-	-	-
Notes receivable (Notes 4 and 10)	875	-	493	-
Accounts receivable, net (Notes 4 and 10)	423,797	4	530,467	5
Accounts receivable - related parties (Notes 4, 10 and 27)	94,520	1	225,283	2
Other receivables (Note 27)	16,893	-	13,276	-
Inventories (Notes 4, 5 and 11)	1,164,445	10	971,463	9
Other current assets	41,897	-	163,284	1
Total current assets	<u>3,042,001</u>	<u>26</u>	<u>3,250,263</u>	<u>29</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	26,228	-	-	-
Investments accounted for using the equity method (Notes 4 and 12)	2,762,391	24	2,956,014	26
Property, plant and equipment (Notes 4, 13 and 27)	4,421,550	39	3,874,383	34
Right-of-use assets (Notes 4, 14 and 27)	542,158	5	554,758	5
Investment properties (Notes 4 and 15)	533,013	5	533,013	5
Deferred tax assets (Notes 4 and 22)	59,263	1	64,688	1
Prepaid equipment	1,350	-	50,770	-
Refundable deposits	4,451	-	4,521	-
Other non-current assets	24,761	-	20,322	-
Total non-current assets	<u>8,375,165</u>	<u>74</u>	<u>8,058,469</u>	<u>71</u>
<b>TOTAL</b>	<u>\$ 11,417,166</u>	<u>100</u>	<u>\$ 11,308,732</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 16)	\$ 301,009	3	\$ 434,746	4
Short-term bills payable (Note 16)	100,000	1	-	-
Contract liabilities - current (Notes 4 and 20)	98,323	1	41,636	-
Accounts payable	30,180	-	40,553	-
Accounts payable - related parties (Note 27)	246,832	2	255,186	2
Other payables (Notes 17, 18 and 27)	337,461	3	388,491	3
Current tax liabilities (Notes 4 and 22)	106,203	1	284,883	3
Lease liabilities - current (Notes 4, 14 and 27)	34,725	-	32,846	-
Other current liabilities	10,196	-	9,043	-
Total current liabilities	<u>1,264,929</u>	<u>11</u>	<u>1,487,384</u>	<u>12</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Note 16)	1,300,000	11	950,000	9
Deferred tax liabilities (Notes 4 and 22)	3,489	-	1,643	-
Lease liabilities - non-current (Notes 4, 14 and 27)	529,605	5	540,129	5
Net defined benefit liabilities (Notes 4 and 18)	98,587	1	111,196	1
Guarantee deposit received	3,960	-	3,910	-
Total non-current liabilities	<u>1,935,641</u>	<u>17</u>	<u>1,606,878</u>	<u>15</u>
Total liabilities	<u>3,200,570</u>	<u>28</u>	<u>3,094,262</u>	<u>27</u>
<b>EQUITY (Notes 4 and 19)</b>				
Ordinary shares capital	2,369,044	21	2,369,044	21
Capital surplus	971,984	8	928,925	8
Retained earnings				
Legal reserve	3,090,378	27	2,948,165	26
Special reserve	193,150	2	193,150	2
Unappropriated earnings	2,027,539	18	1,910,865	17
Total retained earnings	<u>5,311,067</u>	<u>47</u>	<u>5,052,180</u>	<u>45</u>
Other equity	(317,861)	(3)	(18,041)	-
Treasury shares	(117,638)	(1)	(117,638)	(1)
Total equity	<u>8,216,596</u>	<u>72</u>	<u>8,214,470</u>	<u>73</u>
<b>TOTAL</b>	<u>\$ 11,417,166</u>	<u>100</u>	<u>\$ 11,308,732</u>	<u>100</u>

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

# CHINA STEEL CHEMICAL CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 27)				
Sales	\$ 7,436,439	99	\$ 8,033,518	99
Other operating revenue	<u>53,485</u>	<u>1</u>	<u>58,173</u>	<u>1</u>
Total operating revenue	7,489,924	100	8,091,691	100
OPERATING COSTS (Notes 11, 21 and 27)	<u>5,752,855</u>	<u>77</u>	<u>6,085,721</u>	<u>75</u>
GROSS PROFIT	<u>1,737,069</u>	<u>23</u>	<u>2,005,970</u>	<u>25</u>
OPERATING EXPENSES (Notes 21 and 27)				
Selling and marketing expenses	171,955	2	140,429	2
General and administrative expenses	147,440	2	143,768	2
Research and development expenses	<u>246,449</u>	<u>3</u>	<u>278,450</u>	<u>3</u>
Total operating expenses	<u>565,844</u>	<u>7</u>	<u>562,647</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>1,171,225</u>	<u>16</u>	<u>1,443,323</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 27)				
Interest income	12,612	-	16,468	-
Other income	95,000	1	107,457	1
Other gains and losses	36,862	-	26,949	-
Share of profit of subsidiaries and associates	142,300	2	147,562	2
Interest expense	<u>(12,847)</u>	<u>-</u>	<u>(16,109)</u>	<u>-</u>
Total non-operating income and expenses	<u>273,927</u>	<u>3</u>	<u>282,327</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	1,445,152	19	1,725,650	21
INCOME TAX EXPENSE (Notes 4 and 22)	<u>238,951</u>	<u>3</u>	<u>289,841</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>1,206,201</u>	<u>16</u>	<u>1,435,809</u>	<u>17</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 18, 19 and 22)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	7,911	-	(15,393)	-

(Continued)

# CHINA STEEL CHEMICAL CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2024		2023	
	Amount	%	Amount	%
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	\$ (26,488)	-	\$ (5,639)	-
Loss on hedging instruments	(1,104)	-	-	-
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	(263,417)	(4)	(44,332)	(1)
Income tax related to items that will not be reclassified subsequently	(1,361)	-	3,079	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	6,646	-	7,434	-
Unrealized gain on financial assets in debt instruments at fair value through other comprehensive income	1,953	-	2,464	-
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	<u>(6,113)</u>	<u>-</u>	<u>3,663</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(281,973)</u>	<u>(4)</u>	<u>(48,724)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 924,228</u>	<u>12</u>	<u>\$ 1,387,085</u>	<u>16</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 5.20</u>		<u>\$ 6.18</u>	
Diluted	<u>\$ 5.18</u>		<u>\$ 6.17</u>	

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

# CHINA STEEL CHEMICAL CORPORATION

## STANDALONE STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	Ordinary Shares Capital	Capital Surplus	Retained Earnings				Exchange Differences on Translating Foreign Operations	Other Equity			Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total other Equity		
BALANCE AT JANUARY 1, 2023	\$ 2,369,044	\$ 902,804	\$ 2,775,710	\$ 193,150	\$ 1,845,707	\$ 4,814,567	\$ (38,144)	\$ 63,748	\$ 133	\$ 25,737	\$ (117,638)	\$ 7,994,514
Appropriation of 2022 earnings (Note 19)												
Legal reserve	-	-	172,455	-	(172,455)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,184,522)	(1,184,522)	-	-	-	-	-	(1,184,522)
	-	-	172,455	-	(1,356,977)	(1,184,522)	-	-	-	-	-	(1,184,522)
Net profit for the year ended December 31, 2023	-	-	-	-	1,435,809	1,435,809	-	-	-	-	-	1,435,809
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(13,095)	(13,095)	11,215	(46,726)	(118)	(35,629)	-	(48,724)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	1,422,714	1,422,714	11,215	(46,726)	(118)	(35,629)	-	1,387,085
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	8,149	8,149	-	(8,149)	-	(8,149)	-	-
Adjustments to capital surplus arising from dividends paid to subsidiaries	-	23,768	-	-	-	-	-	-	-	-	-	23,768
Difference between consideration and carrying amount of associates acquired	-	-	-	-	(2,678)	(2,678)	-	-	-	-	-	(2,678)
Changes in capital surplus from investments in subsidiaries and associates accounted for using the equity method	-	2,353	-	-	(6,050)	(6,050)	-	-	-	-	-	(3,697)
BALANCE AT DECEMBER 31, 2023	2,369,044	928,925	2,948,165	193,150	1,910,865	5,052,180	(26,929)	8,873	15	(18,041)	(117,638)	8,214,470
Appropriation of 2023 earnings (Note 19)												
Legal reserve	-	-	142,213	-	(142,213)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(947,618)	(947,618)	-	-	-	-	-	(947,618)
	-	-	142,213	-	(1,089,831)	(947,618)	-	-	-	-	-	(947,618)
Net profit for the year ended December 31, 2024	-	-	-	-	1,206,201	1,206,201	-	-	-	-	-	1,206,201
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	8,616	8,616	285	(289,980)	(894)	(290,589)	-	(281,973)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,214,817	1,214,817	285	(289,980)	(894)	(290,589)	-	924,228
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	9,231	9,231	-	(9,231)	-	(9,231)	-	-
Adjustments to capital surplus arising from dividends paid to subsidiaries	-	19,014	-	-	-	-	-	-	-	-	-	19,014
Changes in capital surplus from investments in subsidiaries and associates accounted for using the equity method	-	24,045	-	-	(17,543)	(17,543)	-	-	-	-	-	6,502
BALANCE AT DECEMBER 31, 2024	\$ 2,369,044	\$ 971,984	\$ 3,090,378	\$ 193,150	\$ 2,027,539	\$ 5,311,067	\$ (26,644)	\$ (290,338)	\$ (879)	\$ (317,861)	\$ (117,638)	\$ 8,216,596

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



# CHINA STEEL CHEMICAL CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 1,445,152	\$ 1,725,650
Adjustments for:		
Depreciation expense	432,540	452,448
Amortization expense	5,085	5,340
Net gain on financial assets at fair value through profit or loss	(4,680)	(2,573)
Interest expense	12,847	16,109
Interest income	(12,612)	(16,468)
Dividend income	(1,632)	(2,878)
Share of profit of subsidiaries and associates	(142,300)	(147,562)
Loss on disposal of property, plant and equipment	951	205
Gain on disposal of investment properties	-	(33,742)
Loss on disposal of investments accounted for using the equity method	-	211
Impairment loss on non-financial assets	8,944	-
Reversal of impairment loss on non-financial assets	-	(5,871)
Loss on disposal of subsidiary	-	11,878
Changes in operating assets and liabilities		
Notes receivable	(382)	-
Accounts receivable	106,670	(96,073)
Accounts receivable - related parties	130,763	30,524
Other receivables	(1,807)	4,201
Inventories	(201,926)	(178,616)
Other current assets	96,875	(87,503)
Contract liabilities	56,687	(78,517)
Accounts payable	(10,373)	6,985
Accounts payable - related parties	(8,354)	41,308
Other payables	(78,428)	(8,436)
Other current liabilities	1,153	1,415
Net defined benefit liabilities	(4,698)	(4,041)
Cash generated from operations	1,830,475	1,633,994
Income taxes paid	(411,721)	(370,052)
Net cash generated from operating activities	<u>1,418,754</u>	<u>1,263,942</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(62,858)	(88,404)
Proceeds from sale of financial assets at fair value through other comprehensive income	49,262	16,090
Acquisition of financial assets at fair value through profit or loss	(433,000)	(285,336)

(Continued)

# CHINA STEEL CHEMICAL CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2024	2023
Proceeds from sale of financial assets at fair value through profit or loss	\$ 442,930	\$ 368,505
Acquisition of financial assets for hedging	(34,478)	-
Proceeds from disposal of investments accounted for using the equity method	-	39,762
Increase in prepayments for investments	-	(24,512)
Disposal of subsidiary	-	80,582
Proceeds from capital reduction on investment accounted for using the equity method	-	3,375
Acquisition of property, plant and equipment	(853,594)	(547,521)
Increase in refundable deposits	-	(30)
Decrease in refundable deposits	70	-
Proceeds from disposal of investment properties	-	53,717
Increase in other non-current assets	(9,524)	-
Decrease in other non-current assets	-	962
Interest received	10,802	16,946
Dividends received from subsidiaries and associates	98,555	74,263
Other dividends received	<u>1,632</u>	<u>2,878</u>
Net cash used in investing activities	<u>(790,203)</u>	<u>(288,723)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	5,431,809	5,053,852
Repayments of short-term borrowings	(5,565,546)	(5,170,687)
Increase in short-term bills payable	150,000	180,000
Decrease in short-term bills payable	(50,000)	(180,000)
Increase in long-term borrowings	1,300,000	1,100,000
Repayments of long-term borrowings	(950,000)	(830,000)
Increase in guarantee deposit received	50	28
Repayments of the principal portion of lease liabilities	(34,505)	(34,853)
Cash dividends paid	(947,618)	(1,184,522)
Interest paid	<u>(24,633)</u>	<u>(21,789)</u>
Net cash used in financing activities	<u>(690,443)</u>	<u>(1,087,971)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(61,892)</b>	<b>(112,752)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b><u>1,150,449</u></b>	<b><u>1,263,201</u></b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b><u>\$ 1,088,557</u></b>	<b><u>\$ 1,150,449</u></b>

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

Explanation: 2024 Earnings Distribution Proposal. Submitted for Ratification.

Description:

- I. Dividends for 2024 are proposed to be distributed pursuant to Article 26-1 of the CSCC Articles of Association. Please refer to page 34 for the 2024 Earnings Distribution Forecast Table.
- II. Proposal to distribute cash dividends of NT\$947,617,920 to shareholders, equivalent to NT\$4 per share. Undistributed surplus earnings after dividends have been paid amounts to NT\$834,558,986.
- III. The ex-dividend date for the cash dividend shall be authorized to be determined by the Chairman, after the proposal is submitted to and passed by the 2025 Annual Shareholders' Meeting. Upon the distribution of cash dividends, the total amount of dividends distributed to an individual shareholder shall be rounded down to NT\$1, and the leftover fractions shall be summed up and included in other income of CSCC.

Resolution:

China Steel Chemical Corporation  
Earnings Distribution Forecast Table  
From January 1 to December 31, 2024

Unit: NT\$

Undistributed earnings at the beginning of the period		821,033,210
Net profit after tax for the year	1,206,201,330	
Pension actuarial (losses) gains credited to retained earnings	8,615,726	
Disposal of investments in equity instruments measured at fair value through other comprehensive income	9,230,949	
Changes in long-term investments credited to retained earnings	( 17,542,655 )	
Amount to be included in undistributed earnings by adding up after-tax earnings of 2024 and other items		1,206,505,350
Less: Legal surplus reserve		( 120,650,535 )
Less: Special surplus reserve		( 124,711,119 )
Subtotal of distributable earnings		1,782,176,906
Distribution item		
Distribution of cash dividends: NT\$4/share		( 947,617,920 )
Undistributed earnings at the end of the period		<u>834,558,986</u>

Chairman:  
Chien-Chih Hwang

Manager:  
Ming-Dar Fang

Accounting Manager:  
Li-Li Kuo

# III. Discussion Items

Explanation: The amendment of the Company's Articles of Incorporation is filed for approval.

Description:

- I. Amendment implemented in accordance with Article 14 of the Securities and Exchange Act. The Company states in Article 26 of the Articles of Incorporation that where the Company recorded any profit for the year, no less than 30 percent of the profits shall be allocated to entry-level employees as employee remuneration.
- II. According to the official order from the Financial Supervisory Commission (FSC), entry-level employees are defined as "individuals ranked below level-1 supervisors whose basic salary is lower than the salary level of entry-level employees of SMEs based on definitions specified in the Regulations on Weighted Deductions of Salary Increase for Employees of Small and Medium Enterprises".
- III. To increase the flexibility of the Company's dividend policy and support the Company's future development, we added wording to Article 26-1 of the Articles of Incorporation. The wording is added to ensure clarity.
- IV. Please refer to pages 37 to 39 for a comparison table for amendments to the Articles of Incorporation of CSCC, and to pages 58 to 65 for the original articles.

Resolution:

## Comparison Table for Revised Clauses of Article 26 and Article 26-1 of the Articles of Incorporation

Amended Articles	Current Articles	Remarks
<p>Article 26</p> <p>"Where the Company recorded any profit for the year, the Board shall resolve to appropriate no less than 1‰ as the remuneration to employees and no more than 1% as that to directors; the distribution targets for the remuneration of employees include employees of subsidiaries fulfilling certain conditions. <u>No less than 30 percent of the profits shall be allocated to entry-level employees as employee remuneration.</u> However, when CSCC has accumulated losses, the reserve shall be retained in advance before allocating the remuneration of employees and remuneration of Directors and Supervisors.</p> <p>The Board of Directors shall resolve on the distribution of employee remuneration and Director remuneration and report at the Annual Shareholders' Meeting.</p>	<p>Article 26</p> <p>"Where the Company recorded any profit for the year, the Board shall resolve to appropriate no less than 1‰ as the remuneration to employees and no more than 1% as that to directors; the distribution targets for the remuneration of employees include employees of subsidiaries fulfilling certain conditions. However, when CSCC has accumulated losses, the reserve shall be retained in advance before allocating the remuneration of employees and remuneration of Directors and Supervisors.</p> <p>The Board of Directors shall resolve on the distribution of employee remuneration and Director remuneration and report at the Annual Shareholders' Meeting.</p>	<p>Implemented pursuant to Article 14, Paragraph 6 of the Securities and Exchange Act, as amended on August 7, 2024, and the FSC's Jin-Guan-Zheng-Fa No. 1130385442 Order. The Company states in the Articles of Incorporation that a certain percentage of the earnings in a given year shall be allocated to entry-level employees as salary adjustments or distribution of remuneration.</p>
<p>Article 26-1</p> <p>Where the Company recorded earnings after the final annual account, the Company shall pay tax according to the law, make compensation for accumulated losses, and appropriate 10% as the legal surplus reserve; however, when the legal surplus reserve has reached the paid-up capital of the Company, this provision is no longer required. The Company shall appropriate or reverse the special reserve according to the requirements</p>	<p>Article 26-1</p> <p>Where the Company recorded earnings after the final annual account, the Company shall pay tax according to the law, make compensation for accumulated losses, and appropriate 10% as the legal surplus reserve; however, when the legal surplus reserve has reached the paid-up capital of the Company, this provision is no longer required. The Company shall appropriate or reverse the special reserve according to the requirements</p>	<p>To increase the flexibility of the Company's dividend policy and support the Company's future development, we added wording in the amendment.</p>

Amended Articles	Current Articles	Remarks
<p>of the laws and regulations regarding the remaining earnings. The remaining balance shall be combined with the undistributed earnings for the preceding year as the earnings available for distribution, and the Board shall prepare the distribution proposal and submit the proposal to the shareholders' meeting to determine the distribution of dividends or retaining the earnings.</p> <p>Given the potential growth in the operational environment, the Company shall keep abreast of the economic environment for its sustainable operations. Regarding the Company's dividend policy, the Company refers to the future and actual operations and focuses on the stability and growth of dividends. When there are accumulated earnings available for distribution, <u>unless there is a need for capital</u>, the distribution amount shall be no less than 50% of such earnings. For the dividend distributed, the part in cash shall be not less than 50%.</p>	<p>of the laws and regulations regarding the remaining earnings. The remaining balance shall be combined with the undistributed earnings for the preceding year as the earnings available for distribution, and the Board shall prepare the distribution proposal and submit the proposal to the shareholders' meeting to determine the distribution of dividends or retaining the earnings.</p> <p>Given the potential growth in the operational environment, the Company shall keep abreast of the economic environment for its sustainable operations. Regarding the Company's dividend policy, the Company refers to the future and actual operations and focuses on the stability and growth of dividends. When there are accumulated earnings available for distribution, the distribution amount shall be no less than 50% of such earnings. For the dividend distributed, the part in cash shall be not less than 50%.</p>	
<p>Article 31</p> <p>These Articles of Association were established on 21 December 1988; the 1st amendment was made on 24 January 1989; the 2nd amendment was made on 30 May 1989; the 3rd amendment was made on 11 August 1989; the 4th amendment was made on 14 October 1989; the 5th amendment was made on 23 November 1990; the 6th amendment was made on 26</p>	<p>Article 31</p> <p>These Articles of Association were established on 21 December 1988; the 1st amendment was made on 24 January 1989; the 2nd amendment was made on 30 May 1989; the 3rd amendment was made on 11 August 1989; the 4th amendment was made on 14 October 1989; the 5th amendment was made on 23 November 1990; the 6th amendment was made on 26</p>	<p>Added the number and date of the current amendment.</p>



Amended Articles	Current Articles	Remarks
December 1990; the 8th amendment was made on 28 December 1991; the 9th amendment was made on 11 June 1992; the 10th amendment was made on 26 May 1993; the 11th amendment was made on 28 January 1994; the 12th amendment was made on 28 May 1988; the 13th amendment was made on 24 June 1999; the 14th amendment was made on 20 June 2000; the 15th amendment was made on 8 May 2001; the 16th amendment was made on 11 June 2002; the 17th amendment was made on 12 June 2003; the 18th amendment was made on 20 June 2006; the 19th amendment was made on 23 June 2007; the 20th amendment was made on 19 June 2008; the 21st amendment was made on 16 June 2009; the 22nd amendment was made on 17 June 2010; the 23rd amendment was made on 19 June 2012; the 24th amendment was made on 10 June 2013; the 25th amendment was made on 17 June 2014; the 26th amendment was made on 12 June 2015; the 27th amendment was made on 16 June 2016; the 28th amendment was made on 14 June 2018; the 29th amendment was made on 10 June 2020; <u>the 30th amendment was made on 17 June 2025.</u>	December 1990; the 8th amendment was made on 28 December 1991; the 9th amendment was made on 11 June 1992; the 10th amendment was made on 26 May 1993; the 11th amendment was made on 28 January 1994; the 12th amendment was made on 28 May 1988; the 13th amendment was made on 24 June 1999; the 14th amendment was made on 20 June 2000; the 15th amendment was made on 8 May 2001; the 16th amendment was made on 11 June 2002; the 17th amendment was made on 12 June 2003; the 18th amendment was made on 20 June 2006; the 19th amendment was made on 23 June 2007; the 20th amendment was made on 19 June 2008; the 21st amendment was made on 16 June 2009; the 22nd amendment was made on 17 June 2010; the 23rd amendment was made on 19 June 2012; the 24th amendment was made on 10 June 2013; the 25th amendment was made on 17 June 2014; the 26th amendment was made on 12 June 2015; the 27th amendment was made on 16 June 2016; the 28th amendment was made on 14 June 2018; the 29th amendment was made on 10 June 2020.	

Explanation: The Company's 2024 proposal for cash distribution from the legal surplus reserve is provided in the explanation and filed for approval.

Description:

- I. This is processed in accordance with Article 241 of the Company Act, which states that "Where a company incurs no loss, it may distribute earnings from the legal surplus reserve in the form of new shares or cash for parts that exceed 25% of paid-in capital, which shall be distributed in proportion to the shareholders' original shareholdings." The Company's paid-in capital is NT\$2,369,044,800. After adding NT\$120,650,535 to the accumulated legal surplus reserve in 2024, the Company's legal surplus reserve was NT\$3,211,028,696. We propose that the Company distributes cash for earnings in excess of 25% of the paid-in capital of the legal surplus reserve, with a proposed cash distribution of NT\$0.5 per share, totaling NT\$118,452,240, resulting in a legal surplus reserve of NT\$3,092,576,456 after the distribution.
- II. The ex-dividend date for the legal surplus reserve shall be authorized to be determined by the Chairman, after the proposal is submitted to and passed by the 2025 Annual Shareholders' Meeting. Upon the distribution of cash dividends, the total amount of dividends distributed to an individual shareholder shall be rounded down to NT\$1, and the leftover fractions shall be summed up and included in other income of CSCC.

Resolution:

## IV. Election Items

## Proposal 1

Proposed by the Board of Directors

Explanation: Election of the CSCC's 13th Board of Directors.

### Description:

- I. CSCC's 12th-term Directors shall have their terms expire on June 22, 2025, and the Meeting calls for the election of new Directors (including Independent Directors) pursuant to regulations in the 2025 Annual Shareholders' Meeting. The 12th-term Directors shall perform their duties till the 13th-term Directors take office.
- II. The election shall be carried out pursuant to Article 192-1 of the Company Act, and Article 5 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
- III. CSCC's Director election shall be carried out using a candidate nomination system. Pursuant to Article 15 of the Articles of Association, CSCC plans to elect 9 Directors (including 3 Independent Directors) to serve a three-year term from June 17, 2025 to June 16, 2028.
- IV. The list of nominated candidates for Directors (and Independent Directors) are provided below. Shareholders shall vote on their candidate of choice from the persons below.

Number	Title	Name	Educational Background/ Work Experience	Main Job Title
1	Director	Representative of China Steel Corporation: Chien-Chih Hwang	B.A. in Economics, Tunghai University; Executive Vice President of China Steel Corporation	Chairman of China Steel Corporation; Chairman of China Steel Chemical Corporation
2	Director	Representative of China Steel Corporation: Ming-Dar Fang	PhD in Chemical and Materials Engineering, National Kaohsiung University of Applied Sciences; CSCC Vice President of Industrial Technology	President of China Steel Chemical Corporation
3	Director	Representative of China Steel Corporation: Horng-Yih Liou	Ph.D. in Material Science and Engineering, National Cheng Kung University; Assistant Vice President of the Technology Department of the China Steel Corporation	Vice President of Technology Department, China Steel Corporation

Number	Title	Name	Educational Background/ Work Experience	Main Job Title
4	Director	Representative of China Steel Corporation: Kuo-Hua Huang	Master in Nuclear Engineering, National Tsing Hua University; Plant Manager, Steel Mill, China Steel Corporation	Assistant Vice President of Production Department, China Steel Corporation
5	Director	Representative of International CSRC Investment Holdings Co., Ltd.: Kung-Yi Koo	MBA, Wharton School of the University of Pennsylvania, U.S.A; Vice Chairman of Taiwan Cement Corporation	Chairman of International CSRC Investment Holdings Co., Ltd.
6	Director	Representative of International CSRC Investment Holdings Co., Ltd.: Tien-Fu Chao	Master of Chemical Engineering, National Taiwan University; President of Taiwan Prosperity Chemical Corporation;	Consultant of Molie Quantum Energy Corporation
7	Independent Director	Tsun-Tzu Hsu	Master of Law, Soochow University; Associate researcher of WTO Center under Chung-Hua Institution for Economic Research	Director of the Taiwan ASEAN Studies Center at the Chung-Hua Institution for Economic Research Advisor of the International Affairs Committee, Chinese National Federation of Industries
8	Independent Director	Li-Huang Lin	Master in Accounting, National Taipei University; CPA, Ernst & Young, Taiwan	Senior Advisor, Ernst & Young, Taiwan
9	Independent Director	Yuh-Ming Yan	PhD in Construction Engineering and Law, University of Manchester, United Kingdom; Committee Member, Public Construction Commission, Executive Yuan	Associate Professor, College of Law, National Chengchi University

## Election Results:

# V. Other Proposals

## Proposal 1

Proposed by the Board of Directors

Explanation: The proposal to lift non-compete clause for newly-appointed Directors is filed for approval.

### Description:

- I. Proposal made pursuant Article 209, Paragraph 1 of the Company Act, which states "A Director who acts in his own interests or on behalf of another person within the scope of the company's business operations, shall explain to the Shareholders' Meeting the essential contents of such actions and secure the Meeting's approval."
- II. In accordance with applicable laws and regulations, the Company hereby submits to the Shareholders' Meeting a proposal for approval to lift non-compete restrictions on the newly-appointed Directors of the 13th Board of Directors and their representatives, should any of them invest in or operate other businesses that are within the same or similar scope of operations as that of the Company.

### III. Concurrent positions held by candidates for the 13th Board of Directors:

Name	Current Positions at Other Companies
Chien-Chih Hwang	Chairman: China Steel Corporation Director: China Steel Global Trading Corporation, China Ecotek Corporation, Dragon Steel Corporation, Gains Investment Corporation
Horng-Yih Liou	Director: Rechi Precision Co., Ltd., China Steel Power Holding Corporation, Honley Auto. Parts Co., Ltd., Infochamp Systems Corporation, China Steel Power Corporation
Kuo-Hua Huang	Director: Changzhou China Steel New Materials Technology Co., Ltd.
Ming-Dar Fang	Chairman: Ever Wealthy International Corporation, Changzhou China Steel New Materials Technology Co., Ltd. Director: China Steel Structure Co., Ltd., Pro-Ascentek Investment Corporation
Kung-Yi Koo	Chairman: Circular Commitment Company, Linyuan Advanced Materials Technology Co., Ltd., International CSRC Investment Holdings Co., Ltd. Director: E-One Moli Energy Corp.
Tien-Fu Chao	Consultant: Moli Quantum Energy Corporation
Yuh-Ming Yan	Independent Director: Seetel New Energy Co., Ltd.

### Resolution:

# VI. Extempore Motions



Extempore Motions

# C. Rules and Regulations

# Rules of Procedure for Shareholders' Meetings of China Steel Chemical Corporation

Established on 28 April 1997

The 1st amendment was made on 28 May 1998

The 2nd amendment was made on 11 June 2002

The 3rd amendment was made on 14 May 2004

The 4th amendment was made on 10 June 2013

The 5th amendment was made on 12 June 2019

The 6th amendment was made on 10 June 2020

The 7th amendment was made on 15 June, 2022

Article 1 Except otherwise provided for in laws and regulations, or in the Articles, the rules of procedure for the Shareholders' Meetings of CSCC shall comply with these Rules.

Article 2 Unless otherwise provided by the law and regulations, Shareholders' meetings of CSCC shall be convened by the Board of Directors.

CSCC shall upload the electronic version of the meeting notice for the Shareholders' Meeting, paper for the power of attorney, and the proposals, discussions, election or dismissal of Directors to the Market Observation Post System (MOPS) 30 days before the Annual Shareholders' Meeting, or 15 days before the Extraordinary Shareholders' Meeting. CSCC shall prepare and upload electronic versions of the Shareholders' Meeting handbook and the supplemental materials referred to in the preceding paragraph to the MOPS 21 days before the Annual Shareholders' Meeting or 15 days before the Extraordinary Shareholders' Meeting. 15 days before the date of the Shareholders' Meeting, the Shareholders' Meeting agenda handbook and supplementary information shall be prepared for Shareholders' perusal at any time, displayed at CSCC and CSCC's professional Shareholder services agency, and distributed on-site during the Shareholders' Meeting.

The notice and public announcement shall indicate the reasons for convening the meeting. The notice, if agreed by counterparties, may be delivered by electronic means.

Elections or dismissals of directors, changes to the Articles, dissolution, merger, spin-off of CSCC, or items pertaining to Paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" or other matters that may not be proposed at a Shareholders' Meeting as extempore motions pursuant to laws and regulations shall be listed and summarized in the meeting proposals, and shall not be raised in extempore motions.

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

Shareholders who own more than 1% of CSCC's outstanding shares are entitled to propose agenda items for discussion in the Annual General Meeting. However, they may only propose one agenda item, and additional proposals shall not be included in the agenda. In addition, when the circumstances described in any subparagraph of paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a Shareholder, the Board of Directors may exclude it from the agenda.

CSCC shall announce, before the book closure date before an Annual General Meeting, the conditions, written or digital formats accepted, and submission venue and time period for accepting Shareholders' proposals. the period for submission for Shareholders' proposals may not be less than 10 days.

A proposal submitted by a Shareholder shall be limited to 300 words, and no proposal with than 300 words shall be included in the meeting agenda. The Shareholder submitting the proposal shall attend in person or by proxy at the Shareholders' Meeting and take part in the discussion of the proposal.

CSCC shall, prior to the delivery of the Shareholders' Meeting notice, inform all the Shareholders who submitted proposals of the proposal screening results and shall list in the Shareholders' Meeting notice the proposals conforming to the requirements set out in the Article. At the Shareholders' Meeting, the Board of Directors shall explain the reasons for the exclusion of any Shareholder's proposals.

Article 3 For each Shareholders' Meeting, a Shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by CSCC stating the scope of the proxy's authorization.

A Shareholder shall provide one proxy form to appoint one proxy. The form shall be delivered to CSCC five days prior to the date of the Shareholders' Meeting. When more than one proxy forms are delivered, the one received earliest shall prevail. However, this restriction does not apply to the withdrawal of prior proxy engagements.

Should a Shareholder intend to exercise voting rights by correspondence or electronic means after the deliverance of a written declaration, the intent has to be declared in writing to CSCC two days before the date of the Shareholders' Meeting. When the cancellation is overdue, the voting by proxy prevails.

Article 4 Shareholders' meetings shall be held at the location of the company or at any place that are suitable and convenient for shareholders to attend. Meetings shall not begin earlier than 9:00 AM or later than 3:00 PM.

Article 5 CSCC shall indicate on the meeting notice the check-in time and location and other matters for attention for Shareholders.

The time during which Shareholder attendance registrations will be accepted,

as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

The Shareholders or their appointed proxies (the "Shareholders") shall attend the Shareholders' Meeting with an attendance permit, attendance card, or other attendance certificates. CSCC shall not arbitrarily request attending Shareholders to provide other documents of proof. Those who solicit letters of authorization shall also bring identification documents for verification.

CSCC shall deliver the meeting handbook, annual report, attendance permit, attendance card, speaker's slip, voting ticker, and other meeting materials to the Shareholders attending the Shareholders' Meeting in person or the proxies engaged by Shareholders (the "Shareholders"). Where there is a Director election, the election votes shall be otherwise enclosed.

When the government or a juristic person is a Shareholder, it may be represented by more than one representative at a Shareholders' Meeting. When a juristic person has been delegated to attend the Shareholders' Meeting, only one person should be delegated as a proxy.

#### Article 6

When a Shareholders' Meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Chairman shall appoint one of the Directors to act as the chair. Where the Chairman has not made such a designation, a chair shall be elected among the Directors.

Where a Director is to chair the meeting as described in the preceding paragraph, it shall be a Director who has held the position for at least six months and is familiar with CSCC's financial and business conditions. The same shall apply when the Chairperson is a representative of a juristic person Director.

Where a Shareholders' Meeting is convened by a party with the power to convene, but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall elect one person from among themselves to act as the Chairperson.

#### Article 7

The Shareholders' Meeting convened by the Board of Directors shall have more than half of the Board of Directors and at least one member of each of functional committees attending in person. The attendance record shall be documented in the minute book of the Shareholders' Meeting. CSCC may appoint its attorneys, CPA, or related persons to present at a Shareholders' Meeting.

- Article 8 CSCC shall make uninterrupted audio and video recording starting from the attendance registrations, the proceedings of the Shareholders' Meeting, the voting, and to vote-counting procedures.
- The aforementioned recordings shall be kept for at least one year. However, where a Shareholder files a lawsuit based on Article 189 of the Company Act, the recordings shall be retained until the conclusion of the litigation.
- Article 9 The attendance for the Shareholders' Meeting shall be based on the number of shares, and the number of shares attended shall be calculated based on the attendance card being submitted. For Shareholders who exercised their voting rights in writing or via electronic manner, add the number of shares that exercised the voting rights in writing or via electronic manner.
- During the course of the meeting, the total number of voting rights shall be updated at any time if there is an increase in the attending Shareholders.
- Article 10 The Chairperson shall announce the commencement of the meeting as soon as the appointed meeting time arrives and announce related information, including the number of shares without voting rights and the number of shares in attendance at the same time. However, if those in attendance represent less than half of CSCC's outstanding shares, the Chairperson may announce a postponement to the meeting up to two times, for a total period of no more than one hour. Where the meeting had been delayed two times, but no Shareholders represent more than half of the total of issued shares attended, except for complying with paragraph 2, the Chairperson shall announce adjournment.
- If the aforementioned two delays still fail to meet the quorum, but the number of shares that represent more than one-third of the total number of issued shares are present, tentative resolutions may be resolved pursuant to Article 175-1 of the Company Act, and each Shareholder will be notified of the tentative resolutions, and another Shareholders' meeting will be convened within one month. However, for special resolutions required by the Company Act shall comply with the requirements of the Company Act.
- Where, prior to the conclusion of the meeting, the attending Shareholders represent more than half of the total number of issued shares, the Chairperson may resubmit the tentative resolutions for a vote by the Shareholders' meeting pursuant to Article 174 of the Company Act.
- Article 11 If the Shareholders' Meeting is convened by the Board of Directors, the Board of Directors shall determine the meeting proceedings. Related proposals (including extempore motions and amendments of original proposals) shall be decided through a vote on a case-by-case basis. Meeting proceedings shall not be changed unless resolved during the Shareholders' Meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a Shareholders' Meeting convened by a party with the power to convene that is not the Board of Directors.

The Chairperson may not arbitrarily declare the adjournment of the meeting before the end of proceedings (including extempore motions). If the Chairperson declares the meeting adjourned in violation of the Rules of Procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new Chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending Shareholders, and then continue the meeting.

Upon the end of the agenda, after the Chairperson had announced adjournment according to the Rules of Procedures, Shareholders may not elect another Chairperson to continue the meeting at the same venue or otherwise.

Article 12      The Chairperson shall remain fair and just and strictly implement the Rules of Procedures to facilitate the process of the meeting.  
Attending Shareholders are obliged to comply with the Rules of Procedures, the speech etiquette, and maintaining the order of the meeting.

Article 13      Before attending Shareholders making a speech, the Shareholders shall fill in a speaker's slip specifying the summary of the speech, the Shareholder's account number, and the name of the account. The Chairperson shall set the order of speech.

A Shareholder who has submitted a speaker's slip but failed to deliver a speech shall be deemed to have not spoken. If the contents of the speech are inconsistent with the contents of the speaker's slip, the contents of speech shall prevail.

Except with the consent of the Chairperson, a Shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the Shareholder's speech violates the rules or exceeds the scope of the agenda item, the Chairperson may terminate the speech.

When a Shareholder attends the Shareholders' Meeting, other Shareholders may not speak or interrupt unless they have sought and obtained the consent of the Chairperson and the Shareholder that has the floor. The Chairperson shall stop any violation.

When a juristic person Shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one of the representatives may speak on the same proposal.

After an attending Shareholder has spoken, the Chairperson may respond in person or direct relevant personnel to respond.

- Article 14      The Chairperson shall allow ample opportunity during the meeting for the amendments, alternative proposals, or extempore motions put forward by shareholders to be explained and discussed. When the Chairperson decides that a proposal has been discussed sufficiently to be put to a vote, the Chairperson may announce that the discussion is closed and call for a vote. The Chairperson shall also arrange for sufficient time for a vote to take place.
- Article 15      The Shareholders of CSCC shall be entitled with one vote with each share they hold; however, Shareholders whose voting rights are restricted or have no voting rights according to paragraph 3, Article 157 and paragraph 2, Article 179 of the Company Act or requirements of other laws and regulations shall be excluded.
- Voting rights shall be exercised electronically or in writing during a shareholders' meeting; For the exercise of voting rights in writing or electronically, the exercising method shall be set out on the meeting notice of the Shareholders' Meeting. A Shareholder exercising voting rights in writing or electronically shall be deemed as having attended the Shareholders' Meeting in person. However, the Shareholder shall be deemed as having abstained from the extempore motions or amendments to the original proposal.
- A Shareholder intending to exercise voting rights in writing or electronically under the preceding paragraph shall deliver a written declaration of intent to CSCC two days before the date of the Shareholders' Meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, this restriction does not apply when a declaration is made to cancel the earlier declaration of intent.
- Where a Shareholder (who has exercised their voting rights in writing or electronically) intends to attend the Shareholders' Meeting in person, he/she shall cancel the written declaration of intent for the voting rights in the same manner stated in the preceding paragraph two days before the Shareholders' Meeting. When the cancellation is overdue, voting right exercised in writing or electronically shall prevail. When a Shareholder has exercised voting rights both in writing or electronically and by appointing a proxy to attend the Shareholders' Meeting, the voting rights exercised by the proxy attending the meeting shall prevail.
- For the resolutions of the Shareholders' Meeting, the number of shares of Shareholders with no voting rights shall be excluded from the total number of issued shares.
- Except for exercising the rights to elect Directors, when a Shareholder is an interested party in any item of the agenda, and there is the likelihood that such a conflict of interest would prejudice the interests of CSCC, the Shareholder shall abstain from the vote, and may not exercise voting rights on behalf of any



other Shareholders. The number of shares that may not exercise their voting rights shall be excluded from the voting number of the attending Shareholders. Except for the trust business or the stock agency approved by the securities regulatory authority, when one person is entrusted by two or more Shareholders at the same time, the voting rights it represents shall not exceed 3% of the voting rights of the total issued shares. Where it does, the exceeding voting rights shall be excluded. However, such voting rights shall still be included in the voting rights attended the meeting.

Article 16 Except as otherwise provided in the Company Act and in the Articles, the resolution of a proposal shall require an affirmative vote representing a majority of the voting rights represented by the attending Shareholders.

At the time of a vote, for each proposal, the Chairperson or a person designated by the Chairperson shall first announce the total number of voting rights represented by the attending Shareholders, followed by a poll of the Shareholders. After the conclusion of the meeting and on the same day it is held, the voting results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

Article 17 When there is an amendment or alternative to the same motion, the Chairperson shall combine it with the original case and set the order of voting. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 18 Before the vote of any proposal, the Chairperson shall designate two scrutineers and several counting agents to execute their relevant duties. The scrutineers shall be Shareholders.

The vote counting at the Shareholders' Meeting or election proposals shall be carried out publicly at the venue holding the Shareholders' Meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record shall be made for the vote.

Article 19 Where the Shareholders' Meeting involves re-election of Directors, the election must proceed pursuant to the Board Directors Election Regulations of CSCC, and results shall be announced on-site immediately including the names of those elected as Directors and the numbers of votes with which they were elected, as well as the names of those not elected as Directors and the numbers of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. However, where a Shareholder files a lawsuit based on Article

189 of the Company Act, the recordings shall be retained until the conclusion of the litigation.

- Article 20 Matters relating to the resolutions of at a Shareholders' Meeting shall be recorded in the minute book. The minute book shall be signed or stamped by the Chairperson and shall be distributed to all Shareholder within 20 days from the conclusion of the meeting.
- The preparation and distribution of the minute book may be affected by electronic means.
- The distribution of the minute book, as described in the preceding paragraph, may be conducted by a public announcement on the MOPS.
- The minute book must detail the date and venue of the meeting, the Chairperson's name, the method of resolution, the meeting proceedings and voting results (including the tallied number of votes). Where there is an election of Directors, the number of votes of each candidate shall be disclosed. The minutes for each Shareholders' Meeting shall be perpetually kept by CSCC for its period of existence, and shall be fully disclosed on the CSCC website.
- The election of Directors shall state the method of voting and the number of elected Directors' shares.
- Article 21 On the day of a Shareholders' Meeting, CSCC shall compile in the prescribed format a statistical statement on the number of shares obtained by proxy assent from others and the number of shares represented by proxies, and shall make an express disclosure of this information at the place of the Shareholders' Meeting.
- Article 22 Where matters put to a resolution at a Shareholders' Meeting constitute material information under applicable laws or regulations, or under Taiwan Stock Exchange Corporation (TWSE) regulations, CSCC shall upload the content of such resolution to the MOPS within the prescribed time period.
- Article 23 Staff handling administrative affairs of a Shareholders' Meeting shall wear identification cards or armbands.
- The Chairperson may direct the pickets or security personnel to help maintain order at the meeting place. The pickets or security personnel shall wear armbands with the word "Picket" when maintaining order.
- At the place of a Shareholders' Meeting, where a Shareholder attempts to speak through any device other than the public address equipment set up by CSCC, the Chairperson may stop the Shareholder from so doing.
- Where the Shareholder violates the rules of procedures and defies the Chairperson's instruction, and obstructs the proceedings and refuses to stop,

the Chairperson may direct the pickets or security personnel to escort the Shareholder out of the venue.

- Article 24      When a meeting is in progress, the Chairperson may announce a break based on time considerations. If an unpreventable event occurs, the Chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
- Before the completion of agendas (including extempore motions) of the Shareholders' Meeting, when the meeting venue is not available for continued use, the Shareholders' Meeting may resolve to seek a new venue to resume the meeting.
- The Shareholders' Meeting may, in accordance with the provisions of Article 182 of the Company Act, decide to postpone or resume the assembly within five days.
- Article 25      The Rules of Procedures, and any amendments thereto, shall be implemented after passing at a Shareholders' Meeting.

# Articles of Association of China Steel Chemical Corporation

## Chapter I. General

Article 1 CSCC is established according to the requirements related to limited companies according to the Company Act of the Republic of China, and was named 中鋼碳素化學股份有限公司, in Chinese, and CHINA STEEL CHEMICAL CORPORATION, in English.

Article 2 Business scope of CSCC:

- I. C801010 Basic Industrial Chemical Manufacturing.
- II. C801020 Petrochemical Manufacturing.
- III. C801990 Other Chemical Materials Manufacturing.
- IV. C802080 Pesticide Manufacturing.
- V. C802120 Industrial Catalyst Manufacturing.
- VI. C802200 Coating, Paint, Dyeing and Dyestuff Manufacturing.
- VII. C802990 Other Chemical Products Manufacturing.
- VIII. C803990 Other Petroleum and Charcoal Manufacturing.
- IX. C901990 Other Non-metallic Mineral Products Manufacturing.
- X. CZ99990 Manufacturing of Other Industrial Products Not Elsewhere Classified.
- XI. F102180 Wholesale of Ethanol.
- XII. F107020 Wholesale of Dyeing Mills and Dyestuff.
- XIII. F107080 Wholesale of Environment Medicines.
- XIV. F107170 Wholesale of Industrial Catalysts.
- XV. F107200 Wholesale of Chemistry Raw Materials.
- XVI. F107990 Wholesale of Other Chemical Products.
- XVII. F111090 Wholesale of Building Materials.
- XVIII. F112020 Wholesale of Coal and Products.
- XIX. F112040 Wholesale of Petrochemical Fuel Products.
- XX. F120010 Wholesale of Refractory Materials.
- XXI. F199990 Other Wholesale Trade.
- XXII. F203030 Retail Sale of Ethanol.
- XXIII. F207990 Retail of Other Chemical Products.

XXIV. F211010 Retail Sale of Building Materials.

XXV. F212030 Retail Sale of Coal.

XXVI. F401010 International Trade.

XXVII. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 In order to diversify our operating objectives, the total investments made by the CSCC into other companies must exceed 40% of CSCC's paid-in capital.

Article 2-2 CSCC may provide external endorsement/guarantee as required by its operations.

Article 3 CSCC is established in Kaohsiung City, the Republic of China. CSCC may establish domestic and overseas branch organizations at proper venues according to its actual needs.

Article 4 Except for otherwise provided by the regulatory authority for securities, CSCC's announcements shall be published on the substantial part of a daily newspaper that circulates at the location where CSCC operates.

## Chapter II. Shares

Article 5 The total capital of CSCC shall be NT\$3 billion, divided into 300,000,000 shares with a par value of NT\$10 per share, and shall be issued in installments.

Article 6 Except for shares issued without printing any share certificate, CSCC shall number its share certificates, and the share certificates shall be signed or stamped by the Director on behalf of CSCC, and the issuance shall be subject to the certification by a bank eligible for certifying the issuance of share certificates according to the law.

For shares issued without printing any share certificate, CSCC shall engage a centralized securities depository enterprise/institution for the registration of such shares.

Article 6-1 CSCC may make consolidation and re-issue share certificates with a higher nominal amount according to the request of Taiwan Depository & Clearing Corporation.

Article 7 The handling of the CSCC's share certificate affairs shall be conducted in accordance with the provisions of the Regulations Governing the Administration of Shareholder Services of Public Companies.

## Chapter III. Shareholders' Meeting

Article 8 CSCC's Shareholders' Meeting falls in the following categories:  
I. Annual Shareholders' Meeting.

## II. Extraordinary Shareholders' Meeting.

The Annual Shareholders' Meeting shall be convened by the Board of Directors within six months from the end of the fiscal year according to the law. The Extraordinary Shareholders' Meeting shall be convened according to the law when necessary.

- Article 9      The convening of the Annual Shareholders' Meeting shall comply with requirements under the Company Act, the Securities and Exchange Act, and relevant laws and regulations.
- Article 10     Resolutions at Shareholders' Meetings shall, unless otherwise provided for in related laws and regulations, be adopted by at least half of all Shareholders present. Consent from Shareholders present who represent more than half of the total number of voting rights shall be obtained for implementation.
- Article 11     The Shareholders of CSCC shall be entitled with one vote with each share they hold; however, Shareholders whose voting rights are restricted or have no voting rights according to paragraph 3, Article 157 and paragraph 2, Article 179 of the Company Act or requirements of other laws and regulations shall be excluded.
- Article 12     Where a shareholder cannot attend a Shareholders' Meeting for any reason, the Shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by CSCC. Except for otherwise required by the Company Act, a Shareholder engaging a proxy for attendance, shall comply with the Rules for Using Proxies to Attend Shareholders' Meeting for Publicly Trading Companies promulgated by the governing authorities.
- Article 13     The Chairman shall chair the Shareholders' Meeting unless the Company Act provides otherwise. or for any reason unable to exercise the powers of the Chairman, the Chairman shall appoint one of the Directors to act as the chair. Where the Chairman has not made such a designation, a chair shall be elected among the Directors. When the meeting is called by a person other than the Board of Directors, the convener shall preside as the chair, and when there are two or more conveners, a person among them shall be elected to preside as the chair.
- Article 14     Matters relating to the resolutions of at a Shareholders' Meeting shall be recorded in the minute book. The minute book shall be signed or stamped by the Chairperson of the Shareholders' Meeting. The minute book, together with the sign-in book for attending Shareholders and the proxy forms for engaging proxies for attendance shall be compiled by the Board of Directors and kept by CSCC.

The public announcement of the minute book mentioned in the preceding paragraph shall suffice.

#### Chapter IV. Directors, the Audit Committee, and Managers

Article 15 CSCC has 9 to 11 Directors with a tenure of three years and may be re-elected for consecutive terms.

When electing Directors at the Shareholders' Meeting, the number of Directors to be elected shall be the election rights for each share. The election right may be used together to elect one person or separately to elect multiple persons. Candidates who won the most voting rights represented by the votes shall be elected as Directors.

CSCC's Directors shall be elected by adopting a candidate nomination system. Shareholders shall elect the Directors among the list of Director candidates. The election for Independent Directors and Non-independent Directors shall be held at the same time, but the numbers to be elected shall be calculated separately. After being elected, liability insurance shall be purchased for Directors according to its scope of business during their tenure upon a resolution at the Board Meeting.

The total shareholding ratio of all the Directors shall be handled in accordance with the provisions of the securities regulatory authority.

Within the number of Directors of each session elected according to paragraph 1, the number of Independent Directors shall not be less than three, and shall not be less than one-fifth of the number of Directors to be elected. Shareholders shall elect the Directors among the list of Director candidates.

The Independent Directors' professional qualifications, shareholding, and part-time restrictions, determination of independence, nomination and selection methods, and other matters of compliance shall be subject to the relevant regulations of the competent authorities for securities.

Article 15-1 CSCC has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee is responsible for the implementation of the functions and powers of the Supervisors stipulated in the Company Act, the Securities and Exchange Act, and other laws and regulations.

The Audit Committee comprises all Independent Directors, and the number of their members shall not be less than three, one of them is the convener, and at least one of them has accounting or financial expertise.

The resolution of the Audit Committee shall be approved by more than the majority of all members of the Audit Committee.

The exercise of the functional authority of the Audit Committee, the organization regulations, and other matters to be complied with shall comply

with the Securities and Exchange Act and other relevant laws and regulations or the Articles of Association.

Article 16 The functions and powers of the Board of Directors are as follows:

- I. Review of annual operating policy and operating budget.
- II. Approval of personnel at the level of Vice President and above and the head of finance and accounting and Chief Auditor.
- III. Review of annual Business Report and Financial Report.
- IV. Determination of the pledge, sale/purchase, or other disposals of the properties of CSCC.
- V. Approval of investment plans.
- VI. Approval of significant capital expenditure.
- VII. Approval of acquisition or transfer of specialized technology patents and technical partnership contracts.
- VIII. Approval of the establishment and demolition of branches.
- IX. Proposal for the amendments to Articles of Association, change in capital, and the dissolution or merger of the Company.
- X. Proposal for earnings distribution or make-up for losses.
- XI. Approval for internal organization of CSCC and its authority.
- XII. Approval of employee's salary standards.
- XIII. Approval of the appointment, discharge, and compensation of the CPA.
- XIV. Formulation or amendments to procedures for significant financial or business conducts, such as acquisition or disposal of assets, engaging in derivatives trading, loaning of funds to others, or provision of endorsements/guarantees to others, as well as the approval of internal control system, and other significant regulations.
- XV. Approval of offering, issuance, or private placement of any equity-based securities, and approval of non-equity-based corporate bonds.
- XVI. Review of other matters authorized by laws and regulations.

Article 17 A Chairman shall be elected among the Directors with two-thirds or more of all Directors in attendance and the consent of the majority of the Directors present. The Chairman of the Board of Directors represents CSCC externally. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Chairman shall appoint one of the Directors to act as the



chair. Where the Chairman has not made such a designation, a chair shall be elected among the Directors.

Article 18 The Board of Directors shall be organized by the Chairman unless otherwise provided by the Company Act. The Board Meeting shall be convened at least once a quarter. Extraordinary Board meetings may be convened when necessary.

Reasons for convening a Board Meeting shall be notified to Directors and Supervisors 7 days in advance. In the event of an emergency, a meeting may be convened at any time. The notice of the Board Meeting shall be delivered in written, fax, or electronic form.

Unless otherwise provided by the Company Act, a resolution of the Board of Directors shall be adopted by the consent of half of the Directors in attendance at the meeting where half of the total number of Directors presents.

Article 19 Where a Director is unable to attend the Board Meeting for any reasons, he/she may engage another Director to stand proxy according to the law. No Director may act as a proxy for more than one other Directors. Matters related to the engagement of proxies by CSCC Directors shall be handled pursuant to Article Two-Hundred and Five of the Company Act. The proxy of Directors If the Board of Directors meeting is convened by video conference, attendance via video conference is deemed to be attended in person.

Article 20 (Article deleted)

Article 21 (Article deleted)

Article 22 CSCC has one President and several Vice Presidents. The appointment, discharge, and remuneration shall comply with Article 29 of the Company Act.

Article 23 The President shall adhere to the policy determined by the Board of Directors to manage all businesses of CSCC.

Article 24 The Assistant Vice President and other personnel of the same level and line manager of CSCC shall be proposed by the President to the Chairman for the approval of employment. Other practitioners shall be employed by the President. However, where the laws and regulations have otherwise provided that the appointment shall be resolved by the Board Meeting, proceed accordingly.

#### Chapter V. Accounting

Article 25 The CSCC's fiscal year is from 1 January to 31 December each year. Upon the end of the fiscal year, the Board of Directors shall prepare the following books and statements to be submitted to the Annual Shareholders' Meeting for ratification:

- I. Business Report;
- II. Financial Statements;
- III. Proposal of earnings distribution or loss compensation.

- Article 26 "Where the Company recorded any profit for the year, the Board shall resolve to appropriate no less than 1% as the remuneration to employees and no more than 1% as that to directors; the distribution targets for the remuneration of employees include employees of subsidiaries fulfilling certain conditions. However, when CSCC has accumulated losses, the reserve shall be retained in advance before allocating the remuneration of employees and remuneration of Directors and Supervisors.
- The Board of Directors shall resolve on the distribution of employee remuneration and Director remuneration and report at the Annual Shareholders' Meeting.
- Article 26-1 Where the Company recorded earnings after the final annual account, the Company shall pay tax according to the law, make compensation for accumulated losses, and appropriate 10% as the legal surplus reserve; however, when the legal surplus reserve has reached the paid-up capital of the Company, this provision is no longer required. The Company shall appropriate or reverse the special reserve according to the requirements of the laws and regulations regarding the remaining earnings. The remaining balance shall be combined with the undistributed earnings for the preceding year as the earnings available for distribution, and the Board shall prepare the distribution proposal and submit the proposal to the shareholders' meeting to determine the distribution of dividends or retaining the earnings.
- Given the potential growth in the operational environment, the Company shall keep abreast of the economic environment for its sustainable operations. Regarding the Company's dividend policy, the Company refers to the future and actual operations and focuses on the stability and growth of dividends. When there are accumulated earnings available for distribution, the distribution amount shall be no less than 50% of such earnings. For the dividend distributed, the part in cash shall be not less than 50%.
- Article 27 The distribution of the Shareholders' dividend is based on the number of shares registered to the Shareholder in the Shareholders' registrar on the dividend record date.
- Article 28 The transportation expenses of Directors, the remuneration of Independent Directors, and the salary of the Chairman shall be determined by the Board of Directors with reference to the standards of listed companies in the same

industries. Other grants for the Chairman shall be determined with reference to the relevant requirements for the salary package of practitioners.

#### Chapter VI. Appendix

- Article 29 Matters not addressed in these Articles shall be handled in compliance with the requirements under the Company Act and relevant laws and regulations.
- Article 30 (Article deleted)
- Article 31 These Articles of Association were established on 21 December 1988; the 1st amendment was made on 24 January 1989; the 2nd amendment was made on 30 May 1989; the 3rd amendment was made on 11 August 1989; the 4th amendment was made on 14 October 1989; the 5th amendment was made on 23 November 1990; the 6th amendment was made on 26 December 1990; the 8th amendment was made on 28 December 1991; the 9th amendment was made on 11 June 1992; the 10th amendment was made on 26 May 1993; the 11th amendment was made on 28 January 1994; the 12th amendment was made on 28 May 1988; the 13th amendment was made on 24 June 1999; the 14th amendment was made on 20 June 2000; the 15th amendment was made on 8 May 2001; the 16th amendment was made on 11 June 2002; the 17th amendment was made on 12 June 2003; the 18th amendment was made on 20 June 2006; the 19th amendment was made on 23 June 2007; the 20th amendment was made on 19 June 2008; the 21st amendment was made on 16 June 2009; the 22nd amendment was made on 17 June 2010; the 23rd amendment was made on 19 June 2012; the 24th amendment was made on 10 June 2013; the 25th amendment was made on 17 June 2014; the 26th amendment was made on 12 June 2015; the 27th amendment was made on 16 June 2016; the 28th amendment was made on 14 June 2018; the 29th amendment was made on 10 June 2020.

# China Steel Chemical Corporation Board Directors Election Regulations

Established on June 11, 2002

The 1st amendment was made on June 12, 2015

The 2nd amendment was made on June 14, 2018

The 3rd amendment was made on June 15, 2022

Article 1 Unless elsewhere regulated by law or the Articles of Association, the election of CSCC Directors shall be governed by these Procedures.

Article 1-1 The overall composition of the Board of Directors shall be taken into consideration in the selection of CSCC Directors. The composition of the Board of Directors shall be determined by taking diversity into consideration. Furthermore, an appropriate diversification policy shall be established based on the operations, mode of operation, and development requirements of the Board. This policy should include, but not be limited to, the following two types of standards:

- I. Basic requirements and values: Gender, age, nationality, and culture.
- II. Professional knowledge and skills: professional background (such as in law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Each Board Member shall have the necessary knowledge, skills, and experience to perform their duties; the abilities that must be present on the Board as a whole are as follows:

- I. The ability to make operational judgments.
- II. The ability for accounting and financial analysis.
- III. The ability for operational management.
- IV. The ability for crisis management.
- V. Industrial knowledge.
- VI. International market viewpoint.
- VII. Leadership.
- VIII. Decision-making ability.

The majority of the Company's Directors shall not be a spouse or a relative within the second degree of kinship of any other Director.

Article 2 CSCC shall adopt the candidate nomination system for the election of Directors. It shall carefully review the qualifications of the nominees, their educational background, as well as check for the existence of any other matters provided in Article 30 of the Company Act. These procedures shall be carried

out pursuant to Article 192-1 of the Company Act.

Independent Directors and non-independent Directors shall be nominated separately, and Shareholders shall elect candidates from the two candidate lists. Where Article 5 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies applies to the nomination of the CSCC's Independent Directors, such provisions shall apply. Required qualifications for CSCC Directors shall be established pursuant to Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

CSCC's Independent Directors and non-independent Directors shall be elected concurrently, but the numbers to be elected shall be calculated separately.

When the number of Directors falls below the number of Directors elected in accordance with the Articles of Association due to the dismissal of a Director for any reason, CSCC shall hold a by-election to fill the vacancy at its next Shareholders' Meeting. However, once vacancies on the Board reach one-third of the number of seats as established in CSCC regulations, CSCC shall convene an Extraordinary Shareholders' Meeting to elect replacements within sixty days of the actual vacancy date.

When the number of Independent Directors of the Company falls below that required under Article 14-2, Paragraph 1 of the Securities and Exchange Act, CSCC shall hold a by-election to fill the vacancy at its next Shareholders' Meeting. Should all Independent Directors be dismissed, an Extraordinary Shareholders' Meeting shall be called within 60 days of the actual vacancy date to hold a by-election to fill the vacancies.

Article 3      CSCC shall elect Directors using single-name cumulative voting. Each common share which grants one voting right grants the same number of voting rights for Director elections. These voting rights may all be used to vote for one candidate, or be distributed amongst several candidates.

Article 4      The Board of Directors shall prepare ballots for Directors in numbers corresponding to the Directors to be elected. Serial numbers shall be printed on each attendance card, with each card denoting the number of voting rights and distributed to Shareholders holding ordinary shares attending the Shareholders' Meeting.

The name of a voter may be replaced by the attendance card serial number printed on the ballot.

No ballots shall be produced for shareholders of ordinary shares who have exercised their voting rights electronically.

Article 5      Independent Directors and Directors of the Company shall be elected in accordance with the number of seats available, and candidates shall be elected

as Independent Directors or Directors starting from the candidate with the most number of votes. If two or more candidates receive the same number of votes, and the total number of Directors elected exceeds the stipulated number of available Director positions, the winner shall be determined through lot-drawing. The lot may be drawn by the Chairperson on behalf of any absentees.

Article 6 Before the election begins, the Chairperson shall appoint two vote scrutineers and several vote counters to perform duties relating to the election. Vote scrutineers must be Shareholders.

Article 7 The responsibilities of the vote scrutineers are as follows:

- I. Inspect the ballot box publicly prior to voting.
- II. Immediately seal the ballot box after the vote has been completed. Open the seal and retrieve ballots when vote counting begins following the end of voting, and deliver the ballots to the vote counters for counting.
- III. Inspect or determine invalid ballots.
- IV. Verify the number of ballots and number of voting rights compiled by the vote counter.
- V. Assist the Chairperson in maintaining order during voting and vote counting.

The ballot box specified in Subparagraph 1 of the preceding paragraph shall be prepared by the Board of Directors.

Article 8 The voter shall fill in the following information from the list of Independent Director or Director candidates onto the “candidate” column of the ballot, and place the ballot into the ballot box.

- I. Whether the candidate voted for is a natural person Shareholder or non-Shareholder. The candidate’s name and candidate number also needs to be filled in.
- II. If the candidate is a juridical person or government shareholder, the voter shall specify the name and candidate number of the juridical person or government shareholder.
- III. If the candidate is a representative assigned by a juridical person or government shareholder, the voter shall fill out the name of the juridical person or government shareholder, and the name and candidate number of its representative. If there are multiple representatives, the names of each individual representative shall be filled in.

- Article 9      Ballots would be considered void in any of the following circumstances:
- I.          The voter fails to submit the attendance card required to complete registration procedures.
  - II.        The voter does not use the ballots prepared by the meeting convener.
  - III.       Two or more candidates are specified on the same ballot.
  - IV.       Ballots containing writing other than the candidate's name or title.
  - V.        Ballots that are torn or incomplete.
  - VI.       Contaminated ballots on which the candidate being voted for cannot be identified.
  - VII.      Ballots that are completely blank.
  - VIII.     Ballots with writing that is unclear to the point of being indecipherable, or have been altered. However, this does not apply to ballots containing corrections, additions, or deletions made for errors.
  - IX.       The filled-in name or candidate number of the candidate being voted for is missing, or does not match the information provided in the list of Director candidates.
  - X.        The Independent Director or non-Independent Director candidate voted for is not on the list of candidates for Independent Directors or non-Independent Directors.
- Article 10     The ballots should be counted on-site after voting. The vote scrutineers shall determine whether any ballots are invalid. Any disputes shall be settled by a vote of all vote scrutineers. Where the numbers of votes for and against the validity of the ballot are the same, the ballot shall be deemed as invalid.
- Article 11     After the ballots have been counted, the vote scrutineers shall verify the total number of valid and invalid ballots, and enter the number of valid votes, invalid votes and shares of voting rights represented by the valid and invalid votes, into the records. These records shall be delivered to the Chairperson to announce the list of elected Directors and the share of voting rights each elected Director received, as well as the list of Director candidates who have not been elected and the share of voting rights each of them received.
- Article 12     The vote scrutineers shall seal the valid and invalid votes separately and jointly sign on the seal. They shall also specify envelopes containing invalid ballots as “invalid” and deliver them to the Company for custody. The ballots shall be kept for at least one year. However, if a Shareholder makes a litigious claim regarding the election of Directors against CSCC pursuant to Article 189 of

the Company Act, the above documents shall be retained until the end of legal proceedings.

Article 13      The Board of Directors shall individually notify persons elected as Directors, and require elected candidates to sign declarations of consent to assume the role of Director.

Article 14      These Procedures shall be implemented following approval from the Shareholders' Meeting. The same procedure shall apply for amendments to these Procedures.



# D.List of Shareholdings of Current Directors of CSCC

# China Steel Chemical Corporation

## Shareholding Status of Directors

(As of the book closure date for the Annual Shareholders' Meeting of the year: April 19, 2025)

Title	Name		Shares held on stop date	Shareholding ratio (%)
Chairman	Chien-Chih Hwang	Representative of China Steel Corporation	68,787,183	29.04
Director	Ming-Dar Fang			
Director	Horng-Yih Liou			
Director	Kuo-Hua Huang			
Director	Kung-Yi Koo	Representative of International CSRC Investment Holdings Co., Ltd.	11,759,096	4.96
Director	Tien-Fu Chao			
Independent Director	Hsing-Shu Hsieh		0	0
Independent Director	Yuan-Hong Wang		0	0
Independent Director	Tsun-Tzu Hsu		0	0
Number of shares held by all Directors			80,546,279	34.00
Minimum required shareholding by all Directors (Note 2)			12,000,000	

Note 1: CSCC has issued 236,904,480 ordinary shares.

Note 2: According to the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", when the paid-in capital is more than NT\$2 billion but less than NT\$4 billion, the shareholding of all Directors shall not be less than 5%. The shareholding of Independent Directors of listed companies shall be excluded from the total amount in the previous paragraph. Should two or more Independent Directors be elected, the shareholdings of all Directors other than Independent Directors calculated based on the percentage described in the previous paragraph shall be reduced to 80%. However, should the total shareholdings of all Directors or Supervisors calculated pursuant to Article 2, subparagraph 2 to Article 8 of these Rules be less than the maximum total shareholdings provided in the previous subparagraph, the maximum total shareholdings provided in the previous subparagraph shall apply.