



中鋼碳素化學股份有限公司
CHINA STEEL CHEMICAL CORPORATION



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CHINA STEEL CHEMICAL CORPORATION 2024 Annual Report

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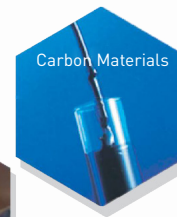
2024 Annual Report



Customer First



Specialty Chemicals



Carbon Materials

Best Quality



Committed
to Integrity



Future Outlook

Close
Partnerships



CHINA STEEL CHEMICAL CORPORATION
Printed on March 31, 2025

Notice to readers : This English-version annual report is a translation of the Chinese version.
If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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Overseas Trade Places for Listed Securities

None

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Content

A.	Letter to Shareholders	1
I.	2024 Business Report	1
II.	Overview of 2025 Business Plan	5
III.	Future Development Strategies.....	6
IV.	Effects of the External Competitive Environment, Regulatory Environment, and Overall Business Environment	7
B.	Corporate Governance Report.....	10
I.	Information on the Director, President, Vice President, and Managers of Departments.....	10
II.	Remuneration Paid to Directors, the President, and Vice President in the Latest Year	23
III.	Corporate Governance	32
IV.	Information on Fees to CPA	133
V.	Information on the Change of CPAs	134
VI.	Company's Chairman, President, Financial or Accounting Affairs Manager who has Served in the Firm that the CPAs belong or Any of its Affiliates in the Most Recent Year.....	134
VII.	Changes in Equity Transfer and Pledge of Equity by Directors, Managers, and Shareholders with Shareholdings Over 10% for the Latest Year and as of the Date of Publishing the Annual Report	134
VIII.	Relationship Among Top 10 Shareholders in Terms of the Holding Ratio	136
IX.	Total Shareholding Percentage of Investee Business	138
C.	Fund-raising	139
I.	Capital and Shares of the Company.....	139
II.	Corporate Bonds.....	144
III.	Preferential Shares.....	144
IV.	Global Depositary Receipt	144
V.	Employee Stock Warrant	144
VI.	Restricted Stock Awards	144
VII.	Mergers with or Transfers of Other Companies' Shares for the Issuance...	144
VIII.	Execution of the Capital Utilization Plan	144
D.	Business Overview	145
I.	Scope of Business.....	145
II.	Market, Production, and Marketing Overview	153
III.	Employees	159
IV.	Information on Environmental Expenses.....	160
V.	Work Environment and Protective Measures for the Personal Safety of Employees	162

VI.	Labor-Management Relations.....	166
VII.	Information and Communication Security Management.....	170
VIII.	Important Contract.....	182
E.	Review and Analysis of the Financial Position and Financial Results and Evaluation on Matters of Risk	184
I.	Financial Position Analysis.....	184
II.	Financial Performance	186
III.	Cash Flows Analysis.....	188
IV.	Effects of Significant Capital Expenditures on the Financial Operations for the Latest Year.....	189
V.	Investment Policy, Its Major Reasons of Profit or Loss, Improvement Plan for the Latest Year, and the Investment Plan for the Following Year .	191
VI.	Risk Management Assessment	192
VII.	Other Significant Matters	201
F.	Special Notes.....	203
I.	Profile on Affiliates	203
II.	Private Offering for the Latest Year and as of the Date of Publishing the Annual Report	208
III.	Other Matters of Supplements and Explanations Required	208
G.	Matters Having Significant Effects on Shareholder's Interests or Securities' Price Stated in Subparagraph 2, Paragraph 3 under Article 36 of the Securities and Exchange Act for the Latest Year and as of the Date of Publishing the Annual Report.....	209

A. Letter to Shareholders

Dear Shareholders,

Thank you for attending our annual shareholders' meeting. We would like to express our deepest gratitude for your long-term love and support. The Company's 2024 operating results and the overview of the 2025 Business Plan are summarized as follows.

I. 2024 Business Report

(I) Business Overview

In 2024, the Company's 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:

1. The Company's operating revenue and profits have met 98% and 111% respectively of internal budget targets.

2. 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.
3. The development plan of using high-purity graphite crucible for SiC crystal growth for compound semiconductors received subsidies for industrial innovation projects.
4. Completed the second-phase expansion project to graphitization furnace and initiated commissioning.
5. Continue to implement energy conservation and carbon reduction solutions to reduce the Company's carbon emissions.

(II) Business Plan Implementation Results

1. 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.
2. Execution of Business Plan Implementation

Unit: metric ton

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
Regarding the Financial Overview for 2024, please refer to the Financial Statements.

(IV) Research and Development

1. 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.
2. 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.
3. Development of isotropic graphite: 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. Commenced construction of mass-production purification furnace and expansion of the 240-ton isotropic graphite plant in 2025.

4. 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) We are preparing the installation of purification furnace equipment for mass production.

II. Overview of 2025 Business Plan

(I) Operating Policy

1. Create operating revenue, stabilize profits, reduce costs, and improve efficiency.
2. Develop refined products and strengthen quality control.
3. Implement measures for occupational safety management, and facilitate smooth labor-management relationships.
4. Improve ESG management, achieve sustainable energy conservation and carbon reduction.

(II) Production and Sales Policy

1. 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.
2. Reinforce the expansion of downstream customers, increase the customer base, and continue to develop new suppliers to increase healthy competition and reduce procurement costs.
3. 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.
4. 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.
5. 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.

(III) Estimated Sales Volume

Unit: metric ton

Item	Production volume	Sales volume
Coal tar products	223,759	209,350
Light oil products	79,946	78,981
Refined carbon materials	12,573	14,141
Coke products	40,200	40,200
Trading item	7,200	7,200
Processing item	120,000	120,000

III. Future Development Strategies

To achieve the Company's sustainable operations, we will continue to develop and respond to the changes and challenges in the future market; the Company has established the following strategic development policy and actions plans:

(I) Strategic Development Policy

1. Refined manufacturing powered by renewable energy:
 - (1) We implement green manufacturing with the concepts of high efficiency, low carbon, and environmental protection.
 - (2) We employ smart innovation to optimize processes and quality.
2. Innovative key carbon materials: We leverage innovative research and development of key carbon materials to enhance competitive advantages.

(II) Action Plan

1. Expand manufacturing powered by renewable energy: Focus on its core technologies and expand its marketing layout.
2. Advanced operations: Expand coal chemical material sources and increase revenue from carbon materials.
3. Key carbon materials development: Integrate the Group's resources to develop green energy products.
4. Sustainable and friendly environment: Promote energy conservation and emission reduction projects and improve carbon reduction technologies.
5. Improve business resilience: Regularly review and track organizational resilience and strengthen crisis management capabilities.
6. Sustainable development, in-depth ESG actions, and implementation of occupational safety management.

IV. Effects of the External Competitive Environment, Regulatory Environment, and Overall Business Environment

(I) External Competition

1. Due to the unique nature of coal tar products, the Company currently has no domestic competition. However, the Company's light oil products shares the same market occupied by domestic petrochemical industry companies. In recent years, the Taiwanese petrochemicals industry has been impacted by the rapid expansion of companies from mainly China. Downstream businesses in particular face fierce competition. China added a large number of cracking plants between 2018 and 2030, increasing its annual ethylene production capacity by more than 62 million metric tons. Despite weak global demand, the competitiveness of China's petrochemical industry has been enhanced by cheap imports of Russian crude oil and natural gas, especially after the Russo-Ukrainian war. Discounts provided by Russia have given China an advantage in the production costs of petrochemical products. With the rising development potential of China's petrochemical industry under policies for diversified feedstock, economies of scale and carbon emission, as well as the challenges it poses to Taiwan's petrochemical industry, especially after the cancellation of certain tax exemption projects under ECFA, Taiwanese companies are facing the dual pressures of rising costs and declining competitiveness.
2. The poor performance of Mainland China's real estate industry has become an important factor in its economic weakness in recent years. It has also led to overproduction of real estate-related steel, cement and construction machinery, which have been dumped in large quantities to other countries, causing trade frictions. Industries in Taiwan have also been adversely affected. Its coal chemical industry continues to be sluggish which also impacts neighboring countries. Fortunately, the Company's has signed long-term contracts with customers and sales of coal tar products, coal tar pitch, has also remained stable. In the long-term, due to the impact of carbon neutrality and environmental protection issues, older and smaller-scale blast furnaces shall be gradually replaced in the future, and coal tar shall be in short supply in the future.

3. Our mesophase graphite powder anode materials face competition from natural graphite and other artificial graphite products. Manufacturers in China have invested significantly into production capacity and have the advantage in production volume, to the point that these products are in excess supply. Price competition is extremely fierce, even though the Company's products retain their advantage in quality and offer superior features. As the China-United Trade War heats up and countries are moving away from China, CSCC is working hard to seize opportunities.
4. Our advanced carbon materials have made gains in the wind power and lead-carbon battery markets off the back of their high quality and superior features. We will continue to expand niche markets and advance towards high-value products.
5. We have gradually expanded the scale of our isotropic graphite products and block material market development. We utilize purification furnace OEM to provide more comprehensive services and expand the domestic semiconductor industry market.

(II) Regulatory Environment

The government announced the implementation of the Climate Change Response Act and the carbon fee system was officially launched in August 2024. The carbon fee is expected to be levied in 2025. The Company has actively joined the ranks of carbon reduction, planned short, medium and long-term goals, and commissioned joint research with the academia and the Industrial Technology Research Institute to respond to these changes. In addition, the coal chemical manufacturing plant of the Xiaogang Plant plans to apply for a "voluntary reduction plan" and select the "Designated Reduction Rates for Technical Benchmarks" to obtain preferential rates to reduce carbon fee expenditures.

(III) Overall Operational Environment

The global AI technology industry achieved rapid development in 2024. Compared with traditional industries, it is limited by geopolitical relations, frequent wars that have reduced demand, and China's production capacity spillover. They have transformed to survive, and Taiwan's industries have also been forced to pick a side. In support of global carbon reduction initiatives, Taiwan has decided to start collecting carbon fees in 2025. The Company has already implemented carbon reduction measures with the aim of reducing carbon emissions while taking into account the Company's development, so as to obtain preferential carbon fees and reduce the impact on operations. With the arrival of the Trump era and

new policies in 2025, localized production has replaced globalization, tariff trade wars re-emerged, and major countries are preparing for the worst. In addition to more active investments in research and development and formulation of strategies to reduce the impact, Taiwanese companies are also seeking partners to establish a more complete supply chain. The Company has accumulated years of R&D capabilities to develop carbon material products, and continues to work with China Steel Corporation (CSC) and the Industrial Technology Research Institute to develop products that meet market demand, seek business opportunities, and actively undergo transformation. Expansion plans will be launched after careful evaluation and approval by the Board of Directors to respond to these changes. We also seek to reduce the impact of increased crude oil production supported by Trump in order to reduce US inflation, which has put pressure on the prices of some of the Company's coal chemical products. In the face of future global economic uncertainties, the Company continues to strengthen its capabilities to maintain its competitiveness.

Finally, on behalf of the Company, we would like to extend our appreciation to all Shareholders for their support. We wish all Shareholders good health and all the best.

Chairman

Chien-Chih Hwang

President

Ming-Dar Fang

Accounting Manager

Li-Li Kuo

B. Corporate Governance Report

I. Information on the Director, President, Vice President, and Managers of Departments

(I) Director Information

As of March 31, 2025

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected (Inaugurated)	Term	Date First Elected	Shareholding When Elected (Thousand Shares)		Current Shareholding (Thousand Shares)		Current Shareholding of Spouse and Minors (Thousand Shares)		Shares Held in Someone Else's Name	
							Share(s)	Shareholding ratio (%)	Share(s)	Shareholding ratio (%)	Share(s)	Shareholding ratio (%)	Share(s)	Shareholding ratio (%)
Chairman	Republic of China	China Steel Corporation	Male 65	2022.06.23	3 years	1988.12.21	68,787	29.04%	68,787	29.04%	N/A	N/A	N/A	N/A
	Republic of China	Chien-Chih Hwang		2024.09.10	3 years	2019.09.30 (New representative of legal person)	0	0%	0	0%	0	-	0	-
Director	Republic of China	China Steel Corporation	Male 61	2022.06.23	3 years	1988.12.21	68,787	29.04%	68,787	29.04%	N/A	N/A	N/A	N/A
	Republic of China	Representative: Horng-Yih Liou		2024.05.18	3 years	2024.05.18 (New representative of legal person)	0	0%	0	0%	0	-	0	-
Director	Republic of China	China Steel Corporation	Male 57	2022.06.23	3 years	1988.12.21	68,787	29.04%	68,787	29.04%	N/A	N/A	N/A	N/A
	Republic of China	Kuo-Hua Huang		2024.12.31	3 years	2024.12.31 (New representative of legal person)	0	0%	0	0%	0	-	0	-
Director	Republic of China	China Steel Corporation	Male 64	2022.06.23	3 years	1988.12.21	68,787	29.04%	68,787	29.04%	N/A	N/A	N/A	N/A
	Republic of China	Ming-Dar Fang		2022.06.23	3 years	2011.06.28 (New representative of legal person)	5	0.002%	5	0.002%	0	-	0	-
Director	Republic of China	International CSRC Investment Holdings Co., Ltd.	Male 42	2022.06.23	3 years	1988.12.21	11,759	4.96%	11,759	4.96%	N/A	N/A	N/A	N/A
	Republic of China	Kung-Yi Koo		2022.06.23	3 years	2018.01.24 (New representative of legal person)	0	0%	0	0%	0	-	0	-
Director	Republic of China	International CSRC Investment Holdings Co., Ltd.	Male 72	2022.06.23	3 years	1988.12.21	11,759	4.96%	11,759	4.96%	N/A	N/A	N/A	N/A
	Republic of China	Tien-Fu Chao		2022.06.23	3 years	2014.01.10 (New representative of legal person)	0	0%	0	0%	0	-	0	-
Independent Director	Republic of China	Hsing-Shu Hsieh	Male 71	2022.06.23	3 years	2014.05.14	0	0%	0	0%	0	-	0	-
Independent Director	Republic of China	Yuan-Hong Wang	Male 56	2022.06.23	3 years	2016.06.23	0	0%	0	0%	0	-	0	-
Independent Director	Republic of China	Tsun-Tzu Hsu	Female 61	2022.06.23	3 years	2019.06.23	0	0%	0	0%	0	-	0	-

Education and work experience	Concurrent positions in the Company and in other companies	Executives, Directors or Independent Directors who are Spouses or Within the Second Degree of Kinship			Notes (Note 1)
		Title	Name	Relationship	
N/A	N/A	N/A	N/A	N/A	N/A
Executive Vice President of China Steel Corporation; Bachelor in Economics, Department of Economics, Tunghai University	Note 2	-	-	-	
N/A	N/A	N/A	N/A	N/A	
Assistant Vice President of the Technology Department of China Steel Corporation Ph.D. in Material Science and Engineering, National Cheng Kung University	Note 2	-	-	-	
N/A	N/A	N/A	N/A	N/A	
Plant Manager, Steel Mill, China Steel Corporation Master in Nuclear Engineering, National Tsing Hua University	Note 2	-	-	-	
N/A	N/A	N/A	N/A	N/A	
Vice President of China Steel Chemical Corporation, PhD in Chemical and Materials Engineering, National Kaohsiung University of Science and Technology	Note 2	-	-	-	
N/A	N/A	N/A	N/A	N/A	
Vice Chairman of Taiwan Cement Corporation; MBA, Wharton School of the University of Pennsylvania, U.S.A	Note 2	-	-	-	
N/A	N/A	N/A	N/A	N/A	
President of Taiwan Prosperity Chemical Corporation, Master of Chemical Engineering, National Taiwan University	Note 2	-	-	-	
Representative of Hsing-Shu Hsieh Accounting Firm; Bachelor in Accounting, National Chengchi University; EMBA, National Chung Cheng University; passed the advanced CPA national exam	Note 2	-	-	-	
Attorney at Deloitte Legal Taiwan, Managing Partner of Yung Hua Commercial Law Firm, Department of Business Administration, National Cheng Kung University, Master's in Finance and Economic Law from CTBC Business School, passed the advanced Attorneys national exam	Note 2	-	-	-	
Associate researcher of WTO Center under Chung-Hua Institution for Economic Research; Master of Law, Soochow University	Note 2	-	-	-	

Note 1: Where the chairman, president, or individual with equivalent role at the Company (highest-ranking manager) are the same individual, spouses, or relatives within the first degree of kinship, the Company shall specify related information regarding the reason, reasonableness, necessity, and response measures (e.g., appointment of additional independent directors, and requiring the appointment of more than half of the directors from individuals who are not employees or managers).

Note 2

Name	Concurrent Positions in the Company and in Other Companies	
Chien-Chih Hwang	Chairman: Director:	China Steel Chemical Corporation, China Steel Corporation Taiwan High Speed Rail Corporation, 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, Hui Hung Co., Ltd., China Steel Power Corporation
Kuo-Hua Huang	Director:	Changzhou China Steel New Materials Technology Co., Ltd.
Ming-Dar Fang	Chairman: President: Director: Supervisor:	Ever Wealthy International Corporation, Changzhou China Steel New Materials Technology Co., Ltd. China Steel Chemical Corporation Eminent III Venture Capital Corporation, China Steel Structure Co., Ltd., Pro-Ascetek Investment Corporation Eminent Venture Capital Corporation
Kung-Yi Koo	Chairman: Director:	Circular Commitment Company, Taiwan Transport & Storage Corp., Linyuan Advanced Materials Technology Co., Ltd., Consolidated Resource Company, Yun Cheng Investment Corporation, CS Development & Investment Co., International CSRC Investment Holdings Co., Ltd. TCC Group Holdings Co., Ltd., E-One Moli Energy Corp., Molie Quantum Energy Corporation
Tien-Fu Chao	Consultant:	Molie Quantum Energy Corporation
Hsing-Shu Hsieh	Person in charge: Director:	Hsing-Shu Hsieh Accounting Firm Tsang Yow Industrial Company Limited
Yuan-Hong Wang	Managing partner: Independent Director:	Yung Hua Commercial Law Firm Daily Polymer Corporation, Victory for Technology Co., Ltd.
Tsun-Tzu Hsu	Chief: Associate researcher: Part-time researcher: Committee Member: Consultant:	Taiwan ASEAN Studies Center (TASC) of Chung-Hua Institution for Economic Research WTO and RTA Center of Chung-Hua Institution for Economic Research Taiwan-Asia Exchange Foundation Chinese International Economic Cooperation Association (CIECA) of the General Chamber of Commerce of the Republic of China (ROCCOC) and "The Committee on Trade and Environment (CTD)" and "International Affairs Committee" of the Chinese National Federation of Industries. Association of Foreign Relations, "International Government Procurement Affairs" of TAITRA, and the Council of Taiwanese Chambers of Commerce in Vietnam

Table 1: Major shareholders of directors that are institutional shareholders
March 31, 2025

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholders
China Steel Corporation	Ministry of Economic Affairs (MOEA) (20.00%), Employee's Stock Trust of China Steel Corporation (2.54%), Transglory Investment Corporation (1.63%), Chunghwa Post Co., Ltd. (1.2%), Old Labor Pension Fund (1.13%), Vanguard Total International Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (1.02%), Winning Investment Corporation (1.02%), Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (0.99%), New Labor Pension Fund (0.98%), Taiwan Life Insurance Co., Ltd. (0.81%)
International CSRC Investment Holdings Co., Ltd.	Taiwan Cement Corporation (15.59%), TCC Investment Co. Ltd. (2.23%), Chinatrust Investment Co., Ltd. (1.56%), CS Development & Investment Co. (1.50%), JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds (1.21%), JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.17%), Union Cement Traders, Inc. (1.16%), TransGlobe Life Insurance Inc. (1.02%), Tian-Yi Huo (0.76%), Kao-Huang Lin (0.73%)

Table 2: Major Shareholders of the Company's Major Institutional Shareholders in Table 1

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholder
Transglory Investment Corporation	China Steel Express Corporation (48.28%), Chung Hung Steel Corporation (39.59%), China Steel Chemical Corporation (8.90%), United Steel Engineering & Construction Corporation (3.23%)
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communications (100%)
Winning Investment Corporation	Gains Investment Corporation (49.00%); Maruichi Investment Co., Ltd. (28.00%); Transglory Investment Corporation (23.00%)
Taiwan Life Insurance Co., Ltd.	CTBC Financial Holding Co., Ltd. (100%)
TCC Group Holdings Co., Ltd.	Chia Hsin Cement Corporation (3.17%), Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF under the custody of Taishin International Bank (2.85%), Chinatrust Investment Co., Ltd. (2.47%), Old Labor Pension Fund (1.69%), Tong Yang Chia Hsin International Corporation (1.55%), International CSRC Investment Holdings Co., Ltd. (1.51%), Heng Qiang Investment Co., Ltd. (1.49%), Chunghwa Post Co., Ltd. (1.38%), Taiwan Life Insurance Co., Ltd. (1.33%), Department of Government Employees Insurance of Bank of Taiwan Co., Ltd. (1.32%)
Chinatrust Investment Co., Ltd.	Heng Qiang Investment Co., Ltd. (23.38%), Fortune Quality Investment Ltd. (23.33%), Taiwan Cement Corporation (9.36%), International CSRC Investment Holdings Co., Ltd. (4.48%), TCC Investment Co. Ltd. (3.45%), Hoping Industrial Port Corporation (3.31%), Qiao Tai Investment Co., Ltd. (3.03%), Kung Ching International Development Co., Ltd. (2.97%), Chung Ho Spinning Co., Ltd. (2.31%), Ta-Ho Maritime Corporation (2.09%)
TCC Investment Co. Ltd.	TCC Group Holdings Co., Ltd. (100%)
TransGlobe Life Insurance Inc.	Zhongwei Dehui Co., Ltd. (100%)
CS Development & Investment Co.	International CSRC Investment Holdings Co., Ltd. (100%)
Union Cement Traders, Inc.	TCC Investment Co. Ltd. (100%)

(II) Disclosure of Professionalism of Directors and Supervisors and Independence of Independent Directors

Criteria Name		Professionalism and Experience	Independence (Note 1)				Number of Companies Where the Person Serves as an Independent Director
			1	2	3	4	
Chairman	Wen-Jung Hsieh Retired upon reaching retirement age on December 31, 2024	Bachelor's degree from the Department of Chemical Engineering, National Tsing Hua University; Assistant Vice President of the Production Department of the China Steel Corporation	No	2 0.001%	No	0	0
Chairman	Chien-Chih Hwang Took office on December 31, 2024	Bachelor in Economics, Department of Economics, Tunghai University Chairman of China Steel Corporation;	No	0 0%	Yes	0	0
Director	Horng-Yih Liou	Ph.D. in Material Science and Engineering, National Cheng Kung University; Vice President of the Technology Department of China Steel Corporation	No	0 0%	Yes	0	0
Director	Kuo-Hua Huang	Master in Nuclear Engineering, National Tsing Hua University; Assistant Vice President, Production Division of China Steel Corporation	No	0 0%	Yes	0	0
Director	Ming-Dar Fang	PhD in Chemical and Materials Engineering, National Kaohsiung University of Science and Technology; President of China Steel Chemical Corporation	No	5 0.002%	Yes	0	0
Director	Kung-Yi Koo	MBA, Wharton School of the University of Pennsylvania, U.S.A.; CEO of International CSRC Investment Holdings Co., Ltd.	No	0 0%	Yes	0	0
Director	Tien-Fu Chao	Master of Chemical Engineering, National Taiwan University; Vice President of CAPCO Co., Ltd.; President of Taiwan Prosperity Chemical Corporation; Consultant of Molie Quantum Energy Corporation	No	0 0%	No	0	0
Independent Director	Hsing-Shu Hsieh	Department of Accounting, National Chengchi University; EMBA, Business School, National Chung Cheng University; Passed the advanced CPA national exam; Person in charge of Hsing-Shu Hsieh Accounting Firm; Director of Tsang Yow Industrial Company Limited	No	0 0%	No	0	0
Independent Director	Yuan-Hong Wang	Department of Business Administration, National Cheng Kung University; Master's in Finance and Economic Law from CTBC Business School. Passed the advanced Attorneys national exam; Attorney at Deloitte Legal Taiwan; Managing Partner of Yung Hua Commercial Law Firm, Independent Director of Daily Polymer Corporation	No	0 0%	No	0	2
Independent Director	Tsun-Tzu Hsu	Master of Law, Soochow University; Associate researcher of WTO Center under Chung-Hua Institution for Economic Research; Head of Taiwan ASEAN Studies Center of Chung-Hua Institution for Economic Research; Member of the International Affairs Committee, Chinese National Federation of Industries	No	0 0%	No	0	0

- Note 1: (1) Including, without limitation, whether or not the independent director himself/herself, his/her spouse, or a relative within the second degree of kinship is serving as the director, supervisor of, or working for the Company or any of its affiliates.
- (2) The thousand number and weight of shares the independent director himself/herself, his/her spouse, or a relative within the second degree of kinship holds.
- (3) Whether or not the independent director himself/herself, his/her spouse, or a relative within the second degree of kinship is serving as the director, supervisor of, or working for a company in a specific relationship with the Company (refer to the requirements in Article 3 Paragraph 1 Sub-paragraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). Chairman Chien-Chih Hwang is the Chairman of CSC, Director Horng-Yih Liou is the Vice President of the Technology Department of CSC, Director Kuo-Hua Huang is the Assistant Vice President of the Production Department of CSC, and Director Ming-Dar Fang is the President of the Company. Director Kung-Yi Koo is the chairman of International CSRC Investment Holdings Co., Ltd.
- (4) The amount of rewards received for business, legal affairs, financial affairs, and accounting services provided over the past two years to the Company or any of its affiliates.

(III) Diversity and independence of the Board of Directors

1. Standards and policies for the diversification of the Board:
- To reinforce the corporate governance and facilitate the completeness of the Board composition and structure, the Company stipulated the standards and policies for the diversification of the Board in its "Board Directors Election Regulations" and "Corporate Governance Best Practice Principles." Diversification is considered for the Board composition. Directors that concurrently hold positions as the Company's managers shall not be more than one-third of the Board members. Appropriate diversification policies are also established for the Board's operation, operating pattern, and demands for development, including but not limited to the standards related to the two major aspects as follows:
- (1) Basic requirements and values: Gender, age, nationality, and culture.
- (2) Professional knowledge and skills: Professional background (e.g., accounting, business sector, or finance), professional skills or industry experience.

Furthermore, members of the Board shall have the knowledge, skills, and quality necessary to perform their duties; the members shall possess the general abilities as follows:

- (1) The ability to make operational judgments.
- (2) The ability for accounting and financial analysis.

- (3) The ability for operational management.
- (4) The ability for crisis management.
- (5) Industrial knowledge.
- (6) International market viewpoint.
- (7) Leadership.
- (8) 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.

2. The Company's 12th Board of Directors has taken the diversity of the overall composition of the Board into consideration, and 1 female independent director has been appointed to the Board. The Board members are professionals from different fields, including lawyers, certified public accountants, industry, economic analysis, and international investment banking backgrounds. The Board has thus achieved the Company's diversity targets. Currently, the Company's Board has a total of nine Directors (including three Independent Directors), and no Director is a spouse or a relative within the second degree of kinship of any other Director.

Core Items for Diversification Name of Director (Note 1)	Basic Composition						Industrial Experience and Background				Professional Skills				
	Gender	Concurrently as the Company's Employee	Age		Term of Office as an Independent Director		Chemical Engineering and Steel Related Industries	Finance and Accounting	Law	Economic and Industrial Analysis	Business Administration	Decision-making	Know-how	Operating Judgments	Finance and Accounting
			35 to 55	56 to 75	Below 3 years	3 to 9 years									
Chairman Chien-Chih Hwang	Male			√			√				√	√	√	√	
Director Horng-Yih Liou	Male			√			√				√	√	√	√	
Director Kuo-Hua Huang	Male			√			√				√	√	√	√	
Director Ming-Dar Fang	Male	√		√			√				√	√	√	√	
Director Kung-Yi Koo	Male		√				√	√		√	√	√	√	√	
Director Tien-Fu Chao	Male			√			√				√	√	√	√	
Director Hsing-Shu Hsieh	Male			√		√		√	√		√	√	√	√	√
Director Yuan-Hong Wang	Male			√		√		√	√		√	√	√	√	
Director Tsun-Tzu Hsu	Female			√		√			√	√	√	√	√	√	

Note 1: All directors are Republic of China nationals.

3. The diversity goal of the Board of Directors is to first increase the number of female directors. The number of female directors on the Company's Board has not reached 1/3, and an election of the Board of Directors will be held in 2025. We expect to add two female independent directors, one with an accounting background and the other with a legal background. By then, there will be three female directors, accounting for 1/3 of the Board seats.
4. **Independence of Board of Directors**
The Company elected its directors for the 12th intake during its General Shareholders' Meeting on June 15, 2022 to serve a term of 3 years, including 3 independent directors that weigh 1/3. The directors are not the spouse or a relative within a second degree of kinship of one another. All the independent directors fulfill the requirements for independence, including, without limitation, the fact that the independent director, his/her spouse, or his/her relative within the second degree of kinship is not a director, a supervisor, or an employee of the Company or any of its affiliates, not holding the Company's shares, not a director, a supervisor, or an employee of a company in a specific relationship with the Company, has not received any reward over the past two years for providing the Company or any of its affiliates with commercial, legal, financial, or accounting service.

(IV) Information on the President, Vice President and Managers of Departments

Title	Nationality	Name	Gender	Date Inaugurated	Shares Held		Shares Held by the Spouse or Any Underage Child		Shares Held in Someone Else's Name		Education and Work Experience
					Share(s)	Shareholding ratio (%)	Share(s)	Shareholding ratio (%)	Share(s)	Shareholding ratio (%)	
President	Republic of China	Ming-Dar Fang	Male	2019.02.01	4,907	0.002%	0	-	0	-	PhD in Chemical and Materials Engineering, National Kaohsiung University of Science and Technology Vice President of China Steel Chemical Corporation
Vice President	Republic of China	Yi-Hung Chen	Male	2021.10.31	0	-	0	-	0	-	Bachelor in Mechanical Engineering, National Sun Yat-sen University Deputy Project Head for projects of China Steel Corporation
Vice President	Republic of China	Wen-Liang Tseng	Male	2021.10.31	417	-	0	-	0	-	Master's degree, Department of Chemical and Materials Engineering, National Kaohsiung University of Science and Technology CSCC Plant Manager
Chief Auditor	Republic of China	Kuan-Jen Fang	Male	2021.11.30	0	-	3,119	0.001%	0	-	Department of Accounting, Chung Yuan Christian University Manager of CSCC
Department Head	Republic of China	Chien-Kuang Tung	Male	2018.10.22	8,818	0.003%	8,000	0.003%	0	-	Master in Chemical Engineering, National Cheng Kung University CSCC Deputy Plant Manager

Title	Nationality	Name	Gender	Date Inaugurated	Shares Held		Shares Held by the Spouse or Any Underage Child		Shares Held in Someone Else's Name		Education and Work Experience
					Share(s)	Shareholding ratio (%)	Share(s)	Shareholding ratio (%)	Share(s)	Shareholding ratio (%)	
Deputy Department Head	Republic of China	Zhi-Jian Wang	Male	2022.11.01	0	-	0	-	0	-	Chemical engineering, National Taiwan University of Science and Technology Manager of CSCC
Department Head	Republic of China	Tong-A Lin	Male	2022.04.01	242	-	0	-	0	-	Department of Textile, Feng Chia University Manager of CSCC
Plant Manager	Republic of China	Yung-Chuan Chen	Male	2024.12.01	25,136	0.011%	0	-	0	-	Master in Safety, Health and Environmental Engineering, National Kaohsiung University of Science and Technology CSCC Department Head
Deputy Plant Manager	Republic of China	Teng-Mao Huang	Male	2024.12.21	0	-	13,000	0.005%	0	-	Master in Chemical Engineering, National Central University CSCC Supervisor
	Republic of China	Cheng-He Li	Male	2019.01.01	0	-	0	-	0	-	Bachelor in Mechanical Engineering, Chung Yuan Christian University CSCC Supervisor
Department Head	Republic of China	Jing-Liao Hsu	Male	2023.10.01	0	-	0	-	0	-	MBA, National Sun Yat-sen University Deputy Project Head for projects of China Steel Chemical Corporation
Department Head	Republic of China	Li-Li Kuo	Female	2019.08.01	1,000	-	0	-	0	-	Master in Finance, National Sun Yat-sen University CSCC Deputy Department Head

Title	Nationality	Name	Gender	Date Inaugurated	Shares Held		Shares Held by the Spouse or Any Underage Child		Shares Held in Someone Else's Name		Education and Work Experience
					Share(s)	Shareholding ratio (%)	Share(s)	Shareholding ratio (%)	Share(s)	Shareholding ratio (%)	
Department Head	Republic of China	Wen-Bin Chiang	Male	2024.12.01	0	-	13,276	0.006%	0	-	Master in Chemical Engineering, National Tsing Hua University CSCC Plant Manager
Plant Manager	Republic of China	Shun-Chi Hsu	Male	2020.02.01	913	-	0	-	0	-	Bachelor in Mechanical Engineering, National Sun Yat-sen University CSCC Deputy Plant Manager
Deputy Plant Manager	Republic of China	Hsing-Yao Chang	Male	2024.12.21	68,619	0.03%	0	-	0	-	Bachelor in Chemical Engineering, Chung Yuan Christian University CSCC Supervisor
	Republic of China	Wen-Da Hong	Male	2025.03.08	1,000	-	0	-	0	-	Department of Automatic Control Engineering, Feng Chia University CSCC Supervisor
Project-based Deputy Plant Manager	Republic of China	Chien-Ping Chao	Male	2025.02.01	0	-	0	-	0	-	Bachelor in Chemical Engineering, Chung Yuan Christian University CSCC Supervisor

March 31, 2025

Current Positions at Other Companies	Managers Who Are Spouses or Within Two Degrees of Kinship			Notes (Note 1)
	Title	Name	Relationship	
Chairman: Ever Wealthy International Corporation, Changzhou China Steel New Materials Technology Co., Ltd. Director: Eminent III Venture Capital Corporation, China Steel Structure Co., Ltd., Pro-Ascentek Investment Corporation Supervisor: Eminent Venture Capital Corporation	None	None	None	N/A
Director of CHC Resources Corporation; Supervisor of Changzhou China Steel Chemical New Materials Technology Co., Ltd. and Transglory Investment Corporation	None	None	None	
Supervisor of Himag Magnetic Co., Ltd.	None	None	None	
	None	None	None	
Director of Silican Battery Inc.	None	None	None	
	None	None	None	
	None	None	None	
	None	None	None	
	None	None	None	
	None	None	None	
Director of Yeong Long Technologies Co., Ltd.	None	None	None	
Supervisor of Li-Ching-Long Investment Corporation, Ding Da Investment Corporation and Sheng Lih Dar Investment Corporation	None	None	None	
	None	None	None	
ThinTech Materials Technology Co., Ltd.	None	None	None	
	None	None	None	
	None	None	None	
Director of Changzhou China Steel New Materials Technology Co., Ltd.	None	None	None	

Note 1: Should the Company's President, or individual with an equivalent role (highest-ranking manager) be the same individual, spouses, or relatives within the first degree of kinship to the Chairman of the Company, the Company shall specify related information regarding the reason, reasonableness, necessity, and response measures (e.g., appointment of additional Independent Directors and requiring that more than half of all Directors are not employees or managers).

II. Remuneration Paid to Directors, the President, and Vice President in the Latest Year

(I) Remuneration of Directors and Independent Directors

Title	Name	Remuneration of Directors								Ratio of the Sum of Items A, B, C, and D to Net Income After Tax (%)	
		Remuneration (A)		Severance Pay and Retirement Pension (B)		Remuneration of Director (C)		Business Execution eExpenses (D)			
		The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report
Chairman	Wen-Jung Hsieh (Representative of China Steel Corporation)	0	0	0	0	10,793	10,793	998	998	11,791 0.98%	11,791 0.98%
	Chien-Chih Hwang (Representative of China Steel Corporation)										
Director	Chao-Tung Wong (Representative of China Steel Corporation)										
Director	Hornɡ-Ｙih Liou (Representative of China Steel Corporation)										
Director	Shyi-Chin Wang (Representative of China Steel Corporation)										
Director	Kuo-Hua Huang (Representative of China Steel Corporation)										
Director	Ming-Dar Fang (Representative of China Steel Corporation)										
Director	Kung-Yi Koo (Representative of International CSRC Investment Holdings Co., Ltd.)										
Director	Tien-Fu Chao (Representative of International CSRC Investment Holdings Co., Ltd.)										
Independent Director	Hsing-Shu Hsieh										
Independent Director	Yuan-Hong Wang										
Independent Director	Tsun-Tzu Hsu										

- The Company is not required to disclose individual directors and supervisors' remuneration and is free to choose to disclose in aggregate or individually. It currently chooses to disclose in aggregate.
- The policy, system, standards and structure of the remuneration packages of the Independent Directors and explain the relevance of the amount of remuneration paid to them based on factors such as responsibility, risk and time commitment:
 - Independent directors are provided with fixed remuneration totaling NT\$ 50,000 per person per month. They do not collect the remuneration for Directors specified in Article 26 of the Articles of Incorporation. The Company's profit or loss does not affect the fixed remuneration of.
 - Where Independent Directors are required to attend meetings of the Board of Directors with transportation allowances paid by the Company.
 - Where Independent Directors serve as members of the functional committees of the Board of Directors, they shall attend the meetings of the functional committees and the Company shall pay attendance fees based on their actual attendance.
- Except as disclosed above, remuneration received by Directors in the most recent year for services (e.g., acting as a non-employee consultant of the parent company/any investee listed in the financial statements) provided: None.

2024 Unit: NT\$ thousand/%

Relevant Remuneration Received by Directors who Are Also Employees								Ratio of the Sum of Items A, B, C, D, E, F, and G to Net Income After Tax (%)		Compensation Paid to Directors from the Parent Company or an Invested Company Other than the Company's Subsidiary
Salaries, Bonuses, and Allowances (E)		Severance Pay and Retirement Pension (F)		Employee Compensation (G)						
The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company		All Companies in the Financial Report		The Company	All Companies in the Financial Report	
				Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock			
12,574	12,718	464	464	1,277	0	1,277	0	26,106 2.16%	26,250 2.18%	10,281
0	0	0	0	0	0	0	0	2,325 0.19%	2,325 0.19%	0

- Note:
1. China Steel Corporation appointed Horng-Yih Liou to replace Chao-Tung Wong as its representative on May 18, 2024. It appointed Chien-Chih Hwang to replace Shyi-Chin Wang as its representative on September 10, 2024. It appointed Kuo-Hua Huang to replace Wen-Jung Hsieh as its representative on December 31, 2024.
 2. The remuneration of general directors and independent directors shall only include the remuneration received by the corporate director and his/her representative during his/her service as a director.
 3. The remuneration of the Company's directors shall be paid in full by the corporate directors, and the travel expenses shall be shared by the corporate legal person and the representative according to the agreed proportion.
 4. The directors (legal persons and representatives) of the Company do not receive retirement pensions upon retirement. However, for the representatives of legal person directors who also serve as employees, a retirement pension of NT\$464 thousand was contributed in accordance with the law in 2024.

Remuneration Range Table

Range of Remunerations Paid to Directors of the Company	Name of Director	
	Total Amount of the 4 Preceding Remunerations (A+B+C+D)	
	The Company	All Companies in the Financial Report (I)
Less than NT\$ 1,000,000	Wen-Jung Hsieh, Chien-Chih Hwang, Chao-Tung Wong, Horng-Yih Liou, Shyi-Chin Wang, Kuo-Hua Huang, Ming-Dar Fang, Kung-Yi Koo, Tien-Fu Chao, Hsing-Shu Hsieh, Yuan-Hong Wang, and Tsun-Tzu Hsu	Wen-Jung Hsieh, Chien-Chih Hwang, Chao-Tung Wong, Horng-Yih Liou, Shyi-Chin Wang, Kuo-Hua Huang, Ming-Dar Fang, Kung-Yi Koo, Tien-Fu Chao, Hsing-Shu Hsieh, Yuan-Hong Wang, and Tsun-Tzu Hsu
NT\$ 1,000,000 (inclusive) to NT\$ 2,000,000 (exclusive)	None	None
NT\$ 2,000,000 (inclusive) to NT\$ 3,500,000 (exclusive)	None	None
NT\$ 3,500,000 (inclusive) to NT\$ 5,000,000 (exclusive)	International CSRC Investment Holdings Co., Ltd.	International CSRC Investment Holdings Co., Ltd.
NT\$ 5,000,000 (inclusive) to NT\$ 10,000,000 (exclusive)	China Steel Corporation	China Steel Corporation
NT\$ 10,000,000 (inclusive) to NT\$ 15,000,000 (exclusive)	None	None
NT\$ 15,000,000 (inclusive) to NT\$ 30,000,000 (exclusive)	None	None
NT\$ 30,000,000 (inclusive) to NT\$ 50,000,000 (exclusive)	None	None
NT\$ 50,000,000 (inclusive) to NT\$ 100,000,000 (exclusive)	None	None
Over NT\$ 100,000,000	None	None
Total	14	14

Note: Director remuneration provided by the Company is fully paid to directors who are juridical persons. Remuneration includes salaries and employee bonuses for representatives of corporate directors who are concurrently employees of the Company.

Remuneration Range Table

Name of Director	
Total Amount of the 7 Preceding Remunerations (A+B+C+D+E+F+G)	
The Company	All Companies in the Financial Report (J)
Chien-Chih Hwang, Chao-Tung Wong, Horng-Yih Liou, Shyi-Chin Wang, Kuo-Hua Huang, Kung-Yi Koo, Tien-Fu Chao, Hsing-Shu Hsieh, Yuan-Hong Wang, and Tsun-Tzu Hsu	Chien-Chih Hwang, Chao-Tung Wong, Horng-Yih Liou, Shyi-Chin Wang, Kuo-Hua Huang, Kung-Yi Koo, Tien-Fu Chao, Hsing-Shu Hsieh, Yuan-Hong Wang, and Tsun-Tzu Hsu
None	None
None	None
International CSRC Investment Holdings Co., Ltd.	International CSRC Investment Holdings Co., Ltd.
China Steel Corporation, Wen-Jung Hsieh, Ming-Dar Fang	China Steel Corporation, Wen-Jung Hsieh, Ming-Dar Fang
None	None
None	None
None	None
None	None
None	None
14	14

(II) Remuneration of the President and Vice President

Title	Name	Salary (A)		Severance Pay and Retirement Pension (B)		Bonus and Allowance (C)	
		The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report
President	Ming-Dar Fang	7,240	7,240	476	476	6,370	6,562
Vice President	Yi-Hung Chen						
Vice President	Wen-Liang Tseng						

Remuneration Range Table

Range of Remuneration Paid to the President and Vice Presidents of the Company	Names of the President and Vice president	
	The Company	All Companies in the Financial Report (E)
Less than NT\$ 1,000,000	None	None
NT\$ 1,000,000 (inclusive) to NT\$ 2,000,000 (exclusive)	None	None
NT\$ 2,000,000 (inclusive) to NT\$ 3,500,000 (exclusive)	None	None
NT\$ 3,500,000 (inclusive) to NT\$ 5,000,000 (exclusive)	None	None
NT\$ 5,000,000 (inclusive) to NT\$ 10,000,000 (exclusive)	Ming-Dar Fang, Yi-Hung Chen, Wen-Liang Tseng	Ming-Dar Fang, Yi-Hung Chen, Wen-Liang Tseng
NT\$ 10,000,000 (inclusive) to NT\$ 15,000,000 (exclusive)	None	None
NT\$ 15,000,000 (inclusive) to NT\$ 30,000,000 (exclusive)	None	None
NT\$ 30,000,000 (inclusive) to NT\$ 50,000,000 (exclusive)	None	None
NT\$ 50,000,000 (inclusive) to NT\$ 100,000,000 (exclusive)	None	None
Over NT\$ 100,000,000	None	None
Total	3	3

2024 Unit: NT\$ thousand/%

Employee Compensation (D)				Ratio of the Sum of Items A, B, C, and D to Net Income After Tax (%)		Compensation Paid to Directors from the Parent Company or an Invested Company Other than the Company's Subsidiary
The Company		All Companies in the Financial Report		The Company	All Companies in the Financial Report	
Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock			
3,322	0	3,322	0	17,408 1.44%	17,600 1.46%	262

(III) Name of the Managers Distributing the Remuneration of Employees and the Distribution

2024 Unit: NT\$ thousand/%

Title		Name	Amount in Stock	Amount in Cash	Total	Rate of Total Amount to Pure Profits After Tax (%)
Manager	President	Ming-Dar Fang	0	3,322	3,322	0.28%
	Vice President	Yi-Hung Chen				
	Vice President	Wen-Liang Tseng				

(IV) Analysis of remuneration to directors, independent directors, presidents and vice presidents of the Company as a percentage of the net income after tax. Explanation of remuneration policies, standards and combination of the procedures in determining remuneration, and association with business performance and future risks:

Title	2024		2023	
	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements
Director	2.16%	2.18%	1.96%	1.97%
Independent Director	0.19%	0.19%	0.16%	0.16%
President and Vice Presidents	1.44%	1.46%	1.21%	1.21%

The connections between the policy, standards, and package of remuneration payment, procedures for determining the remuneration, and operating performance and future risks:

1. Directors: The traffic allowance of Directors, the compensation of Independent Directors, and the salary of the Chairman shall be determined by the Board with reference to the standards within the industries and of listed companies. The remuneration of Directors include the remuneration of Directors and allowance for business execution, and the distribution ratio for the remuneration of Directors (excluding Independent Directors) shall be subject to the requirements under Article 26 of the Company's Articles of Association: "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. When the Company has accumulated losses, the amount for compensating such losses shall be preserved before appropriating the remuneration of employees and remuneration of Directors according to the ratio in the previous paragraph." For the remuneration of an individual Director or Supervisor (excluding Independent Directors), the results of the Directors' performance evaluation based on Article 9 of the Company's Board of Directors Performance Evaluation Guidelines are the basis for determining the remuneration allocation of the individual Director. The evaluation aspects include: Understanding of the Company's goals and tasks, understanding of the duties and functions of Directors, level of participation in corporate operations, internal relationship management and communication, professional and continuing education for Directors, and internal control. The Company completed its Directors' performance evaluation for 2024, and established the principles for allocating the remuneration of Directors based on the Board of Directors Performance Evaluation Guidelines; subsequently, the Company will distribute it following the distribution principles after the amount to be distributed is calculated with the weights converted to on

the basis of individual directors' performance evaluation findings. Independent Directors receive fixed compensation monthly without participating in the distribution of Directors' remuneration mentioned above. Directors of the Company acting as managers or employees shall receive salaries in accordance with the "Salary and Wage Regulations."

2. President and Vice President: The remuneration paid to the President and Vice President includes salary, bonus, severance pay, and retirement pension, plus remuneration of employees. The distribution of salaries is based on the Salary and Wage Regulations, Regulations Governing the Surplus Initiative, and examination system. At the beginning of the year, the Company's business targets and items of performance examination will be established according to the power and responsibilities and positions, and the bonus is provided at the end of the year based on the actual achievement and contributions. Relevant performance examination and the fairness of the compensation shall be reviewed by the Remuneration Committee and the Board, and shall be examined according to the actual operating status and the changes in laws and regulations in due course, so as to strike a balance between the Company's sustainable operations and risk control.
3. The Company's policy on linking senior managers' remuneration with ESG-related performance evaluations: The annual KPI setting for the Company's senior managers (President and Vice Presidents) includes at least 90% achievement rate for the Company's annual ESG targets. The company's annual ESG targets include 20 corporate governance goals, which mainly consist of government sustainable development action plans, intellectual property management, and information security maintenance. The social aspect includes 17 goals, which mainly consist of collective bargaining agreements, company talent development plans, supplier management, occupational safety and health management, and social welfare. The Company also has 14 environmental goals, which mainly include energy management, air pollution reduction and management, climate change, and carbon neutrality. The Company's ESG goals are

reviewed and tracked quarterly and reported to the Corporate Governance and Sustainability Committee and the Board of Directors every six months. One goal was not achieved in 2024, and the achievement rate exceeded the targets set in the KPIs. The setting and attainment of KPI targets for company managers must be submitted to the Remuneration Committee and the Board of Directors for discussion. The attainment of KPIs serves as the basis for the annual assessment of managers, and the assessment scores are linked to bonuses and salary increases.

III. Corporate Governance

(I) Board of Directors' Operations

The Board had 6 meetings from January 2024 to December 2024; the attendance of Directors is as follows:

Title	Name (Note 1)	Attendance in Person	Attendance by Proxy	Expected Attendance	Attendance in Person Rate (%) (Note 2)	Notes
Chairman	Representative of China Steel Corporation: Wen-Jung Hsieh	5	0	5	100	Chien-Chih Hwang was elected as Chairman on December 31, 2024
	Representative of China Steel Corporation: Chien-Chih Hwang	2	1	3	67	
Director	Representative of China Steel Corporation: Chao-Tung Wong	2	0	2	100	Horng-Yih Liou was appointed as the new director on May 18, 2024
Director	Representative of China Steel Corporation: Horng-Yih Liou	4	0	4	100	
Director	Representative of China Steel Corporation: Shyi-Chin Wang	3	0	3	100	Chien-Chih Hwang was appointed as the new director on May 18, 2024
Director	Representative of China Steel Corporation: Kuo-Hua Huang	1	0	1	100	Kuo-Hua Huang was appointed to replace Wen-Jung Hsieh as director on December 31, 2024
Director	Representative of China Steel Corporation: Ming-Dar Fang	6	0	6	100	Reappointed
Director	Representative of International CSRC Investment Holdings Co., Ltd. Kung-Yi Koo	6	0	6	100	Reappointed
Director	Representative of International CSRC Investment Holdings Co., Ltd. Tien-Fu Chao	6	0	6	100	Reappointed
Independent Director	Hsing-Shu Hsieh	6	0	6	100	Reappointed
Independent Director	Yuan-Hong Wang	6	0	6	100	Reappointed
Independent Director	Tsun-Tzu Hsu	5	1	6	83	Reappointed

Note 1: For corporate shareholders, the name of the corporate shareholders and the name of their representatives shall be disclosed.

Note 2: (1) For any Director dismissed before the end of the year, the date of separation shall be specified in the remarks column, and the actual attendance rate (%) shall be calculated based on the number of Board meetings held and the number of its actual attendance during its term of office.

(2) For any re-election of Directors before the end of the year, set out the new and former Directors and specify the former, new, or re-elected Directors and the date of re-election in the remarks column. The actual attendance rate (%) shall be calculated based on the number of Board meetings held and the number of its actual attendance during its term of office.

Other matters that should be documented:

1. When the operation of the Board of Directors is found with one of the following conditions, the date, session No., details of proposals, opinions of all independent directors and how the Company handles the opinions shall be stated:

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

Date and term of the Board meeting	Content	Opinions from the Independent Directors	Measures Adopted in Response to the Opinions from the Independent Directors
2024.02.26 12th meeting of the 12th Board of Directors	Discussion 2: 2023 Earnings Distribution Proposal.	No opinion was expressed	N/A
	Discussion 5: 2023 internal control system declaration.	No opinion was expressed	N/A
	Discussion 6: Evaluation of Independence of the CPAs responsible for the Company's 2024 Financial Report.	No opinion was expressed	N/A
	Discussion 8: Proposal for the expansion and construction of automated three-dimensional storage facilities for the Company's Carbon Material Manufacturing Plant C2 Warehouse.	No opinion was expressed	N/A
2024.04.29 13th meeting of the 12th Board of Directors	Discussion 2: Proposal to donate to the CSC Group Education Foundation.	No opinion was expressed	N/A
	Discussion 4: Results of 2023 annual performance evaluation results of managers and year-end finalized distribution of incentives with 2023 earnings.	No opinion was expressed	N/A
2024.07.30 14th meeting of the 12th Board of Directors	Discussion 2: Rental of premises from and extension of land lease with Chung Hung Steel Corporation.	No opinion was expressed	N/A
	Discussion 9: Amendment of the Company's Employee Stock Ownership Trust Committee Charter.	No opinion was expressed	N/A

Date and term of the Board meeting	Content	Opinions from the Independent Directors	Measures Adopted in Response to the Opinions from the Independent Directors
2024.10.31 15th meeting of the 12th Board of Directors	Discussion 2: Investment project for the construction of a halogen purification furnace for mass production.	No opinion was expressed	N/A
	Discussion 6: Salary rise for 2024 for managers.	No opinion was expressed	N/A
2024.12.24 16th meeting of the 12th Board of Directors	Discussion 6: 2025 internal audit plan.	No opinion was expressed	N/A
	Discussion 6: Proposal for the draft amendment of the Company's internal control system.	No opinion was expressed	N/A
2024.12.31 17th meeting of the 12th Board of Directors	No Items specified in Article 14-3 of the Securities and Exchange Act		

- (2) Besides those stated above, other matters decided through the Board of Directors meeting, for which Independent Directors expressed opposition or qualified opinions that were recorded or declared in writing: None.
2. For the enforcement of recusal upon conflicts of interest among directors, the name of the director, details of the proposal, reason for the recusal, and participation in the voting process or not shall be described:
- (1) During discussion of the performance evaluation results for the Company's managers for 2023, and the earnings distribution as year-end bonuses for 2023 at the 13th meeting of the 12th Board of Directors on April 29, 2024, interested parties Chairman Wen-Jung Hsieh, President Ming-Dar Fang, Vice President Yi-hung Chen, and Vice President Wen-Liang Tseng abstained from the discussion and voting for the proposal according to the Rules of Procedure for Board of Directors Meetings of the Company. During discussion of the proposal to donate to the CSC Group Education Foundation, Director Chao-Tung Wong, Chairman Wen-Jung Hsieh and Director Shyi-Chin Wang recused themselves from the discussion due to a conflict of interest as Director Chao-Tung Wong is the chair of the Foundation, while Chairman Wen-Jung Hsieh and Director Shyi-Chin Wang are both directors of the Foundation.
- (2) During the Company's 14th meeting of the 12th Board of Directors on July 30, 2024, Director Shyi-Chin Wang recused himself from discussion of the Company's proposal to rent plant and land from Chung Hung Steel Corporation due to a conflict of interest. Director Shyi-Chin Wang is also a Director of Chung Hung Steel Corporation and an interested party in the case.
- (3) During the discussion about the adjustment of salaries for the President, Vice President, and Corporate Governance Officer for 2024 at the 15th

meeting of the Board of Directors of the 12th intake on October 31, 2024, Chairman Wen-Jung Hsieh, President Ming-Dar Fang, Vice President Yi-Hung Chen, Vice President Wen-Liang Tseng, and Department Head Li-Li Kuo excused themselves according to the Rules of Procedure for Board of Directors Meetings of the Company and did not take part in the discussion or the voting session.

All of the proposals above were approved by attending directors.

3. Companies listed on the TWSE and TPEx shall disclose the frequency and period, scope, evaluation method, and evaluation items for Board of Directors self (or peer) evaluation. Please describe how these evaluations have been implemented: The Company has established the Board of Directors Performance Evaluation Guidelines for the annual internal performance evaluation of the Board of Directors. The Company shall appoint an external professional independent agency or a team of external experts and scholars to conduct an external performance evaluation at least once every three years. The scope of the evaluation includes the performance evaluation of the Board as a whole, individual directors, and functional committees.

(1) External Evaluation:

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Method of Evaluation	Content of Evaluation
At least once every three years.	From January 01, 2023 to October 31, 2024	1. Board of Directors. 2. Remuneration Committee. 3. Audit Committee. 4. Corporate Governance and Sustainability Committee.	Taipei Foundation of Finance reviewed documents provided by the Company for the evaluation and assigned three evaluation experts to conduct an on-site visit at the Company on December 10, 2024. They interviewed the Company's Chairman, convener of the functional committees of the Board of Directors, President, Corporate Governance Officer, and Chief Auditor.	The operation of the company's Board of directors is reviewed based on seven performance evaluation indicators, including protection of shareholder rights, strengthening the structure and operation of the Board of directors, participation in company operations, improving the quality of Board decision-making, improving information transparency, internal control, and promoting sustainable development.

After the review, the external experts provided the Company with the following recommendations:

- Recommendation 1: Follow the development strategy of the Group, actively plan the succession plan for Board members and key management roles, and propose an appropriate and competitive salary and benefits system.
- Recommendation 2: Strengthen the implementation of the Taiwan Intellectual Property Management System (TIPS) and improve the management of new product development and trade secret verification mechanisms.
- Recommendation 3: Due to stable growth in business activities, it is advisable to appropriately increase audit manpower and introduce an audit information system. The Company is advised to gradually develop relevant improvement plans based on the external review committee's suggestions, and the explanation is as follows:

1. Regarding the succession plan for Board members and key talents: The main legal persons of the Company's Board of directors are China Steel Corporation and International CSRC Investment Holdings Co., Ltd. China Steel Corporation has its own succession plan and has appointed three new corporate directors in 2024. We also expect to add two female independent directors in the 2025 shareholders' meeting to increase the proportion of female directors in the Company. In addition, we have formulated a plan for the succession of key talents. In 2024, a director of the coal chemical plant has been promoted to Deputy Plant Manager. In the future, important vacancies will continue to be filled and employees with outstanding performance will continue to take up important positions.
2. Strengthen the implementation of the Taiwan Intellectual Property Management System (TIPS): In addition to continuously improving the Company's intellectual property-related systems, we also actively cultivate relevant intellectual property audit personnel. In 2024, two employees have obtained auditor qualifications. The Company holds intellectual property training courses every year to enhance employees' awareness of intellectual property rights.
3. Appropriately increase audit manpower and introduce an audit information system: The Company has commissioned Infochamp Systems Corporation to strengthen and improve the Company's ERP system. We also added an employee to serve as an auditor of subsidiaries and take relevant auditor

training courses. The Company will continue to train audit-related personnel in the future.

(2) Internal Evaluation

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Method of Evaluation	Content of Evaluation
Executed once a year.	The performance of the Board of Directors from January 1, 2024 to December 31, 2024 was evaluated.	1. Board of Directors. 2. Individual Directors. 3. Remuneration Committee. 4. Audit Committee. 5. Corporate Governance and Sustainability Committee.	Through a self-evaluation pursuant to the "Company's Board of Directors Performance Evaluation Guidelines".	Please refer to Note (1) for the content of the performance evaluation of the Company's Board.

Note (1): 1. The item of measurement for the performance evaluation of the Company's Board includes five major aspects as follows:

- (1) Level of participation in corporate operations.
- (2) Improving the quality of the Board's decision-making.
- (3) Composition and structure of the Board.
- (4) Election and continuing education of Directors.
- (5) Internal control.

2. The Item of measurement for the performance evaluation of the Company's Directors includes six major aspects as follows:

- (1) Understanding of the Company's goals and tasks.
- (2) Understanding of the duties and functions of Directors.
- (3) Level of participation in corporate operations.
- (4) Internal relationship management and communication.
- (5) Professional and continuing education for Directors.
- (6) Internal control.

3. The item of measurement for the performance evaluation of the Company's Audit Committee, Remuneration Committee and Corporate Governance and Sustainability Committee includes five major aspects as follows:

- (1) Level of participation in corporate operations.
- (2) Understanding of the duties and functions of the functional committee.
- (3) Improving the quality of the functional committee's decision-making.
- (4) Composition of the functional committee and election of committee members.
- (5) Internal control.

4. The 2024 Board of Directors performance evaluation (including its functional committees) consisted of five categories in total. Each category consisted of 20 self-assessment indicators. Each self-assessment indicator had a full score of 5. The evaluation results are summarized as follows:

Self-evaluation Item	Average Score for Each Indicator:	Total Average Score for the Questionnaire:
Board of Directors	4.88	97.56
Director members	4.94	98.89
Audit Committee	5	100
Compensation and Remuneration Committee	5	100
Corporate Governance and Sustainability Committee	4.99	99.75

5. Reinforced assessments of functional objectives of the Board of Directors and implementation status of the objectives of the specific year and the most recent year:
- (1) The Company has established the Rules of Procedures for Board of Directors Meetings to be followed by its Board of Directors.
 - (2) The Company has established the Standard Operating Procedures for Processing Directors' Requirements to assist Directors in executing their duties and improve the efficacy of the Board.
 - (3) A future event table was introduced to review the Company's 10-year business development strategy and the major challenges it may face in the future. In 2025, the Company will continue to prepare the strategies and detailed plans for the next ten years.
 - (4) All major proposals passed by the Company's Board are announced and declared in accordance with the requirements.
 - (5) The Company discloses its monthly self-assessed profit or loss on its website.
 - (6) The Company arranged the communication between, and the report of CPAs, Chief Auditor of the Company, to the Independent Directors of the Company.
 - (7) The Company reported to the Board regarding the execution results on the Company's ESG, operations and execution of corporate ethical management, and concerns of stakeholders and responses, and passed the 2023 Sustainability Report.
 - (8) The Company reported to the Board regarding the intellectual property management plan connected to the operating targets and its execution and established an intellectual property system that includes intellectual property management policies, targets, and systems connected to operating strategies.
 - (9) Identify and manage risks, reporting to the Board of Directors every six months on risk management.

- (10) Report to the Board of Directors how measures for reducing carbon emissions and taking inventory of greenhouse gases have been implemented.
 - (11) Present the 2024 Information Security Report to the Board of Directors.
 - (12) Approved proposal on significant capital expenditures.
6. Corporate Governance and Sustainability Committee
- (1) The Corporate Governance and Sustainability Committee is composed of five directors. Three of these members are independent directors with professional backgrounds in economic analysis, law, and financial accounting. The other two are the Chairman and President of the Company, who are responsible for implementing specific corporate governance measures. As managers with practical experience in business management, the members of the Committee meet the Committee's requirements for corporate governance and sustainable development expertise.
 - (2) In order to implement policies on sustainable operations and improve risk management, the responsibilities of the Committee include:
 - ① Implement and strengthen corporate governance organizations and systems.
 - ② Advocate for and implement ethical management.
 - ③ Promote and develop sustainable development policies and sustainable management measures.
 - ④ Implement and assist in monitoring risk management measures.
 - ⑤ Plan and promote energy conservation, carbon reduction, and carbon neutrality measures.
 - ⑥ Work on other related matters approved by the Board of Directors.
 - (3) Implementation status for the year
 In 2024, the Corporate Governance and Sustainability Committee convened a total of three meetings. The Committee mainly worked on reviewing the ESG plan for 2025 and the ESG implementation status in 2023 and the first half of 2024, stakeholder communication in 2023, the Company's risk management and carbon reduction operations, carbon inventory, and 2023 climate risk/opportunity management. The Committee has also amended the Company's Sustainable Development Best Practice Principles, Corporate Governance and Sustainability Committee Organizational Rules, and passed the 2023 Sustainability Report. The attendance of the 2024 meeting is shown in the following table.

Title	Name	Actual Attendance	Attendance by Proxy	Actual Attendance Rate (%)	Notes
Convener (Independent Director)	Tsun-Tzu Hsu	2	1	67	
Committee Member (Independent Director)	Yuan-Hong Wang	3	0	100	
Committee Member (Independent Director)	Hsing-Shu Hsieh	3	0	100	
Committee Member (Chairman)	Wen-Jung Hsieh	3	0	100	
Committee Member (Director)	Ming-Dar Fang	3	0	100	

- (4) Sustainable development management policy:
- ① Protect shareholders equity, and provide transparent operating information on business operations.
 - ② Understand customer needs and increase customer satisfaction.
 - ③ Strengthen corporate governance and balance relevant interests.
 - ④ Effectively utilize resources, and develop green and environmentally friendly products.
 - ⑤ Prioritize environmental protection, and reduce greenhouse gas emissions.
 - ⑥ Prioritize workplace health and safety, and establish a safe working environment.
 - ⑦ Abide by laws and regulations, and comply with government public policies.
 - ⑧ Optimize the supply chain and enhance sustainable core competitiveness.
 - ⑨ Respect human rights, and create a harmonious and fair working atmosphere.
 - ⑩ Care for the community, support public welfare, and promote social harmony.
- (5) Strategies and goal setting:
The Company's sustainability goals and strategies are submitted to the Committee and the Board of Directors every year. Related information can be found in the ESG section of the Company's website, link: <https://www.csc.com.tw/csr/index.html>
- (6) Review:
The Company reports to the Committee and the Board of Directors every six months on risk management and how ESG measures and other related matters have been implemented for review.

(II) Operations of the Audit Committee

The Company established the Audit Committee on June 24, 2019. After the 12th Board of Directors were elected in 2022, the Board selected 3 independent directors to serve as members of the Audit Committee. Independent Director Hsing-Shu Hsieh was nominated and elected by the Committee as the convener. Convener Hsing-Shu Hsieh is a practicing accountant, Committee Member Yuan-Hong Wang is a practicing lawyer, and Committee Member Tsun-Tzu Hsu is director of the Taiwan ASEAN Studies Center (TASC) at the Chung-Hua Institution for Economic Research. All Committee Members are thus specialized and experienced experts. In 2024, the 12th Audit Committee under the Board of Directors met 5 times. Attendance records for Independent Directors are as follows:

Title	Name	Actual Attendance	Attendance by Proxy	Actual Attendance Rate (%)	Notes
Independent Director (Convener)	Hsing-Shu Hsieh	5	0	100	
Independent Director	Yuan-Hong Wang	5	0	100	
Independent Director	Tsun-Tzu Hsu	4	1	80	

The key work performed by the Audit Committee during the year is summarized as follows:

1. Financial reports: Reviewed the 2024 business reports, and standalone and consolidated financial statements and earnings distribution proposal each quarter. These reports were submitted to the Board of Directors for approval, and also submitted to the Shareholders' Meeting alongside the review reports.
2. Validity of the internal control system: Evaluated the effectiveness of policies and procedures of the Company's internal control system (including control measures for finance, operation, risk management, information security, outsourcing, and legal compliance) and reviewed the Company's Audit Department, CPAs, and the regular reports from the management (including risk management and legal compliance). The Audit Committee considers that the Company's risk management and internal control systems are effective, and the Company had adopted necessary control mechanisms to supervise and correct default behaviors. It revised parts of the Company's internal control system in 2024.
3. Evaluation of CPA independence: In order to maintain the independence of the Company's accountants, the Committee evaluated the independence of CPAs Chao-Chun Wang and Hung-Ju Liao.
4. Approval of major investment projects of the Company: Proposal for the expansion and construction of automated three-dimensional storage facilities for the Carbon Material Manufacturing Plant C2 Warehouse and investment project for the construction of a halogen purification furnace for mass production.
5. Transactions with related parties: Reviewed donations to the CSC Group Education Foundation and renewal of the lease of premises and land with Chung Hung Steel Corporation.

6. Distribution of earnings: Reviewed the 2023 earnings distribution proposal.
7. Significant funds lending, endorsements or guarantees: There was no significant loan, endorsement, or guarantee during 2024.
8. Approved proposal on significant capital expenditures: Proposal for the expansion and construction of automated three-dimensional storage facilities for the Company's Carbon Material Manufacturing Plant C2 Warehouse and investment project for the construction of a halogen purification furnace for mass production.

Other matters that should be documented:

1. When the Audit Committee is found with one of the following conditions, the date of the Audit Committee meeting, session No., details of proposals, adverse opinions, qualified opinions, or major suggestions from independent directors, decisions made by the Audit Committee, and how opinions from the Audit Committee were addressed shall be specified.

(1) Items specified in Article 14-5 of the Securities and Exchange Act:

Date and Term for the Audit Committee Meeting	Content	Opinions or Major Suggestions Expressed by Independent Directors	Resolution Results Made by the Audit Committee
2024.02.26 11th meeting of the Audit Committee under the 12th Board of Directors	Discussion 1: 2023 Business Report, Financial Report, and Consolidated Financial Statements.	No opinion was expressed	Passed by all Committee members in attendance.
	Discussion 3: 2023 internal control system declaration.	No opinion was expressed	Passed by all Committee members in attendance.
	Discussion 4: Evaluation of Independence of the CPAs responsible for the Company's 2024 Financial Report.	No opinion was expressed	Passed by all Committee members in attendance.
	Discussion 5: Proposal for the expansion and construction of automated three-dimensional storage facilities for the Carbon Material Manufacturing Plant C2 Warehouse.	No opinion was expressed	Passed by all Committee members in attendance.
2024.04.29 12th meeting of the Audit Committee under the 12th Board of Directors	Discussion 1: The Company's consolidated financial report for the first quarter of 2024.	No opinion was expressed	Passed by all Committee members in attendance.
	Discussion 2: Proposal to donate to the CSC Group Education Foundation.	No opinion was expressed	Passed by all Committee members in attendance.
2024.07.30 13th meeting of the Audit Committee under the 12th Board of Directors	Discussion 1: The Company's consolidated financial report for the second quarter of 2023.	No opinion was expressed	Passed by all Committee members in attendance.
	Discussion 2: Rental of premises from and extension of land lease with Chung Hung Steel Corporation.	No opinion was expressed	Passed by all Committee members in attendance.

Date and Term for the Audit Committee Meeting	Content	Opinions or Major Suggestions Expressed by Independent Directors	Resolution Results Made by the Audit Committee
2024.10.31 14th meeting of the Audit Committee under the 12th Board of Directors	Discussion 1: The Company's consolidated financial report for the third quarter of 2024.	No opinion was expressed	Passed by all Committee members in attendance.
	Discussion 2: Investment project for the construction of a halogen purification furnace for mass production.	No opinion was expressed	Passed by all Committee members in attendance.
2024.12.24 15th meeting of the Audit Committee under the 12th Board of Directors	Discussion 1: 2025 internal audit plan.	No opinion was expressed	Passed by all Committee members in attendance.
	Discussion 2: Proposal for the draft amendment of the Company's internal control system.	No opinion was expressed	Passed by all Committee members in attendance.

- (2) In addition to the matters above, other resolutions that have not been approved by the Audit Committee but have been passed by a vote of two-thirds or more of the entire Board of Directors: None.
2. For the execution of Independent Directors abstaining from resolution in which they hold stakes, the names of the Independent Directors, the content of the resolutions, the reason of abstention due to a conflict of interests, and the participation in voting: None.
3. Communication between Independent Directors and Chief Internal Auditor and CPAs
 - (1) Regular meetings for Independent Directors and CPAs are held at least once a year. CPAs report to Independent Directors regarding the Company's financial position, financial and overall operations of foreign and domestic subsidiaries, corporate governance, and audits on internal control, and communicate on whether there are major adjustment entries or whether the amendments to laws and regulations affect the accounting methods in detail. The meeting may be convened at any time upon any major abnormal event.
 - (2) The Chief Internal Audit and Independent Directors met after each Audit Committee meeting to give a presentation on the internal audit implementation status and internal control status. The meeting may be convened at any time upon any major abnormal event.

Summary of Prior Communication between the Independent Directors and CPAs of 2024

Date	Communication Focus	Opinions from the Independent Directors	Measures Adopted in Response to the Opinions from the Independent Directors
2024.02.26 After Audit Committee	<ol style="list-style-type: none"> CPAs provided explanations for the results of audits on the financial report for 2023. CPAs carried out discussions and exchanges regarding questions proposed. 	No opinion was expressed	N/A
2024.12.24 After Audit Committee	<ol style="list-style-type: none"> 2024 Transparency Report. 2023 Audit quality indicator report. 2024 audit plan items. 	No opinion was expressed	N/A

Summary of Prior Communication between the Independent Directors and the Chief Internal Auditor of 2024

Date	Communication Focus	Opinions from the Independent Directors	Measures Adopted in Response to the Opinions from the Independent Directors
2024.02.26 After Audit Committee	Report on internal audits conducted on and issues addressed for subsidiary supervision, legal compliance, derivative product transactions, safety and health, Board of Directors' meeting agenda items, sales plan, purchase orders, shipping, issuance and voiding of invoices, payment collection procedures, and budget management.	No opinion was expressed	Not applicable.
2024.04.29 After Audit Committee	Report on 8 internal audits and deficiencies including retirement, resignation, personal data protection management, and salary calculation.	No opinion was expressed	Not applicable.
2024.07.30 After Audit Committee	Report on 12 internal audit and deficiency improvement items, including investment operations, loans, endorsement guarantees and loans, project contracting and management operations, transactions of financial derivatives, R&D operations...etc.	No opinion was expressed	Not applicable.

Date	Communication Focus	Opinions from the Independent Directors	Measures Adopted in Response to the Opinions from the Independent Directors
2024.10.31 After Audit Committee	Report on 12 internal audit and deficiency improvement items, including related control for publishing information, Board of Directors' meeting agenda items, endorsement guarantees and loans, management of information and communications security reviews, management of measures for preventing insider trading, preparation and verification of the Sustainability Report, and transactions of financial derivatives.	No opinion was expressed	Not applicable.
2024.12.24 After the Audit Committee meeting	Report on 8 internal audit and deficiency improvement items, including on transactions with related parties, management of financial statements preparation, endorsement guarantees and loans, transactions of financial derivatives, and functional committee operations... etc.	No opinion was expressed	Not applicable.

(III) Operations of Corporate Governance and Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation Item	Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Has the Company established and disclosed its Corporate Governance Best Practice Principles based on the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	Yes		The Company established and disclosed its Corporate Governance Best Practice Principles in March 2018. In response to the subsequent amendments to relevant regulations, the Company made updates in due course. After the latest amendments made in May 2022 the Company's Corporate Governance Best Practice had been disclosed on the MOPS and the Company's website.	No significant deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."
II. Equity structure and shareholders' interests of the Company				
(I) Has the Company established an internal operating procedure to process shareholders' recommendations, suspicions, disputes, and litigations and implemented such processing based on the procedure?	Yes		(I) The Company has appointed dedicated personnel and a stock affairs agent to deal with shareholders' recommendations, suspicions, disputes, and litigations. All relevant operations were implemented in accordance with regulations.	(I) No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Does the Company possess the list of its major shareholders and the ultimate controlling parties of the major shareholders?	Yes		(II) The Company keeps abreast of the list of major shareholders' ultimate controlling companies at all times, and assistance is also provided by the stock affairs agency of the Company - Capital Securities.	(II) No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
(III) Has the Company established and executed the risk control and firewall system with its affiliates?	Yes		(III) The Company has established regulations for providing loans, endorsements, or guarantees to and doing business with its affiliates and reports to the Board of Directors periodically. The Company has a dedicated department in place to manage its investment business. This department is responsible for regularly monitoring the operating and financial status of companies that the Company has invested in. Each quarter, the department shall submit a report on the operating status of these companies to the responsible department. The department shall also be responsible for communicating and coordinating operations with these companies. The Company's Operating Procedure for Trading with Related Parties, Specific Companies, and Enterprises within the Group shall govern transactions with related parties.	(III) No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(IV) Has the Company established its internal regulations to forbid internal parties to use undisclosed information in trading securities?	Yes		(IV) The Company's "Procedure for Processing Significant Internal Information", "Code of Ethics for Directors and Senior Managers", and "Rules	(IV) No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			for Preventing Insider Trading", clearly specify that the Company's internal parties, such as its directors, managers, and employees, are prohibited from purchasing or selling securities on the basis of insider information that has not been publicly disclosed. In 2024, the Company has communicated to directors and organized employee training programs, and 334 employees received training.	
III. Composition and responsibilities of the Board (I) Has the Board of Directors developed diversification policies, substantial management goals and enforced them?	Yes		(I) For the diversification policy, specific management objectives, measure implementation status, and independence of the Board of Directors. This information has also been published on the Company's website. The Company's 12th Board of Directors has taken the diversity of the overall composition of the Board into consideration, having one female independent director to the Board. All Board members have backgrounds related to the industry, or a professional background, and have	(I) No fundamental deviation from "the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."

Evaluation Item	Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
(II) Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee established according to the law?	Yes		<p>all undergone internal and external performance evaluations, with each director found to have performed well during their term. For these reasons, the Board has met the Company's diversity requirements. Where the proportion of female directors is less than 1/3, the reasons have been stated and measures to be taken to increase gender diversity of directors have been planned. See pages 16 to 18 of the annual report for details.</p> <p>(II) Pursuant to law, the Company has established an Audit Committee and Compensation and Remuneration Committee. A Corporate Governance and Sustainability Committee has also been established to promote and supervise the Company's ESG corporate governance, risk management, and ESG measures, implementing our corporate sustainable governance philosophy. (Note 1)</p>	(II) No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(III) Has the Company established the Board of Directors Performance Evaluation Guidelines and its evaluation methods, regularly	Yes		<p>(III) The Company had established its Board of Directors Performance Evaluation Guidelines on December 24, 2019. The results of the</p>	(III) No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
<p>carried out the regular performance evaluation each year, reported to the Board regarding the results of the performance evaluation, and used the results as a reference for the remuneration and nomination for re-appointment of the individual Directors?</p> <p>(IV) Has the Company regularly evaluated the independence of CPAs?</p>	Yes		<p>directors' performance evaluation for 2024 were submitted to the Board of Directors on February 24, 2025. The self-evaluation results of individual directors were applied to the compensation and remuneration to individual directors and were the bases for distribution of the 2024 remuneration to directors. The results will also serve as reference for future nominations and extended term in office. The Company also appointed the Taipei Foundation of Finance to conduct the triennial external evaluation of the performance of the Board of Directors on December 10, 2024 in accordance with the "Board of Directors Performance Evaluation Guidelines". For details on the results of the Board's performance evaluation for 2024, please see the Corporate Governance section on the Company's website and pages 35-39 of the annual report.</p> <p>(IV) The Company regularly evaluates the independence of its CPAs each year. The "Audit Quality Indicators (AQIs)" for 2024 were also</p>	<p>(IV) No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.</p>

Evaluation Item	Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			submitted together to the Audit Committee and the Board of Directors for discussion and approval on February 24, 2025. According to the evaluation conducted by the Company's Board of Directors, all CPAs meet the Company's independence and competency standards (Note 2).	
IV. Has the listed company allocated an appropriate number of persons in charge of corporate governance who are appropriate for such positions and designated a Chief of Corporate Governance to be responsible for affairs related to corporate governance (including but not limited to providing data required for the execution of businesses to Directors and supervisors, assisting Directors and supervisors in legal compliance, handling matters related to meetings of the Board and shareholders' meeting according to the law, carrying out company registration and alteration registration, and preparing meeting minutes for meetings of	Yes		<ol style="list-style-type: none"> 1. The director of the Financial Department also serves as the Corporate Governance Officer. 2. The Corporate Governance Officer already completed the hours needed for continuing education as required in 2024. The contents and hours of courses involved are already announced on the Company's website and the MOPS. 3. The Corporate Governance Officer is in charge of supervising corporate governance operations of the Company. The responsible unit is responsible for corporate governance-related matters reflective of their respective functions. Highlights of their operations throughout 2024 are as follows: <ol style="list-style-type: none"> (1) The dedicated department shall notify Directors 	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
the Board and shareholders' meeting)?			<p>regarding the meeting schedules of functional committees and meetings of the Board seven days in advance, convene meetings and provide data for the meeting; notices in advance shall be made for any case of abstention due to the conflict of interests, and the meeting minutes for the meetings of the Board shall be completed within 20 days.</p> <p>(2) Arrange the communication meeting between Independent Directors, Chief Internal Auditor, CPAs, or other internal departments to facilitate the business execution of Directors.</p> <p>(3) Organize promotions of insider transaction prevention for Directors.</p> <p>(4) Assist Directors in completing their annual continuing education program.</p> <p>(5) Amend internal rules and regulations related to the Company's corporate governance according to the amendments to laws and regulations related to corporate</p>	

Evaluation Item	Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>governance and report the amendments to the Board for resolution.</p> <p>(6) Carry out the registration for the date of shareholders' meetings in advance according to the law, prepare meeting notices, meeting handbooks, meeting minutes within the statutory period, and conduct alteration registration affairs for the amendment of Articles of Association or Director's re-election.</p> <p>(7) Improve internal items that have not reached the standards based on the items under the Corporate Governance Information Evaluation System.</p>	
V. Has the company set up channels of communication for stakeholders (including but not limited to shareholders, employees, customers and suppliers), dedicated a section of the company's website for stakeholder affairs and adequately responded to stakeholders' inquiries on significant corporate social responsibility issues?	Yes		<p>1. Based on the scope of business of each department, the Company has maintained healthy communication channels with different stakeholders and distributed questionnaires each year to conduct a survey on the opinions of stakeholders.</p> <p>2. The Company set up a communication line for the convenience of stakeholders in reflecting issues.</p> <p>3. The Company reported the communications with</p>	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
(III) Has the Company published and declared its annual financial report within two months after the end of a fiscal year and published and declared its financial reports for the first, second, and third quarters as well as its operating status for each month before the specified deadline?	Yes		its data and discloses significant information according to the requirements of the "Guidelines for Online Filing of Public Information by Public Companies." (III) The Company's 2024 financial reports were announced and filed within two months after the end of the fiscal year. The Company currently publishes its financial reports for the first, second, and third quarters as well as its operating status for each month in advance unless there is any particular reason.	(III) No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	Yes		Summarized explanation below.	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
1. Employees' interests and care:			The Company has always taken into consideration the interests of our customers, shareholders, and employees. Our management methods seek to balance adherence to our standards with retaining a human element, in order to stimulate the potential of our employees. We have implemented environmental protection measures through the environmental management system and actively promote the 5S concept and division of responsibilities, as well as implement PSM audits. We have duly implemented our environmental, safety, and health measures through the occupational safety and health management system and education training, and have established an Employee Welfare Committee, and multiple welfare systems. We regularly conduct employee health examinations each year, and have implemented an employee remuneration system. In 2024, we held an employee weight-loss competition, adjusted employee salaries, and began negotiations with labor unions on collective agreements.	
2. Supplier relations:			<p>We engage in transactions with suppliers and banks based on the principle of mutual benefit and respect. We would not sacrifice long-term interests in exchange for short-term interests. We strictly forbid personnel related to procurement to receive gifts or entertainment provided by suppliers. In addition, the Company duly implements a supplier selection system.</p> <p>The Company completes the new supplier evaluation for all suppliers and registers it in the ERP system of the Company. To procure suppliers and transportation contractors in compliance with our corporate social responsibility, our criteria for selecting new suppliers takes into consideration product quality, willingness to cooperate with our delivery deadlines, and quality management abilities. We also prioritize suppliers with ISO 9001 certifications related to environmental protection (ISO 14001, carbon footprint, and water footprint certifications) and occupational safety and health certifications (ISO 45001 and TOSHMS certifications). Since 2018, the Company has included the four major aspects of: environmental protection labor conditions, human rights, and society as our core evaluation items, and have conducted survey investigations into these issues. In addition, 2018 was also the commencement year for our promotional activities. The Company added the "Supplier Code of Conduct" as an essential item for the assessment in November 2020, and developed a due diligence checklist for CSCC suppliers and conducted interviews with suppliers on relevant issues in June 2024. In 2024, we had a total of 38 qualified suppliers.</p>	
3. Investor relations:			The Company's website discloses information on finance, business, corporate governance, and our sustainability report. The Company has also appointed dedicated personnel to process shareholders' recommendations. Furthermore, we have organized quarterly investors' conferences basis to explain the operating status of the Company to our investors.	
4. Rights of stakeholders:			<p>Based on the scope of business of each department, the Company has maintained healthy communication channels with different stakeholders and distributed questionnaires each year to conduct a survey on the opinions of stakeholders. The Company has also issued a sustainability report that reports on our communication with stakeholders and our disposal actions.</p> <p>Furthermore, we have analyzed significant issues of concern to stakeholders and established management policies. The communication between the Company and its stakeholders was reported at the meeting of the Board on February 24, 2025. The Company has set up a stakeholder's section on its website to respond to issues of interest to stakeholders.</p>	

Evaluation Item	Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
5. Execution of risk management policies and risk evaluation standards: The Company has established a set of "Risk Management Procedures", and created a Risk Management Task Force under the Corporate Governance and Sustainability Committee, with the Company's President acting as the convener for the task force. Each quarter, the task force shall set a risk management strategy after an assessment, analysis, and discussion of each of the risks facing the Company. As of 2024, the task force has submitted its risk assessment results to the Company's Corporate Governance Committee and Board of Directors, pursuant to Company rules every six months. Furthermore, the Task Force has established stringent measures for controlling risks related to ESG, finance, raw materials, market, human resources, plant and equipment, environmental safety, construction, information security, and occupational safety, and have purchased the required insurance policies in order to reasonably control the overall operating risks of the Company. Every 6 months, the Task Force has reported on the Company's risk management measures and ESG implementation to the Board of Directors. These risk assessment results are also disclosed in the Company's sustainability report. These risk assessment results are also disclosed on the Company's website, please click the link below for more details: https://www.csc.com.tw/download/Risk_management_2024.pdf .				
6. Customer policies: The Company continued to improve its manufacturing process and reinforce personnel training to maintain stable quality. We also reinforced the service attitude and professional abilities of our sales personnel and satisfied the supply demands as much as possible to improve customers' satisfaction. In addition, the Company conducts customer satisfaction surveys every year, and the survey results are used as reference for continuous improvement in the quality of products and services.				
7. The Company has established the Code of Ethics for Directors and Senior Managers. The Code provides more specific requirements for directors and senior managers regarding their obligations to be loyal to the Company while conducting business operations, which can include ①transactions with the Company, ②use of Company assets, information, and opportunities, and ③competing with the Company (Note 3).□				
8. The Company's Directors and managers participate in continuing education programs related to corporate governance from time to time (Note 4).				
9. The Company has provided liability insurance for Directors since August 1, 2003.				
10. Succession planning for key management: (1) Board members: The Company adopts a candidate nomination system, and the term of office is three years. Except for otherwise required by laws and regulations or the Articles of Association, the election of Directors shall be subject to the Company's "Board Directors Election Regulations." The election of the Company's Directors shall consider their basic conditions and values (including gender, ages, nationality, and culture), professional knowledge and skills (including professional backgrounds, professional skills, and industrial experiences), and diversified aspects. Furthermore, to achieve the ideal target for corporate governance, the Directors shall generally be equipped with the knowledge, skills, and capacity required for performing their duties 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; and VIII. decision-making ability. The Company carries out its succession candidate planning for Directors through the following methods: I. current Directors recommend appropriate candidates; II. Director candidates are				

Evaluation Item	Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof																					
	Yes	No	Description																						
<p>recommended by shareholders; III. use the results of the Board's performance evaluation as the reference and basis for nominating Directors for re-appointment. To reinforce the efficacy of Directors in exercising their functions, the Company will keep abreast of the latest changes in internal and external environmental conditions and the development demand to arrange annual continuing education programs, so as to improve the Directors' professional knowledge and abilities.</p> <p>(2) Key management: In response to the demands for sustainable operations and human resource development, the Company's Administration Department and senior managers regularly examine the planning for succession candidate and the cultivation. When planning for the succession candidates, the Company considers whether such candidates are equipped with outstanding expertise and management skills, and whether such candidates share the same values as the Company and have personal features such as integrity, earnestness, creativity, and entrepreneurship. The training content for successors of the management, the Administration Department arranges programs related to the management skills. Together with experiences accumulated from position rotation, successors would receive a comprehensive package to cultivate their decision-making abilities as senior executives. Hours of training completed by high-ranking officers in 2024 are provided in the table below:</p> <p style="text-align: right;">Unit: Hour</p> <table><tr><th>Title</th><th>Internal Training</th><th>External Training</th></tr><tr><td>Chairman Wen-Jung Hsieh</td><td>16</td><td>15</td></tr><tr><td>Chairman Chien-Chih Hwang</td><td>0</td><td>0</td></tr><tr><td>President Ming-Dar Fang</td><td>16</td><td>15.5</td></tr><tr><td>Vice President Yi-Hung Chen</td><td>11.5</td><td>17</td></tr><tr><td>Vice President Wen-Liang Tseng</td><td>13</td><td>15</td></tr><tr><td>Executive</td><td>238</td><td>233</td></tr></table>					Title	Internal Training	External Training	Chairman Wen-Jung Hsieh	16	15	Chairman Chien-Chih Hwang	0	0	President Ming-Dar Fang	16	15.5	Vice President Yi-Hung Chen	11.5	17	Vice President Wen-Liang Tseng	13	15	Executive	238	233
Title	Internal Training	External Training																							
Chairman Wen-Jung Hsieh	16	15																							
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Vice President Wen-Liang Tseng	13	15																							
Executive	238	233																							
<p>11. Connection between the performance evaluation and remuneration of Directors and managers:</p> <p>(1) Director: The Company defined its Directors Performance Evaluation Guidelines and started to enforce directors' performance evaluations in 2019. In addition, the Principles for Distribution of Remuneration to Directors were prepared. The Principles are followed while the remuneration is being distributed according to the self-assessment results of directors. The 2024 directors' performance evaluation has been completed and the results were reported to the Board of Directors on February 24, 2025. The remuneration was distributed according to the Principles for Distribution of Remuneration to Directors. It was NT\$10,792,919 in 2024; that is, each director (excluding the independent directors) is estimated to receive NT\$1,798,820.</p> <p>(2) Manager: Managers' KPI, including ESG targets, for the year are set at the beginning of the year and passed by the Remuneration Committee and the Board. The performance evaluation and examination will be carried out in the following year. The results will be reported to the Remuneration Committee and the Board for determining their bonuses and compensation. See the explanation provided on page 30 of the annual report for the linkage between the performance targets of managers and ESG.</p>																									

Evaluation Item	Operation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
IX. According to the results of the Corporate Governance Evaluation by the Corporate Governance Center of TWSE for the latest year, explain the improvements and propose the matters to be improved first and measures regarding any conditions not improved. (Not applicable to companies not included in the evaluation)				
(I) The improvements based on results of the 10th (2023) Corporate Governance Evaluation published in 2024 are given below:				
1. (2.24) Has the company set up the information and communication security risk management framework, established the information and communication security policy, the substantial management plans, and resources to be devoted to information and communication security management, and disclosed them on the company website or annual report? [If the Company adopted information security management system standards such as ISO27001, CNS27001, or other equivalent or superior systems or standards, and obtained third-party verification, one point will be added to the total score.]: The Company obtained ISO 27001 certification in 2023.				
(II)Matters to be improved first and measures regarding any conditions not improved are explained as follows:				
1. (4.4) Has the company prepared and uploaded its sustainability report to the Market Observation Post System and company website before the end of September in accordance with the GRI Standards issued by the Global Reporting Initiative (GRI)? [If the sustainability report discloses relevant ESG information with reference to SASB standards, one point will be added to the total score.]: In 2024, the Company recompiled the sustainability report in accordance with the new GRI standards, and relevant ESG information has been disclosed with reference to the SASB standards and uploaded to the Market Observation Post System and the company website before the end of September.				
2. (4.5) Has the company's sustainability report received third-party verification?: The 2024 Sustainability Report has received third-party verification				

Note 1: See pages 39-40 for more details on the operations of the Corporate Governance and Sustainability Committee in 2024.

Note 2: 2024 CPAs' independence evaluation criteria.

Evaluation Item	Evaluation Item	Compliance of Independence
Does the CPA have direct or material indirect financial interests in the Company?	No	Yes
Has the CPA engaged in any loans or guarantees with the Company or the Company's directors?	No	Yes
Does the CPA have a close business relationship or potential employment relationship with the Company?	No	Yes
The CPA and members of the audit team currently serve or have served in the past two years as directors, managers, or roles that have significant influence on the audit work in the Company	No	Yes
Has the CPA provided non-audit services to the Company that may affect their audit work?	No	Yes
Has the CPA brokered shares or other securities issued by the Company?	No	Yes
Has the CPA defended the Company or represented the Company in negotiations during a dispute with a third party?	No	Yes
The CPA is a family member or relative of the Company's Director, manager, or person holding a position that has a significant impact on the audit work	No	Yes

The Company's Audit Committee evaluates the competency of our CPAs every year, and requires CPAs to provide Audit Quality Indicators for evaluation. Taking into account the Audit Quality Indicators provided, the Company confirms that the CPA and their affiliated firm has received more training and boasts a superior turnover rate compared to their peers. Additionally, the Company has continuously adopted new innovative audit tools in the past three years, expanded our audit support center, and adopted a cloud audit platform, improving audit quality. CPA independence and competency evaluation results for the most recent year have been discussed and approved by the Audit Committee on February 24, 2025, and submitted to the Board of Directors for resolution and approval.

China Steel Chemical Corporation

Code of Ethics for the Directors

Chapter 1 General

Article 1 The Code is established to promote integrity and ethical behavior of Directors and improve the overall corporate governance.

Chapter 2 Code of Ethics

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

- I. Protect shareholder equity.
- II. Improve the function of the Board of Directors.
- III. Respect the interests of stakeholders;
- IV. Increase information transparency.

Article 3 The Directors shall have the objective in the pursuit of the Company's overall benefit when conducting their duties. Moreover, they may not damage the Company's rights and interests for the benefit of a specific individual or specific group, and shall treat all shareholders fairly.

Article 4 The Directors shall exercise the due care of good administrators when exercising their powers, be aware of the integrity and the principle of fairness, adhere to high self-discipline, and comply with laws and regulations, the Company's Articles of Association, and the resolutions of the shareholders' meeting.

Article 5 The Directors shall faithfully conduct their duties for the overall benefits of shareholders. The interests of the Company shall be the first priority when there is any conflict of personal interests with the interest of the Company, and Directors shall avoid using their powers for the following personnel or enterprises to obtain improper interests:

- I. Directors themselves or their spouses, parents, children, or relatives within the third degree of kinship.
- II. Companies in which the individuals in the subparagraph above directly or indirectly enjoy significant financial benefits;
- III. Companies in which they serve as the chairman, executive director, or senior managers;

The Company shall pay particular attention in loans, major asset transactions, purchase (sales) transactions, or provision of guarantee with the aforementioned individuals or companies.

- Article 6 Directors shall safeguard shareholders' interests and respect the interests of stakeholders such as banks, creditors, employees, consumers, suppliers, subsidiaries, and communities.
- Article 7 When a Director is at stake in any proposal at the meeting of the Board involves and may harm the Company's interests, the Director shall abstain itself from voting, and the Director may not exercise voting rights on behalf of other Directors.
- Article 8 Where a Director enters into sales and purchases, loans, or other legal behaviors with the Company for itself or others, the Director shall disclose and explain the details of matters related to such transactions to the Board and the Audit Committee. The convener of the Audit Committee may represent the Company after such transactions are evaluated by the Audit Committee in accordance with Article 12 of the Organizational Regulations of the Audit Committee and approved by the Board (Article 12 of the Code) or the shareholders' meeting (Article 9 of this Code).
- Article 9 For any Director who engages in a conduct involving competition with the Company, the Director shall report to and obtain permission from the shareholders' meeting in advance in accordance with the Company Act. The Directors shall be responsible for the confidentiality of the Company's information except for disclosures made upon authorization or required by the law.
- Article 10 For any purchase, supply, cooperation, strategic alliance, or other business opportunities or opportunities of profits related to the Company acknowledged by a Director due to the execution of its duties; the Director shall give preference to provide such information to the Company to protect the Company's interests, and shall not seek personal benefits for itself or any third party.
- Chapter 3 Appendix
- Article 11 A corporate shareholder being a Director of the Company and the natural person designated by a corporate shareholder to act on its behalf in performing the Director's duties shall comply with the Code.
- Article 12 For the exemption of Article 5's application, the Director shall fully disclose the interests of persons or enterprises, and the legal behaviors stated in Article 5, and the reasons that such interests are not in conflict with or have any effect on the Company's interests, and such interests shall be approved by the Board as a resolution.

For the exemption of Article 10's application, the Director shall explain the detailed content of such opportunities and the reasons that such interests are not in conflict with or have any effect on the Company's interests, and such interests shall be approved by the Board as a resolution.

After the Board had passed the exemption of application as a resolution in the previous two paragraphs and Article 8, the Company shall immediately disclose information related to the title and name of the person of permitted exemption, the date on which the Board passed the exemption, the period of the exemption, the reason for the exemption, and standards of exemption on the Company's open information website.

Article 13 The Code is implemented after being passed by the Board and reported to the shareholders' meeting, and the Code shall be disclosed in the annual report, prospectus, and MOPS. The same shall apply upon any amendment. However, the amendment made in March 2019 shall be implemented upon inauguration of the directors of the 11th intake.

China Steel Chemical Corporation

Code of Ethics for Senior Managers

Chapter 1 General

Article 1 The Code to be observed and maintained is established to provide a basis for the Company's senior managers in their behaviors and ethics and allow the Company's stakeholders to gain further understanding of the Company's ethical specification, and the Code includes specifications on personal responsibilities, group responsibilities, and responsibilities related to the Company, the public, and other stakeholders.

Article 2 The senior managers referred to in the Code apply to the managers of the Company (including the President, Vice President, and persons with equivalent titles, and executives of the Company); the purpose of the Code is to prevent improper behaviors and facilitate the following matters:

- I. Integrity and ethical behaviors, including ethical management upon the conflict of personal interests and their duties.
- II. Confidentiality of information.
- III. Treating the Company's customers, employees and competitors legally.
- IV. Protecting Company's assets in the hope of effective utilization.
- V. Complying with government laws and regulations, including laws and regulations related to the prevention of insider trading.

Chapter 2 Code of Ethics

Article 3 Integrity and ethical behavior:

Senior managers shall perform their obligations with an honest and non-deceptive attitude in compliance with professional standards, including fairly handling matters related to conflicts of personal interest and their duties.

Article 4 Prevention of conflicts of personal interests:

Senior managers shall perform their duties in an objective and efficient manner and shall prevent using their positions in the Company in matters involving their personal interests to gain improper interests for themselves, spouse, parents, children, or relatives within the third degree of kinship.

Article 5 Avoiding opportunities to seek personal interests:

When the Company has any opportunities for profit, senior managers are responsible for maintaining and improving the proper legal

benefits to be obtained by the Company, and shall avoid the following matters:

I. Gaining personal interests or having any opportunities to seek personal interests by using the Company's property or information or taking advantage of their positions.

II. Competing with the Company.

Article 6 Confidentiality of trade secrets:

Senior managers shall be obliged to maintain the confidentiality of any information regarding the Company itself or its customers, except for disclosures made upon authorization or required by the law. Confidential information includes any undisclosed information that may be utilized by competitors or that harms the Company or customers after leakage.

Article 7 Engage in legal transactions:

The Company is committed to market competition with its outstanding operations and services without gaining effects by adopting illegal or unethical measures. Senior managers shall treat the Company's customers, employees, and competitors in a legal manner, and shall not provide inaccurate descriptions of significant matters through manipulating, concealing, or abusing information acknowledged due to their duties or gain improper benefits by means of other illegal transactions.

Article 8 Safeguarding and proper use of the Company's assets:

The Company's assets shall be protected and utilized on the basis of the Company's legal business purposes. Senior managers are responsible for protecting the Company's assets and ensure that such assets may be effectively and legally used for business purposes and shall avoid behaviors of theft, negligence, or waste that directly affect the profitability of the Company.

Article 9 Compliance with laws and regulations:

Senior managers shall supervise the Company in strengthening its compliance with the Securities and Exchange Act and other laws and regulations, and the compliance with all laws and regulations that regulate the Company's activities. Senior managers shall not purposely violate any laws or regulations, or intentionally mislead, manipulate, or gain unfair benefits from customers and suppliers unfairly, and provide false descriptions of the Company's products or services.

- Article 10 Prevent civil or criminal penalties arising from insider trading:
Senior managers shall comply with laws and regulations related to the prevention of insider trading and other securities laws and regulations related to the information processing for stock trading and business secrets. Insider trading is illegal and unethical, and the Company will intervene on behaviors relevant to insider trading.
- Article 11 Encouraging reporting on illegal or unethical activities:
Senior managers shall improve the promotion of the Company's internal ethics and encourage employees to report to the managers, Audit Department, or other relevant personnel when suspecting or discovering any behavior violating laws and regulations or the Code, and the Company will be responsible for the confidentiality and protection of the reporter's identity with its best ability to avoid the reporter from being threatened.

Note 4: Continuing education courses on corporate governance that the Company's Directors and managers have attended in 2024

Corporate Governance Continuing Education Courses Attended by Directors

Title	Name	Date Inaugurated	Date		Organizing Party	Name of the Course	Hours of Continuing Education
			Start	End			
Representative of Corporate Director	Chien-Chih Hwang	2024.09.10	2024.02.29	2024.02.29	Greater China Financial and Economic Development Association	Crisis management strategy	3.0
			2024.04.19	2024.04.19	Greater China Financial and Economic Development Association	Business Strategies in the Digital Age	3.0
			2024.08.20	2024.08.20	Taiwan Investor Relations Institute (TIRI)	Trade Secrets, Information Security Practices, and Legal Risk Management	3.0
			2024.11.05	2024.11.05	Taiwan Corporate Governance Association	Carbon-Carbon Connection – On Carbon Fees, Carbon Taxes, Carbon Rights, and Carbon Trading	3.0
Representative of Corporate Director	Hong-Yih Liou	2024.05.18	2024.06.21	2024.06.21	Taiwan Investor Relations Institute (TIRI)	Asset Inheritance and Tax Planning	3.0
			2024.07.03	2024.07.03	Taiwan Stock Exchange Corporation and Cathay Financial Holdings	2024 Cathay Sustainable Finance and Climate Change Summit	6.0
			2024.08.23	2024.08.23	Corporate Operating and Sustainable Development Association	Non-consensual M&A Practice and Corporate Governance	3.0
			2024.11.05	2024.11.05	Taiwan Corporate Governance Association	Carbon-Carbon Connection – On Carbon Fees, Carbon Taxes, Carbon Rights, and Carbon Trading	3.0

Title	Name	Date Inaugurated	Date		Organizing Party	Name of the Course	Hours of Continuing Education
			Start	End			
Representative of Corporate Director	Wen-Jung Hsieh	2023.08.01	2024.07.03	2024.07.03	Taiwan Stock Exchange Corporation and Cathay Financial Holdings	2024 Cathay Sustainable Finance and Climate Change Summit	6.0
			2024.08.20	2024.08.20	Taiwan Investor Relations Institute (TIRI)	Trade Secrets, Information Security Practices, and Legal Risk Management	3.0
Representative of Corporate Director	Ming-Dar Fang	2022.06.23	2024.05.17	2024.05.17	Securities and Futures Institute	Seminar on Sustainable Development Practices for Listed Companies	3.0
			2024.09.06	2024.09.06	Securities & Futures Institute	2024 Insider Trading Prevention Seminar	3.0
			2024.09.30	2024.09.30	Taiwan Stock Exchange Corporation	Strengthening Taiwan Capital Market Summit	3.0
Representative of Corporate Director	Kung-Yi Koo	2022.06.23	2024.10.30	2024.10.30	Taiwan Institute for Sustainable Energy	Sustainable Financial Disclosure	3.0
					Taiwan Institute for Sustainable Energy	Taiwan's Path to Just Transition for Hard-to-abate Sectors	3.0
Representative of Corporate Director	Tien-Fu Chao	2022.06.23	2024.08.20	2024.08.20	Taiwan Investor Relations Institute (TIRI)	Trade Secrets, Information Security Practices, and Legal Risk Management	3.0
			2024.09.06	2024.09.06	Securities & Futures Institute	2024 Insider Trading Prevention Seminar	3.0
			2024.10.14	2024.10.14	Taipei Foundation of Finance	Corporate Governance - Workplace Bullying and Sexual Harassment	2.0
Independent Director	Hsing-Shu Hsieh	2022.06.23	2024.08.02	2024.08.02	Independent Director Association Taiwan	Family Business Succession and Tax Planning	3.0
			2024.08.20	2024.08.20	Taiwan Investor Relations Institute (TIRI)	Trade Secrets, Information Security Practices, and Legal Risk Management	3.0

Title	Name	Date Inaugurated	Date		Organizing Party	Name of the Course	Hours of Continuing Education
			Start	End			
			2024.10.16	2024.10.16	The National Federation of CPA Associations of the R.O.C.	Money Laundering Patterns of Note to COA and Analysis of Tax Crime Cases	3.0
			2024.11.05	2024.11.05	Taiwan Investor Relations Institute (TIRI)	Carbon-Carbon Connection – On Carbon Fees, Carbon Taxes, Carbon Rights, and Carbon Trading	3.0
Independent Director	Yuan-Hong Wang	2022.06.23	2024.07.03	2024.07.03	Taiwan Stock Exchange Corporation and Cathay Financial Holdings	2024 Cathay Sustainable Finance and Climate Change Summit	3.0
			2024.08.14	2024.08.14	Institute of Financial Law and Crime Prevention	Case Analysis of Shareholders' Meeting Disputes	3.0
			2024.08.23	2024.08.23	Corporate Operating and Sustainable Development Association	Non-consensual M&A Practice and Corporate Governance	3.0
			2024.11.05	2024.11.05	Taiwan Investor Relations Institute (TIRI)	Carbon-Carbon Connection – On Carbon Fees, Carbon Taxes, Carbon Rights, and Carbon Trading	3.0
Independent Director	Tsun-Tzu Hsu	2022.06.23	2024.11.05	2024.11.05	Taiwan Investor Relations Institute (TIRI)	Carbon-Carbon Connection – On Carbon Fees, Carbon Taxes, Carbon Rights, and Carbon Trading	3.0
			2024.11.08	2024.11.08	Taiwan Corporate Governance Association	Corporate Mergers and Acquisitions, Equity Investment Planning, and Joint Venture Agreement Analysis	3.0
			2024.12.04	2024.12.04	Taiwan Project Management Association	ESG Investing and Corporate Social Responsibility	3.0

Continuing Education Courses Attended by Managers

Name	Title	Date		Organizing Party	Name of the Course	Hours of Continuing Education
		Start	End			
Ming-Dar Fang	President	2024.05.17	2024.05.17	Securities & Futures Institute	Seminar on Sustainable Development Practices	3.0
		2024.09.06	2024.09.06	Securities & Futures Institute	2024 Insider Trading Prevention Seminar	3.0
		2024.09.30	2024.09.30	Taiwan Stock Exchange Corporation (TWSE)	Strengthening Taiwan Capital Market Summit	3.0
Yi-Hung Chen	Vice President	2024.11.05	2024.11.05	Taiwan Investor Relations Institute (TIRI)	Carbon-Carbon Connection – On Carbon Fees, Carbon Taxes, Carbon Rights, and Carbon Trading	3.0
Wen-Liang Tseng	Vice President	2024.08.20	2024.08.20	Taiwan Investor Relations Institute (TIRI)	Trade Secrets, Information Security Practices, and Legal Risk Management	3.0
Li-Li Kuo	Chief of Finance, Accounting, and Corporate Governance	2024.05.16	2024.05.17	Securities & Futures Institute	Sustainable Disclosure Practice Seminar	9.0
		2024.06.01	2024.06.01	Accounting Research and Development Foundation	Common Deficiencies in Financial Report Review and Common Issues in Asset Acquisition/Disposal	3.0
		2024.09.25	2024.09.25	Accounting Research and Development Foundation	Latest "Annual Report Preparation" for ESG Sustainability Policies and Laws and Effects of Net Zero Carbon Emissions on Financial Statements	6.0
		2024.11.28	2024.11.28	Accounting Research and Development Foundation	Analysis of Key Financial Information for Strengthening Crisis Early-Warning Capabilities	6.0

(IV) Composition, duties, and operation of the Remuneration Committee:

According to the requirements under Paragraph 1, Article 14-6 of the Securities and Exchange Act and the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" published and established by the FSC on March 18, 2011, the Company's "Organizational Regulations of Remuneration Committee" was passed at the 7th meeting of the 8th Board on December 7, 2011, and the amendments were made on December 24, 2019.

According to the Organizational Regulations of Remuneration Committee of the Company, the Committee shall exercise the due care of good administrators and faithfully perform the following functions and submit its recommendations to the Board for discussion.

1. Establish policies and systems for the performance evaluation of the Chairman, President, and Vice President, and regularly review the performance results of such persons (including ESG KPI attainment).
2. Establish and regularly review the policies, systems, standards, and structures for the salaries of Directors, the President, Vice President, and Chief of Corporate Governance (including traffic allowance of Directors).
3. Regularly evaluate and establish salaries of Directors, the President, and Vice President (including traffic allowance of Directors).

Information on the Remuneration Committee Members

Identity (Note 1)	Criteria Name	Professionalism and Experience	Independence (Note 2)				Number of Other Publicly Listed Companies in Which the Member Concurrently Holds a Position as a Member of the Remuneration Committee
			1	2	3	4	
Independent Director (Convener)	Yuan- Hong Wang	Department of Business Administration, National Cheng Kung University, Master's in Finance and Economic Law from CTBC Business School; Passed the advanced Attorneys national exam; Attorney at Deloitte Legal Taiwan; Managing Partner of Yung Hua Commercial Law Firm; Independent Director of Daily Polymer Corporation, Victory for Technology Co., Ltd.	No	0	No	0	0
Independent Director	Hsing-Shu Hsieh	Department of Accounting, National Chengchi University; EMBA, Business School, National Chung Cheng University; Passed the advanced CPA national exam; Person in charge of Hsing-Shu Hsieh Accounting Firm; Director of Tsang Yow Industrial Company Limited	No	0	No	0	0

Identity (Note 1)	Criteria Name	Professionalism and Experience	Independence (Note 2)				Number of Other Publicly Listed Companies in Which the Member Concurrently Holds a Position as a Member of the Remuneration Committee
			1	2	3	4	
Independent Director	Tsun-Tzu Hsu	Master of Law, Soochow University; Associate researcher of WTO Center under Chung-Hua Institution for Economic Research; Head of Taiwan ASEAN Studies Center of Chung-Hua Institution for Economic Research; Member of the International Affairs Committee, Chinese National Federation of Industries	No	0	No	0	0

Note 1: Please refer to the table on page 23 of Director Information for related details.

- Note 2: (1) Including, without limitation, whether or not the independent director himself/herself, his/her spouse, or a relative within the second degree of kinship is serving as the director, supervisor of, or working for the Company or any of its affiliates.
- (2) The number and weight of shares the independent director himself/herself, his/her spouse, or a relative within the second degree of kinship holds.
- (3) Is he/she the director, supervisor, or employee of a company related in a specific way to the Company (refer to the requirements in Article 6 Paragraph 1 Sub-paragraphs 5-8 of the Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter)
- (4) The amount of rewards received for business, legal affairs, financial affairs, and accounting services provided over the past two years to the Company or any of its affiliates.

Operations of the Remuneration Committee

1. There are three members in the Company's Remuneration Committee.
2. The term of office for current members: From August 01, 2022 to June 22 2025.
3. The Compensation and Remuneration Committee met 4 times from January 2024 to December 2024. Qualification and attendance of the members are given below:

Title	Name	Actual Attendance	Attendance by Proxy	Actual Attendance Rate (%)	Notes
Convener	Yuan-Hong Wang	4	0	100	
Committee Member	Hsing-Shu Hsieh	4	0	100	
Committee Member	Tsun-Tzu Hsu	4	0	100	

Other matters that should be documented:

- (1) In the event that the Board of Directors does not adopt or revises advice from the Compensation and Remuneration Committee, the date, session number, details of proposals, decisions made by the Board of Directors, and how the Company addressed opinions from the Compensation and Remuneration Committee shall be stated (in the event that the compensation and remuneration approved by the Board of Directors are better than as advised by the Compensation and Remuneration Committee, the difference and the reason shall be specified): None.
- (2) For decisions made by the Compensation and Remuneration Committee, as long as there are members objecting or having their reservations that are recorded or stated in writing, the date of the Compensation and Remuneration Committee meeting, the session number, contents of the proposal, and how opinions from all members and from opposing members are handled should be described: None.

4. Operations in 2024

Date/Period of the Remuneration Committee Meeting	Content	Results of Compensation and Remuneration Committee Resolution	Resolution Results Made by the Board
2024/02/26 7th meeting of the 12th term	(1) Distribution of 2023 remuneration to employees and that to directors. (2) 2024 performance evaluation items for the Company's President and Vice President.	Approved by all attending members upon inquiry made by the chair.	Submitted to the meeting of the Board and approved by all attending Directors.
2024/04/29 8th meeting of the 12th term	(1) Results of 2023 annual performance evaluation results of managers and year-end finalized distribution of incentives with 2023 earnings.	Approved by all attending members upon inquiry made by the chair.	Submitted to the meeting of the Board and approved by all attending Directors.
2024/07/30 9th meeting of the 12th term	(1) Proposal to amend the Company's Salary and Wage Regulations. (2) Amendment of the Company's Employee Stock Ownership Trust Committee Charter	Approved by all attending members upon inquiry made by the chair.	Submitted to the meeting of the Board and approved by all attending Directors.
2024/10/31 10th meeting of the 12th term	(1) Salary rise for 2024 for managers.	Approved by all attending members upon inquiry made by the chair.	Submitted to the meeting of the Board and approved by all attending Directors.

(V) Implementation of Sustainable Development

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
I. Does the company have the governance framework in place to help promote sustainable developments and have a unit that specializes (or is involved) in promoting sustainable developments and have the Board of Directors to empower high-ranking management to take care of it and report the progress to the Board of Directors?	Yes		The Company's Board of Directors promotes sustainable development activities through the established Corporate Governance and Sustainability Committee. The Committee consists of 3 independent directors and 2 directors, and underneath it is the "Corporate Governance and Ethical Corporate Management" team headed by the Corporate Governance Officer, the "Sustainable Environmental Development" team headed by the Vice President of Production Technology, the "Employee Care and Social Involvement" team headed by the Vice President of Administration and Commercial Department, and the "Risk Management" team headed by the President. One meeting is convened each quarter, and a report on the Company's risk management and the implementation status of ESG activities is made to the Committee and the Board of Directors for discussion every 6 months. In 2024, a report on quarterly ESG strategy implementation status, and plans for the following year, was made to the Corporate Governance and Sustainability Committee and the Board of Directors every 6 months. Refer to pages 39-40 for more	Requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies are fulfilled.

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			details on the operations of the Company's Corporate Governance and Sustainability Committee and its supervision of sustainable development in 2024. All reports and proposals made by the Corporate Governance and Sustainability Committee have been submitted to the Board of Directors. Refer to page 40 for more details on sustainable management policies, strategies, goals, and reviews.	
II. Has the Company conducted risk evaluations on environmental, social, and corporate governance issues related to the Company's operations, and established relevant risk management policies or strategies based on the materiality principle?	Yes		The Company has established a set of Risk Management Procedures that have been approved by the Board of Directors. Each quarter, a risk evaluation is conducted on risks related to the Company's business environment, and to social and corporate governance issues facing the Company, based on the materiality principle. After evaluation, risk management policies and strategies have been formulated to address these risks, with additional risk mitigation measures for items evaluated as medium-risk or above. These risk evaluation results and risk mitigation measures shall be reported to the Board of Directors and Corporate Governance Committee every six months. More information on these risks and how risk measures	Requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies are fulfilled.

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			have been implemented for the year is available on the Company website through the link below. https://www.csc.com.tw/download/Risk_management_2024.pdf .	
III. Environmental issues				
(I) Has the Company set up an appropriate environmental management system based on the characteristics of the industry in which it operates?	Yes		(I) The Company has passed and obtained international certification standards of ISO 9001, ISO 14001, ISO 45001, and ISO 50001, etc. Currently, the Company's GHG inspection has been completed, and the reduction work is actively undergoing. In 2024, the Company won the "Excellence" award for the private sector in the 9th "National Environmental Education Award" organized by the Ministry of Environment.	(I) Requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies are fulfilled.
(II) Has the Company endeavored to improve the energy utilization efficiency and use renewable materials with minimal impacts on the environment?	Yes		(II) The Company has established standards for maximum usage levels for public utility resources, and reviews how these standards have been met each month to improve resource utilization efficiency. The Company has also commissioned the Industrial Technology Research Institute's Green Energy Laboratory to devise energy	(II) Requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies are fulfilled.

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
(III) Does the company evaluate potential risks and opportunities brought by climate change, and take response measures?	Yes		<p>conservation measures and plans. During the procurement of raw materials, the Company gives preference to products with green environmental protection labels. In 2024, the Company's green accounting amounted to approximately NT\$ 170.71 million in aggregate, accounting for approximately 2.23% of the revenue</p> <p>(III) Risks that may arise from global climate change are disclosed in the Company's sustainability report. The Company analyzed risks and opportunities from economic, environmental, and social perspectives, analyzing potential financial losses in various different ways. We have proposed measures in response to these risks, based on their level of impact. In addition, for carbon reduction, carbon footprint inventory checks and external qualification of greenhouse gases have begun for primary products.</p>	(III) Requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies are fulfilled.
(IV) Has the Company prepared statistics on its GHG emissions, water	Yes		<p>(IV)</p> <p>1. Statistics on GHG emissions and related</p>	(IV) Requirements of the Sustainable Development

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
use, and the total weight of waste for the past two years and established management policies related to GHG reduction, water use reduction, or other wastes?			<p>management policies:</p> <p>(1) As of October 2024, the Company's 2023 greenhouse gas emissions have been inventoried and verified based on the ISO 14064: 2018 Greenhouse Gases Emissions Inventories and Verification standards. We have also obtained a certificate of verification from SGS after a third-party audit.</p> <p>(2) The Company's 2023 (Scope 1 and Scope 2) greenhouse gas emissions totaled 103,214 metric tons of CO₂e. 25.7% of this amount were Scope 1 emissions, while Scope 2 emissions made up the remaining 74.3%. Our Xiaogang Plant's greenhouse gas emissions totaled 83,721 metric tons of CO₂e. 31.1% of this amount were Scope 1 emissions, while Scope 2 emissions made up the remaining 68.9%. Our Pingnan Plant's greenhouse gas emissions totaled 19,387 metric tons of CO₂e. 2.2% of this amount were Scope 1 emissions, while Scope</p>	Best Practice Principles for TWSE/TPEX Listed Companies are fulfilled

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			<p>2 emissions made up the remaining 97.8%.</p> <p>(3) The Company has proposed short, medium, and long-term goals to reduce greenhouse gas emissions by 2% each year in the short-term, 3% each year in the medium-term, 3-3.5% each year in the long-term, gradually working towards achieving our goal of attaining carbon neutrality by 2050.</p> <p>A carbon reduction section has been set up on the company website to explain the Company's short, medium, and long-term carbon reduction goals, strategies, management policies and related measures as well as the carbon reduction white paper. The URL is https://www.csc.com.tw/carbon.htm</p> <p>2. Statistics on water use and management policy: The management policy of water use is to circulate and recycle the water to reduce the volume of water use. In 2023 and 2024, the volume of tap water used by the Company was 111,800 metric tons and 93,600 metric tons, respectively; the water was</p>	

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			<p>primarily used in supplementing the circulating cooling water for three cooling towers, followed by the water used for on-site cleaning and employees' daily use. With regard to the water consumed for our water circulation cooling system, the largest single source of the Company's water consumption, we have improved our production process to recycle steam back into water used for cooling, re-circulating this water back into our water storage tower. Controlling the fan speed based on the return water temperature not only saves electricity, but also reduces the need for cooling water replenishment. In 2023 and 2024, the volume of tap water used by the Pingnan Plant was 46,800 metric tons and 49,800 metric tons, respectively; the water was primarily used in supplementing the circulating cooling water for one cooling tower, followed by the use of soft water for washing in the ACS process. In 2024, the water consumption increased due to the construction of the second-phase graphitization</p>	

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			<p>furnace. With regard to the water consumed for our water circulation cooling system, apart from adjusting the operating conditions of our water towers, we will also increase our cycles of concentration, achieving our goals to reduce water use for our water cooling systems.</p> <p>3. Statistics on waste and management policy: The primary policy is to reduce packaging materials and the generation of living wastes. The major raw materials of the production plant are delivered to the Company through pipelines and tank cars. Its primary products are delivered to domestic downstream customers through tank cars or to foreign customers through chemical tankers, so as to reduce the consumption of packaging materials and the generation of wastes from the source of production. The waste management target of the Company is reduction and recycling for reuse. For the management of waste, the goals of the Company are reduction and reutilization. General industrial waste accounts</p>	

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			<p>for a majority of the waste generated by the plants and primarily consists of daily trash from employees generated in offices and manufacturing facilities. Such general industrial waste is categorized and recycled. Regeneration and reuse are prioritized, followed by recycling of resources before such was is eventually cleared by the legal clearance company Shiao Gang Environmental Co., Ltd. and transported to the Southern District, Gangshan, or Renwu Waste Management Plant, Environmental Bureau, Kaohsiung City Government or the Kanding Resource Recovery Plant in Pingtung County to be incinerated or to the contract re-utilization and removal service provider to be processed and be used again. The total amount of waste generated by the Xiaogang Plant in 2023 and 2024 came to 82.3 and 63.3 metric tons, respectively. The total amount of waste generated by the Pingnan Plant in 2023 and 2024 came to 96.5 and 95.9 metric tons, respectively. The water and hazardous waste usage in 2023 has been verified by Crowe</p>	

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			(TW) CPAs. The 2024 data is expected to be verified by an accounting firm and disclosed in the 2024 Sustainability Report.	
IV. Social issues (I) Has the Company established appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	Yes		(I) The Company complies with principles and spirits stated in the International Bill of Human Rights such as the "Universal Declaration of Human Rights," "The United Nations Global Compact," and "The ILO Declaration on Fundamental Principles and Rights at Work" issued by the International Labour Organization, treats and respects its current employees and contractors' staff with fairness and dignity, and avoids any behavior that infringes and violates human rights. The specific implementations include setting out policies and management plans related to the protection of human rights in the Company's "Human Affairs Management System" and improving employees' understanding of human rights protection through educational training.	(I) Requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies are fulfilled.

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			<ol style="list-style-type: none"> 1. Establish labor conditions according to government laws and regulations related to labor. 2. Provide equal working opportunities to all candidates according to the Employment Service Act. In 2024, there was no violation of human rights or discrimination event that occurred when hiring employees. 3. According to the "Guidelines for Handling Complaints," the Company has complaint channels in place to protect employees' human rights. Such channels are available for employees when their legal interests are infringed or improperly handled and cannot be fairly resolved. In 2024, there was no event of discrimination or complaint, nor any violation of regulations related to human rights. 4. All of the Company's employees participated in employee education and training courses on sexual harassment prevention and awareness courses in 2024. 5. For more details on the Company's human rights protection policies and plans for 2024, please refer to the Company's website at https://www.csc.com.tw/do 	

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, paid leaves, and other benefits) and reflected its operating performance or results in employees' remunerations?	Yes		wnload/Human_Rights.pdf. (II) The Company has established reasonable policies for remuneration, paid leaves, and other benefits and reflected its operating performance or results in employees' remunerations. (See pages 56 and 166 for details)	(II) Requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies are fulfilled.
(III) Has the Company provided a safe and healthy working environment for employees and organized training on health and safety for its employees on a regular basis?	Yes		(III) In order to enhance the risk control ability of the Company, ensure safety and health management performance, and reduce occupational disasters, the Company obtained OHSAS18001 and CNS15506 certifications in 2002 and 2012, respectively, and completed ISO45001 certification in 2020 and routine qualifications are done each year to utilize the occupational safety and health management system. The Company endeavors to comply with international advanced safety and health standards, commits to provide and maintain a working environment that aligns with requirements under laws and regulations, and to continually prevent any	(III) Requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies are fulfilled.

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			<p>potential hazards that may harm lives and properties. There were no major fire incidents in 2024. In order to continue reducing the risk of fire, the Company continues to send employees to Texas A&M for firefighting training, and a very early fire warning system was adopted.</p> <p>The Company hired one full-time nurse in 2014, and hired a second nurse in 2022 to promote employee health at our Pingnan Plant. Our annual health examination is more comprehensive than those required by law, and the family members of our employees may also choose to receive the examination. In addition, various health workshops are organized periodically to educate employees on personal health concepts and health awareness. In 2022, we were awarded the Badge of Accredited Healthy Workplace, and we went obtained the Badge of Accredited Healthy Workplace consecutively in 2023 and 2024. In 2024, the company received the "Taiwan iSports</p>	

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
(IV) Has the Company established effective career development training plans for its employees?	Yes		certification" from the Sports Administration. (See pages 162 to 166 for details) (IV) The Company has defined its educational training guidelines and the "CSCC Talent Cultivation and Development Plan" to facilitate the training for new hires, professional trainings, and training for supervisors, etc. Target number of hours is set for educational training and the educational training plan is prepared each year; educational training is provided according to the plan. The average training hours for employees in 2024 was 39.4 hours.	(IV) Requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies are fulfilled.
(V) Does the Company comply with laws and international standards concerning customer health and safety, customer privacy, marketing, and labeling of products and services and define related policies and complaint-filing procedures to protect the rights of consumers or customers?	Yes		(V) The Company observes relevant laws and international standards related to customers' health and safety, customer privacy, marketing, and label of its products and services, and has appointed dedicated personnel and set up a mailbox to handle issues related to complaints regarding the interests of the Company's consumers.	(V) Requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies are fulfilled.
(VI) Has the Company established its supplier management policies to require suppliers to	Yes		(VI) The Company follows ISO9001, IATF16949:2016 quality	(VI) Requirements of the Sustainable Development Best Practice

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
observe relevant regulations on issues related to environmental protection, occupational safety and health or labor human rights, as well as their implementation?			management systems while defining its supplier management procedure. Since 2018, the Company has included the four major aspects of: environmental protection labor conditions, human rights, and society as our core evaluation items, and have conducted survey investigations into these issues. The Company added the "Supplier Code of Conduct" as an essential item for the assessment in November 2020, and developed a due diligence checklist for CSCC suppliers and conducted interviews with suppliers on relevant issues in June 2024. In 2024, we had a total of 38 qualified suppliers.	Principles for TWSE/TPEX Listed Companies are fulfilled.
V. Does the Company prepare the Sustainability Report or other reports disclosing non-financial information of the Company by referring to international general principles or guidelines in the preparation of reports? Are there opinions from a third-party qualification unit to validate or guarantee the said reports?	Yes		The Company has hired trusted accounting firm Crowe (TW) CPAs to provide limited assurance for our 2023 sustainability report pursuant to TWSAE 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", published by the Accounting Research and Development Foundation. The firm provided limited assurance that our sustainability report disclosed information in compliance with	Requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies are fulfilled.

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			the Core Options provided in the 2021 GRI Standards announced by the Global Reporting Initiative, and with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies published by the Taiwan Stock Exchange Corporation. Once the assurance is completed, it was submitted to the Board of Directors for approval according to administrative procedures. The report received the "Sustainability Report - Traditional Manufacturing Sector - Gold Award" at the 17th Taiwan Corporate Sustainability Awards.	
<p>VI. If the Company has established its own sustainable development principles according to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its implementation and the established principles: The Company has established its Sustainable Development Best Practice Principles according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the actual operations comply with the requirements under the Principles.</p>				
<p>VII. Other Important Information to Help Understand Implementation Status in the Promotion of Sustainable Developments</p> <p>(I) Environmental aspects</p> <p>The Company has long been deeply concerned about environmental issues, and we have taken concrete action to implement environmental protection systems, including obtaining the ISO 14001:2018 Environmental Management System certification for our coal chemical manufacturing plant, and the ISO14064:2018 Greenhouse Gas Emissions Inventories and Verification certification. Due to current concerns on energy management issues and the future energy management challenges that the Company will face, it will achieve three purposes of energy cost reduction, energy-saving and carbon emission reduction, and improvement of its corporate image through establishing an energy management system and developing energy efficiency improvement plans to effectively manage its energy use, improve energy efficiency, and further improve its healthy, environmental-friendly corporate. SGS performed the ISO 50001 external certification of the Company's coal chemical manufacturing plant in June 2013,</p>				

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
and the coal chemical manufacturing plant also successfully obtained the system certification from ISO 50001:2010 Energy Management in 2013. Our carbon material manufacturing plant was completed in March 2018, and in October 2019 we obtained the ISO 50001:2018 Energy Management Systems certification. The Company's energy conservation and carbon reduction strategies for coal chemical manufacturing plants and carbon material manufacturing plants are heavily based on the best available technologies adopted by our international peers in the same industry. Energy conservation and carbon reduction benefits for 2024 are as follows:				
No.	Energy-saving action plan			Carbon reduction after improvement (MT CO2e/year)
1	Replacement of high-temperature ashing furnace with rapid furnace			2.67
2	Improvement of waste heat recovery system in solvent recovery unit			203.30
3	Replacement of the MPS of certain pipelines in the west plant area with LPS			60.32
4	Introduction of 3D impeller high efficiency pump to P951D			33.79
5	X931/X933 permanent magnet spiral variable frequency chiller			370.61
6	TVR vapor recovery system			359.37
7	E4302 steam efficiency maximization improvement			326.70
8	MF951ABC additional frequency converter for speed control			60.34
9	T663A electric boiler energy conservation			146.72
10	Laboratory computer energy conservation plan			1.45
11	Laboratory high-temperature furnace energy conservation improvement plan			1.43
12	T663A use of AI algorithms to calculate the best power saving settings			146.72
13	C615B energy conservation improvement			61.00
14	R2515 cover action air source replacement			13.70
15	MG11 total power transmission and electricity conservation improvement			273.66
16	MGP total power transmission capacity and electricity conservation improvement			161.26
17	Reduced consumption of DC2111/2/7 dust filter cartridge backflush with IA			13.68
Total				2,236.72
The manufacturing plant obtained ISO 14001 Environmental Management Systems certification in 1997, and we have adopted PDCA standards to continue improving and avoiding factors that may result in environmental pollution. Through the active manufacturing process improvements, energy-saving, and pollution prevention measures, the Company effectively reduced the emissions of various pollutants. The system was integrated with the ISO 45001 Occupational Safety and Health Management System as the "Environmental Safety and Health Management System," and an "Occupational Safety and Health Committee" was established; the President is the chairperson, and is responsible for the decision-making of the environmental safety and health management; internal and external audits are executed each year.				
(II) Promoting environmental education				

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
<p>In addition, we promote environmental education with a focus on the Group's carbon neutrality policy. In order to align energy conservation and carbon reduction work with environmental education, we have established an environmental education group in the "Sustainable Environmental Development" group of the Corporate Governance and Sustainability Committee. We organize company activities for employees to communicate the concepts of energy conservation, carbon reduction, waste reduction, and environmental protection to families, industrial areas, nearby schools, communities and other places. We promote environmental education starting with tree planting, mountain cleaning, and beach cleaning. By organizing these activities, we emphasize the relationship between a sustainable environment and people, and bring environmental education into the development of ESG. We ensure that all stakeholders of China Steel Chemical Corporation attain environmental literacy and take necessary actions, and fulfill the corporate responsibility of promoting environmental education for all.</p> <p>The Company won the "Excellence" award for the private sector in the 9th "National Environmental Education Award" organized by the Ministry of Environment. On June 26, 2024, the Minister of Environment Chi-Ming Peng personally presented the medal to the Company.</p>				
(III)	Community participation and neighborliness			
<p>To carry out healthy interactions with communities, the Company joined the Linhai Industrial Park Association to participate in various activities of suppliers in the park. The Company visits neighborhoods and villages near the Company from time to time and sponsors community activities to achieve healthy interactions with community residents.</p> <p>(1) Sponsorship of elementary students' summer camp in Xiaogang District, Kaohsiung City.</p> <p>(2) Sponsorship of activities held by neighborhoods, societies, and temples in Xiaogang and Dalinpu.</p> <p>(3) Sponsored community development activities in the Xiaogang and Dalinpu neighborhoods.</p> <p>(4) Assistance provided in the locality as a good neighbor together with the Xiaogang District Office.</p> <p>(5) Establishment of the Need-Based Scholarship for the ChiaTung Agricultural Vocational Senior High School in Pingtung.</p> <p>(6) Tree planting campaign organized together with the Jiadung Township Office, Pingtung County.</p> <p>(7) Beach cleaning campaign organized together with the Fangliao Township Office and the Fangliao Fishermen's Association, Pingtung County.</p> <p>(8) Regular cleaning of the roads surrounding the Pingnan Industrial Park factory.</p> <p>(9) Adoption of street trees along Yongxiang Road in the Pingnan Industrial Park.</p>				
(IV)	Social contribution and public welfare			
<p>(1) Sponsorship was provided to fund moral education programs, transportation, and extracurricular club activities for the Jin-Jhu Elementary School in Neimen District, Kaohsiung City.</p>				

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
<p>(2) Sponsorship of the General Association of Chinese Culture for its "We are 2024 Chinese New Year Eve" event.</p> <p>(3) Sponsorship of the construction of the "Hyperbaric Oxygen Therapy Center" at Siaogang Hospital.</p> <p>(4) Sponsorship of Kaohsiung City Government's "Winter Amusement Park" activities.</p> <p>(5) Sponsorship of the "Second Greater South Net Zero New Economy Summit" organized by the Commercial Times.</p> <p>(6) Sponsorship of the "2024 Children's Happiness Festival" event organized by Eden Social Welfare Foundation.</p> <p>(7) Sponsorship of the Genesis Social Welfare Foundation's "Love Drama Together" charity children's theatre.</p> <p>(8) Sponsorship of the Evergreen Lohas Campaign in Kaohsiung.</p> <p>(9) Purchase of charity moon cake gift boxes jointly created by Rivon and the Genesis Social Welfare Foundation to gift to local residents as part of public relations efforts.</p> <p>(10) Sponsorship of China Steel Corporation Choir "Poetry and Song Concert".</p> <p>(11) Sponsorship of the Kaohsiung Music Center's "Kaohsiung Port Water Facilities and Water Dance Light and Shadow Show" event.</p> <p>(12) Sponsorship of the Pingtung County Government's "2024 Citizens Sports Games".</p> <p>(13) The Company continuously monitors the water quality of saltwater ports, streams, and rivers in the Xiaogang plant area, and immediately informs the competent authority to conduct emergency measures to solve pollution problems.</p> <p>(14) Sponsorships provided to engineering academic associations such as the Kaohsiung City Industrial Association, Chinese Institute of Mining and Metallurgical Engineers, Chinese Institute of Engineers, Chemical Society Located in Taipei, Taiwan Compound Semiconductor and Equipment Industry-Academia Alliance, and CSC Group Education Foundation.</p>				
<p>(V) Consumers' interests</p> <p>Adhering to the quality policy of "customers first," the Company is committed to producing products that meet customer needs. We compile statistics on negative feedback from customer to monitor customer conditions and conduct customer satisfaction surveys each year to understand its level of performance within the industry and customer satisfaction, and seek opportunities to further improve the quality of its products and services. The Company adjusts its business strategy to align with market development trends. Meanwhile, the Company has formulated customer complaint handling procedures to deal with customer complaints. In recent years, the Company has proactively developed green energy products for the downstream energy-saving industry to protect Earth's environment.</p>				
<p>(VI) Human rights</p> <p>The Company adheres to its core values of "integrity, respect, and sustainability." We respect the human rights of all fellow colleagues, customers, and stakeholders. The Company complies with principles in the International Bill of Human Rights such as the "Universal Declaration of Human Rights," "The United Nations Global Compact," and "International Labor Office</p>				

Action Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
Tripartite Declaration of Principles." The Company has complied with laws and regulations related to labor at the place where the Company is located, and has established and implemented relevant human resource policies and internal rules. In addition, we expect our suppliers to also comply with the spirit of our human rights policy. We have adopted execution policies as follows: "Provide a safe and healthy work environment. Avoid illegal discrimination and ensure equal work opportunities. Prohibit child labor and prohibit forced labor. Assist employees in maintaining their physical and mental health and work balance. Encourage our suppliers in the supply chain to realize human rights protection." Such human rights policies are published on the Company's open website in the hope of realizing the protection of human rights.				
(VII) Safety and health				
For details, please see the safety and health management and measures on pages 162 to 165. In the future, the Company will adhere to the concept of "take from society and give back to society," focus on aspects of environmental protection, community care service, and organization of public welfare events, continue to care for the society, communities, and vulnerable groups with sincerity and adopt real actions. For information on details on the operations of our corporate social responsibilities, please see the CSR report of CSCC or visit the CSR section on the website of CSCC.				

Implementation of climate-related disclosure

Item	Implementation Status			
Describe how the Board of Directors and the Company's management has supervised and managed climate-related risks and opportunities.	<div>1. The Board of Directors is the highest climate governance unit of the Company and it regularly reviews the disclosure and strategy implementation of climate risks and opportunities through the Corporate Governance and Sustainability Committee. It strengthens the sustainable development function of the Board of Directors every year to ensure effective supervision.</div> <div>2. The Corporate Governance and Sustainability Committee consists of a Risk Management Group and a Sustainable Environmental Development Group, which are convened by the President and the Vice President, respectively. They are responsible for climate risk management and carbon reduction strategies. The President also presides over regular monthly greenhouse gas reduction meetings to review progress and discuss improvement measures. Senior management and the risk management team establish and maintain an appropriate and effective internal control system to identify climate issues each year, incorporate the results into the overall risk management mechanism, and improve the management results of climate risks and opportunities.</div> <div>3. The 2024 Climate Risk/Opportunity Assessment Report has been submitted to the Corporate Governance and Sustainability Committee and the Board of Directors in February 2025.</div>			
Describe how identified climate risks and opportunities impact the Company's business operations, strategy, and finances (in the short-term, medium-term, long-term).	We comply with the Company's Policies and Procedures for Risk Management to identify how risks and opportunities affect the business model and value chain, and define short, medium, and long-term time periods based on the Company's strategy. The following are descriptions of how climate risks and opportunities affect the Company's business, strategy, and finance:			
	Climate Risks and Opportunities	Time Period	Related Value Chains	Effect on the Company
	Policies and regulations	Medium term	The Company's operations	The Company closely monitors relevant climate regulations and environmental policies of the Ministry of Environment. In addition, it also considers the carbon border adjustment mechanism formulated by advanced economies due to carbon leakage. The relevant regulations will affect the Company's operating costs.
	Technological development	Short to medium term	The Company's operations	In response to climate change, the Company needs to start investing in low-carbon technologies to mitigate the impact of climate change and energy transformation through more energy-efficient production and the use of renewable electricity.

Item	Implementation Status			
	Market	Medium term	Upstream Suppliers	The Company's main raw materials come from by-products of conventional steel mills. With the introduction of Taiwan's net zero policy, upstream raw materials will also be affected. The Company will continue to pay attention to maintain its operational competitiveness.
	Market	Medium term	Downstream Customer	The Company's products are chemical products and energy storage/power battery materials. Some customers may demand low-carbon products due to the impact of climate change.
	Reputation	Short term	The Company's operations	The Company needs to actively communicate climate change response results with stakeholders through diverse channels
	Immediate physical risks	Long term	Upstream suppliers/the Company's operations	The Company's operating plants and supplier plants are affected by rare and severe extreme weather events, which may cause production suspension or supply interruption
	Long-term physical risks	Medium to long term	The Company's operations	Changes in precipitation patterns or increasingly extreme high temperatures may potentially impacts water and energy usage at the Company's plants
	Resource efficiency/energy source	Medium term	The Company's operations	The Company can improve its operational resilience through proactive process transformation in response to climate change or flexible plans for energy and resource consumption
	Market/products and services	Short term	Downstream	With the emerging green energy/low-carbon product market derived from climate change mitigation, the Company actively responds to market demand to expand its potential market territory

Item	Implementation Status			
Describe the financial impact of extreme climate events and transition operations.	The Company continues to respond to and assess the impact of extreme climate events and transformation actions on the Company. In addition to avoiding production disruptions caused by extreme climate, it also plans transformation actions that can create long-term benefits and support the Company's sustainable development goals.			
	Impact of Climate Events	Effect on the Company's Operations	Effect on the Company's Finance	Response Strategies and Benefits
	Extreme climate events	<ul style="list-style-type: none"> Shipping transportation interrupted Increased frequency of equipment maintenance Production disruption due to water/drought 	<ul style="list-style-type: none"> Decrease in operating revenue Increased maintenance costs 	The Company's current risk management mechanism has already incorporated climate disaster prevention and response measures. This includes regular contingency drills for production disruptions, risk assessment operations, and storing safety stocks of inventory at all of our factories.
Describe how processes for identifying, assessing, and	Transformation action	Process transformation <ul style="list-style-type: none"> Improve energy efficiency of each asset Increase the proportion of renewable energy use Investment in emerging low-carbon technologies Sales transformation <ul style="list-style-type: none"> Invest in emerging energy storage markets and expand product applications 	<ul style="list-style-type: none"> Increased capital expenditures Increased operating costs Increased R&D expenditures Increased operating income 	Support the Company's sustainable business strategy, actively respond to stakeholders' expectations, and adapt to market demand to effectively drive the Company's positive growth.
	The Company established the "Policies and Procedures for Risk Management" and incorporated climate change as one of the Company's key risk management items. As part of our overall risk management mechanism, the Company's risk management team regularly identifies and measures risks,			

Item	Implementation Status
managing climate-related risks are integrated into the overall risk management system.	proposes measures for mitigating risk or adjusting operations, and implements procedures for disclosing, reporting, and supervising risks. These mechanisms are also regularly reviewed.
If scenario analysis is used to assess resilience to climate change risks, please disclose the scenarios, parameters, assumptions, and analysis factors used, as well as the main financial impact discovered.	The Company refers to the International Energy Agency's net zero emissions scenario (IEA-NZE) for transition risk analysis of changes in the chemical and steel industries and long-term trends in the emerging energy storage market. For physical risks, we refer to the very high emissions scenario (SSP5-8.5) of the Intergovernmental Panel on Climate Change, supplemented by Taiwan's TCCIP climate scenario downscaling information for resilience assessment. Please see Chapter 4 of sustainability reports published in previous years for the scenarios, parameters, assumptions, analysis factors, and main financial impacts used,
If a transition plan has been adopted in response to climate change related risks, please describe the contents of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company has planned a carbon neutrality reduction pathway using 2022 as the baseline year. It aims to reduce carbon emissions by 6% by 2025, 20% by 2030, and 27% by 2032, with a long-term goal of achieving carbon neutrality by 2050. In order to achieve the carbon reduction target, the main measures before 2030 will be implementing energy efficiency improvement and energy-saving measures, installing renewable energy equipment, and replacing and reducing energy use. After 2033, depending on technological development, the three major actions of full use of green electricity, hydrogen blending and combustion and carbon capture, utilization and storage will be adopted to actively achieve the carbon neutrality target by 2050.
If internal carbon pricing has been used as a planning tool, please describe how this price has been determined.	The Company sets internal carbon pricing based on external prices such as domestic carbon fees and foreign carbon tariffs. A direct comparison between the Company's carbon material manufacturing plants is difficult due to the significant differences between the production process and energy mix used in these two types of plants. We use internal carbon pricing as an important basis for evaluating and prioritizing carbon reduction plans. We also continue to promote the "Guiding Energy Conservation and Carbon Reduction Strategies and Establishing a Smart System for Energy Management" plan to monitor the implementation progress and effectiveness of carbon reduction plans.
If climate-related goals have been set, please describe the	(1) Indicators and targets for reducing greenhouse gas emissions: The Company has set short, medium, and long-term carbon reduction targets, covering Scope 1 and Scope 2 emissions, using 2022 as the baseline year. The targets include a 2% annual reduction from 2023 to

Item	Implementation Status
<p>activities covered, the scope of greenhouse gas emissions, planned schedules, and progress made towards these goals each year: If carbon offsets or renewable energy certificates (RECs) have been used to achieve these goals, please describe the source and quantity of these carbon offsets, or the number of renewable energy certificates used.</p>	<p>2026, a 3% annual reduction from 2027 to 2030, and a 3.5% annual reduction from 2031 to 2032, aiming to achieve a 20% reduction by 2030 and carbon neutrality by 2050.</p> <p>(2) Purchasing green electricity is one of the important strategies for the Company's carbon neutrality and reduction path, and 915 renewable energy certificates were obtained in 2024. We plan to add a direct-supply solar farm to the plant in 2025, which is expected to increase the number of renewable energy certificates by approximately 61%. The Company continues to review areas within its factories that have the potential to generate electricity to increase the number of renewable energy certificates obtained and achieve carbon reduction goals.</p>
<p>Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans.</p>	<p>N/A</p>

(VI) Implementation of Ethical Management

Evaluation Item	Operation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Establishment of ethical management policies and programs				
(I) Has the Company established its ethical management policies that are passed by the Board, and expressively declared its ethical management policies and measures in its rules and documents for external parties, and the commitments made by the Board and the senior management to actively implement the operating policies?	Yes		(I) 1. The Company has established its "Ethical Norms for Employees" (Note 1), "Ethical Management Principles," (Note 2) "Procedures and Behavioral Guidelines for Ethical Management" (Note 3), and "Code of Ethics for Directors and Senior Managers," which were reported to and passed by the Board; the Company has preventive requirements for unethical behaviors in place. 2. The Company otherwise established its "Internal Control System," and the partial sections related to the human affairs management system also set out preventive requirements for unethical behaviors. The Company also stipulated the prohibition clauses on bribery and receipt of rebates in engineering, procurement, and contracting contracts. 3. Through the Company's internal EIP system, we have promoted moral integrity, compliance and discipline, and related Company rules. 4. The responsible department reports the implementation of ethical corporate management to the Board of Directors every year.	(I) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Has the company established a risk assessment mechanism	Yes		(II) 1. The Company has established its "Guidelines for Handling	(II) In compliance with the Ethical Corporate

Evaluation Item	Operation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
<p>against unethical conduct, analyze and assess operating activities with higher risk of unethical conducts on a regular basis, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/ TPEx Listed Companies"?</p>			<p>Gifts, Social Engagements, and Lobbying" to realize a quality corporate culture, safeguard its corporate image, and provide a basis for employees in handling gifts, social engagements, and lobbying.</p> <p>2. The Company is disallowed to make political donations or be engaged in improper charity donations or sponsorships.</p> <p>3. Except for ethical standards established for the management, the Company established its "Ethical Norms for Employees," "Regulations for the Whistleblowing, Complaints, and Punishment of Violations of Ethics" (Note 4), and formulated clear specifications on ethical behaviors, punishment of violations, and the complaint system in place.</p> <p>4. The Company has passed TIPS intellectual property qualification (patents and business secrets), and has established regulations and procedures to protect intellectual property rights.</p> <p>5. The Audit Office conducts a risk evaluation based on the audit plan, regularly carries out audits on the implementation of ethical management, proposes improvement recommendations, monitors their progress, and reports the results to the Board.</p>	<p>Management Best Practice Principles for TWSE/TPEx Listed Companies.</p>
<p>(III) Has the Company established policies to prevent conflicts of interest and provide</p>	Yes		<p>(III) The Company has established appropriate management regulations for business activities within its</p>	<p>(III) In compliance with the Ethical Corporate Management</p>

Evaluation Item	Operation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
appropriate communication channels, and implemented such policies?			business scope which are at a higher risk of being involved in unethical conduct, such as the "Guidelines for Handling Gifts and Social Engagements," and prevents the occurrence of unethical behaviors through the multi-level of controls based on the "Duties Division Table." In addition, a whistleblowing hotline and complaint-filing system has been implemented. The Audit Office regularly audits the implementation of ethical management, reviewing and providing suggestions for improvement. The Company has also separately established the Implementation Guidelines for Employee Rotations, requiring payment, finance, accounting, and procurement managers as well as contractor workers to rotate regularly.	Best Practice Principles for TWSE/TPEX Listed Companies.
II. Realize ethical management				
(I) Has the Company evaluated business counterparties' ethical records and included clauses related to ethical management in contracts with business counterparties?	Yes		(I) The Company regularly conducts supplier evaluations each year and will refuse to work with those with records of unethical behaviors. The Company has stipulated clauses related to ethical management in the business contracts.	(I) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Has the Company established a dedicated department supervised by the Board to be in charge	Yes		(II) The Administration Department promotes relevant requirements of the Company; departments shall	(II) In compliance with the Ethical Corporate Management

Evaluation Item	Operation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
<p>of corporate ethical management? Has the dedicated department regularly (at least once a year) reported to the Board regarding the ethical management policies, unethical behavior preventive plan, and the execution of supervision?</p> <p>(III) Has the Company established policies to prevent conflicts of interest and provide appropriate communication channels, and implemented such policies?</p>	Yes		<p>observe relevant requirements to ensure the due implementation of ethical management policies, and the supervision on execution and monitoring of improvements are conducted via the internal audit system and project audits. The Administration Department and the auditor regularly report to the Board regarding the deficiencies found during supervision and the execution of ethical management. The status of ethical management for 2024 had been reported at the meeting of the Board in December 24, 2024. There was no violation of ethical management in 2024; for details on departments' responsibilities and relevant execution, please visit the Company's website.</p> <p>(III) The Company has established its "Regulations for Whistleblowing, Complaints, and Punishments for Violations of Ethics", established internal and external whistleblowing channels and procedures, and provided a dedicated hotline and mailbox for making reports on the Company's website, providing appropriate communication channels. The whistleblowing hotline and mailbox are the phone number and mailbox of the Company's Chief Auditor. In 2024, we received no whistleblowing reports.</p>	<p>Best Practice Principles for TWSE/TPEX Listed Companies.</p> <p>(III) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Evaluation Item	Operation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(IV) Has the Company established effective accounting systems and internal control systems to implement ethical management, with the internal audit department being responsible for devising relevant audit plans based on the evaluation results of the risk of involvement in unethical behaviors, and examined, accordingly, the compliance with the unethical behavior preventive plan, or engaged CPAs to carry out the audit?	Yes		<p>(IV)</p> <p>1. Accounting system: The Company's accounting system primarily specifies the processing standards, procedures, accounting items and subjects, accounting certificate, accounting books, and the categories and formats of accounting statements and their method of preparation and use relating to the accounting affairs of the Company, in the hopes of protecting the safety of the Company's properties, preventing errors and fraud, stipulating work procedures and responsibilities, providing critical and objective financial accounting information to serve as the basis for establishing an overall information system, and connecting to the International Financial Reporting Standards (IFRSs). The processing of accounting affairs of the departments of the Company are subject to the requirements of the accounting system, and are reviewed by the responsible executive.</p> <p>2. Internal control system:</p> <p>(1) Establish an effective internal control system: The Company has established its internal control handbook, which serves as a basis for relevant departments and employees of the Company in executing the internal control system after being passed by the Board. The self-evaluation</p>	(IV) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Operation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(V) Has the Company regularly held internal and external educational training on ethical management?	Yes		<p>is conducted in October each year. Departments at various levels and subsidiaries shall implement the evaluation on business managed by themselves based on the "Internal Control Self-evaluation Form," and the Audit Office shall carry out the review.</p> <p>(2) Assist the Board and managers in examining and reviewing the internal control system and deficiencies of ethical behaviors, measuring the effect and efficiency of operations, and providing improvement recommendations and establishing relevant audit plans in due course to ensure the continual effect of the internal control system and serve as the basis for examining and amending the internal control system.</p> <p>(V) The Company's Ethical Norms for Employees and Ethical Management Principles provide a set of standards for ethical behavior. Additionally, the annual sustainability report also clearly discloses our ethical management policies. Through educational training and internal meetings, the Company educates employees on our corporate ethical management concepts and requirements, allowing employees to fully</p>	(V) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Operation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			understand and comply with these concepts. In 2024, the manager of the Planning Section, Administration Department of the Company gave a lecture on prevention of insider trading and ethical corporate management. A total of 106 managers and employees attended the course.	
III. Whistleblowing system				
(I) Has the Company established concrete whistleblowing and incentive systems, established convenient whistleblowing channels, and appointed appropriate dedicated handling personnel for the targets being reported?	Yes		(I) The Company has established its "Regulations for Whistleblowing, Complaints, and Punishments for Violations of Ethics" that set out the whistleblowing channels and the complete handling process, including establishing the information for whistleblowing and information to be provided by the whistleblowers, and requirements on handling process by the dedicated department, and the appropriate incentives provided to whistleblowers.	(I) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
(II) Has the company established standard operating procedures for investigating reported issues, follow-up measures to be adopted after the investigation, as well as relevant confidential mechanisms?	Yes		(II) The Company has established its "Regulations for Whistleblowing, Complaints, and Punishments for Violations of Ethics." The provisions stipulate the internal and external whistleblowing handling procedures, investigation operating procedures, and stipulated that the Audit Office shall keep secret the identity of the whistleblowers and the content of the report; verification shall be done	(II) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Operation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
(III) Has the Company adopted measures to protect whistleblowers from being mistreated due to whistleblowing?	Yes		through independent channels. (III) "Regulations for Whistleblowing, Complaints, and Punishments for Violations of Ethics" stated that the Audit Office shall keep secret the identity of the whistleblowers and the content of the report, and the Company shall protect whistleblowers from being mistreated due to whistleblowing.	(III) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
IV. Improve information disclosure (I) Has the Company disclosed the content of its Ethical Management Principles and the results of its implementation on the Company's website and MOPS?	Yes		(I) The Company disclosed its "Ethical Management Principles," "Procedures and Behavioral Guidelines for Ethical Management," and execution of ethical management on its website (www.cscc.com.tw) and MOPS.	(I) In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.
V. Where the Company has established its Ethical Management Principles according to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe its operations and the deviation from the Principles The Company has established its "Ethical Management Principles" and "Procedures and Behavioral Guidelines for Ethical Management," and the operations of the organization have complied with the requirements under the Code of Ethical Management.				
VI. Other important information that helps understand the implementation of ethical corporate management of the company (e.g., review and amendment of the company's Ethical Corporate Management Best Practice Principles) Adhering to the business philosophy of honesty and integrity with a responsible and accountable attitude, the Company's information on ethical management is listed as follows: (I) Suppliers: The Company and its suppliers have entered into contracts to carry out business activities in a fair and transparent manner, and the Company stipulates clauses related to ethical behaviors in the contracts. (II) Employees: The Company organizes educational training and promotion to allow employees to fully understand its determination and policies on ethical management and results of violating ethical behaviors. (III) Investors: The Company has set up its corporate website to disclose its corporate profiles, basic data, and financial information, and discloses corporate				

Evaluation Item	Operation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			information regularly at the MOPS in a timely, open, and transparent manner according to the requirements.	
(IV) Consumers:			The Company and its customers have entered into contracts to carry out business activities in a fair and transparent manner. The Company also established dedicated personnel and a mailbox to handle relevant issues for complaints related to customers' interests of the Company and handle the complaints from consumers in a fair and instant manner.	
(V) The Company:			All operations shall comply with laws and regulations in principle in the hopes of establishing its positive business image.	
(VI) The Company			reviews and amends or formulates regulations related to ethical management from time to time in order to meet the actual operating requirements.	

Note 1

China Steel Chemical Corporation
Code of Ethics & Practice for Practitioners

Established on January 8, 2009

- I. The "CSCC Code of Ethics & Practice for Practitioners" was formulated in order to promote the culture of probity, allowing employees to self-request and be spontaneous in executing their duties, so as to realize the CSC Group's four major spirits: team, corporate, pragmatism, and innovation and pass down a premium corporate culture.
- II. Practitioners shall be cautious with their words and behaviors with probity in their conduct. They shall not seek improper benefits for themselves or any third party by using its identity, relationship, or news due to their power or duty.
- III. Practitioners shall not request, agree on, or receive gifts, social engagements, or other benefits from stakeholders related to their duties. Gifts, social engagement, or other benefits based on social activities shall comply with the principles of etiquette.
- IV. When Practitioners invite guests to social engagements for the purpose of performing their duties and developing external business relationships, the social engagement shall be organized in accordance with the principles of etiquette and simplicity instead of being extravagant and wasteful.
- V. Practitioners who encounter any incident involving themselves or their relatives' stakes when performing their duties shall recuse themselves based on the principles of recusal for conflicts of interests.
- VI. Practitioners shall not accept social engagement invitations or other entertainment activities from stakeholders that are not necessary for executing their duties without the consent of executives. Practitioners shall avoid accepting invitations to banquets and entertainment from non-interested parties but are not suitable for their identity or position.
- VII. Practitioners shall not accept illegal requests or lobbying and shall not treat any particular individual or group differently.

- VIII. Practitioners shall avoid loaning money, inviting or participating in unions, or act as a guarantor of properties or identities to the extent possible.
All levels of executives shall strengthen the review of employees' ethical conducts, and shall immediately report or deal with any financial abnormalities and abnormal conditions in their daily lives discovered.
- IX. Practitioners shall keep their weddings, funerals, events, and celebrations simple, and shall not take the opportunity to abuse their positions or business relationships to send out excessive wedding invitations or obituary notices. The same shall apply for moving into a new house or relocation.
- X. Practitioners are strictly forbidden to illegally request or seek a promotion or job rotation.
- XI. Practitioners shall describe material evidence in a proper way when reporting illegal activities, with no anonymous whistleblowing or intentionally punish others by false reports and facts.
- XII. During their tenure, practitioners shall keep classified the secrets on account of performing business and commercial secrets or other personal data in accordance with the confidentiality regulations. The same shall apply after resignation.
- XIII. Practitioners shall be devoted, pragmatic, and diligent, and take the initiative at work, abide by the rules for employee attendance and leave, and shall not leave their work without authorization and neglect their duties.
- XIV. Practitioners shall respect administrative ethics in performing their duties. The superiors shall exercise due care in guiding, care, and cultivating subordinates, while the subordinates shall respect, obey, and support the guidance of their superiors, and honestly express opinions as reference for their superiors; harmonious cooperation shall be achieved among colleagues.
- XV. Practitioners shall have a team spirit and focus on the overall and long-term interests of the Company and the Group's companies to improve horizontal connections, deepen vertical communications, cooperate with each other, and avoid self-centered or selfish behaviors.

- XVI. Practitioners shall adhere to a pragmatic spirit when engaging in business transactions with companies within the CSC Group, and shall not accept or offer gifts for festive events unless necessary.
- XVII. Practitioners who follow this Code and have achieved evident and outstanding performance shall be rewarded. Violations of this Code that are proven to be true after investigation shall be punished depending on their severity, and those liable to criminal sanctions will be reported to related law enforcement agencies.
- XVIII. The Code shall be enacted and publicized after being approved by the Chairman. The same shall apply upon any amendment.

Note 2

China Steel Chemical Corporation
Ethical Corporate Management Best Practice Principles

Established on August 5, 2015

The 1st amendment was made on March 20, 2019

- Article 1 The Company established the Principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" to establish a corporate culture and healthy development for ethical corporate management and provide a reference framework for good business operations. The Principles are applicable to the Company's subsidiaries, business conglomerate, and organizations that are corporates in which the Company directly or indirectly donated an aggregate of overall 50% of their funds or other institutions or corporates under the Company's substantial control (the "Business Conglomerate and Organizations").
- Article 2 When engaging in commercial activities, Directors, managers, employees, and trustees of the Company or persons having substantial control over the Company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (hereinafter referred to as "unethical conduct") for purposes of acquiring or maintaining benefits. Parties referred to in the preceding paragraph include public servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers, or other stakeholders.
- Article 3 "Benefits" in these Principles means any items of value, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits occasionally received or given in accordance with accepted social customs that do not affect particular rights and obligations shall be excluded.

- Article 4 The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, rules and regulations related to TWSE and TPEX, or other laws and regulations related to business conducts as an essential precondition to realizing ethical management.
- Article 5 The Company shall adhere to honesty, transparency, and responsibility, establish its operating policies based on ethics, and establish a healthy corporate governance and risk control system to create an operating environment for sustainable development.
- Article 6 The Company shall establish ethical management practices and the programs to forestall unethical conduct (hereinafter referred to as "prevention programs"), including operating procedures, guidelines, and training in accordance with the business policies specified above.
- The Preventive Program in the preceding article shall comply with relevant local laws and regulations where the Company and Business Conglomerate and Organizations operate.
- During the course of establishing the Preventive Program, the Company shall communicate with its employees, labor union, significant business counterparts, or other stakeholders.
- Article 7 When establishing the Preventive Program, the Company shall analyze which business activities within its business scope which are possibly at a higher risk of being involved in an unethical conduct, and strengthen the preventive measures. The Preventive Program established by the Company shall at least include preventive measures against the following behaviors:
- I. Offering and accepting bribes.
 - II. Providing illegal political donations.
 - III. Improper charitable donations or sponsorships.
 - IV. Offering or accepting unreasonable presents, social engagements, or other unjust benefits.

- V. Infringement of trade secrets, trademark rights, patent rights, copyrights, and other intellectual property rights.
 - VI. Engaging in unfair competitive conduct.
 - VII. Direct or indirect harm to the interests, health, and safety of consumers or other stakeholders arising from the R&D, procurement, manufacturing, provision, or sales of its products and services.
- Article 8 The Company and Business Conglomerate and Organizations shall clearly specify in their rules and external documents the ethical corporate management policies and the commitment by the Board of directors and the management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in external commercial activities.
- Article 9 The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.
- Before any business dealings, the Company shall consider the legality of distributors, suppliers, customers, or other business counterparties, and whether they have records of unethical conduct, and avoid conducting transactions with those having records of unethical conduct.
- When entering into contracts with distributors, suppliers, customers, or other business counterparties, the Company shall include clauses related to the observation of ethical management policies and termination or cancellation of contract at any time upon any unethical conduct of the business counterparties.
- Article 10 The Company, its Directors, managers, employees, trustees, and Substantial Controllers shall not directly or indirectly offer, promise, request, or receive any unjust benefits in any form to or from customers, distributors, contractors, suppliers, public servants, or other stakeholders when executing businesses. However, those complying with the local laws shall be excluded.
- Article 11 The direct or indirect organization of personal donations made by the Company's Directors, managers, employees, trustees,

- and Substantial Controllers to political parties and political events shall comply with the Political Donations Act and the Company's internal relevant operating procedures without seeking business benefits or trading advantages.
- Article 12 Charitable donations or sponsorship made by the Company, its Directors, managers, employees, trustees, and Substantial Controllers shall comply with relevant laws and regulations and internal operating procedures without involving disguised bribery.
- Article 13 The Company its Directors, managers, employees, trustees, and Substantial Controllers shall not directly or indirectly provide or accept any unjust gift, social engagement, or other unjust benefits to establish business relationships or affect business transactions.
- Article 14 The Company its Directors, managers, employees, trustees, and Substantial Controllers shall comply with requirements under regulations related to intellectual properties, the Company's internal operating procedures and contracts. Without consent from the owner of the intellectual property rights, there shall not be any use, leakage, disposal, harm, or other behaviors infringing the intellectual property rights.
- Article 15 The Company shall engage in business activities according to the relevant competition regulations and shall not fixate prices, manipulate tenders, restrict production volume and quota, or share or divide markets by way of allocating customers, suppliers, operating regions, or business categories.
- Article 16 The Company, its Directors, managers, employees, trustees, and Substantial Controllers shall comply with relevant regulations and international standards in the course of R&D, procurement, manufacturing, provision, or sales of products and services, ensure the information transparency and safety of products and services, establish and publish policies for the protection of consumers or other stakeholders, and implement such policies in the business activities to prevent products or services from directly or indirectly harming the interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts proving that the Company's products

or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall the batch of products or suspend the services immediately.

Article 17 The Company's Directors, managers, employees, trustees, and Substantial Controllers shall exercise the due care of good administrators, supervise the Company in preventing unethical conduct, and examine the implementation effects and continue to improve at any time to ensure the implementation of ethical management policies.

To achieve sound ethical management, the Company's internal departments shall be in charge of the following matters, and the auditor shall supervise its execution, and report to the Board on a regular basis:

I. Administration Department:

- (I) Assist in incorporating ethics and moral values into the Company's business strategy.
- (II) Plan the internal organization, structure, and allocation of responsibilities and set up mutual supervision and counterbalance mechanisms of the business activities within the business scope which are possibly at a higher risk of involving unethical conduct.
- (III) Establish the Preventive Program to ensure ethical management according to laws and regulations and establish standard Procedures and Behavioral Guidelines related to work and businesses in the Plan.
- (IV) Promote and coordinate communications and training with respect to ethics policies.

II. Auditor:

- (I) Organize a whistleblowing system and ensure its effective execution.
- (II) Assist the Board in reviewing and evaluating whether the preventive measures established for realizing ethical management are in operation

effectively, and regularly evaluate the compliance of relevant business procedures to prepare reports.

Article 18 The Company's Directors, managers, employees, trustees, and Substantial Controllers shall comply with laws and regulations and the Preventive Program when executing businesses.

Article 19 The Company shall establish policies for preventing conflicts of interest, to identify, supervise, and manage risks of unethical conduct resulting from conflicts of interest, and shall provide appropriate channels for Directors, managers, and other stakeholders attending or presenting at the Board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.

Where the Directors, managers, and other stakeholders attending or presenting at the Board meeting themselves or the corporates they represent are at stake in any proposal in the meeting, they shall explain the major content of such stakes on the Board meeting. When there may be harm to the Company's interests, they shall declare their opinions and answer to inquiries; they shall not participate in the discussion and voting, and shall not represent other Directors in exercising their voting rights. The Directors shall practice self-discipline and shall not support one another in improper dealings.

The Company's Directors, managers, employees, trustees, and Substantial Controllers shall not take advantage of their positions or influence in the Company to gain improper benefits for themselves, their spouses, parents, children, or any other parties.

Article 20 The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and implement of the systems are showing results.

The internal auditors of the Company shall carry out audits on the compliance with the above systems on a regular basis, and prepare audit reports to submit to the Board; CPAs may be

engaged to execute the audit; when necessary, professionals may be engaged for assistance.

Article 21 The Company shall establish operational procedures and behavioral guidelines in accordance with Article 6 that specify matters that require attention when Directors, managers, employees, and Substantial Controllers are executing businesses; their content shall at least cover the following matters:

- I. Standards for recognizing offering or accepting unjust benefits.
- II. Requirements that prohibit political donations.
- III. Procedures and standards for the amount in terms of providing proper charitable donations or sponsorship.
- IV. Declaration and handling procedures for avoiding conflicts of interests related to relevant interests.
- V. Confidentiality requirements for confidential and business-sensitive data acknowledged during the course of business.
- VI. Regulations and procedures for dealing with suppliers, customers, and business counterparties involved in unethical conduct.
- VII. Procedures for violations of the corporate's Ethical Management Principles.
- VIII. Punishments and disposals on those who conducted violations.

Article 22 The Company's Chairman, President, or senior management shall communicate the importance of ethics to its Directors, employees, and trustees on a regular basis.

The Company shall periodically organize educational training and communication for Directors, managers, employees, trustees, and Substantial Controllers and invite the Companies' business counterparties to participate in such training and communication for them to fully understand the Companies' determination, policies, Preventive Program, and results of violating ethical conduct.

The Company shall integrate its ethical management policies with its policies on employee performance evaluation and

human resources and establish an explicit and effective incentive and punishment system.

Article 23 The Company shall establish a concrete whistleblowing system and duly execute the system; the content shall at least cover the following matters:

- I. Establish and announce the internal independent whistleblowing mailbox and hotline, or engage other external independent institutions to provide the whistleblowing mailbox and hotline for internal and external parties of the Company to use.
- II. Appoint dedicated personnel or a department in charge of whistleblowing; where the reported matter involves any Director or senior executives, such matter shall be reported to the Independent Directors; establish categories for the reported matters and their investigation standard operating procedures.
- III. The records and preservation of accepted reported cases, investigation process, investigation results, and the preparation of relevant documents.
- IV. Confidentiality regarding the identity of whistleblowers and the reported content.
- V. Measures to protect whistleblowers from being mistreated due to whistleblowing.
- VI. Whistleblowing incentive measures.

For material misconduct or likelihood of material impairment to the Company found during investigations, the dedicated personnel or department handling the whistleblowing shall immediately prepare a report and notify Independent Directors in writing.

Article 24 The Company shall establish the punishment and complaint system for the violations of ethical management requirements and immediately disclose the date of violation, the content of violation, and the handling status in the internal website of the Company.

Article 25 The Company shall establish quantitative data for promoting ethical management, continue analyzing and evaluating the effects of promoting ethical management, and disclose

measures adopted for ethical management, performance status, the above quantitative data, and the promoting effects on the Company's website and in its annual report and prospectus, and disclose the content of its Ethical Management Principles on the MOPS.

Article 26 The Company shall at all times monitor the development of relevant domestic and foreign regulations concerning ethical management and encourage Directors, managers, and employees to propose recommendations, and the Company shall examine and improve the ethical management policies and promoting measures established based on such recommendations to improve the implementation effects of the Company's ethical management.

Article 27 The Principles are implemented after being passed by the Board and submitted to the shareholders' meeting. The same shall apply upon any amendment. However, the amendment made in March 2019 shall be implemented upon inauguration of the directors of the 11th intake.

When submitting the Ethical Management Principles to the meeting of the Board for discussion according to the requirements in the preceding paragraph, the Company shall fully consider the opinions from Independent Directors and set out their opposing or qualified opinions in the meeting minutes of the Board meeting. Where Independent Directors are unable to attend the meeting of the Board in person to express their opposing or qualified opinions, except for having justifiable reasons, they shall issue their written opinions, and such opinions shall be set out in the meeting minutes of the Board meeting.

Note 3

China Steel Chemical Corporation
Procedures and Behavioral Guidelines for Ethical Management

Established on December 30, 2015
The 1st amendment was made on August 8, 2019

- Article 1 The Company engages in business activities based on the principles of fairness, honesty, faithfulness, and transparency. To fully implement ethical management policies and actively prevent unethical conduct, the Procedures and Behavioral Guidelines are established pursuant to the Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies and Article 6 and Article 18 of the "Company's Ethical Management Principles", specifying matters to be noticed when personnel of the Company is executing their businesses.
- The application scope of the Procedures and Behavioral Guidelines includes the Company's subsidiaries.
- Except for otherwise stated in other rules and regulations, the Company shall comply with matters stated in the Procedures and Behavioral Guidelines.
- Article 2 The term "personnel of the Company" mentioned in the Procedures and Behavioral Guidelines refers to the Directors, managers, employees, staff, trustees, and persons with substantial control of the Company and the Business Conglomerate and Organizations.
- The Company evaluates the conduct of the personnel of the Company based on any unjust interests provided, promised, requested, or received from a third party by the personnel of the Company.
- Article 3 The term "unethical conduct" mentioned in the Procedures and Behavioral Guidelines refers to the personnel of the Company directly or indirectly providing, receiving, promising, or requesting any unjust benefits to gain or maintain its interests during the course of executing its businesses or engaging in other behaviors that violate ethics, laws, or the trustee's obligations.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees, or persons with substantial control or other stakeholders.

Article 4 The term "benefits" mentioned in the Procedures and Behavioral Guidelines refers to money, presents, gifts, commissions, positions, services, discounts, rebates, facilitation payment, social engagements, entertainment, and other valuable matters and subjects in any form or under any name.

Article 5 The Auditing Office is responsible for the relevant operations such as registration and archiving of the execution of the Procedures and Behavioral Guidelines, the reported content, and its supervision. The Audit Office shall regularly report to the Board.

The Administration Department is responsible for the amendment, interpretation, and consultation services of the Operating Procedures.

Article 6 Personnel of the Company directly or indirectly providing, receiving, promising, or requesting any benefits stated in Article 4 shall be subject to the "Guidelines for Handling Gifts and Social Engagements."

Article 7 Personnel of the Company encountering direct or indirect provision or promises of any benefits stated in Article 4 from other parties shall be subject to the "Guidelines for Handling Gifts and Social Engagements."

Article 8 The Company shall neither provide nor promise any facilitation payment.

Personnel of the Company providing or promising facilitation payment due to threats or blackmailing shall be subject to the "Guidelines for Handling Gifts and Social Engagements."

Article 9 No political contributions shall be made by the Company.

Article 10 Charitable donations or sponsorship provided by the Company shall be subject to the following matters and shall take place after being reported to and approved by the responsible

executives. Donations to related parties or significant donations to non-related parties shall be discussed or ratified by the Board according to Subparagraph 7, Paragraph 1, Article 7 of the "Rules of Procedure for Board of Directors Meetings"; the Audit Office shall perform audits on the abovementioned donations or sponsorships and prepare audit reports:

- I. Comply with requirements under local laws and regulations where the Company operates.
- II. Prepare written records of the decisions.
- III. Charitable donations shall be made to charitable institutions without being disguised bribery.
- IV. Sponsorships shall be provided to relevant persons who are not business counterparties of the Company or share interests with personnel of the Company as the returns of the sponsorship are explicit and reasonable.
- V. After making charitable donations or sponsorships, the Company shall confirm that the flow of the funds and usage is consistent with the purpose of the donations.

Article 11 Personnel of the Company shall observe the requirements under the "Code of Ethics for Directors" and "Code of Ethics for Senior Managers" according to their titles.

Article 12 The management, preservation, and procedures for confidentiality of the Company's confidential information shall be subject to the requirements under the "Regulations for the Management of Business Secrets."

Article 13 Personnel of the Company shall duly observe the requirements related to confidentiality under the "Code of Ethics for Directors," "Code of Ethics for Senior Managers," and "Regulations for the Management of Business Secrets," and shall not disclose or deliver the confidential information of the Company they acknowledged to other parties, and shall not inquire or collect the confidential information of the Company that is not related to their duties.

Article 14 Personnel of the Company shall comply with the requirements under the Securities and Exchange Act, "Code of Ethics for Directors," "Code of Ethics for Senior Managers," and

- "Regulations for the Management of Business Secrets," and shall not use the undisclosed information they acknowledged to engage in insider trading, and shall not disclose such information to other, so as to prevent others from using the undisclosed information to engage in insider trading.
- Article 15 Other institutions or personnel involving in the Company's merger, split, acquisition, and transfer of shares, significant memorandum, strategic alliances, other business projects, or significant contracts shall sign non-disclosure agreements with the Company to promise that they will not disclose the Company's confidential information or other significant information they acknowledged to others, and will not use such information without the Company's consent.
- Article 16 The Company shall disclose its ethical management policies in its internal rules and regulations, annual report, on its corporate website, or in other printed literature, and declare in activities for external parties such as product launch presentations or investors conferences in due course, allowing its suppliers, customers, or other institutions and personnel related to its businesses to explicitly understand the Company's concepts and specification of ethical management.
- Article 17 During the course of engaging in business conduct, personnel of the Company shall explain to business counterparties the Company's ethical management policies and relevant requirements and explicitly refuse to directly or indirectly provide, promise, request, or receive unjust benefits in any form or under any name.
- Article 18 Personnel of the Company shall avoid engaging in business transactions with distributors, suppliers, customers, or other business counterparties involved in unethical conduct. When discovering any unethical conduct of business counterparties or cooperative partners, personnel of the Company shall immediately stop the business dealings and include such counterparties or partners on the blacklist to duly implement the Company's ethical management.
- Article 19 When entering into contracts with others, the Company shall include observing the Company's ethical management policies

into the contract clauses, and shall at least state the following matters in the contracts:

- I. When any party acknowledged personnel violating the contract clause related to the prohibition on receiving commissions, rebates, or other unjust benefits, the party shall immediately inform the other party regarding the personnel's identity, the method of providing, promising, requesting, or receiving the amount or other unjust benefits, and provide relevant evidence and cooperate with the investigation of the other party. When damages occurred to one party due to such violations, the party may request damage compensation from the other party, and such compensation may be deducted accordingly from the contracted consideration.
- II. When any party is involved in unethical conduct during its business activities, the other party may unconditionally terminate or cancel the contract at any time.
- III. Specify explicit and reasonable payment content, including payment venue, method, and relevant tax regulations to be observed.

Article 20 When discovering or receiving reports on personnel of the Company involved in unethical conduct, the Company shall immediately investigate relevant facts. Where it is verified that such personnel violated relevant laws or regulations or the requirements of the Company's ethical management policies, the Company shall immediately request such personnel to stop relevant behaviors and make proper disposals. When necessary, the Company may request damage compensation via legal procedures to protect the Company's reputation and interests. Regarding unethical conduct that occurred, the Company shall procure relevant departments to examine relevant internal control systems and operating procedures and propose improvement measures to avoid the recurrence of such behaviors.

The Audit Office shall report to the Board regarding the unethical conduct, handling methods, and subsequent examination and improvement measures.

Article 21 When personnel of the Company encounter others engaging in unethical conduct against the Company, where their behavior involves an illegal conduct, the Company shall notify juristic and prosecuting authorities of the relevant facts; where any public agency or public servant is involved, the Company shall notify the government's anti-corruption authority.

Article 22 The Company shall include ethical management in policies of employee performance evaluation and human resources and establish an explicit and effective incentive and punishment system.

For severe violations of ethics conducted by personnel of the Company, the Company shall dismiss or layoff such personnel according to relevant laws and regulations or the Company's human affairs regulations.

The Company shall disclose the title and name of personnel who violated ethics, the date of violation, the content of violation, and handling status on its internal website.

Article 23 The Procedures and Behavioral Guidelines were implemented after being passed by the Board as a resolution, submitted to Independent Directors, and reported to the shareholders' meeting. The same shall apply upon any amendment. When submitting the Procedures and Behavioral Guidelines to the meeting of the Board for discussion according to the requirements in the preceding paragraph, the Company shall fully consider the opinions from Independent Directors and set out their opposing or qualified opinions in the meeting minutes of the Board meeting. Where Independent Directors are unable to attend the meeting of the Board in person to express their opposing or qualified opinions, except for having justifiable reasons, they shall issue their written opinions, and such opinions shall be set out in the meeting minutes of the Board meeting.

Note 4

China Steel Chemical Corporation
Regulations for the Whistleblowing, Complaints, and Punishment of
Violations of Ethics

Established on January 6, 2016
The 1st amendment was made on March 23, 2020

- Article 1 These Regulations were established to duly implement the Company's Ethical Management Principles and establish the Company's internal and external whistleblowing channels and handling procedures.
- Article 2 The Company's Audit Office is the department handling whistleblowing. The whistleblowing hotline and mailbox are the phone number and mailbox of the Company's Chief Auditor.
- Article 3 When the reported matter involves Directors or managers, the Audit Office shall report to Independent Directors. When the reported matter involves the Chief Auditor, the acting audit executive shall be the handling personnel responsible for relevant operations such as the investigation and the report.
- Article 4 Categories of whistleblowing matters:
- I. Offering and accepting bribes.
 - II. Providing illegal political donations.
 - III. Improper charitable donations or sponsorships.
 - IV. Offering or accepting unreasonable presents, social engagements, or other unjust benefits.
 - V. Infringement of trade secrets, trademark rights, patent rights, copyrights, and other intellectual property rights.
 - VI. Engaging in unfair competitive conduct.
 - VII. Direct or indirect harm to the interests, health, and safety of consumers or other stakeholders arising from the R&D, procurement, manufacturing, provision, or sales of its products and services.
 - VIII. Others.
- Article 5 Handling procedures:

- I. Anonymous whistleblowing: The whistleblower shall provide its name and actual fact for whistleblowing. Anonymous whistleblowing will not be processed in principle; however, where the content claimed requires investigation, it may be processed by dividing it as a separate case, and it shall serve as a reference for internal examination.
- II. Named whistleblowing: The Audit Office shall clarify the purpose and specific evidence of whistleblowing, and fill out the whistleblowing/complaint registration form (see Attachment 1), and submit the form to the Chairman for approval.
- III. The Audit Office shall keep confidential the identity of whistleblowers and the content reported, and adopt an independent channel for investigation.
- IV. In order to protect the rights of the counterparties of the reported cases to avoid retaliation due to resentment, the Company shall offer opportunities of complaints for such counterparties.

Article 6 The Audit Office shall record and preserve the acceptance of the reported cases, investigation process, investigation results, and relevant documents, which shall be preserved for at least five years, and they may be preserved in electronic means. If there is any litigation incurred related to the content reported before the expiry of the preservation period, relevant data shall be kept until the litigation has ended.

Article 7 The Company shall protect whistleblowers from being mistreated due to whistleblowing. However, where the reported case is verified as falsification, false accusation, report abuse, or slander on others after investigation, the Company shall discuss the disposal based on the circumstances.

Article 8 Where the whistleblower is the Company's employee, the whistleblower may be granted appropriate incentives based on the severity of the circumstances of the reported case verified as true after investigation.

Article 9 For handling whistleblowing cases, for any likelihood of significant violations or significant impairment to the

Company is discovered after investigation; a report shall be immediately made. After submitting the report to managers who are concurrently Directors and the Chairman, written notices shall be sent to Independent Directors.

Article 10 For complaint cases related to the violations of ethical management requirements that are verified as true after investigation, the Company shall disclose information such as the date of violations, the content of violations, and handling status on its internal website.

Article 11 For whistleblowing cases related to the violations of ethics that are verified as true after investigation, the Company shall impose punishment based on the severity of the circumstances.

Article 12 The Regulations were implemented after being approved by the President. The same shall apply upon any amendment.

(VII) Other information enabling a better understanding of the Company's corporate governance operations shall be disclosed

1. Relevant domestic or international certifications obtained by the Company's accounting, audit, and information security employees:

(1) ISO27001: 2013 Information Security Management System Lead Auditor: 1 person.

2. Establishment and promotion of procedure for processing significant internal information: The Company has established its Regulations for the Report of Internal Significant Events (for details, please see the corporate website of the Company).

(VIII) Execution of the Internal Control System

1. Statement of Internal Control System

China Steel Chemical Corporation
Statement of Internal Control System

Date: February 24, 2025

This Statement of Internal Control System is issued based on the self-assessment results of the Company for year 2024.

The Company acknowledges that establishing, implementing, and maintaining the internal control system is the responsibility of the Company's Board and managers. The Company has established the system. The purpose of which is to provide reasonable assurance on the achievements of objectives such as effects and efficiency of operations (including profits, performance, and protection of assets' safety), credibility, timeliness, and transparency of reports, compliance with relevant regulations and relevant laws, regulations, and rules.

An internal control system has inherent limitations. Regardless of the comprehensive design, an effective internal control system may merely provide reasonable assurance on achieving the three objectives mentioned above. Moreover, the effectiveness of an internal control system is subject to changes in the environment and circumstances. Nevertheless, the Company's internal control system contains self-monitoring mechanisms, and the Company adopts immediate remedial actions in response to any identified deficiencies.

The Company established the determination items for the effectiveness of its internal control system based on the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (the "Regulations") to determine whether the design and execution of its internal control system is effective. The determination items for the internal control system adopted by the "Regulations" divide the internal control system into five key components based on the course of management and control: 1. control environment; 2. risk evaluation; 3. control operations; 4. information and communications; and 5. supervisory operations. Each key component includes certain items. Please refer to the requirements of the "Regulations" for the aforementioned items.

The Company adopted the abovementioned determination items for the internal control system to evaluate the effectiveness of the internal control system's design and execution.

Based on the evaluation results above, the Company considered that the design and execution of the internal control system (including supervision and management of subsidiaries) as of December 31, 2024, are effective (including the understanding of the level of achievement regarding the objectives of operations' effects and efficiency, credibility, timeliness, and transparency of reports, compliance with relevant regulations and relevant laws, regulations, and rules), and the internal control system is able to provide reasonable assurance on the achievement of the above objectives.

The Statement is a major part of the Company's annual report and prospectus that is disclosed to the public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.

The Statement was passed at the meeting of the Board of Directors on February 24, 2025. It is hereby stated that among the nine attending directors, none held opposing opinions, and the remaining directors have agreed on the content of the Statement.

China Steel Chemical Corporation

Chairman: Chien-Chih Hwang

President: Ming-Dar Fang

2. Where CPAs were engaged to conduct a project audit on the internal control system, the audit report shall be disclosed: None.
- (IX) Major Resolutions of Shareholders' Meeting and Board Meetings During the Latest Year and as of the Date of Publishing the Annual Report
1. Major resolutions of the 2024 shareholders' meeting and their execution
 - (1) Ratification of the 2023 Business Report, the 2024 Business Plan Overview, and the 2023 consolidated and parent company only financial reports. Approved as is.
 - (2) Ratification of the 2023 earnings distribution proposal; it was approved as is and has been precisely enforced. The ex-dividend date was July 17, 2024, and the distribution date was August 9, 2024.
(Bonus in cash worth NT\$ 4.0 per share was distributed)
 2. Material resolution of the Board meeting

Date	Board of Directors	Material Resolution
2024.02.26	12th meeting of the 12th term	(1) 2023 Business Report, Financial Report, and Consolidated Financial Statements. (2) 2023 Earnings Distribution Proposal. (3) Distribution of 2023 remuneration to employees and that to directors. (4) Proposal for items to include on the agenda for the 2024 Annual Shareholders' Meeting. (5) 2023 Internal Control System Declaration. (6) Evaluation of Independence of the CPAs' responsible for 2024 Financial Report. (7) Proposed amendment of the Company's "Rules of Organization". (8) Proposal for the expansion and construction of automated three-dimensional storage facilities for the Company's Carbon Material Manufacturing Plant C2 Warehouse. (9) 2024 performance evaluation items for the Company's President and Vice President.
2024.04.29	13th meeting of the 12th term	(1) The Company's consolidated financial report for the first quarter of 2024. (2) Proposal to donate to the CSC Group Education Foundation. (3) Revision of the Duties Division Table.

Date	Board of Directors	Material Resolution
		(4) Results of 2023 annual performance evaluation results of managers and year-end finalized distribution of incentives with 2023 earnings.
2024.07.30	14th meeting of the 12th term	(1) The Company's consolidated financial report for the second quarter of 2024. (2) Proposal of the Company's 2023 Sustainability Report. (3) Rental of premises from and extension of land lease with Chung Hung Steel Corporation. (4) Proposal to adjust salaries for all Company employees below the Vice President level. (5) Proposal to amend the Rules of Procedure for Board of Directors' Meetings. (6) Amendment of the Audit Committee Charter. (7) Amendment of the Sustainable Development Best Practice Principles. (8) Proposal to amend the Company's Salary and Wage Regulations. (9) Amendment of the Company's Employee Stock Ownership Trust Committee Charter.
2024.10.31	15th meeting of the 12th term	(1) The Company's consolidated financial report for the third quarter of 2024. (2) Proposal on the investment into the construction of a halogen purification furnace for mass production. (3) Collaboration with KGI Bank on medium and long-term loan renewals. (4) Collaboration with Taipei Fubon Bank on medium and long-term loan renewals. (5) Collaboration with MUFG Bank on medium and long-term loan renewals. (6) Proposal for the salary rise for 2024 for managers.
2024.12.24	16th meeting of the 12th term	(1) 2025 budget. (2) 2025 internal audit plan. (3) Proposal for the draft amendment of the Company's internal control system. (4) Proposal for the draft amendment of the Corporate Governance and Sustainability Committee Organic Rules.

Date	Board of Directors	Material Resolution
2024.12.31	17th meeting of the 12th term	1. Election of meeting chairperson. 2. Election of Chairman: Director Chien-Chih Hwang elected as Chairman. 3. Discussion items. (1) Hiring of Former Chairman Mr. Wen-Jung Hsieh as the unpaid honorary consultant.

- (X) The primary content of directors or supervisors who have dissented on important resolutions passed by the Board of Directors, where such dissents have been recorded or documents in recent years up to the date of report: None.

IV. Information on Fees to CPA

(I) Information of public expenditure on CPAs

Unit: NT\$ thousand

Name of CPA's Firm	Name of CPAs	Audit Period	Audit Expenditure	Non-audit Expenditure	Total	Remarks
Deloitte Taiwan	Chao-Chun Wang	2024.01.01 ~ 2024.12.31	4,965	820	5,785	Non-audit expenditure refers to taxation attestation expenditure of NT\$ 270 thousand, the expenditure on the preparation of the transfer pricing report of NT\$ 370 thousand, and the advances of NT\$ 180 thousand.
	Hung-Ju Liao					

Note 1: For any changes in the CPAs or CPA's firm, the audit period shall be stated, and explanations for such changes shall be set forth in the Remarks column. The information such as the audit fees and non-audit fees paid shall be disclosed in order. Not audit expenditure and nature of the service provided shall be noted.

- (II) Regarding Changes in the CPA's Firm, the Audit Fees Paid During the Year in Which Such Changes Occurred Are Lower Than the Audit Fees During the Year Before the Changes: Not applicable.
- (III) Audit Fees Reduced by 10% and Above as Compared with the Previous Year: Not applicable.

- V. Information on the Change of CPAs: The Company has not changed its accountants in the past two years.
- VI. Company's Chairman, President, Financial or Accounting Affairs Manager who has Served in the Firm that the CPAs belong or Any of its Affiliates in the Most Recent Year: None.
- VII. Changes in Equity Transfer and Pledge of Equity by Directors, Managers, and Shareholders with Shareholdings Over 10% for the Latest Year and as of the Date of Publishing the Annual Report
- (I) Changes in the Equity of Directors, Managers, and Major Shareholders:

Unit: Share

Title	Name	2024		2025 up to March 31		Notes
		Increase (Decrease) in the Number of Shares Held	Increase (Decrease) in the Number of Shares Pledged	Increase (Decrease) in the Number of Shares Held	Increase (Decrease) in the Number of Shares Pledged	
Corporate Director	China Steel Corporation	0	0	0	0	
Corporate Director	International CSRC Investment Holdings Co., Ltd.	0	0	0	0	
Director	Chao-Tung Wong	0	0	0	0	Relieved from the position on May 18, 2024
Director	Hong-Yih Liou	0	0	0	0	Newly appointed on May 18, 2024
Director	Shyi-Chin Wang	0	0	0	0	Relieved from the position on September 10, 2024
Director	Chien-Chih Hwang	0	0	0	0	Newly appointed on September 10, 2024
Director	Wen-Jung Hsieh	0	0	0	0	Relieved from the position on December 31, 2024

Title	Name	2024		2025 up to March 31		Notes
		Increase (Decrease) in the Number of Shares Held	Increase (Decrease) in the Number of Shares Pledged	Increase (Decrease) in the Number of Shares Held	Increase (Decrease) in the Number of Shares Pledged	
Director	Kuo-Hua Huang	0	0	0	0	Newly appointed on December 31, 2024
Director	Ming-Dar Fang	0	0	0	0	
Director	Kung-Yi Koo	0	0	0	0	
Director	Tien-Fu Chao	0	0	0	0	
Independent Director	Hsing-Shu Hsieh	0	0	0	0	
Independent Director	Yuan-Hong Wang	0	0	0	0	
Independent Director	Tsun-Tzu Hsu	0	0	0	0	
Manager	Ming-Dar Fang	0	0	0	0	
Manager	Yi-Hung Chen	0	0	0	0	
Manager	Wen-Liang Tseng	0	0	0	0	
Manager	Li-Li Kuo	0	0	0	0	

Note: The number of shares held by the outgoing directors and managers at the end of the period refers to the number of shares held in the current month of the dismissal; the number of shares held by the newly-inaugurated directors and managers at the beginning of the period refers to the number of shares held in the month of inauguration.

- (II) Information on equity transfer: The equity transfer of the Directors, managers, and major shareholders holding 10% of interests in the Company are performed within the market, and the counterparts for the equity transfers are non-related parties.
- (III) Information on equity pledge: None.

VIII. Relationship Among Top 10 Shareholders in Terms of the Holding Ratio

December 31, 2024

Name (Note 1)	Shares Held by the Shareholder		Shares Held by the Spouse or Any Underage Child		Shareholding in the Name of Others		The Title or Name and Relationship Among the Top 10 Shareholders Who are Related to One Another, the Spouse of Each Other, or Relatives Within the Second Degree of Kinship (Note 3)		Notes
	Share(s)	Shareholding ratio (%)	Share(s)	Shareholding ratio (%)	Share(s)	Shareholding ratio (%)	Name	Relationship	
China Steel Corporation	68,787,183	29.04%	-	-	-	-	Ever Wealthy International Corporation	Groups and Enterprises	
Representative of China Steel Corporation: Chien-Chih Hwang	0	0%	-	-	-	-	None	None	
Representative of China Steel Corporation: Horng-Yih Liou	0	0%	-	-	-	-	None	None	
Representative of China Steel Corporation: Kuo-Hua Huang	0	0%	-	-	-	-	None	None	
Representative of China Steel Corporation: Ming-Dar Fang	4,907	0.002%	-	-	-	-	None	None	
International CSRC Investment Holdings Co., Ltd.	11,759,096	4.96%	-	-	-	-	None	None	
Representative of International CSRC Investment Holdings Co., Ltd. Kung-Yi Koo	0	0%	-	-	-	-	None	None	
Representative of International CSRC Investment Holdings Co., Ltd. Tien-Fu Chao	0	0%	-	-	-	-	None	None	
Fubon Life Insurance Co., Ltd.	9,300,000	3.93%	-	-	-	-	None	None	
Representative of Fubon Life Insurance Co., Ltd. Howard Lin	0	0%	-	-	-	-	None	None	
Ever Wealthy International Corporation	4,753,537	2.01%	-	-	-	-	China Steel Corporation	Groups and Enterprises	
Ever Wealthy International Corporation	4,907	0.002%	-	-	-	-	None	None	

Name (Note 1)	Shares Held by the Shareholder		Shares Held by the Spouse or Any Underage Child		Shareholding in the Name of Others		The Title or Name and Relationship Among the Top 10 Shareholders Who are Related to One Another, the Spouse of Each Other, or Relatives Within the Second Degree of Kinship (Note 3)		Notes
	Share(s)	Shareholding ratio (%)	Share(s)	Shareholding ratio (%)	Share(s)	Shareholding ratio (%)	Name	Relationship	
Representative: Ming-Dar Fang									
Chichengte Investment Co., Ltd.	3,448,867	1.46%	-	-	-	-	None	None	
Representative of Chichengte Investment Co., Ltd. Fu-Ting Wang	0	0%	-	-	-	-	None	None	
KGI Life Insurance Co., Ltd.	2,614,000	1.10%	-	-	-	-	None	None	
KGI Life Insurance Co., Ltd. Alan Wang	0	0%	-	-	-	-	None	None	
Hsinyang Investment Co., Ltd.	2,388,089	1.01%	-	-	-	-	None	None	
Representative of Hsinyang Investment Co., Ltd. Mu-Liang Chang	0	0%	-	-	-	-	None	None	
Vanguard Total International Stock Index Fund Investment Account	2,273,245	0.96%	-	-	-	-	None	None	
Chang Gung Medical Foundation	2,202,000	0.93%	-	-	-	-	None	None	
Representative of Chang Gung Medical Foundation Rui-Hui Wang	0	0%	-	-	-	-	None	None	
Employee's Stock Ownership Trust of CSCC under the custody of Mega International Commercial Bank Co., Ltd.	1,981,145	0.84%	-	-	-	-	None	None	

Note 1: Shareholders with top ten shareholdings shall be fully stated, and the title of the corporate shareholder and the name of the representative for the corporate shareholders shall be separately stated.

Note 2: The calculation of shareholdings refers to the ratio of shares held by the shareholders themselves, their spouses, minors, and in the name of others.

Note 3: The relations between the shareholders set out above (including corporates and natural persons) shall be disclosed.

IX. Total Shareholding Percentage of Investee Business

December 31, 2024

Unit: share; %

Investee Company (Note)	Investment of the Company		Investments in Companies Directly or Indirectly Controlled by Directors, Independent Directors, and Managers		Total Investments	
	Share(s)	Shareholding ratio	Share(s)	Shareholding ratio	Share(s)	Shareholding ratio
Ever Wealthy International Corporation	107,712,232	100.00%	-	-	107,712,232	100.00%
HIMAG Magnetic Corporation	3,133,744	7.83%	31,946,815	79.81%	35,080,559	87.64%
Li-Ching-Long Investment Corporation	700,000	35.00%	1,300,000	65.00%	2,000,000	100.00%
Gau Ruei Investment Corporation	1,196,000	40.00%	1,794,000	60.00%	2,990,000	100.00%
Pro-Ascentek Investment Corporation	6,000,000	5.00%	67,000,000	55.83%	73,000,000	60.83%
CHC Resources Corporation	15,019,341	6.04%	73,497,555	29.57%	88,516,896	35.61%
TaiAn Technologies Corporation	499,998	5.00%	1,666,700	16.67%	2,166,698	21.67%
Transglory Investment Corporation	75,911,726	8.90%	776,668,274	91.10%	852,580,000	100.00%
Eminent Venture Capital Corporation	337,500	5.00%	3,375,000	50.00%	3,712,500	55.00%
China Steel Structure Co., Ltd.	600,069	0.30%	75,509,636	37.75%	76,109,705	38.05%
CSC Solar Corporation	26,160,000	15.00%	148,240,000	85.00%	174,400,000	100.00%
Eminent III Venture Capital Corporation	16,000,000	8.83%	59,000,000	32.57%	75,000,000	41.40%

Note: The Company's long-term investment through the equity method.

C. Fund-raising

I. Capital and Shares of the Company

(I) Sources of Capital

Year/Month	Issue Price (NT\$)	Authorized Capital		Paid-up Capital	
		Share(s)	Amount	Share(s)	Amount
February 1989	10	53,000,000	530,000,000	15,000,000	150,000,000
September 1990	10	53,000,000	530,000,000	53,000,000	530,000,000
September 1991	10	83,200,000	832,000,000	83,200,000	832,000,000
August 1994	10	150,000,000	1,500,000,000	106,200,000	1,062,000,000
June 1997	10	150,000,000	1,500,000,000	118,944,000	1,189,440,000
September 1998	10	150,000,000	1,500,000,000	143,536,566	1,435,365,660
October, 2000	10	210,000,000	2,100,000,000	158,335,480	1,583,354,800
May 2001	10	210,000,000	2,100,000,000	175,540,180	1,755,401,800
August 2002	10	210,000,000	2,100,000,000	185,728,749	1,857,287,490
August 2003	10	210,000,000	2,100,000,000	190,936,813	1,909,368,130
June 2004	10	210,000,000	2,100,000,000	197,022,924	1,970,229,240
June 2005	10	210,000,000	2,100,000,000	203,473,438	2,034,734,380
July 2006	10	300,000,000	3,000,000,000	211,008,314	2,110,083,140
July 2007	10	300,000,000	3,000,000,000	223,444,336	2,234,443,360
July 2008	10	300,000,000	3,000,000,000	236,904,480	2,369,044,800

March 31, 2025; Unit: share(s)

Category of Shares	Authorized Capital			Notes
	Outstanding Shares (Note 1) (Note 1)	Unissued Shares	Total	
Registered ordinary shares	236,904,480	63,095,520	300,000,000	-

Note 1: TWSE listed shares.

Unit: share(s); NT\$

Notes		
Sources of Capital	Capital Increase by Assets Other than Cash	Others
The capital was NT\$ 150,000,000 upon establishment.	None	None
In August 1990, the Company's capital increase in cash of NT\$ 380,000,000 and a supplemented public issuance were performed under Letter: (79) Tai-Cai-Zheng-(Yi) No. 01973 approved by the Securities and Exchange Commission.	None	None
A capital increase in cash of NT\$ 302,000,000 was performed under Letter (80) Tai-Cai-Zheng-(Yi) No. 02034 approved by the Securities and Exchange Commission on July 27, 1991; the capital increase was declared and became effective on July 26, 1991.	None	None
A capital increase in cash of NT\$ 230,000,000 was performed under Letter (83) Tai-Cai-Zheng-(Yi) No. 29045 approved by the Securities and Exchange Commission on June 27, 1994.	None	None
In 1997, the issuance of 12,744,000 ordinary shares due to a capital increase from earnings was performed under Letter (86) Tai-Cai-Zheng-(Yi) No. 45654 approved by the Securities and Exchange Commission and became effective on June 6, 1997.	None	None
In 1998, the issuance of 24,592,566 ordinary shares due to a capital increase from earnings was performed under Letter (87) Tai-Cai-Zheng-(Yi) No. 58853 approved by the Securities and Exchange Commission and became effective on September 7, 1998.	None	None
In 2000, the issuance of 14,798,914 ordinary shares due to a capital increase from earnings was performed under Letter (89) Tai-Cai-Zheng-(Yi) No. 59076 approved by the Securities and Exchange Commission and became effective on July 21, 2000.	None	None
In 2001, the issuance of 17,204,700 ordinary shares due to a capital increase from earnings was performed under Letter (90) Tai-Cai-Zheng-(Yi) No. 133649 approved by the Securities and Exchange Commission and became effective on May 31, 2001.	None	None
In 2002, the issuance of 10,188,569 ordinary shares due to a capital increase from earnings was performed under Letter Tai-Cai-Zheng-Yi-Zi No. 0910137959 approved by the Securities and Exchange Commission and became effective on July 10, 2002.	None	None
In 2003, the issuance of 5,208,064 ordinary shares due to a capital increase from earnings was performed under Letter Tai-Cai-Zheng-Yi-Zi No. 0920128722 approved by the Securities and Exchange Commission and became effective on June 27, 2003.	None	None
In 2004, the issuance of 6,086,111 ordinary shares due to a capital increase from earnings was performed under Letter Tai-Cai-Zheng-Yi-Zi No. 0930124614 approved by the Securities and Exchange Commission and became effective on June 3, 2004.	None	None
In 2005, the issuance of 6,450,514 ordinary shares due to a capital increase from earnings was performed under Letter Jin-Guan-Zheng-Yi-Zi No. 0940125946 approved by the Securities and Exchange Commission and became effective on June 29, 2005.	None	None
In 2006, the issuance of 7,534,876 ordinary shares due to a capital increase from earnings was performed under Letter Jin-Guan-Zheng-Yi-Zi No. 0950129671 approved by the Securities and Exchange Commission and became effective on July 11, 2006.	None	None
In 2007, the issuance of 12,436,022 ordinary shares due to a capital increase from earnings was performed under Letter Jin-Guan-Zheng-Yi-Zi No. 0960035231 approved by the Securities and Exchange Commission and became effective on July 10, 2007.	None	None
In 2008, the issuance of 13,460,144 ordinary shares due to a capital increase from earnings was performed under Letter Jin-Guan-Zheng-Yi-Zi No. 0970032539 approved by the Securities and Exchange Commission and became effective on July 1, 2008.	None	None

(II) List of Major Shareholders

December 31, 2024

Name of Major Shareholders	Shares	Number of Shares Held	Shareholding Ratio
China Steel Corporation		68,787,183	29.04%
International CSRC Investment Holdings Co., Ltd.		11,759,096	4.96%
Fubon Life Insurance Co., Ltd.		9,300,000	3.93%
Ever Wealthy International Co., Ltd.		4,753,537	2.01%
Chichengte Investment Co., Ltd.		3,448,867	1.46%
KGI Life Insurance Co., Ltd.		2,614,000	1.10%
Hsinyang Investment Co., Ltd.		2,388,089	1.01%
Vanguard Total International Stock Index Fund Investment Account		2,273,245	0.96%
Chang Gung Medical Foundation		2,202,000	0.93%
Employee's Stock Ownership Trust of CSCC under the custody of Mega International Commercial Bank Co., Ltd.		1,981,145	0.84%

(III) The Company's Dividend Policy and the Execution Status

- 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 surplus 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 distributable earnings, 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%.

3. Distribution of Dividends Discussed at the Shareholders' Meeting

	Unit: NT\$
Undistributed earnings at the beginning of 2024	\$ 821,033,210
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	(17,542,655)
After-tax earnings of 2024	1,206,201,330
Less: legal surplus reserve	(120,650,535)
Less: special surplus reserve	(124,711,119)
Subtotal of distributable earnings	<u>1,782,176,906</u>
Distribution items:	
Distribution of cash dividends: NT\$ 4/share	(947,617,920)
Undistributed earnings at the end of 2024	<u>\$ 834,558,986</u>

Note: Shareholder dividends: Cash dividends per share to be distributed at NT\$ 4. Once it is approved during the General Shareholders' Meeting, the Chairman is authorized to set the ex-dividend day separately to facilitate the distribution.

(IV) The Effect of the Right Issue Discussed at the Shareholders' Meeting on the Company's Operating Performance and Earnings Per Share: Not applicable.

(V) Remuneration of Employees and Directors

- Information related to remuneration of employees and Directors set out in the Articles of Associations
"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 the Company has accumulated losses, it shall preserve the amount for compensation and appropriate the remuneration of employees and Directors according to the above ratios.
- The estimation basis for the amount of the remuneration of employees and Directors, the basis for the calculation of the number of shares regarding the remuneration of employees made in shares,

and the accounting for differences between the actual distribution amount and the estimated amount. The remuneration of employees and directors for 2024 was calculated based on the Company's profit before tax and before deducting remuneration of employees and directors for 2024 amounted to NT\$ 1,509,909,160. The Company appropriated 3.5740%, that is, NT\$ 53,964,596 to be the remuneration to employees and 0.7148%, that is, NT\$ 10,792,919 to be the remuneration to directors. After the end of the year, when there are any significant changes in the distribution amount determined by the Board, the annual expenses appropriated initially shall be adjusted according to such changes. Where there are any significant changes in the amount after the publishing date of the annual financial report, such amount shall be accounted for as changes in accounting estimation, and shall be adjusted and accounted for in the following year.

3. Remuneration distribution passed by the Board of Directors
 - (1) On February 24, 2025, the Board of Directors decided to distribute NT\$ 53,964,596 as the remuneration to employees and NT\$ 10,792,919 to be that to directors for 2024. The difference of NT\$103,539 between the employee and director remuneration for 2024 of NT\$64,757,515 provided above and the NT\$64,653,976 amount estimated in the 2024 financial report is listed as the adjustment to be made for 2025 expenses.
 - (2) The ratio of the intended amount of remuneration of employees in shares distributed to the net profit after tax in the individual or standalone financial reports for the period and the total remuneration of employees: Not applicable; the Company had not distributed remuneration of employees in shares.
 - (3) Imputed earnings per share after considering appropriating the remuneration of employees and Directors: Not applicable; the remuneration of employees and directors distributed above had been accounted for as expenditure of 2024.

4. Actual amount distributed as employee and director remuneration from the earnings of the preceding year

(Unit: NT\$)

Board of Directors

Actual distribution amount determined

- | | | | |
|-----|--|----|------------|
| (1) | Distribution | | |
| | Remuneration of Directors | \$ | 12,935,960 |
| | Compensation of Employees | \$ | 64,679,798 |
| (2) | The actual distribution remuneration of employees and Directors determined by the Board for 2024 was NT\$77,615,758; the expenses recognized in 2023 was NT\$78,365,322; the differences arising from the accounting estimation were NT\$749,564, which was accounted for as adjustments in expenses for 2024. | | |

(VI) Repurchase of the Company's Shares by the Company: None.

II. Corporate Bonds: None.

III. Preferential Shares: None.

IV. Global Depository Receipt: None.

V. Employee Stock Warrant: None.

VI. Restricted Stock Awards: None.

VII. Mergers with or Transfers of Other Companies' Shares for the Issuance: None.

VIII. Execution of the Capital Utilization Plan

There is no previous incomplete issuance or private offering of securities or those completed during the latest three years with no effect of such plans showed.

D. Business Overview

I. Scope of Business

(I) Scope of Business

1. Primary scope of business and its business proportion

The main businesses include the production, processing, and sales of coal tar distillation products, light oil series, coke series products, and green mesophase powder series products, and trading of upstream and downstream products. The annual business ratios of 2024 are given below:

Product	Ratio to Sales (%)	
	Individual	Consolidated
Coal tar and chemical series products	54.32	53.20
Light oil and oil series product	29.64	29.03
Coke series products	6.75	6.62
Refined carbon materials series products	8.64	9.72
Others	0.65	1.43
Total	100.00	100.00

2. Current products (services)

Current Products (Services)	
Coal tar series products	Soft pitch
	Creosote oil
	Wash oil
	Refined naphthalene
	Special tar pitch paint
	Refined tar
	Liquid naphthalene oil
Light oil series products	Benzene
	Toluene, non-aromatic oils, xylene mixture
Coke series products	Anhydrous coke powder
	Nut coke, Coke breeze (CDQ), Refined fine powder
Refined carbon materials series products	Green mesophase powder, mesophase graphite powder, advanced carbon for supercapacitor, refined pitch, binding carbon powder, isotropic graphite blocks, and sales of graphite electrodes produced by other parties
Other trade products	Sulfur, iron oxide powder, recarburizer

3. New products (services) to be developed

High-rate charging, low impedance anode material for lithium-ion batteries, high-capacity silicon-carbon anode materials, high-purity graphite for use in semiconductor production, and graphite crucible for crystal growth.

(II) Industry Overview

1. Industry status and development

The chemical coking industry is an important coal energy conversion industry. One product of this industry, coke, is mainly provided to the steel industry, while coke oven gas, coal tar, and crude benzene are used as the main ingredients in gas fuels and chemical processing. In 2023, the global coke production totaled approximately 742 million metric tons, and China's production totaled approximately 488 million metric tons, ranking first in the world and accounting for nearly 66%. China eliminated 40 to 45 million metric tons of coking capacity by 2023 and added 45 to 55 million metric tons, with a net increase of 5 to 10 million metric tons. The problem of overcapacity persists.

However, as China's coking industry gradually phases out outdated production facilities and upgrades equipment, late investment into new production capacity for the industry in 2024 and downstream coal tar processors continuing to be established and resuming production has meant that supply of high temperature coal tar continues to fall short of demand. In 2024, China produced 23.6 million tons of high-temperature coal tar, ranking first in the world.

However, the downturn in the housing market in China has led to a weak steel market, dragging down other related industries. Outlook for the coal chemicals industry is also bleak. Fortunately, the Company signed long-term contracts with customers and sales of coal tar products, coal tar pitch, has also remained stable. In the long-term, due to the impact of carbon neutrality and environmental protection issues, older and smaller-scale blast furnaces shall be gradually replaced in the future, and coal tar shall be in short supply in the future.

As the technology advances and with the growth of the electric vehicle sector, green energy, and AI servers, lithium batteries will grow at a two-digit annual compound rate in the future. For now, the sector is still highly concentrated in Asian regions such as China, Korea, and Japan. China, in particular, accounts for a

majority of related raw materials and throughput. However, with the onset of another trade war between China and the US, and the EU proposing new battery legislation and carbon border tax policies, the creation of local battery supply chains have been given a boost. As a supplier of lithium battery anode materials, the Company will not only have to compete with the large-scale production output and low-cost competitive advantages of China manufacturers, but also have to take an active approach towards foreign markets and new applications, and continue maintaining our Prioritize Customers, Quality Comes First philosophy to provide our customers with top-quality products as well as the best technical services.

Apart from securing the primary products' market by means of long-term contracts, the Company also maintains steady quality and prompt delivery to ensure its market competitiveness. In addition, we have made use of a flexible product portfolio to create the best interests for the Company.

2. Connection between upstream, midstream, and downstream within the industry

The connection between upstream, midstream, and downstream within the industry in the coal chemical industry is shown in the figure below. The upstream shall be the coke, coal tar, and light oil produced by coke ovens of steel plant consistent operations or independent coke plants; the midstream shall be metallurgical coke processing plants, coal tar distillation plants, and light oil distillation plants. Metallurgical coke-related products can be used in carbon-additive for arc furnaces, electrode materials, lime industry fuels, and additive for refractory materials. The main products after coal tar processing are soft pitch, naphthalene, and Creosote oil, of which soft pitch can be used in producing green mesophase powder, high-proportioned advanced carbon for supercapacitors and lead-carbon batteries, impregnated pitch, hard pitch (as binders in carbon anodes for aluminum production and graphite electrodes), battery carbon core binder, waterproof and anti-corrosion materials, special tar pitch, and coal tar epoxy resin. Naphthalene can be used to produce sulphonated naphthalene formaldehyde condensate (a water reducer for concrete), dye intermediates, phthalic anhydride, and naphthalene balls. Creosote oil can be used in producing carbon black, wash oil, and wood preservative oil. The main products from the processing of light oil

Upstream	Mid-stream	Downstream			
Coal — Coke	Coke	<ul style="list-style-type: none"> *metallurgical coke <ul style="list-style-type: none"> Carbon-additive for arc furnaces Additive for refractory materials Fuels for the lime kilns Electrode material 			
	Coal tar	Distillation	<ul style="list-style-type: none"> *Soft pitch <ul style="list-style-type: none"> *Anode materials *Advanced carbon for super-graphite *Refined pitch Hard pitch Battery carbon core binder Roof leak proof glue Waterproof and anti-corrosion materials *Special pitch Coal tar epoxy resin 		
			<ul style="list-style-type: none"> *Naphthalene <ul style="list-style-type: none"> Dye intermediates Mothballs (insect repellent) Phthalic anhydride (PA) Sulphonated Naphthalene Formaldehyde Condensate 		
			<ul style="list-style-type: none"> *Creosote oil <ul style="list-style-type: none"> Carbon black Wood preservative oil *Wash oil 		
			Light oil	Distillation	<ul style="list-style-type: none"> *Benzene <ul style="list-style-type: none"> Styrene Phenol Caprolactam Alkylbenzene
					<ul style="list-style-type: none"> *Toluene <ul style="list-style-type: none"> Oil solvent Thinner for leather dye

-148-

3. Development trend of products and competition

(1) Development trend of products

- ① Pitch is mainly used as the binders in carbon anodes for aluminum production (accounted for approximately 75% to 80%) and used in graphite electrodes (accounted for 10% to 15%) and special carbon materials. The amount of carbon black oil used for blending has been increasing in recent years, and there is no substitute at present. The major competitors of the Company are from Korea and China. As China accounted for a higher portion of output and sales, the prices in China affect the international market.
- ② Creosote oil products are divided into creosote 12 and creosote 15 according to customer needs. The former is mainly used to produce high-quality carbon black (mostly used as a wood preservative in the North American market), while the latter was developed in response to customer demand for a lower-cost product, and used to produce general quality carbon black.
- ③ The major market for refined naphthalene mainly consists of mothballs and dye intermediates. Currently, there is no evident substitute for dye intermediates; a partial market for naphthalene ball is replaced by PDCB and other fragrances. Currently, the Company's major competitors are from Indonesia, China, Belgium, and Spain.
- ④ Green mesophase powder series products are mainly used in lithium-ion battery anode materials. Competing products include petroleum coke series artificial graphite and natural graphite. Artificial graphite is the mainstream in the current market. With features of high magnification and long useful lives; therefore, green mesophase powder products still maintain their competitive advantages in power lithium-ion battery and AI server BBU applications.

(2) Product competition

Taiwan is located at the heart of Asia. The Company is located close to Kaohsiung Port and possesses its exclusive

shipping terminal, giving the Company a transportation advantage. The competition of the Company's major products is analyzed as follows:

- ① Soft pitch: The Company has signed a long-term sales contract with its Australian customer. Currently, 50% of the soft pitch raw material required by the Australian company each year is provided by the Company. The Company has maintained smooth cooperation with its Australian customer for a long time, coupled with stable quality and supply volume. The two parties signed a long-term supply contract for ten years to set a stable foundation for the cooperation.
- ② Creosote oil: Creosote oil is the main raw material for producing carbon black. The annual output of the Company's creosote oil is approximately 130,000 metric tons. Our supplies to the domestic, Japanese, and Korea markets are made through smooth distribution channels.
- ③ Refined naphthalene: The market for chemical-grade refined naphthalene is mainly in Mainland China and India, with customers mainly in the dye intermediate sector.
The market of the refined naphthalene ball mainly spreads across the Asia region, including Korea, Japan, Vietnam, Myanmar, Malaysia, Philippines, Indonesia, Thailand, Pakistan, India, and Sri Lanka, which are the largest production and consumption markets for naphthalene balls. The Company has a market share of above 60% for naphthalene balls in the said region.
- ④ Benzene: In last two years, the average domestic demand gap of benzene was approximately 780,000 metric tons. The current output of the Company is approximately 57,000 metric tons per year, accounting for an insignificant ratio of the demand gap in Taiwan.
- ⑤ Toluene: The Company produces approximately 700 metric tons of toluene each month, which is mainly for export sales, while a small portion is sold to domestic solvent suppliers via distributors.

- ⑥ Green mesophase powder series products: The Company's annual output of green mesophase products is approximately 7,500 metric tons. The products are sold to manufacturers of lithium-ion battery related products in Taiwan and foreign markets. The Company has also expanded into in-house production of graphite block products such as mesophase graphite powder products, advanced carbon for supercapacitor, and isotropic graphite, meeting demand from both international and domestic customers.

(III) Technology and R&D Overview

1. Devoted R&D expenditure: It was NT\$246,449 thousand for January 1, 2024 through December 31, 2024.
2. Technologies or products successfully developed (over the most recent year and up to the date the Annual Report was printed)
 - (1) Completed the development of power-type coke-based artificial graphite negative electrode products. The rate performance is better than that of high-end artificial graphite on the market, and samples have been sent to customers for testing. Completed the construction of key equipment by 2025.
 - (2) Completed product development for high-purity 6-inch and 8-inch category three compound semiconductor crystal growth crucibles. Encouraged customers to conduct tests. Commenced construction of mass-production purification furnace and expansion of the isotropic graphite plant in 2025.
 - (3) Successfully developed advanced high-voltage carbon materials. The product has received good feedback from representative customers and they continue to order materials for mass production tests. Plans to expand production of advanced carbon materials in 2025.
3. Future R&D development projects
 - (1) Mass production technology development and customer promotion of small-particle ultra-high power anode materials
 - (2) Plans for mass-producing artificial graphite and marketing products to customers.
 - (3) Development and mass production of high-voltage, super-capacity advanced carbon materials.
 - (4) Advanced carbon materials expansion plan.

- (5) Development of high-purity large crystal-growing crucible products.
 - (6) Installation of purification furnace equipment for mass production.
 - (7) Plans to expand production capacity for isotropic graphite.
- (IV) Long-term and Short-term Business Development Plan
- 1. Short term:
 - (1) Sell all the products of the coal tar plant, light oil plant, coke plant, and carbon material plant in a timely manner.
 - (2) In response to the rise of the global green energy industry, seek maximized benefits from business opportunities brought about by green energy in order to create opportunities in energy storage, new energy vehicles, and AI server BBUs. In response to the expansion plans of our domestic and international customers, we have formulated plans for expanding our raw and cured spheroidal graphite production lines, restructuring our raw and cured spheroidal graphite sales portfolio, and actively breaking into the international market. We plan to continue improving and refining the brand quality and value of our carbon materials, strengthening our customer relationships and improving customer satisfaction.
 - (3) Take advantage of the sales functions of Changzhou China Steel Chemical New Materials Technology Co., Ltd., deeply integrate ourselves into local industries, and strengthen the market competitiveness of refined pitch, mesophase graphite powder, and advanced carbon materials, and the advantage of providing local services to customers in Mainland China.
 - 2. Long term:
 - (1) We plan to improve sales of soft pitch by taking advantage of growing global demand for aluminum. At the same time, we plan to stabilize off the back of these sales, continuing to work towards our green industry and carbon reduction goals.
 - (2) As government policy is focused on fuel gas, the Company shall begin developing new markets targeting high value chemical products for our original fuel oil products.
 - (3) As electric vehicles have become the future development trend of countries worldwide, the Company shall continue to develop high-efficiency anode materials, new artificial graphite anode materials, and high-capacity silicon-carbon

anode materials, continuing to enrich our product series and improving our competitiveness.

- (4) Actively develop new products and markets of advanced carbon materials for supercapacitors and lead-carbon batteries with our advantages of raw materials and capacity for optimizing manufacturing process, together with cooperating with domestic and foreign research institutions and suppliers.
- (5) Combining the advantages and experience of battery anode materials and advanced carbon materials, we actively develop products for high-end applications such as AI servers and provide customers with a variety of solutions.
- (6) The market for compound semi-conductor silicon carbide materials has grown rapidly, leading the Company to proactively invest into the development of graphite block materials, such as high-purity isotropic graphite crucibles, in order to meet demand from both domestic and international markets.

II. Market, Production, and Marketing Overview

(I) Market Analysis

1. Sales (supply) regions of primary products (services)
 - (1) Coal tar series products: Taiwan, Australia, Mainland China, Japan, Korea, Vietnam, Myanmar, Thailand, Malaysia, Philippines, Indonesia, Pakistan, Sri Lanka, India, Bangladesh, and Belgium.
 - (2) Light oil series products: Taiwan, Singapore, Mainland China.
 - (3) Coke: Taiwan and Indonesia.
2. Market share: The Company possesses the sole domestic coal tar distillation plant in Taiwan and is the sole domestic supplier for products such as coal tar pitch, creosote oil, and refined naphthalene. The Company's benzene products and petroleum benzene are substitutes for one another, and the domestic market share of the Company amounted to approximately 4%.
3. Future supply and demand in the market and its growth
 - (1) Approximately 65,000 metric tons of soft pitch are sold to the Australian customer each year. In addition, given the market demand for the production of lithium battery anode materials and impregnated pitch, the soft pitch market is expected to remain stable in the future.

- (2) The Company produces approximately 130,000 metric tons of creosote oil a year, which is supplied to domestic and foreign carbon black plants.
 - (3) The output of refined naphthalene is approximately 13,000 metric tons each year. Naphthalene Approximately 40% of the total output is sold to the naphthalene ball market in Asia, and the remaining is sold to dye markets in Taiwan and India. The Company has received the positive recognition of customers due to the optimal quality of refined naphthalene and steady and fast lead time; the monthly output may be fully sold.
 - (4) The output of benzene is fully sold to the domestic sales market.
 - (5) Coke is mostly for domestic sales; export sales are made when there is any surplus.
 - (6) In recent years, major efforts to promote the green energy and electric vehicle industries in other countries have meant that the proportion of our mesophase graphite powder sales to China have gradually fallen as sales to the rest of the world has grown. Apart from maintaining our current customers, the Company has proactively expanded into global markets and met customer demand for higher production capacity, and shall gradually increase the sales proportion of our carbon materials in the future.
4. Competitive niche, favorable and unfavorable factors for development prospects, and countermeasures
- (1) Favorable factors
 - ① Raw material coal tar and crude light oil are stably supplied by CSC and DSC, In addition, we have the flexibility to procure light oil from Australia, India, and Indonesia when necessary to stabilize production and sales.
 - ② The Company possesses the sole domestic coal tar series product production plant. Except for benzene, toluene, and xylene mixture in the light oil series products, which compete with petrochemical series products, other products are unlikely to be replaced, and the sales channels remain stable.

- ③ We have a complete R&D team that provides complete solutions for customers. It has its own production lines and offers product customization.
 - ④ The Company has stable operations, healthy credit, premium employees, and has been actively developing new products.
- (2) Unfavorable factors
- ① The Company's export sales ratio of products is approximately 50%; the changes in exchange rates have significant impacts on its operating income.
 - ② The excess production capacity for coal tar deep processing in China will cause adverse effects on the global downstream coal tar industry.
 - ③ The Company's export sales ratio of products is high. Given the continuous production under consistent operations and limited storage tank equipment, the delay in the sailing schedule for export sales easily affects our normal operations and production.
 - ④ The Company's soft pitch would face market competition upon the decrease in the demand of downstream customers.
 - ⑤ The excess production capacity for battery anode materials in China has adverse effects on the global downstream battery anode industry.
- (3) Countermeasures
- ① The Company shall adopt flexible financial arrangements and duly carry out the currency management.
 - ② Keep abreast of market dynamics, gather information on customers' demands, and conduct timely response and handling.
 - ③ The sales channels shall be flexible, in order to prevent affecting the normal operations and production.
 - ④ Create brands and acquire internationally renowned customers.
 - ⑤ Improve product quality to meet customers' requirements.

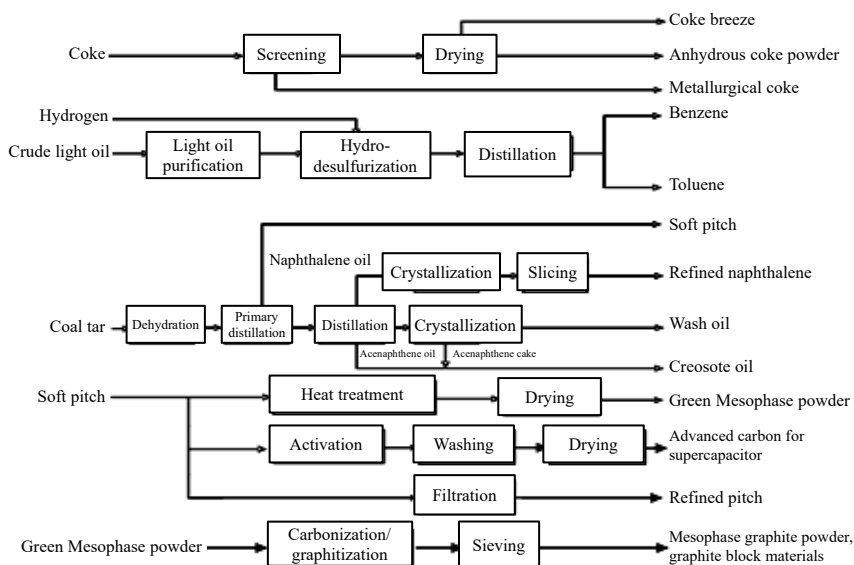
- ⑥ Support customers in project development and gain early entry into niche markets.

(II) Primary Products' Important Usage and Production Process

1. Primary products' important usage

Primary Products of Services	Primary Usage or Function
Coal tar series products	<ol style="list-style-type: none"> 1. Aluminum electrode rod binder 2. Refined pitch 3. Tar epoxy anti-corrosive paint filler 4. Tar PU runway bottom material filler 5. Dry-cell battery carbon rod binder 6. Synthetic raw materials for naphthalene series water reducing agent or dye intermediates 7. Anti-corrosion and anti-insect mothballs 8. Carbon black raw materials 9. Wash oil
Light oil series products	<ol style="list-style-type: none"> 1. Styrene, caprolactam, phenol, alkylbenzene, and other raw materials 2. Solvent for paint
Coke series products	Lime kiln fuel or carbon-additive for electric furnace steelmaking
Green mesophase powder series products	Lithium-ion battery anode materials, graphite blocks
Advanced carbon for supercapacitor	Supercapacitors and lead-carbon batteries

2. Production process of primary products



(III) Supply of Primary Raw Materials

Raw material supply in 2024

1. **Coal tar:** Coal tar is delivered to CSCC via pipeline from CSC and by tank trucks from DSC; the total amount was 230,294 metric tons in 2024.
2. **Crude light oil:** Crude light oil is delivered to CSCC via pipelines from CSC and by tank trucks from DSC; the crude light oil is partially imported from foreign countries; the total amount was 77,835 metric tons in 2024.
3. **Metallurgical coke:** Metallurgical coke is delivered from CSC's coke breeze area to the screening area for processing, screening, and drying; the total amount used was 128,179 metric tons in 2024.

(IV) List of Customers Accounting for more than 10% of the Total Purchases (Sales) During the Latest Two Years

1. Information on major suppliers during the latest two years

	2024				2023			
Item	Name	Amount (NT\$ thousand)	Total Annual net Purchase Ratio (%)	Relationship with the Issuer	Name	Amount (NT\$ thousand)	Total Annual Net Purchase Ratio (%)	Relationship with the Issuer
1	CSC	2,517,533	64	Parent company and subsidiary	CSC	2,391,084	57	Parent company and subsidiary
2	DSC	1,136,052	29	Fellow subsidiary	DSC	1,079,702	26	Fellow subsidiary
3	Others	349,906	7		Formosa Ha Tinh Steel Corporation	521,259	12	Other related parties
4					Others	285,673	5	
	Net purchases	4,003,491	100		Net purchases	4,277,718	100	

2. Information on major customers of sales for the latest two years

	2024				2023			
Item	Name	Amount (NT\$ thousand)	Proportion of Total Net Sales for the Entire Year (%)	Relationship with the Issuer	Name	Amount (NT\$ thousand)	Proportion of Total Net Sales for the Entire Year (%)	Relationship with the Issuer
1	KCMC	1,289,378	17		KCMC	1,559,071	19	
2	Linyuan Advanced	959,547	13	Note	Linyuan Advanced	1,078,803	13	Note
3	DALIAN	582,666	8		DALIAN	966,101	11	
4	Others	4,815,879	62		Others	4,713,703	57	
	Net sales	7,647,470	100		Net sales	8,317,678	100	

Note: A subsidiary of the major management of the Company.

III. Employees

Information on Employees of CSCC and Subsidiaries

March 31, 2025

Year		2024	2023	Current Year up to March 31, 2025
Number of Employees	Total	351	330	354
Average Age		41.08	41.05	41.04
Average Length of Service		13.25	13.51	13.21
Academic Distribution Ratio	PhD	2.3%	2.7%	2.3%
	Master	28.8%	28.8%	28.0%
	University and College	55.0%	54.5%	55.6%
	High School and Vocational School	12.8%	13.9%	13.0%
	Below High School	1.1%	0%	1.1%

Information on Employees of CSCC

Year		2024	2023	Current Year up to March 31, 2025
Number of Employees	Total	334	318	337
Average Age		41.46	41.38	41.40
Average Length of Service		13.67	13.79	13.61
Academic Distribution Ratio	PhD	2.4%	2.8%	2.4%
	Master	29.9%	29.6%	29.1%
	University and College	54.2%	53.8%	54.9%
	High School and Vocational School	13.5%	13.8%	13.6%
	Below High School	0%	0%	0%

IV. Information on Environmental Expenses

The Company adheres to the spirit of continual improvement and establishes an annual plan to reduce the generation of pollutants and reduce the use of energy, in order to gradually improve the performance of environmental management.

1. To reduce the use of energy and resources (including electricity, steam, fuel oil, and gas), the Company resets new consumption standards each year, which not only reduces the emission of greenhouse gases (GHG), but also enhances our business management effectiveness.
2. Air pollution control
 - (1) Apart from ensuring the normal operation of multiple monitoring equipment and completing the test and declaration for all chimney emissions of particulate matter, sulfur oxides, nitrogen oxides, and volatile organic compounds, the Company also applies for the establishment and operations of permits in accordance with the laws.
 - (2) Reduction of volatile organic pollutants: The Company reduces the pollutant emissions by minimizing the number of equipment components. For the parts required, the Company regularly tests their fugitive concentration to ensure that it is below the control concentration. For pollutants discharged by equipment, the Company selects equipment with the highest processing efficiency to reduce the impact on the environment.
3. Waste treatment
 - (1) Legal processing suppliers are engaged to recycle and process waste refractories, wood and keep-warm materials so as to reuse such wastes as raw materials.
 - (2) Should the coal chemical manufacturing plant clear out a small amount of slag from our annual repairs, regular repairs, or from cleaning out slag accumulations in equipment that is causing the equipment to malfunction, the Company shall enter into a reuse contract with CSC pursuant to the Ministry of Economic Affairs' Regulations on Industrial Waste Reuse to deliver the slag to CSC for reuse, converting these waste materials into useful raw materials and reducing the waste treatment load.

- (3) For the treatment of business wastes, apart from the removal and disposal of wastes in accordance with the Waste Disposal Act, the Company also formulates its internal management plans for waste reduction.
4. Effluent and sewage treatment
 - (1) The Company has implemented its plan of water pollution prevention measures in accordance with laws and improved the manufacturing process from the source to reduce the generation of wastewater.
 - (2) Steam condensates are collected and recycled to be used in the manufacturing process in order to reduce the use of water.
 - (3) All generated wastewater is properly treated without any exceptional discharge.
5. In response to GHG reduction, the Company organized the establishment of its GHG inventory inspection management system, provided training courses were for internal inspection personnel, and formulated strategies and action plans related to GHG management were.

As of October 2024, the Company's 2023 greenhouse gas emissions have been inventoried and verified based on the ISO 14064: 2018 Greenhouse Gases Emissions Inventories and Verification standards. We have also obtained a certificate of verification from SGS after a third-party audit.

The Company's 2023 (Scope 1 and Scope 2) greenhouse gas emissions totaled 103,214 metric tons of CO₂e. Scope 1 emissions totaled 26,510 metric tons, making up 25.7% of total emissions, while Scope 2 emissions totaled 76,704 metric tons, making up 74.3% of total emissions.

Our Xiaogang Plant's greenhouse gas emissions totaled 83,721 metric tons of CO₂e. Scope 1 emissions totaled 26,074 metric tons, making up 31.1% of these emissions, while Scope 2 emissions totaled 57,647 metric tons, making up 68.9% of these emissions.

Our Pingnan Plant's greenhouse gas emissions totaled 19,387 metric tons of CO₂e. As Carbon Material Manufacturing Plants mainly rely on electricity to carry out production, Scope 1 emissions totaled 430 metric tons, making up 2.2% of these emissions, while Scope 2 totaled 18,957 metric tons, making up 97.8% of these emissions.
- (I) Losses Incurred Due to Environmental Pollution During the Latest Two Years and as of the Date of Publishing the Annual Report

In 2023, the Company's dedicated personnel did not possess the necessary qualifications, and we were fined NT\$ 200,000 by the Environmental Protection Bureau for violating the Employment Regulations of Dedicated Units or Personnel. (date of penalty: January 6, 2023, penalty number: 20-112-010010).

(II) Countermeasures

1. Improvement measures to be adopted
 - (1) Improvement Plan: Increase the frequency of our inspections of volatile organic compounds. Complete checks and repairs of any discovered leaks within set deadlines. Immediately revise the list of certificate holders, have other employees act as replacements, and plan for a list of reserve personnel to be available for each type of certification, in order to prevent the same situation from happening again.
 - (2) Estimated environmental protection expenses in the following two years
 - ① For 2025, the estimated expenditure on environmental protection is NT\$60 million.
 - ② For 2026, the estimated expenditure on environmental protection is NT\$22.7 million.
 - (3) Effects after improvements
 - ① Effects on net profit: No significant effect.
 - ② Effects on competitive status: None.
2. No countermeasures adopted
 - (1) Reasons for not adopting any countermeasure: None.
 - (2) Status of pollution: None.
 - (3) Amount of possible losses and compensation: None.

V. Work Environment and Protective Measures for the Personal Safety of Employees

(I) Substantial Measures for Safety and Health Management

1. Evaluation of the safety hazard of the manufacturing process and the countermeasures

Risk evaluation is regularly performed for the existing manufacturing process of the Company. Risk evaluation commences for the new manufacturing process unit during the design stage. Where the level of risk evaluated through the systematic methods is not acceptable, the Company modifies the

manufacturing method or equipment to reduce the risk to an acceptable level.

2. Healthcare and management

The Company implements health inspections for employees engaging in general operations and particular hazard operations based on the "Rules for Health Protection of Labor" and professional medical institutions are engaged to perform employees' annual health inspections. In addition to the hierarchical management of particular health inspection results, the Company also engaged physicians to provide medical and healthcare consultancy for employees on a monthly basis. When necessary, the Company urges employees to receive professional treatment. Regarding the common domestic diseases such as high blood pressure, high blood lipids, and abnormalities in blood glucose, the Company communicates with employees on different occasions and arranges nutrition educational events and weight loss contests, among other health promotion activities, to encourage them to form optimal dietary and exercise habits. The Company further encourages employees to participate in club activities (such as mountain-climbing and cycling) to exercise and relieve stress.

Description of health promotion activities in 2024:

- (1) Statistics for the 2024 weight loss competition have been completed, with a total of 160 employees (including 5 contractors) participating in the annual weight loss competition. The results of weight loss competitions over the years are provided as follows:

	2021	2022	2023	2024
Number of participants	76	103	122	160
Weight loss	152.5 kg	232.9 kg	364.6 kg	375.6 kg
Weight gain	23.9 kg	8.5 kg	7.9 kg	45.3 kg

- (2) In 2024, we organized a health point collection activity for employees. The activity goes beyond conventional passive teaching. Through the point collection activity, we encouraged employees to manage their own health and increase their self-health awareness. The implementation results of each project are as follows:

- ① Blood donation: 60 people donated 15,000 cc of blood
- ② Walking, running, cycling: 755 participants.

- ③ Health seminars: 208 participants.
 - ④ Screening for five types of cancers: 8 participants.
 - ⑤ Other health promotion activities (yoga, weight training, badminton, softball, swimming, bowling, golf, and basketball): 522 participants.
3. Assessment of the operating environment
The Company engages qualified institutions for operating environment assessment every six months to perform the operating environment assessment regarding chemical factors according to the "Regulations for the Implementation of Operating Environment Assessment for Labors," (chemical factors are carbon dioxide, dust, organic solvent, and particular chemical substances) and determine whether the assessment results comply with the requirements under laws and regulations. For any anomaly in the assessment result, the Company immediately takes improvement actions and makes adjustments to protect the health of our employees.
 4. Safety and health management system certification
Since obtaining the SGS OHSAS 18001 safety and health management system certification in 2002, the Company has conducted hazard analysis, management plan, safety and health training, correction and prevention, consultancy and communication according to a systematic management method, and has achieved continuous improvements under the PDCA cycle. The Company passed re-certification in 2005, 2008, 2011, 2014, and 2017, completed the certification of version transition for ISO 45001 in March 2020, and passed re-certification in March 2023.
 5. Health hazard prevention educational training
To allow our employees to accurately understand the hazard of health hazard factors and their prevention countermeasures, the Company arranges programs for our employees organized by external professional training institutions from time to time to carry out educational training related to safety, health, and health hazard, improving employees' professional knowledge.
 6. Implementing the Plant Safety Assistance Plan
To enhance the safety awareness and legal compliance of plant personnel, a safety counseling program has been implemented starting from 2024. External experts have been hired to conduct plant audits from time to time. The process is coordinated by on-site

personnel and engineers to familiarize themselves with legal requirements and improve operating procedures.

(II) Implementation of Operational Safety Management

1. The Company has carried out risk evaluation and engineering practices according to laws and regulations related to safety and health, implemented particular operational control and work permits for hazardous operations such as elevated work, outage, fire operations, and limited space, and established procedures for the safety of work required for construction personnel to observe during operations, so as to ensure the safety of personnel and equipment during construction.
2. Employees are encouraged to report all injury, non-injury, and false alarm events, allowing other personnel to learn from their experiences to eliminate potential hazards and prevent the recurrence of similar accidents. In addition, emergency response training (including leakage, fire, and personnel injuries) is conducted on a regular basis. The Company simulates the handling and responding abilities of employees upon the occurrence of any emergency through pre-planning and training, so as to minimize the losses upon the real occurrence of disasters.
3. Inspections are regularly performed on all hazardous equipment and pipelines. Apart from internal and external inspections performed on hazardous machinery and equipment according to the law, we also arrange annual cleanups and inspections on equipment with high operating pressure, with content that is easily corroded, blocked, or has damaged holes. The Company performs inspections and repairs or uses spare parts if an anomaly is found to ensure operational safety.
4. For audits and patrol inspections by Superiors, the senior executives perform monthly or weekly plant inspections from time to time when focusing on contractor management, improvements on non-conformities in safety and health, execution and implementation of procedures for the safety of work, and the reorganization of environment based on the 5S methodology. After the patrol inspection, deficiencies discovered shall be followed up by the responsible department until the completion of improvements.
5. Superiors and safety and health personnel conduct daily patrol inspections, and Superiors of departments perform daily inspections within their scope of responsibilities to ensure the normal operations

and safety and health conditions. The safety and health personnel are responsible for a comprehensive plant inspection. Cross-audit is adopted to ensure that plant operations are under normal and safe conditions.

6. Strengthen contract management: Contractors were engaged for partial operations of the plant. In the past, many accidents have been related to the content of construction by contractors. Therefore, unlike other plants, the Company's contractors reside in the plant, and fixed contractors are responsible for maintenance and repair. Through long-term residence and training provided by the Company, contractors are able to accumulate their engineering experiences, reduce the staff mobility, and in turn understand the hazardous operations of the business department and take the initiative to observe its relevant requirements, rendering positive support to create a safe environment.

The Undertaker Management Information System was created in 2021 to improve the management over undertakers in an electronically integrated way in terms of their selection, training, statutory certifications, and work permits for fire operations/accessing tanks, among others.

VI. Labor-Management Relations

- (I) Employee Welfare Measures, Continuing Education, Training, Retirement Systems and Their Implementation, Labor-Capital Agreements, and Measures to Protect Employees' Interests

1. Employee welfare measures and their implementation

The Company established its Employee Welfare Committee in January 1990 to be responsible for the welfare of all our employees. The measures include group insurance, travel subsidies, consolation money for new year and festivals, consolation money for bereavement, consolation money for injury and disability, consolation money for hospitalization, offspring educational subsidies for employees who passed away or became physically impaired due to corporate business, medical subsidies for hospitalization for employees and their family members, marriage subsidies, offspring educational subsidies for employees, subsidies for recreational club activities, and emergency borrowings for employees. The annual budgets, expenditure, and arrangement for employee benefits are discussed and monitored by members of the

Employee Welfare Committee, which plays an effective part in stabilizing employees' emotions at the workplace.

The Company purchased the employee group insurance policy on December 31, 1990. The insurance coverage includes the employees themselves, their spouses, and their offspring. The insurance benefits include life insurance, accident insurance, hospitalization insurance, critical disease insurance, cancer insurance, and occupational accident insurance.

Other benefits: Parental leave, stock ownership trust, birthday and festive gift money, Labor Day gift money, consumer loans, and special offers at merchants and hotels.

2. Continuing education and training for employees and the implementation

The Company has established the Regulations for the Management of Educational Training to encourage employees to improve their academic knowledge and skills and their working quality and efficiency, so as to maintain the foundation of the Company's sustainable operations and development. The Company's educational training system is divided into internal training, external training, and domestic and overseas on-the-job training.

The Company spent NT\$ 4,311 thousand on educational training in 2024 and the average number of training hours was 39.4. The content of the program includes training programs related to quality management, management programs, internal control and internal audit practice programs, cell seminars, training programs for product R&D, programs related to information, programs related to international trade practices, fire-fighting and extinguishing training, programs for emergency management practices, training programs for superiors related to specialization, organic, and dust operations, forklift training programs, first-aid personnel training programs, programs of energy-saving and carbon emission reduction, programs related to maintenance, programs related to occupational safety and environmental protection, and training programs related to finance and accounting.

3. The retirement system and its implementation

To provide incentives for employees' professional services and settle their on-the-job or post-retirement livings, the Company has established the Regulations for Retirement, Indemnities, and Severance according to the requirements under the Labor Standard

Act and relevant laws and regulations. In terms of retirement regulations, those who have worked for more than 15 years with an age of 55 or above or those who have worked for more than 25 years with an age of 60 or above may apply for retirement. Regarding the granting standards for pension, two bases were provided for a year of service and one base is provided for a year of service for those who have worked for more than 15 years; the maximum total shall be up to 45 bases. The Company also established a Labor Pension Allowance Supervisory Committee to appropriate the labor pension allowance on a monthly basis. In term of indemnities, any employees who passed away due to diseases or accidents on the job shall receive compensation equivalent to two months of their salaries and funeral subsidies equivalent to three months of their salaries, and indemnities shall be provided to their living family members according to the payment criteria specified in Article 55 Paragraph 1 Sub-paragraph 1 of the Labor Standards Act; the maximum amount shall be equivalent to 45 months of their salaries. Five years shall be adopted as the basis for those who have worked for the Company for less than 5 years. Where the employee is deceased due to bravery demonstrated in rescuing lives during a disaster or due to an accident while performing duties at work (including inside or outside the Company); due to an accident while commuting to and back from the plant for emergency repairs or a business trip; or due to occupational hazards or an accident in a natural disaster while commuting to and back from work, or due to other disasters that are determined to be related to the occupation according to law, besides the funeral expenses equivalent to five months of the average salary, he/she is entitled to a lump-sum death compensation to the living family members equivalent to 45 months of the average salary and special indemnities worth NT\$ 2.2 million, NT\$ 1.4 million, and NT\$ 800 thousand will be issued, respectively. In terms of severance regulations and the granting of severance pay, a severance pay equivalent to one month of the average wage shall be granted for a year of service; for those who worked for less than one year, the severance pay shall be calculated proportionally. In response to the implementation of the Labor Pension Act on July 1, 2005, certain employees of the Company opted to apply the Labor Pension Act from July 1, 2005; the Company appropriates labor pension to employees' personal accounts on a monthly basis.

4. Stock ownership trust
To integrate the employees' personal wealth and the Company's growth for the better protection of employees' lives after retirement and call upon the centripetal force for the Company and improving the labor-capital harmony, the Company implemented its employees' stock ownership trust system in January 1999. Employees participating in the trust may flexibly select the appropriation base (up to 12 bases) within the cap of 10% of their basic salaries, and each base shall be NT\$ 1,000. The Company also appropriates a fixed proportion to the monthly appropriation amount of participating employees as incentives. A financial institution is engaged to use all the funds to purchase the Company's shares in the name of an exclusive account and utilize and manage such funds on behalf of the Company. The participating employees may collect the shares under the trust upon severance or retirement.
5. Measures to protect employees' interests
In order to promote honesty at the workplace, so that employees have self-discipline, honorably perform their duties, and adhere to the four major spirits of teamwork, enterprise, steadiness, and innovation, the Company established the "CSCC Ethical Norms for Employees" on January 8, 2009. In addition, the Company formulated the "Ethical Management Principles," "Procedures and Behavioral Guidelines for Ethical Management," and "Regulations for the Whistleblowing, Complaints, and Punishment of Violations of Ethics" on August 5, 2013, December 30, 2015, and January 6, 2016, respectively for all our employees to duly observe.
6. Labor-management agreement
In order to achieve harmonious labor-management relationships, ensure labor and management rights, cooperate in business development, and show mutual respect regarding the legitimate exercise of employees and employer's rights, the Company has negotiated collective bargaining agreements with the Labor Union of CSC from 2015 onwards, and with the Laborers' International Union Of China Steel Chemical Corporation from 2022 onwards.
7. Labor-management meeting
The representatives for the very first labor-management meeting were elected on April 10, 2017. Ever since then, labor-management meetings have been held periodically as agreed upon between workers and the management. A total of four such meetings took

place in 2024. The convening of labor-capital meetings is beneficial to the facilitation of labor-capital harmony.

(II) Estimated Losses Incurred to The Company Due to Labor-Capital Disputes and the Potential Occurrence in the Future and Countermeasures During the Latest Two Years and as of the Date of Publishing the Annual Report

The Company values the labor-capital harmony and the communications between employees. In general, the smooth communication channels between superiors and employees allow the joint cultivation of capital and labor as a whole to share joys and sorrows and invest in the creation of a harmonious CSCC family. Also, the management rules, regulations, and systems comply with the requirements under the Labor Standard Act; therefore, a harmonious labor-capital relationship is recorded for the Company. There have been no labor-capital disputes or losses. Where the Company continues to actively promote and realize its employee welfare measures in the future, it is estimated that there shall be no losses incurred due to labor-capital disputes.

VII. Information and Communication Security Management

(I) Specify the information and communication security risk management framework, the information and communication security policy, the substantial management plans, and resources to be devoted to information and communication security management, etc.

1. Information Security Risk Management Structure

In order to improve risk management for information security, the Company has established an information security task group, information security risk management framework, information security policies, and specific management plans. Information security policies are also regularly reviewed to ensure information security.

2. Information Security Policy

Information Security Goals

In order to promote the rigorous implementation, sustainable operation, and supervision of the Company's various information security management systems, and to maintain the confidentiality, integrity, and availability of important information systems, this information security policy has been created to strengthen information security management, and to provide safe and effective information services. The goal of this policy is to create a secure and

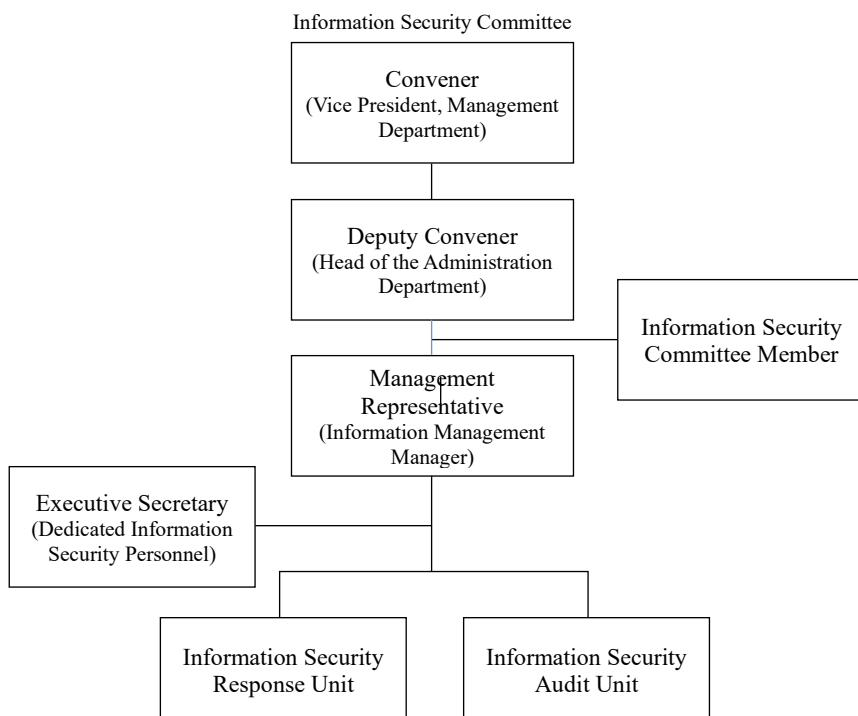
reliable information environment for the Company's operations, able to ensure uninterrupted data, systems, equipment, and network operations.

3. Information security management organization

The Company has established an "Information Security Committee" to clearly define the authority and responsibilities of personnel in information security management operations, coordinate affairs and promote information security management matters, ensure that various information security management regulations can be effectively and continuously implemented, and achieve information security policies and goals. The management organization structure is as follows.

Organizational Structure:

Information Security Organizational Structure



4. Scope of Information Security
 - (1) Staff regularly promote information security awareness, strengthening employees' information security awareness and knowledge of legal concepts.
 - (2) Computer system security management.
 - (3) Network security management.
 - (4) System access restrictions.
 - (5) System development and maintenance and safety management.
 - (6) Information asset security management.
 - (7) Physical and environmental safety.
 - (8) Plans for managing sustainable operation of information systems.
 - (9) Information security audit
5. Substantial management solutions and measures

Item	Substantial Management Measures
Anti-virus software	Use anti-virus software and automatically update the virus code in order to reduce chances of viral infections.
Social engineering drills services	Conduct social engineering awareness assessments for employees twice a year to enhance employee awareness of information security. Total participants: 2,592.
Establish a security operations center (SOC) for monitoring and detecting information security threats.	Hire CHT Security Co., Ltd. to provide early warning reports on threats before they happen, real-time warnings during a threat, and analysis and suggestions after a threat has occurred. This would allow the Company to effectively manage various information security threats, allowing information security employees to focus on handling important information security threats by working together to prevent these threats.
Perform vulnerability scans or penetration tests on our public-facing website.	Thinking from the perspective of a hacker, attempt to infiltrate the Company's hardware and software, including our website, information systems, and information devices. Discover potential vulnerabilities, verify whether corporate data or other devices can be stolen or destroyed, and evaluate whether the security of our information systems or hardware needs to be improved, patching up vulnerabilities in advance.

Item	Substantial Management Measures
Obtained ISO 27001 information security certification operation	Certification obtained after passing on-site audit re-certification in 2024 conducted by third party BSI and the certification will remain valid in 2025.
Adopted a Web Application Firewall (WAF)	The firewall protects website applications by monitoring and filtering HTTP/HTTPS requests. WAF is able to compare these requests to those made in network attacks by computer viruses or malware, and block suspicious or malicious traffic from accessing the site, only allowing safe and normal traffic to enter. This prevents malicious attacks, stops information from being leaked, and ensures that the Company's website remains safe.
Firewall protection	Set the connection rules for the firewall. Request for additional access is required if exceptional connection is needed.
User network access control	Users can only access the network when their request is approved. The system will automatically screen and block access to websites containing the Trojan Horse virus, the ransomware, or the malware.
Update operating system security	The WSUS server is able to automatically send update files to user computers for updates.
Data backup	The database data and apps are backed up periodically. The backup mechanism is created for the shared hard disk drive; important data are transcribed onto the backup shared hard disk drive on a weekly basis so that data are not lost if the current hard disk drive is damaged or attacked by the virus.
Disaster recovery	The disaster recovery drill takes place for the information systems on a quarterly basis. The automatically backed files and data are transferred to the database being tested to check if the data of a specific system are normal.
Mail security control	Mails are scanned for protective purpose to prevent users from receiving unsafe attachments, phishing emails, and spams.

Item	Substantial Management Measures
	As soon as a mail is received on a personal computer, the anti-virus software will also scan whether or not it contains unsafe attachments.
Access management	Management and review of access to personal accounts. The personal account access is checked periodically.
Access control	The password is mandated to be changed once every three months and shall consist of 6 digits at minimum. Access to network drives is controlled by respective units reflective of their permissions. The user fills out the USB application form and has it approved by his/her supervisor so that access may be given to the USB.
System operation maintenance and management	For important system resources, maintenance contracts are signed with service providers to keep the systems functioning normally.
Staff training	Two training sessions on information security are provided to employees each year and a total of 605 participants received training. Information security incidents are communicated through the Company's EIP website from time to time. Representatives are sent to attend domestic workshops from time to time.
Information security audit	Internal audits and internal control documentation audits are done periodically each year by external auditors (CPAs) and by the Information Security Division of China Steel Corporation.

6. Emergency reporting procedure

(1) Information on levels of information security incidents:

Level "1": Isolated incident involving minimal damage; the suspended operation can be repaired and restored shortly.

Level "2": Localized incident resulting in discontinuation of certain operations to undermine the overall system efficiency.

Level "3": Company-side incident resulting in comprehensive downtime, with impacts on the Company's operation.

Level "4": Major incident that is sufficient to jeopardize corporate reputation and sustainable operation.

- (2) In case of an information security incident, the affected unit shall report it to the information security window so that the level of the incident may be determined and troubleshooting may begin; the incident can be addressed in real time with records kept according the procedure provided below:

- ① The D13 contact window should respond by implementing the appropriate corresponding response procedures for the type of incident, and begin resolving the incident. At the same time, the contact shall continuously report on their progress status to the responsible supervisor, completing required notifications.
- ② The Company's information security incident (IT) level notification flow chart:

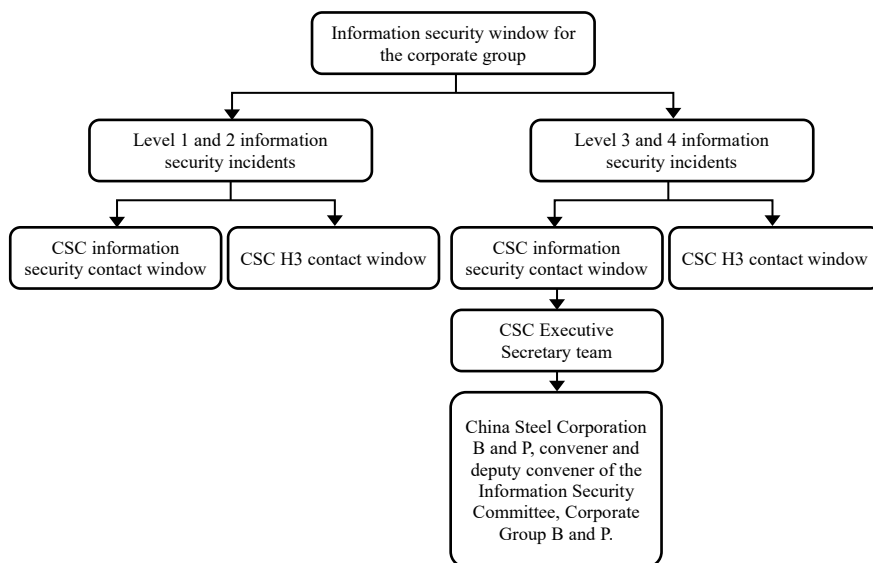
Information Security Incident Level	Report Time	Reporting Personnel					
Level 1	Report any security incident within 2 hours of discovery	D13 Contact window	D13 Manager	D1 Department Head	VP1 Vice President	P President	B Chairman
Level 2							
Level 3							
Level 4							

- ③ The Company's information security incident (OT) level notification flow chart:
Report notifications for level 3 and 4 incidents.

Information Security Incident Level	Report Time	Reporting Personnel					
Handle as a level 3 or 4 security incident	Report any security incident within 2 hours of discovery	D13 Manager, Second-Level Supervisor of the unit where the incident occurred	D1 Department Head, First-Level Supervisor of the unit where the incident occurred	VP1 Vice President VP2 Vice President	P President	B Chairman	

④ Reporting notifications for Group information security incidents:

The information security contact window for the corporate group is D13. Information security incident levels and reporting process are as displayed in the figure below.



7. Impacts on respective units and countermeasures in case of discontinued production as a result of information security risk:

Check the network and status of system equipment and determine whether or not to block access to external networks according to the operational status of the information system in order to keep off invasion and destruction from hackers (electronic operations may be switched to paper-based procedures while the system is being repaired; the shipment schedule may not be affected).

For network security, the Information Management Division is to schedule periodic test plans that shall cover cyberattack simulation, periodic monitoring of specific threats, dependency identification and loophole priority determination; the testing is about the risk of disconnection with related customers. The training plans and

implementation records are to be kept at the Information Management Division for future reference.

(1) Emergency Management Plan

Step	Schedule	Response Step	Description of Countermeasure	Time to Expected Completion	Responsible Party
1	T	Kick-off meeting	Check the network and system equipment and explore impacted aspects. (Including evaluation of the impacts of shipping to customers)	1HR	D3S/D8S /D13
2	T+1	Confirm the severity of discontinuation	Confirm the duration of discontinuation and determine whether or not to block access to external networks according to the operational status of the information system in order to keep off invasion and destruction from hackers and minimize the harm done. Based on the findings from the evaluation of impacts on shipment, confirm if the shipment is to be switched to manual operations instead of through the ERP system.	1HR	Plant Manager
3	T+1	Confirm the status of the system	Understand the user demand and required resources at respective units according to the foregoing status (manpower and time).	1HR	Respective units
4	T+2	Verify the supply	Before the IT system is confirmed to have been restored, in order to ensure shipments on schedule, the operations will be turned paper-based and subject to manual double-checking to ensure that the quality is free of concern. (1) The computer-based purchase order (D5), the shipping list (D5), and the dispatch notification (D24) are to be faxed to the responsible unit instead,	1 day	D13 D3S/D8S D5/D2 D24 D81/D31 D823/D323 D83/D33

Step	Schedule	Response Step	Description of Countermeasure	Time to Expected Completion	Responsible Party
			<p>followed by notification over the phone.</p> <p>(2) The quantity of products entering and leaving the warehouse is to be recorded and checked manually. (D81/D31, D823/D323) (If only the network is paralyzed and the computer is still usable, software such as excel may be used to help with registration; if the computer is not available, either, register on a piece of paper by handwriting, instead)</p> <p>(3) For the quality of the products, the Quality Assurance Office is to issue the Word quality analysis report (or fill out the information manually) and determine whether or not it is qualified before handing it over to the Warehousing Division to help with product testing and determination of the qualified status. (D83/D33, D823/D323)</p> <p>(4) The lot number is selected manually by the inventory report and the quality analysis report. (D3S/D81/D323/D823)</p> <p>(5) For the Quality Certificate or the Quality Analysis Report of shipped items, if only the network is paralyzed and the computer is still usable, Word is used to issue the Quality Certificate. Once it is signed off for approval, it is faxed or handed over directly</p>		

Step	Schedule	Response Step	Description of Countermeasure	Time to Expected Completion	Responsible Party
			<p>to related people that need it. If the computer is not available, either, on the other hand, print out the paper-based copy of the Procedural Document and fill in related shipment information data manually. Once it is signed off for approval, it is faced or handed over directly to related people that need it. (DD83/D33)</p> <p>(6) The unit (D823/D323, D24) that has received the Quality Certificate or Quality Analysis Report, reflective of the shipment demand, enclose it in the shipment or fax it to the customer and complete related shipping procedures.</p>		
5	T+2	Keep the customer informed	Report to the customer the discontinuation incident and the response plan.	1HR	D2/D5
6	T+3	System recovery	<p>(1) D13 repairs the IT system.</p> <p>(2) It is determined that the IT system is free of threat.</p>	1 day (Depending on the actual circumstances)	D13
7	T+4	Decision to restore the original operating mode	Based on D13's report, it is determined that the information about the IT system supports recovery to the original operating mode.	1HR	Plant Manager
8	T+4	Notice of to restore the original operating mode	<p>The Information Management Division notifies respective units to restore the normal operating mode.</p> <p>Sales representatives notify customers that the issue is resolved.</p>	0.5HR	D13 Sales Representative

Note 1: If the actual situation does not answer to the schedule in the procedure, it is to be adjusted reflective of the actual situation.

- Note 2: 1. DCS Software: No access to external networks and impossibility to perform updates through the USB; therefore, it is not at risk of Cyberattacks.
2. Process equipment is only PLC (Programmable Logic Controller) Board operating software:
- (1) It will be updated by the CSCC engineer (D822/D322) through the Intranet. When D822/D322 people download the PLC board update software onto their personal computer, the file will go through the anti-virus software on the anti-virus USB for related virus scanning and interception.
 - (2) The PLC board operating software is to be backed up by D822/D322. In case of any issue encountered in the update of the PLC board, the backed old software program may be downloaded again so that the production at the customer's end will not be discontinued. There is not network connection among respective PLC boards; they do not affect one another, either.

(2) Responsibilities

Composition of the Crisis Management Group	Role	Responsibility
Plant Manager	Supervises conditions throughout the factory.	Confirms and reports conditions in the factory and makes decision over recovery to the original operating mode.
D13 Supervisor	Confirms situation of the network IT system and determines system recovery status.	Reports system recovery and recovery status.
Operational Planning Officer	Keeps track of system maintenance and service status.	Confirms scheduling to accommodate the demand for shipping final products and prepares a plan to schedule deliveries of final products.
Sales Representative	Communicates with customers.	Reports the response plan to customers.
Operation Management Division (D24) Production Office (D81/D31) Warehousing and Storage Section (D823/D323) Quality Assurance Office (D83/D33)	Other executive units for the emergency response.	Carries out tasks in response before the IT system is restored to ensure smooth shipments.

(3) Communicating with stakeholders

Priority	Stakeholder	Method	Item	Person in Charge
1	Customer	Telephone, E-MAIL	Confirms the tolerable duration	Sales Representative
2	Factories	Telephone, E-MAIL	Additional information on corresponding response	D13 D3S/D8S D5/D2 D24 D81/D31 D823/D323 D83/D33

- (II) List the losses as a result of major information and communication security events, their possible impacts, and countermeasures over the most recent year and up to the date the Annual Report was printed; if reasonable estimation is impossible, why it is impossible shall be specified: None.

VIII. Important Contract

Nature of Contract	Parties to the Contract	Start/End Dates of Contract	Main Contents	Restrictions
1. Sales contract	KCMC, Australia	From January 1, 2018 to December 31, 2027	85 °C soft pitch sales contract	None
2. Sales contract	TPCC	From January 1, 2024 to December 31, 2024	Benzene sales contract	None
		From January 1, 2025 to December 31, 2025		
3. Sales contract	FUCC (1709TT)	From January 1, 2024 to December 31, 2024	Benzene sales contract	None
		From January 1, 2025 to December 31, 2025		
4. Sales contract	SMCT (1310TT)	From January 1, 2024 to December 31, 2024	Benzene sales contract	None
		From January 1, 2025 to December 31, 2025		
5. Sales contract	GPPC (1312TT)	From January 1, 2024 to December 31, 2024	Benzene sales contract	None
		From January 1, 2025 to December 31, 2025		
6. Sales contract	TOKAI CARBON	From January 1, 2024 to December 31, 2024	Creosote oil sales contract	None
		From January 1, 2025 to December 31, 2025		
7. Sales contract	Dalian Shengyuan Chemical Co., Ltd.	From January 1, 2024 to December 31, 2024	Creosote oil sales contract	None
		From January 1, 2025 to December 31, 2025		
8. Sales contract	Linyuan Advanced	From January 1, 2024 to December 31, 2024	Creosote oil sales contract	None
		From January 1, 2025 to December 31, 2025		
9. Purchase contract	CSC	From March 1, 2023 to February 29, 2028	Crude light oil purchase contract	None
10. Purchase contract	CSC	From April 1, 2019 to March 31, 2024		None

Nature of Contract	Parties to the Contract	Start/End Dates of Contract	Main Contents	Restrictions
		From April 1, 2024 to September 30, 2029	Coal tar purchase contract	
11. Purchase contract	CSC	From January 1, 2023 to December 31, 2027	Nut coke purchase contract	None
12. Purchase contract	CSC	From January 1, 2023 to December 31, 2027	Anhydrous coke powder purchase contract	None
13. Purchase contract	CSC	From January 1, 2023 to December 31, 2027	Hydrated coke breeze purchase contract	None
14. Purchase contract	CSC	From January 1, 2023 to December 31, 2027	CDQ purchase contract	None
15. Purchase contract	CSC	From January 1, 2023 to December 31, 2027	Fine powder dust collector purchase contract	None
16. Purchase contract	CPC	From January 1, 2024 to December 31, 2024	Hydrogen purchase contract	None
		From January 1, 2025 to December 31, 2025		
17. Purchase contract	CPC	From May 31, 2022 to May 30, 2027	Natural gas purchase contract	None

E. Review and Analysis of the Financial Position and Financial Results and Evaluation on Matters of Risk

I. Financial Position Analysis

(I) Consolidated Financial Position Analysis

Unit: NT\$ thousand

Item \ Year	At the End of 2024	At the End of 2023	Differences	
			Amount	%
Current Assets	3,771,850	3,992,357	(220,507)	(5.52)
Property, Plant, and Equipment	4,441,619	3,896,434	545,185	13.99
Other Assets	3,251,991	3,495,667	(243,676)	(6.97)
Total Assets	11,465,460	11,384,458	81,002	0.71
Current Liabilities	1,265,142	1,516,073	(250,931)	(16.55)
Non-current Liabilities	1,983,722	1,653,915	329,807	19.94
Total Liabilities	3,248,864	3,169,988	78,876	2.49
Share Capital	2,369,044	2,369,044	-	-
Capital Surplus	971,984	928,925	43,059	4.64
Retained Earnings	5,311,067	5,052,180	258,887	5.12
Other Equity	(317,861)	(18,041)	(299,820)	(1661.88)
Treasury Shares	(117,638)	(117,638)	-	-
Total Equity	8,216,596	8,214,470	2,126	0.03
<p>Analysis and explanations for the changes in the increase or decrease ratios:</p> <ol style="list-style-type: none"> 1. The decrease in current liabilities was primarily due to the repayment of short-term borrowings and decrease in tax payable. 2. The increase in non-current liabilities was primarily due to the increase in long-term borrowings. 3. The decrease in other equities was primarily due to the decrease in unrealized gains or losses of financial assets measured at fair value through other comprehensive income. 				

(II) Standalone Financial Position Analysis

Unit: NT\$ thousand

Item \ Year	At the End of 2024	At the End of 2023	Differences	
			Amount	%
Current Assets	3,042,001	3,250,263	(208,262)	(6.41)
Property, Plant, and Equipment	4,421,550	3,874,383	547,167	14.12
Other Assets	3,953,615	4,184,086	(230,471)	(5.51)
Total Assets	11,417,166	11,308,732	108,434	0.96
Current Liabilities	1,264,929	1,487,384	(222,455)	(14.96)
Non-current Liabilities	1,935,641	1,606,878	328,763	20.46
Total Liabilities	3,200,570	3,094,262	106,308	3.44
Share Capital	2,369,044	2,369,044	-	-
Capital Surplus	971,984	928,925	43,059	4.64
Retained Earnings	5,311,067	5,052,180	258,887	5.12
Other Equity	(317,861)	(18,041)	(299,820)	(1661.88)
Treasury Shares	(117,638)	(117,638)	-	-
Total Equity	8,216,596	8,214,470	2,126	0.03
<ol style="list-style-type: none"> 1. The decrease in current liabilities was primarily due to the repayment of short-term borrowings and decrease in tax payable. 2. The increase in non-current liabilities was primarily due to the increase in long-term borrowings. 3. The decrease in other equities was primarily due to the decrease in unrealized gains or losses of financial assets measured at fair value through other comprehensive income. 				

II. Financial Performance

(I) Consolidated Financial Performance Comparison and Analysis

Unit: NT\$ thousand

Item \ Year	2024	2023	Increase (Decrease) Amount	Percentage of Change (%)
Net Operating Revenue	7,647,470	8,317,678	(670,208)	(8.06)
Operating Costs	5,826,594	6,221,768	(395,174)	(6.35)
Operating Gross Profit	1,820,876	2,095,910	(275,034)	(13.12)
Operating Expenses	579,714	576,493	3,221	0.56
Net Operating Profit	1,241,162	1,519,417	(278,255)	(18.31)
Non-operating Income and Expenses	207,191	214,033	(6,842)	(3.20)
Net Profit Before Tax	1,448,353	1,733,450	(285,097)	(16.45)
Income Tax	242,152	297,173	(55,021)	(18.51)
Net Profit for the Year	1,206,201	1,436,277	(230,076)	(16.02)
<p>Analysis and explanations for the changes in the increase or decrease ratios:</p> <ol style="list-style-type: none"> 1. The decrease in operating revenue, operating cost, operating gross profit, and operating income was primarily due to falling international oil prices and global inflation, leading to a decrease in the selling prices of the Company's main products, and lower demand for these products. 2. The decrease in non-operating income and expenses was mainly the result of lower investment gains calculated using the equity method. 3. To sum up, net profit before tax and net profit after tax declined from 2023. 				

(II) Standalone Financial Performance Comparison and Analysis

Unit: NT\$ thousand

Item \ Year	2024	2023	Increase (Decrease) Amount	Percentage of Change (%)
Net Operating Revenue	7,489,924	8,091,691	(601,767)	(7.44)
Operating Costs	5,752,855	6,085,721	(332,866)	(5.47)
Operating Gross Profit	1,737,069	2,005,970	(268,901)	(13.41)
Operating Expenses	565,844	562,647	3,197	0.57
Net Operating Profit	1,171,225	1,443,323	(272,098)	(18.85)
Non-operating Income and Expenses	273,927	282,327	(8,400)	(2.98)
Net Profit Before Tax	1,445,152	1,725,650	(280,498)	(16.25)
Income Tax	238,951	289,841	(50,890)	(17.56)
Net Profit for the Year	1,206,201	1,435,809	(229,608)	(15.99)
Analysis and explanations for the changes in the increase or decrease ratios:				
1. The decrease in operating revenue, operating cost, operating gross profit, and operating income was primarily due to falling international oil prices and global inflation, leading to a decrease in the selling prices of the Company's main products, and lower demand for these products.				
2. The decrease in non-operating income and expenses was mainly the result of lower investment gains calculated using the equity method.				
3. To sum up, net profit before tax and net profit after tax declined from 2023.				

III. Cash Flows Analysis

1. Analysis of the changes in the cash flow during the year					
The consolidated net cash outflows of 2024 came to NT\$ 23,371 thousand and the changes in cash flows for operating activities are as follows:					
(1) Operating activities: The net cash inflows of NT\$ 1,458,102 thousand were primarily due to the cash inflows from the net profit and the net changes in items such as operating assets and liabilities for the current term.					
(2) Investment activities: Net cash outflows of NT\$801,159 thousand were primarily due to the increased acquisition of property, plant, and equipment.					
(3) Financing activities: Net cash outflows of NT\$ 686,544 thousand were primarily due to the issuance of cash dividends.					
The standalone net cash outflows of 2024 came to NT\$ 61,892 thousand and the changes in the cash flows for operating activities are given below:					
(1) Operating activities: The net cash inflows of NT\$ 1,418,754 thousand were primarily due to the cash inflows from the net profit and the net changes in items such as operating assets and liabilities for the current term.					
(2) Investment activities: Net cash outflows of NT\$790,203 thousand were primarily due to the increased acquisition of property, plant, and equipment.					
(3) Financing activities: Net cash outflows of NT\$ 690,443 thousand were primarily due to the issuance of cash dividends.					
2. Cash flow analysis for the following year					Unit: NT\$ thousand
Opening Cash Balances	Estimated Net Cash Flow from Operating Activities Throughout the Year	Estimated Net Cash Outflows Throughout the Year	Estimated Cash Surplus (Shortage) Amount	Estimated Cash Shortage Remedial Measures	
				Investment Plan	Wealth Management Plan
\$658,106	\$1,305,647	\$232,728	\$425,378	-	-
(1) Analysis of the changes in estimated cash flows of 2025:					
① Operating activities: Primarily due to the net profit and the net cash flow arising from the changes in relevant assets and liabilities for the period.					
② Investment activities: Primarily due to the net cash outflow arising from the purchase of property, plant, and equipment.					
③ Financing activities: Primarily due to the paid cash dividends.					
(2) Expected cash deficit remedies and liquidity analysis: Not applicable.					

IV. Effects of Significant Capital Expenditures on the Financial Operations for the Latest Year

(I) Utilization of major capital expenditure and the source of funds

Unit: NT\$ thousand

Project	Actual or Estimated Source of Funds	Actual or Estimated Completion Date	Total Funds Required	Actual or Estimated Utilization of Funds			
				2022	2023	2024	2025
Second-phase expansion project to graphitization furnace	Self-owned funds and borrowings	2024.12.31	946,130	29,839	569,069	347,222	0
Automation project for naphthalene packing room	Self-owned funds and borrowings	2024.03.16	36,096	0	16,847	19,249	0
Use of the heat pipe heat exchanger for waste heat recovery in the flue gas system	Self-owned funds and borrowings	2024.12.31	14,647	0	0	14,647	0
Engineering project for the Company's overall information system	Self-owned funds and borrowings	2025.05.31	56,880	0	4,900	19,600	32,380
R&D Building	Self-owned funds and borrowings	2025.12.31	187,208	0	0	320	186,888

(II) Revenue Expected to be Generated

1. Second-phase expansion project to graphitization furnace: Global electric vehicle and energy storage materials trends and the quickly growing battery market has driven the rapid development of the market for lithium battery anode materials. In response, the second-phase expansion not only increased our in-house production rate, but has also been carried out alongside the expansion schedules of our downstream customers, increasing customer stickiness.
2. Automation project for naphthalene packing: The introduction of automation would allow the Company to progress towards Industry 3.5 from Industry 2.5, serving as the first step in our digital transition. As declining birth rate issues grow more severe, leading

- to labor shortages across many industries, promoting automation for our production lines can reduce our reliance on labor and help maintain production stability.
3. Use of the heat pipe heat exchanger for waste heat recovery in the flue gas system: The Company actively promotes carbon reduction, takes stock of the energy usage of process equipment, and evaluates the feasibility of process heat integration. In this case, waste heat recovery technology is introduced to recycle and reuse the economically beneficial waste heat in the original process, changing the previous operating method that required additional energy consumption for heating, thereby achieving the both energy conservation and carbon reduction.
 4. Engineering project for the Company's overall information system: The benefits of these modifications to the system are as follows:
 - (1) Standardization: Organize current work procedures, solidifying operational logic and rules into the system, and creating a consistent set of language and requirements. This reduces the training cost for new employees, and improves communication efficiency between departments.
 - (2) Centralization: Implementing projects through the new ERP system allows the Company to consolidate and centrally manage all information retained by the Company across different platforms and all information that employees have held offline. The system is able to comprehensively preserve and retain all of the Company's data assets, and sets access permissions for sharing this information reasonably.
 - (3) Automation: Optimize the ability to input or retrieve data directly from the source, reducing the rate of data errors. The system has internal foolproof, tracking, and warning mechanisms built in, helping employees improve work efficiency and quality.
 5. The establishment of the R&D building will help the CSCC Pingnan Plant integrate R&D-related resources. The R&D center will also serve as an R&D base for refined carbon materials in the future. Construction of the R&D building has started and is expected to be completed in the first quarter of 2026.
 6. Explanations on other benefits: None.
- (III) Amount of Investments Made Exceeding 5% of the Paid-up Capital During the Recent Years

1. Utilization of major capital expenditure and the source of funds

Unit: NT\$ thousand

Project	Actual or Estimated Source of Funds	Actual or Estimated Completion Date	Total Funds Required	Actual or Estimated Utilization of Funds			
				2022	2023	2024	2025
Second-phase expansion project to graphitization furnace	Self-owned funds and borrowings	2024.12.31	946,130	29,839	569,069	347,222	0
R&D Building	Self-owned funds and borrowings	2025.12.31	187,208	0	0	320	186,888

V. Investment Policy, Its Major Reasons of Profit or Loss, Improvement Plan for the Latest Year, and the Investment Plan for the Following Year

The Company's investment policy primarily aligns with the development of its core business of coal chemicals and the diversified operations, in the hopes of improving shareholders' interests.

In 2024, the Company's investment gains recognized using the equity method came to NT\$ 142,300 thousand, a decrease from the preceding year primarily due to the decrease in impacts from the market on investment gains from financial instruments of the subsidiaries.

The management will duly evaluate and prepare the Company's investment plan for the following year according to the overall development of the industry and the demands for the Company's businesses, and submit the plan to the Board for discussion.

VI. Risk Management Assessment

(I) Effect of Changes in Interest Rate, Currency Rate, and Inflation on the Company's Profit or Loss and Countermeasures in the Future

1. Analysis of the effect of interest income and expenses and gains or losses from foreign currency exchanges on the Company's profit or loss (consolidated)

Item	2024 (NT\$ thousand)
Net Interest Income and Expenses (Net Interest Income)	178
Net Gains or Losses from Foreign Currency Exchanges (Net Gains from Foreign Currency Exchanges)	36,797
Ratio of Interest Income and Expenses to Net Operating Income	0.00%
Ratio of Interest Income and Expenses to Net Operating Profit Before Tax	0.01%
Ratio of Gains or Losses from Foreign Currency Exchanges to Net Operating Income	0.48%
Ratio of Gains or Losses from Foreign Currency Exchanges to Net Operating Profit Before Tax	2.54%

2. Financial risk evaluation (consolidated)

Items of Risk	Effect on the Company	Future Countermeasures
Interest Rate Risk	At the end of 2024, financial assets with the cash flow risk related to changes in interest rate came to NT\$ 1,120,378 thousand.	The Company and its subsidiaries possess healthy financial structures. Changes in interest rate have no significant effect on the Company and its subsidiaries. The Company and its subsidiaries regularly evaluate the borrowing interest rate of banks and maintain close contact with banks to obtain preferential borrowing interest rates.

Items of Risk	Effect on the Company	Future Countermeasures
Currency Risk	The Company and its subsidiaries are exposed to the risk of currency changes arising from transactions denominated in non-functional currencies.	The Company makes use of forward exchange contracts or receivables denominated in the same currencies in the future to minimize the risk exposure for currency.
Credit Risk	Major customers of the Company and its subsidiaries possess healthy credibility. Furthermore, the Company keeps abreast of the credit status of customers with business dealings at all time through external credit investigation and visits to companies within the same industries each year; as evaluated, the credit risk remains insignificant.	None.
Liquidity Risk	The Company and its subsidiaries manage and maintain sufficient cash equivalents or easily realizable financial products to support the operations of the Company. Credit loan contracts were otherwise entered into with financial institutions to maintain appropriate credit limits for the requirements of the Company's operations; therefore, there is no liquidity risk.	None.

Items of Risk	Effect on the Company	Future Countermeasures
Inflation	According to the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, the annual growth rate of CPI for 2024 was 2.18%, The selling prices of production raw materials and products of the Company are based on the pricing stated in contracts, and inflation has a relatively less significant effect on the Company's operations.	None.

- (II) Policies for Engaging in High-risk or High-leverage Investments, Loans to Others, Endorsement and Guarantee, and Derivative Transactions, Primary Reasons for Gains or Losses, and Future Countermeasures
1. The financial operations of the Company comply with the principle of stability; therefore, there are no high-risk or high-leverage investments.
 2. As of March 31, 2024, the Company had not provided any loan to others.
 3. As of March 31, 2024, the Company had not provided any endorsement or guarantee.
 4. The purpose of engaging in derivative transactions of the Company is for foreign currency hedge according to the requirements. The Company primarily engages in transactions of financial products such as funds and shares. The Company regularly evaluates its risk and gains and losses, audits, performs regular reviews; therefore, there is no risk of derivative.

(III) Future R&D Plans and R&D Expenses Estimated to be Invested

Plans During the Latest Year	Current Progress	R&D Expenses to be Invested (Unit: NT\$ Ten Thousand)	Completion Time	Applications
Mass production technology development of small-particle ultra-high power anode materials and customer promotion	We develop and optimize mass production technologies such as ultra-fine refinement, surface modification and homogenization, and compound formulation, and promote them to customers.	3,500	2026/Q2	Applications for ultra-high power batteries.
Facilities installment for mass-producing artificial graphite and marketing products to customers.	Grinding technologies for coke-based raw materials and surface treatment technologies have been established, key mass production facilities are under construction. Continue to develop compound formulas with interphase graphite and promote them to customers.	2,000	2025/Q4	Applications for fast-charging and high energy density energy storage systems.
Development and mass production of advanced carbon materials for high-voltage supercapacitor application	Developed surface modification technologies for advanced carbon materials. These materials have gradually been promoted to customers. The Company has also developed technologies for modifying raw materials in order to reduce production costs and plans the construction of mass production lines to reduce production costs.	3,000	2025/Q4	Wind power storage, automotive stop/start system, electric buses, light-rail transit, lead-carbon batteries, lithium batteries, and lithium-ion capacitors.

Plans During the Latest Year	Current Progress	R&D Expenses to be Invested (Unit: NT\$ Ten Thousand)	Completion Time	Applications
Development of high-purity large-scale graphite crucible product for SiC crystal growth	Completed development of 6 to 8 inch graphite crucible products, and installation of equipment for forming, carbonization, and graphitization, installation of purification equipment, and installation of machining equipment for isotropic graphite products.	5,000	2025/Q4	High-purity graphite crucible for SiC crystal growth, high-purity graphite powder, molds, and graphite in thermal-environment application

- (IV) The effect of changes in important domestic and foreign policies and laws on the Company's financial position and business operations, and response measures

There were no such circumstances during the latest year and as of the date of publishing the annual report.

- (V) Effects of Changes in Technologies and Industries on the Company's Financial Operations and Countermeasures

As the global electric vehicles industry continues to grow rapidly, along with countries around the world putting a greater focus on carbon reduction issues and implementing measures in response, the proportion of renewable energy used under renewable energy policies have continued to grow. Power grid resilience has also become increasingly important, leading to further demand for energy storage systems and astonishing growth in demand for lithium batteries. Under these industry trends, there has been greater demand for longer battery lives and higher safety requirements, as well as for higher efficiency power discharge. This has allowed the lithium-ion battery anode materials produced by the Company, our mesophase graphite powder products and newly developed coke-based artificial graphite, to receive greater attention from the market, in turn potentially leading to higher revenues in the future. The focus of the market will turn to supercapacitors, which serve as important components

in wind power generation, energy storage systems, and railcars. In addition, the development of generative AI applications has increased the demand for backup power supplies for AI servers and big data centers. Related high-power and long-life energy storage components such as supercapacitors and lithium-ion capacitors have become important energy storage components. The advanced carbon materials produced by the Company are key raw materials for supercapacitors and lithium-ion capacitors, featuring a high capacity and a long life span. Future returns appear promising. In recent years, as the market for compound semiconductor silicon carbide materials has grown rapidly, market demand for high-purity graphite crucible for crystal growth needed for the production of silicon carbide has also grown quickly. The Company has proactively invested into the development of high-purity isotropic graphite crucibles in order to satisfy the needs of the domestic market, and in order to prepare for the next generation of niche products, which we expect to contribute to future revenue growth.

(VI) Effects of Changes in the Corporate Image on the Company's Crisis Management and Countermeasures

The Company has for years adhered to product quality policies that focus on customers, integrity above all, quality first, and smooth cooperation. We have been committed to promoting corporate governance and ESG, maintaining our corporate image of ethical operations, and complied with laws and regulations. So far, no circumstance that may affect our corporate image has occurred.

(VII) Expected Benefits and Possible Risks Arising from Mergers and Acquisitions and Countermeasures

There were no such circumstances during the latest year and as of the date of publishing the annual report.

(VIII) Expected Benefits and Possible Risks Associated with any Plant Expansion, and Mitigation Measures Being or to be Taken

The expansions of the Company's plants have gone through comprehensive, due, and professional evaluations. Significant capital expenditures are reported to the Board. The Company has comprehensively considered the investment benefits and possible risks.

(IX) Risks Arising from Concentrate Sales or Purchases and Countermeasures

The top three customers of sales accounted for approximately 17%, 13% and 8% of the Company's revenue; therefore, there is no circumstance of concentrated sales. Meanwhile, long-term contracts and pricing formulas were established to mitigate risks. For purchases, the largest purchasing

supplier is CSC, accounting for 64% of the purchases. Due to the parent company and subsidiary relationship and long-term contracts and pricing formulas established, the risk of concentrated purchases has been effectively reduced.

- (X) Effects of Significant Transfers of or Changes in Equity by Directors or Major Shareholders with over 10% Shareholding on the Company, Risks, and Countermeasures

There were no such circumstances during the latest year and as of the date of publishing the annual report.

- (XI) Effects of Changes in the Ownership of the Company, Risks, and Countermeasures

There were no such circumstances during the latest year and as of the date of publishing the annual report.

- (XII) For Significant Litigation, Non-litigation, or Administrative Disputes with Confirmed Judgment or in Continuation of the Company, the Company's Directors, President, Substantial Representative, Major Shareholders with over 10% Shareholding with Results that May have Significant Effects on Shareholders' Interests or Equity Prices, the Details of Disputes, Target Amount, Commencement Date of the Litigation, Primary Parties Involved in the Litigation, and Handling Status as of the Date of Publishing the Annual Report:

There were no such circumstances during the latest year and as of the date of publishing the annual report.

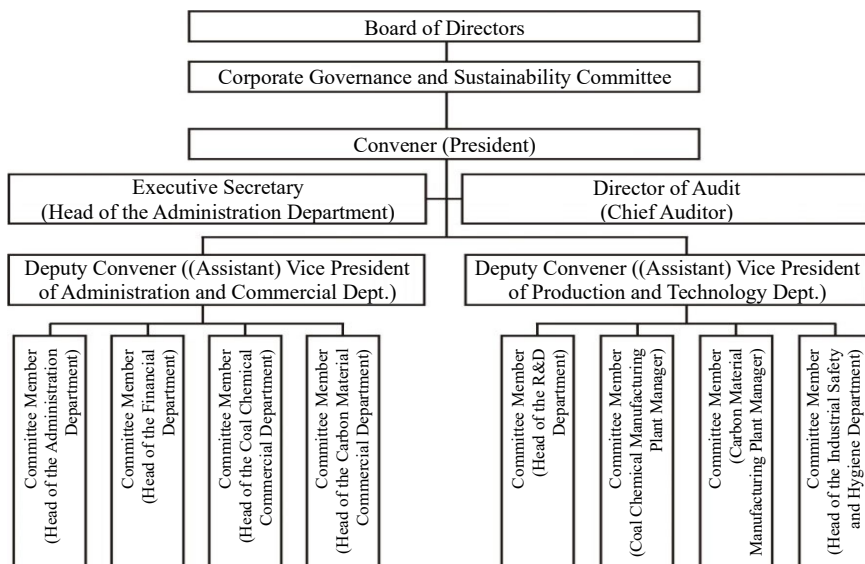
- (XIII) Other Significant Risks and Countermeasures

1. Organizational structure of risk management

The Company has established a Risk Management Task Force under the Corporate Governance and Sustainability Committee, with the president acting as the convener. The Company has also created a set of Policies and Procedures for Risk Management, integrating the implementation of the Company's risk management policies, organizational structure, risk management procedures, and risk management. In 2023, the Company implemented a new climate governance framework and newly assigned responsibilities in order to manage the potential impact of long-term climate changes or extreme weather events.

Each quarter, the Company's president convenes the Task Force to review each of the risks facing the Company. Risk mitigation measures are established to address risks of moderate severity or above, and the Task Force submits a report to the Corporate

Governance and Sustainability Committee and Board of Directors once every six months. Please refer to the figure below for more details on the Company's risk management organization structure.



2. The composition of the Company's risk management team and its work and tasks

Title	Supervisor	Work and Tasks
Convener	President	Responsible for supervising departments in establishing risk management systems and response SOPs, integrating relevant resources, and preventing and processing instantly to minimize the losses arising from the matters of risk.
Deputy Convener	Vice President	Responsible for supervising departments in establishing risk management systems and response SOPs, integrating relevant resources, and preventing and processing instantly to minimize the losses arising from the matters of risk.
Director of Audit	Chief Auditor	Ensure the appropriateness and effectiveness of the Company's risk management system, review the risk items and risk analysis table submitted by the

Title	Supervisor	Work and Tasks
		departments of the Company, and evaluate the risk management effect of the departments.
Executive Secretary	Head of the Administration Department	Responsible for organizing and coordinating the establishment of risk management systems and the response SOPs of departments, establishing the Company's risk analysis table, evaluating risk hazards to establish risk countermeasures, and tracking the processing effects.
Committee Member	Executive of plants and departments	Responsible for promoting the risk management work of departments, establishing risk management systems and response SOPs, submitting the risk items and analysis table of departments, discussing improvement countermeasures, and tracking the processing effects.

Review each of the risks facing the Company every quarter. Establish risk mitigation measures to address risks of moderate severity or above, and submit a report to the Corporate Governance and Sustainability Committee and Board of Directors once every six months.

3. 2024 Risk management implementation report:

- ① A total of 44 risks were identified after a risk assessment in the fourth quarter of 2024. 3 fewer risks were identified, compared to the 47 risks identified in the third quarter.
- ② Of the 44 risks identified in the fourth quarter of 2024, 0 were extremely high risks, 0 were high risks, 3 were moderate risks (same as the third quarter), 28 were low risks (same as the third quarter), and 13 were slight risks (compared to 16 in the third quarter).
- ③ The Company has proposed risk mitigation measures for risks of moderate severity or above to reduce risk hazards.
- ④ Crisis management:
The crisis management of the Company responds to crises in different natures. The Chairman would promptly convene and establish an emergency management team until the crises are lifted to prepare emergency management plans for significant disasters and outbreaks. The content of the "emergency management plan" includes the responding organizational

structure and process, action plans, tools preparation, and educational training for different types of disasters. Regular disaster prevention lectures, programs, and drills are organized each year according to the plan. All personnel in the plant are required to participate in the drills to allow them to possess emergency management abilities, ensuring their personal safety and the safety of the Company's equipment and properties, maintaining normal operations of the Company.

VII. Other Significant Matters:

Describe the amount the Company has allocated for transformation and explain how it works with upstream suppliers such as CSC and downstream clients from the perspective of the value chain to achieve carbon reduction targets.

- (I) The carbon reduction target for production plants in 2024 was 1,724 mtCO₂e/year. Xiaogang Plant implemented 13 energy-saving projects and reduced 1,774.4 mtCO₂e/year. Pingnan Plant implemented 4 energy-saving projects and reduced 462.3 mtCO₂e/year. It has reduced a total of 2,236.7 mtCO₂e/year, achieving carbon reduction target for the year. In line with the Group's carbon reduction strategy, the Company has recently actively promoted carbon reduction work results. The Xiaogang Plant has obtained a subsidy from the Energy Administration of the Ministry of Economic Affairs for the 2025 Waste Heat and Waste Cold Recovery Technology Demonstration Application Project. It involved a flue gas heat recovery system (MGGH) for the recovery of waste heat from high-temperature exhaust gas and recovery of heat energy from the catalytic reactor through the MGGH system to the stack. The commissioning was completed and the system commenced operations. After actual testing, it saves about 5,249 metric tons of steam per year. In addition to reducing steam expenses, it also reduces carbon emissions by 1,039 mtCO₂e/year, which is equivalent to the carbon absorption capacity of 2.68 Daan Forest Parks. The payback period is 2.6 years. There are many steam pipelines in the Xiaogang plant due to the characteristics of the industry. The equipment in the plant may be operated or suspended due to production scheduling, and there may be excess low-

pressure steam. We therefore carried out heat integration related energy-saving measures. We used thermal vapor recompression (TVR) to increase the pressure of low-pressure steam before returning it to the process. After optimizing the design parameters, the test results showed that about 2,722 metric tons of steam can be saved each year, and the carbon reduction totaled 538 mtCO₂e/year. The payback period is 1.3 years. We will expand the scope of planned heat integration to enable more efficient distribution of steam energy throughout the plant.

- (II) The wood pallets recycled in the factory are used for shipping products to customers, reducing carbon dioxide emissions in the production of new pallets by suppliers (4.12 kg CO₂e/pallet). The usable wooden pallets are collected and sold in batches to manufacturers that reuse such materials to reduce duplicate manufacturing. In 2024, 2,492 recycled pallets were used for shipment, reducing carbon emissions by 10.27 mtCO₂e/year, and another 2,400 pallets were sold to external vendors.

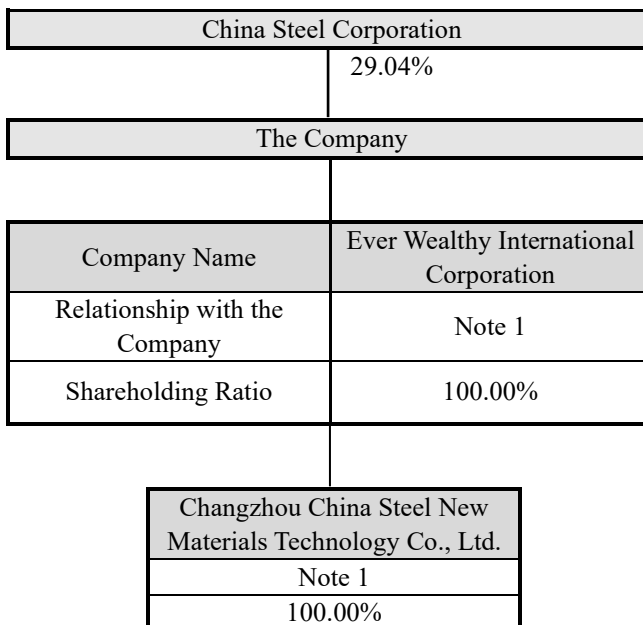
F. Special Notes

I. Profile on Affiliates

(I) Consolidated Business Report of Affiliates

1. Brief introduction of affiliates

(1) Organizational chart of affiliates:



Note 1: The Company in the controlling company.

(2) Basic information on affiliates:

Unit: NT\$ thousand (Unless specified otherwise)

March 31, 2025

Company Name	Date of Establishment	Address	Paid-up Capital	Major Business or Products
China Steel Chemical Corporation	1989.02.03	25F, No. 88, Cheng Gong 2nd Rd., Qian Zhen Dist., Kaohsiung City, Taiwan	2,369,044	Production of coal tar distillation series, light oil series and coke series products; processing and sales of carbon materials
Ever Wealthy International Co., Ltd.	1999.08.30	25F, No. 88, Cheng Gong 2nd Rd., Qian Zhen Dist., Kaohsiung City, Taiwan	1,077,122	General investment
Changzhou China Steel New Materials Technology Co., Ltd.	2013.12.19	No. 18, Changyang Road, Economic Development Area, Wujin, Jiangsu Province, China	RMB39,950,000	Production and sales of battery anode materials; sales of asphalt products, carbon materials and graphite materials

(3) Presumed as having relationships of control and subordination under Article 369-3 of the Company Act:
None.

- (4) Overall industries covered by businesses operated by affiliates and connections among businesses operated by individual affiliates:
- ① Overall industries covered by businesses operated by affiliates: General investment, petrochemical manufacturing, wholesale and international trade.
 - ② Connections among businesses operated by individual affiliates: Individual affiliates would contact other appropriate affiliates based on product type and delivery location.
- (5) The names of Directors, Supervisors, and President of each affiliate and their shareholding in or capital contribution to such affiliate:

March 31, 2025, Unit: thousand shares; %

Company Name	Title	Name or Representative	Shares Held	
			Share(s)	Shareholding Ratio (%)
China Steel Chemical Corporation	Chairman	Representative of China Steel Corporation: Chien-Chih Hwang	68,787	29.04
	Director	Representative of China Steel Corporation: Horng-Yih Liou	68,787	29.04
	Director	Representative of China Steel Corporation: Kuo-Hua Huang	68,787	29.04
	Director (concurrently President)	Representative of China Steel Corporation: Ming-Dar Fang	68,787	29.04
	Director	Representative of International CSRC Investment Holdings Co., Ltd.: Kung-Yi Koo	11,759	4.96
	Director	Representative of International CSRC Investment Holdings Co., Ltd.: Tien-Fu Chao	11,759	4.96
	Independent Director	Hsing-Shu Hsieh	0	0
	Independent Director	Yuan-Hong Wang	0	0
	Independent Director	Tsun-Tzu Hsu	0	0
Ever Wealthy International Corporation	Chairman	Representative of China Steel Chemical Corporation: Ming-Dar Fang Yi-Hung Chen	107,712	100
	President			
Changzhou China Steel New Materials Technology Co., Ltd.	Chairman	Representative of Ever Wealthy International Corporation: Ming-Dar Fang	-	100
	Director	Representative of Ever Wealthy International Corporation: Kuo-Hua Huang	-	100
	Director (concurrently President)	Representative of Ever Wealthy International Corporation: Wei-Chih Chen	-	100
	Supervisor	Representative of Ever Wealthy International Corporation: Yi-Hung Chen	-	100

2. Operating overview of affiliates

Unit: NT\$ thousand

Company Name	Capital	Total Assets	Total Liabilities	Net Value	Operating Revenue	Operating Profit (Loss)	Net Profit (Loss) for the Year	Basic Earnings (Net Loss) per Share (NT\$) (After Tax)
Ever Wealthy International Corporation	1,077,122	1,681,921	804	1,681,117	69,086	67,763	72,839	0.68
Changzhou China Steel New Materials Technology Co., Ltd.	178,896	349,151	151,563	197,588	262,438	5,667	583	-

Note: 1. Where the affiliate is a foreign company, relevant figures are translated into NT\$ for presentation based on the following exchange rate.

Exchange rate for the balance sheet: USD 32.785 CNY 4.478

Exchange rate for the income statements: USD 32.1061 CNY 4.4545

(II) Consolidated Financial Statements of Affiliated Enterprises: Please refer to information published on the Market Observation Post System (MOPS).

(III) Affiliation Report:

1. Relationship between the subsidiaries and the controlling company

Unit: share; %

Name of the Controlling Company	Control Reason	Shareholding and Pledge of the Controlling Company			Directors, Supervisors, or Managers Appointed by the Controlling Company	
		Number of Shares Held	Shareholding Ratio	Number of Shares Pledged	Title	Name
China Steel Corporation	With substantial controlling relationship	68,787,183	29.04%	None	Chairman Director Director Director and President	Chien-Chih Hwang Horng-Yih Liou Kuo-Hua Huang Ming-Dar Fang

2. The following matters shall be disclosed for the transactions

(1) Purchase and sales transactions:

Unit: NT\$ thousand; %

Transactions with Controlling Company				Transaction Conditions with the Controlling Company		Regular Transaction Terms		Reasons for Differences	Notes/Accounts Receivable (Payable)		Overdue Receivables			Notes
Purchases (Sales)	Amount	Percentage of Total Purchases (Sales) (%)	Sales Margin	Unit Price (NT\$)	Credit Period	Unit Price (NT\$)	Credit Period		Balance	Ratio to Total Notes and Accounts Receivable (Payable) (%)	Amount	Processing Method	Allowance for Bad Debt	
Purchases	2,571,533	64	-	-	Issuance of L/C at sight	-	-	-	(240,346)	(87)	-	-	-	
Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	

(2) Property transaction: None.

(3) Accommodation of fund: None.

(4) Major lease of assets:

Unit: NT\$ thousand

Transaction Type (Rental or Lease)		Target		Lease Period	Lease Type	Basis for Determining Rent	Collection (Payment) Method	Comparison with General Rent Criteria	Total Rent for the Current Term	Collection and Payment Status for the Current Term	Other Terms
		Name	Location								
Lessee	Land and plant	13 pieces of land at No. 1005, Yanshui Port Section	East side of CSC south gate	2021.01.01~2025.12.31	Operating lease	3% of the present value announced	Semi-annual payment	No comparable transactions with related parties	15,540	Settled	
		Property, plant, and equipment of the coke tar plant	CSC plant	2021.01.01~2026.12.31		Fixed consideration as agreed in the contract			4,151		
		Land No. 1050, Dalinpu Section 650m ²	CSC plant	2021.01.01~2025.12.31		3% of the present value announced			246		
	Storage tank	Storage tank T1000/2/4/6 Storage tank 2F108/9	CSC plant	2023.01.01~2027.12.31		Taiwan Consumer Price Index (Housing Index)	Monthly payment		13,019		
		Office				Office at headquarters of CSC Group	25F., No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City, Taiwan (R.O.C.)		2023.01.01~2025.12.31		

Transaction Type (Rental or Lease)	Target		Lease Period	Lease Type	Basis for Determining Rent	Collection (Payment) Method	Comparison with General Rent Criteria	Total Rent for the Current Term	Collection and Payment Status for the Current Term	Other Terms
	Name	Location								
Rented Land	Lot No. 506, subsection 1, Dianzi end section 33,110 m ²	No. 6, Jiaxing St., Xiaogang Dist.	2021.01.01~ 2025.12.31	Operating	3% of the present value announced	Semi- annual payment	No comparable transactions with related parties	12,913	Settled	

(5) Other significant transactions:

The Company's plant is located at the CSC plant. The major power required for production is provided by CSC, and the Company makes monthly payments for utilities such as electricity, sewage processing, waste gas processing, steam consumption and coke oven gas to CSC based on the market price or the cost-plus pricing. For 2024, annual fees for utilities were NT\$410,510 thousand in total. Additionally, the Company received NT\$18,162 thousand in sales revenue and NT\$42,900 thousand in coke tar processing income from CSC.

3. Endorsement and guarantees: None.
4. Other matters having significant effects on the Company's finance and business: None.
5. Public statement of the affiliation report: None.

II. Private Offering for the Latest Year and as of the Date of Publishing the Annual Report: None.

III. Other Matters of Supplements and Explanations Required: None.

G. Matters Having Significant Effects on Shareholder's Interests or Securities' Price Stated in Subparagraph 2, Paragraph 3 under Article 36 of the Securities and Exchange Act for the Latest Year and as of the Date of Publishing the Annual Report: None.

China Steel Chemical Corporation

Chairman: Chien-Chih Hwang