

Stock Code: 2028



威致鋼鐵工業股份有限公司

WEI CHIH STEEL INDUSTRIAL CO.,LTD

2024 Annual Report

Please refer to the website for the current year's annual report:
Taiwan Stock Exchange Market Observation Post System:
<http://mops.twse.com.tw>
Our Company: www.weichih.com.tw

Printed on April 25, 2025

- I. Name, title, telephone number and e-mail address of the spokesperson:
Name: Kuo, Su-Hui
Title: Chairman and President
Telephone Number: (06)579-0213
E-mail : ws002@ms29.hinet.net
- II. Name, title, telephone number and e-mail address of the acting spokesman:
Name: Lin, Hua-Chang
Title: Special Assistant to President
Telephone Number: (06)579-0213
E-mail : ws002@ms29.hinet.net
- III. Address and telephone number of the Company's headquarters, and factories:
Address: No. 123 NanbuVil, Guantian District, Tainan City
Tel: (06)579-0213
Address of Factory: No. 123 NanbuVil, Guantian District, Tainan City
Tel. of Factory: (06)579-0213
- IV. Name, address, e-mail address and telephone number of the agency handling shares transfer:
Name: Grand Fortune Securities
Address: 6F, No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City
Phone: (02)2371-1658
Website: <http://www.gfortune.com.tw>
- V. Names of the certified public accountants who duly audited the annual financial report for the most recent fiscal year and the name, address and telephone number of the accounting firm to which they belong:
Name: Hsieh, Jen-Yao and Tsai, Shu-Man
Accounting Firm: Crowe (TW) CPAs
Address: 27F, No. 6, Siwei 3rd Rd., Lingya Dist., Kaohsiung City
Phone: (07)331-2133
Website: <https://www.crowe.com/tw>
- VI. The name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: NA
- VII. Website: www.weichih.com.tw

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One. Letter to Shareholders

Dear Shareholders,

Looking back at 2024, the global steel industry continued to face numerous challenges including geopolitical risks, high inflation, weak demand, overproduction, and sluggish steel prices. Moreover, the domestic market was affected by the dumping of low-priced steel billets from China and Russia, resulting in a reduced price gap between finished products and raw materials, resulting in declining profits.

Due to the impact of the economic environment, our Company's revenue for 2024 was NT\$10,196,132 thousand. The gross profit was NT\$556,828 thousand, and the net profit for the period was NT\$316,203 thousand. This represents a decrease of NT\$99,014 thousand compared to the previous year's NT\$415,217 thousand, which is a reduction of 24%.

The 2024 sales achievements and 2025 business plan are reported as follows:

I. 2024 sales achievements:

(I) Production-sales achievements:

Unit: NT\$ thousand

Year Product	Production			Sales		
	2024	2023	Increase (Decrease) %	2024	2023	Increase (Decrease) %
Steel bars	8,506,639	8,024,638	6.01%	8,713,150	8,528,325	2.17%
Bar steel	695,559	977,127	-28.82%	955,926	1,082,566	-11.70%
Steel wire rod	300,260	352,223	-14.75%	427,939	350,024	22.26%
Steel billet	10,158,457	9,212,396	10.27%	92,623	515,722	-82.04%
Other	51,619	48,205	7.08%	6,494	7,536	-13.83%
Steel billet for in-house rolling	(8,922,851)	(8,753,118)	1.94%	0	0	-
Total	10,789,683	9,861,471	9.41%	10,196,132	10,484,173	-2.75%

Note: Steel billet production included rolled steel for in-house use.

(II) Profit Comparison:

Unit: NT\$ thousand

Year Item	2024	2023	Change in Amount	Increase (Decrease) %
Operating revenue	10,196,132	10,484,173	(288,041)	-2.75%
Operating costs	9,639,304	9,799,877	(160,573)	-1.64%
Gross margin	556,828	684,296	(127,468)	-18.63%
Operating expenses	179,858	176,924	2,934	1.66%
Net operating profit (loss)	376,970	507,372	(130,402)	-25.70%
Non-operating income and expenses	(13,602)	(8,250)	(5,352)	64.87%
Pre-tax net operating profit (loss)	363,368	499,122	(135,754)	-27.20%
Net income (loss) for the period	316,203	415,217	(99,014)	-23.85%

(III) Financial structure and profitability analysis:

		Year	2024	2023
Analysis items				
Financial structure	Debt-to-Asset Ratio (%)		52.92	48.42
	Long-term capital to PP&E Ratio (%)		154.56	159.91
Profitability	Return on assets (%)		3.91	5.30
	Return on equity (%)		6.93	9.43
	Net income before income tax to paid-in capital ratio (%)		11.16	15.32
	Net profit margin (%)		3.10	3.96
	Earnings per share (NT\$)		0.98	1.28

(IV) Status of research & development:

1. Control the nitrogen content of special steel to improve resistance to cracking in chromium-vanadium and boron-vanadium steel billets.
2. Adjust the length of the automatic oxygen blower nozzle to enhance the efficiency of oxygen spraying.
3. CDQ filling has been changed from manual replenishment to pneumatic delivery.
4. Through approximately 80 rounds of slag line repairs, the number of ladle cycles has increased.
5. Refractory suppliers have provided higher-quality SEN/SES, significantly increasing the number of continuous casting sequences.
6. In October 2024, the steelmaking plant burners were fully upgraded to use natural gas (NG) as fuel.
7. Adjust the combustion ratios and temperature settings in different areas of the heating furnace to achieve the goal of reducing gas consumption.
8. Adjust the settings of the combustion air blowers and exhaust fans to achieve an optimal furnace atmosphere, reduce natural gas consumption, and ensure uniform temperature distribution in the steel billets.
9. Modify the entrance and passage sections of the rolling line (single or double groove) to reduce cobble occurrences.
10. Maintenance and modification of equipment parts for the rolling mill refurbishment, along with adjustments to the maintenance cycle, to enhance stability and reduce abnormalities.
11. The cooling system design for steel bars and round bars was modified to include yield platforms for steel bars and optimize the surface of round bars.

II. Summary of the 2025 Business Plan:

(I) Operational policy:

1. Continuously increase the market share of direct customers in the domestic rebar market.
2. Continuously increase market share for high-value-added steel products such as bars and coils.
3. Continuously improving processes, enhancing production efficiency, and strengthening the core competitiveness of the Company.
4. Promote equipment improvement and the installation of energy-saving and carbon reducing equipment, with the aim of achieving sustainable energy savings and carbon reduction within the Company.
5. We continuously apply for international green steel certification to promote the internationalization of our products. Our goal is to make Wei Chih products the leading choice for environmentally friendly steel products.

(II) Business objective:

This year, we will continue to enhance the production capacity and quality of our steel rolling equipment. In addition to improving our production techniques, we will also increase production volume to reduce costs and actively develop high-value-added products to enhance overall profitability. Our sales targets for this year are to sell 400,000 tons of domestic steel bars, 50,000 tons of exported steel bars, and 100,000 tons of wire rods and coils. We will adjust the product mix according to market demand.

III. The impact of future Company development strategies, the external competitive environment, the regulatory environment, and the overall business environment.

Looking ahead to 2025, the global economy is expected to stabilize and recover, leading to increased demand for steel. However, persistent overcapacity in China and the continued outflow of low-priced steel products are likely to persist. A major variable will be the trade policies of U.S. President Donald Trump, which require continued close monitoring. Additionally, after three years of conflict, the Russo-Ukrainian war may reach a substantive ceasefire in the first half of the year. The resulting large-scale reconstruction efforts could create substantial demand and provide a boost to the steel industry. On the domestic front, strong momentum is anticipated in response to growing opportunities driven by artificial intelligence, low-carbon development trends, and rising demand for automation. Manufacturers are expected to continue expanding production capacity and upgrading equipment. In addition, increased investment by multinational corporations in Taiwan and steady growth in government-led public infrastructure projects are contributing to a more optimistic outlook for the construction industry, which is likely to drive a recovery in demand for construction materials such as rebar and structural steel. Nonetheless, significant uncertainties remain. These include geopolitical risks, the EU's Carbon Border Adjustment Mechanism (CBAM), and global zero-emission requirements. Domestically, rising electricity costs, the implementation of carbon fees, and the government's accelerated pursuit of carbon neutrality will further intensify operational pressures. Given these complex and evolving market conditions, both globally and locally, the Company will continue to adopt a prudent and responsive management approach to navigate changes effectively and sustain stable profitability.

The entire staff of the Company will continue to work together to maximize benefits for shareholders and fulfill corporate social responsibilities.

I would like to thank all the shareholders for your support and encouragement over the years.

Respectfully wishing all shareholders

robust health and prosperity in all endeavors!

Chairman: Kuo, Su-Hui

Two. Corporate Governance

I. Information on the Company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the supervisors of all the company's divisions and branch units

(I) Director

1. Information regarding board directors

April 20, 2025

Title (Note1)	Nationality or place of registration	Name	Gender Age (Years)	Date elected/appointed	Terms	Date of first elected (Note 1)	Shares held when elected		Shares held currently		Shares currently held by spouse and minors		Shares held by third parties		Education and experience	Concurrent positions at Wei Chi and other companies	Other officers, directors, or supervisors of the Company who is a spouse or a relative within the second degree of kinship under the Civil Code			Remarks
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares (Note 2)	Shareholding Ratio			Title	Name	Relationship	
Chairman	R. O. C.	Representative of En Hui Investment Corporation: Kuo, Su-Hui	Female 51-60	20230612	3 years	20020626	31,065,201 24,526,719	9.54 7.53	32,354,201 12,026,719	9.93 3.69	0 502,000	0.00 0.15	0 16,050,000	0.00 4.93	Department of French, Chinese Culture University, President of UNISOLEIL ENTERPRISE CO., LTD.	Chairman and President of the Company, President of UNISOLEIL ENTERPRISE CO., LTD.	Director	Kuo, Shih- Hsien	Siblings	(Note 3)
Director	R. O. C.	Kuo, Shih- Hsien	Male 51-60	20230612	3 years	19940718	2,745,237	0.84	2,745,237	0.84	8,236	0.00	0	0.00	Tatung Junior College of Commerce, Director of the Company.	Director of Chien Yao Technology Co., Ltd.	Chairman	Kuo, Su- Hui	Siblings	
Director	R. O. C.	Representative of En Hui Investment Corporation: Kuo, Ching- Wen	Male 61-70	20230612	3 years	20170628	31,065,201 20,000	9.54 0.01	32,354,201 20,000	9.93 0.01	0 0	0.00 0.00	0 0	0.00 0.00	Department of Financial Management, Kun Shan University; Manager of Tainan City Credit Union	None	None			

Title (Note1)	Nationality or place of registration	Name	Gender Age (Years)	Date elected/appointed	Terms	Date of first elected (Note 1)	Shares held when elected		Shares held currently		Shares currently held by spouse and minors		Shares held by third parties		Education and experience	Concurrent positions at Wei Chi and other companies	Other officers, directors, or supervisors of the Company who is a spouse or a relative within the second degree of kinship under the Civil Code			Remarks
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares (Note 2)	Shareholding Ratio			Title	Name	Relationship	
Director	R. O. C.	Representative of En Hui Investment Corporation: Kuo, Hsien- Kung	Male 61-70	20230612	3 years	20230612	31,065,201 0	9.54 0.00	32,354,201 0	9.93 0.00	0 0	0.00 0.00	0 0	0.00 0.00	Department of Mechanical Engineering of National Pingtung University of Science and Technology, Import Manager at CT Engineering, Sales Consultant of the Company, General Manager at Jin Yuan Rib Chain Store.	None	None			
Independent Director	R. O. C.	Liu, Chi- Hsiung	Male 71-80	20230612	3 years	20180629	0	0.00	0	0.00	0	0.00	0	0.00	Graduate School of Accounting, National Chengchi University, Director of Horwath ChienHsing CPAs, Chairman of Think Flex Corporation	Independent Director of DAWUSHAN FARM TECHNOLOGY CO., LTD.	None			
Independent Director	R. O. C.	Sha, Hsu- Sheng	Female 71-80	20230612	3 years	20170628	0	0.00	0	0.00	0	0.00	0	0.00	Department of Finance, Southern Taiwan University of Science and Technology, Director of Finance Department at Nang Kuang Pharmaceutical Co., Ltd., Assistant General Manager of Management Department at BUENO TECHNOLOGY CO., LTD.	None	None			

Title (Note1)	Nationality or place of registration	Name	Gender Age (Years)	Date elected/appointed	Terms	Date of first elected (Note 1)	Shares held when elected		Shares held currently		Shares currently held by spouse and minors		Shares held by third parties		Education and experience	Concurrent positions at Wei Chi and other companies	Other officers, directors, or supervisors of the Company who is a spouse or a relative within the second degree of kinship under the Civil Code			Remarks
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares (Note 2)	Shareholding Ratio			Title	Name	Relationship	
Independent Director	R. O. C.	Ting, Chia- Huei	Male 71-80	20230612	3 years	20100623	0	0.00	0	0.00	0	0.00	0	0.00	Department of Banking and Insurance, Feng Chia University, Branch Manager of Hua Nan Commercial Bank, Specialist of the Business Management Department at Hua Nan Commercial Bank	Director and Manager of the Management Department at LEANG YEH ENTERPRISE CO., LTD.	None			
Independent Director	R. O. C.	Wang, Yen- Ching	Female 51-60	20230612	3 years	20230612	0	0.00	0	0.00	0	0.00	0	0.00	EMBA at National Cheng Kung University; CPA at Deloitte.	Independent Director of Star Comgistic Capital Co., Ltd., CPA at Lan Chi CPA Firm	None			

Note 1: Director Kuo, Su-Hui was first elected as a director on June 26, 2002, then stepped down on June 25, 2008, and was re-elected on June 28, 2018.

Note 2: Including spouses utilizing third parties' names to hold shares.

Note 3: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a Company are the same person, spouses or relatives within the first degree of kinship, an explanation shall be given of the reason for reasonableness, necessity thereof and the measures adopted in response thereto (e.g., increasing the number of independent directors and having a majority of directors who are not also employees or managerial officers): The Chairman and President are the same individual, possessing extensive industry experience and accumulated resources beneficial for enhancing the Company's decision-making and operational efficiency. Major decisions are consistently subject to approval by the Board of Directors. Over half of the Board members do not hold concurrent positions as employees or executives, maintaining regular communication with other directors and actively seeking their advice on company management. Thus, maintaining the current operating model is deemed necessary and reasonable. However, to enhance corporate governance, the Company has added independent director positions to strengthen the Board's functions and oversight mechanisms.

Table 1: Major Shareholders of the Institutional Shareholder

April 20, 2025

Institutional Shareholder (Note 1)	Major Shareholders of the Institutional Shareholder	Shareholding Ratio %
Director: En Hui Investment Co., Ltd.	Kuo, Su-Hui	84.23
	Gao, Chun-Li	7.42
	Gao, En-Li	7.42

Note 1: For directors and supervisors acting as the representatives of institutional shareholders, this section shall indicate the names of the institutional shareholders.

2. Directors' professional qualification and independent directors' status of independence:

(1) Professional qualification and work experience of the directors

Name \ Qualification		Professional qualification and work experience	Status of independence	Number of con-current positions held at other public companies
Director	Representative of En Hui Investment Corporation: Kuo, Su-Hui	Chairman and President of the Company and President of UNISOLEIL ENTERPRISE CO., LTD., with more than five years of working experience in business, finance and corporate operations, and more than 30 years in the steel related field. He has not been involved in any of the circumstances under Article 30 of the Company Act.	Not Applicable	0
Director	Kuo, Shih-Hsien	Director of the Company and Chien Yao Technology Co., Ltd. with more than five years of working experience in business, finance and corporate operations, and more than 30 years in the steel related field. He has not been involved in any of the circumstances under Article 30 of the Company Act.	Not Applicable	0
Director	Representative of En Hui Investment Corporation: Kuo, Ching-Wen	Previously served as the Manager of Tainan City Credit Union, with more than five years of working experience in business, finance and corporate operations, and experience in the steel related field. He has not been involved in any of the circumstances under Article 30 of the Company Act.	Not Applicable	0

Name \ Qualification		Professional qualification and work experience	Status of independence	Number of con-current positions held at other public companies
Director	Representative of En Hui Investment Corporation: Kuo, Hsien-Kung	Previously served as the Import Manager at CT Engineering, Sales Consultant of the Company and General Manager at Jin Yuan Rib Chain Store, with more than five years of working experience in business, finance and corporate operations, and experience in the steel related field. He has not been involved in any of the circumstances under Article 30 of the Company Act.	Not Applicable	0
Independent Director	Liu, Chi-Hsiung	Qualifications include professional certification as a CPA and more than five years of working experience in business, finance, and corporate operations. Graduated from the Graduate School of Accounting, National Chengchi University. Previously served as the Director of Horwath ChienHsing CPAs and Chairman of Think Flex Corporation.	Prior to appointment and throughout the term of office, the individual has met all the following criteria for independence assessment: (1) Not an employee of the company or any of its affiliates. (2) Not a director or supervisor of the company or any of its affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the company or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons in the (2) or (3). (5) Not a director, supervisor or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company or that ranks among the top five in shareholdings or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. (8) Not a director, supervisor, officer or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the company.	1
Independent Director	Sha, Hsu-Sheng	With more than five years of working experience in business, finance, and corporate operations. Graduated from the Department of Finance, Southern Taiwan University of Science and Technology. Previously served as the Director of Finance Department at Nang Kuang Pharmaceutical Co., Ltd. and Assistant General Manager of Management Department at BUENO TECHNOLOGY CO., LTD.		0
Independent Director	Ting, Chia-Huei	With more than five years of working experience in business, finance, and corporate operations. Graduated from the Department of Banking and Insurance, Feng Chia University. Previously served as the Branch Manager of Hua Nan Commercial Bank and Specialist of the Business Management Department at Hua Nan Commercial Bank. Currently serves as Director and Manager of the Management Department at Leang Yeh Enterprise Co., Ltd.		0

Name \ Qualification		Professional qualification and work experience	Status of independence	Number of con-current positions held at other public companies
Independent Director	Wang, Yen-Ching	Qualifications include professional certification as a CPA and more than five years of working experience in business, finance, and corporate operations. Graduated from EMBA at National Cheng Kung University. Possesses over 10 years of experience as a CPA at Deloitte. Currently employed as CPA at Lan Chi CPA Firm.	(9) Not a professional individual who, or an owner, partner, director, supervisor or officer of a sole proprietorship, partnership, company or institution that, provides auditing services to the company or any affiliate of the company or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation, or a spouse thereof. (10) Not a spouse or a relative within the second degree of kinship with other directors. (11) No government, juridical person or its representative is elected as stipulated in Article 27 of the Company Act.	1

3. Diversification and Independence of Board of Directors:

(1) Diversification of Board members

The nomination of candidates for directorship is based on a candidate nomination system in accordance with the Company's Articles of Incorporation. The candidates' educational qualifications, work experience, professional background and integrity or related professional qualifications are evaluated and approved by the Board of Directors before being submitted to the shareholders' meeting for election.

The Company places emphasis on the diversity of its board members to strengthen corporate governance and foster the robust development of board composition and structure. Article 20 of the "Corporate Governance Best Practices" of the Company clearly delineates the requisite competencies for the board as follows: 1. Operational judgment capability; 2. Accounting and financial analysis proficiency; 3. Business management acumen; 4. Crisis management ability; 5. Industry expertise; 6. International market perspective; 7. Leadership skills; 8. Decision-making prowess.

The implementation status of the board member diversification is as follows:

Diversity of core competence		Basic composition				Term of office of independent directors	Professional background				Professional knowledge and skill								
		Nationality	Gender	Concurrent as an employee	Age		Accountant	Industry	Business	Certified CPA	Operation judgments	Finance and accounting analysis	Business management	Crisis management	Industry background knowledge	Knowledge of international markets	Leadership	Decision-making	
					61to70														71 and above
					51to60														
Name	Director		Female	V	V			V	V	V		V	V	V	V	V	V	V	
		Kuo, Shih-Hsien	Male		V			V	V	V		V	V	V	V	V	V	V	
		Representative of En Hui Investment Corporation: Kuo, Ching-Wen	Male			V		V	V	V		V	V	V	V	V	V	V	
		Representative of En Hui Investment Corporation: Kuo, Hsien-Kung	Male			V		V	V	V		V	V	V	V	V	V	V	
	Independent Director	Liu, Chi-Hsiung	Male				V	3rd term	V		V	V	V	V	V	V	V	V	
		Sha, Hsu-Sheng	Female					V	3rd term	V		V	V	V	V	V	V	V	
		Ting, Chia-Huei	Male					V	2nd term	V	V	V	V	V	V	V	V	V	
		Wang, Yen-Ching	Female		V				1st term	V		V	V	V	V	V	V	V	

- A. The Board of Directors consists of 8 members, including 4 independent directors, all of whom are citizens of the Republic of China. One member concurrently serves as an employee of the company, while the remaining directors (including independent directors) are external professionals with diverse complementary capabilities across different industry sectors. In terms of professional backgrounds, 8 members possess business, financial, and company operational experience, 5 have industry sector experience, and 2 hold professional accountant qualifications. The achievement rates for professional knowledge and skills are as follows: 100% for operational judgment capability, 100% for financial analysis capability, 100% for management capability, 75% for crisis management capability, 62.5% for industry knowledge, 100% for global market perspective, 100% for leadership capability, and 100% for decision-making capability.
- B. Age Distribution: Three directors are between 51 and 60 years of age, two directors are between 61 and 70 years of age, and three directors are over 71 years of age.
- C. Gender Composition: The Board consists of five male directors and three female directors, with female directors representing 37.5% of the Board's composition.

Board Diversity Management Objectives and Implementation Status:

Management Objectives	Achievement Status
1. Each gender shall represent at least one-third of the Board of Directors' seats	Achieved
2. The Board of Directors shall include at least one member with professional qualifications as a certified public accountant or attorney	Achieved
3. The number of directors who are employees of the Company, its parent company, subsidiaries, or affiliated companies shall be less than or equal to one-third of the total director seats	Achieved
4. Independent directors should represent no less than one-third of the Board of Directors' seats	Achieved
5. Independent directors should not serve more than three consecutive terms	Achieved

(2) Independence of the Board of Directors:

There are 8 members on the Board of Directors of the Company, with 4 independent directors, representing 50% of the board. None of the independent directors has served more than 3 terms. The board exercises its authority independently. As of the end of the year 2024, the independent directors all comply with the regulations set forth by the Financial Supervisory Commission Securities and Futures Bureau regarding independent directors. Additionally, there are no instances where more than two directors have a spouse or a relative within the second degree of kinship, nor are there any circumstances violating Article 26-3, Paragraph 3 of the Securities Exchange Act. Moreover, only one director holds the position of company executive, namely Chairperson and President Kuo, Su-Hui, who also serves as the legal representative director. Therefore, the Board of Directors of the Company is considered independent.

(II) Company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the supervisors of all the company's divisions and branch units

Information on the Company's general manager, deputy general manager, assistant general managers and the supervisors of all the company's divisions and branch units

April 20, 2025

Title (Note 1)	Nationality	Name	Gender	Date elected/ appointed	Shares held		Shares held by spouse and minors		Shares held by third parties		Education and experience (Note 2)	Concurrent positions at other companies	Other manager of the Company who is a spouse or a relative within the second degree of kinship under the Civil Code			Remarks
					Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares (Note 4)	Shareholding Ratio			Title	Name	Relationship	
Chairman and President	R. O. C.	Kuo, Su-Hui	Female	20151228	12,026,719	3.69	502,000	0.15	16,050,000	4.93	Department of French, Chinese Culture University, President of the Company	President of UNISOLEI L ENTERPRISE CO., LTD.	Financial Supervisor	Dai, Ruei-Yi	Sister-in- law	(Note 3)
Vice President	R. O. C.	Yu, Kai- Wen	Male	20200601	180,000	0.06	226,000	0.07	0	0.00	Master degree from National Taiwan University, Factory Director of SHYEH SHENG FUAT STEEL & IRON WORKS CO., LTD., Director of Steelmaking Division at Wei Chi Steel Industrial Co., Ltd.	None	None			
Deputy Factory Director	R. O. C.	Chuang, Wu- Hsiung	Male	20130501	20,000	0.01	0	0.00	0	0.00	Institute of Electrical Energy and Control, National Kaohsiung University of Applied Sciences	None	None			
Financial Supervisor	R. O. C.	Dai, Ruei-Yi	Female	20150810	8,236	0.00	2,745,237	0.84	0	0.00	Tatung Junior College of Commerce	None	Chairman and President	Kuo, Su-Hui	Sister-in- law	
Accounting Supervisor and Corporate Governance Officer	R. O. C.	Chiu, Yen-Ju	Female	20240316	0	0.00	0	0.00	0	0.00	Master in Department of Accounting, Tunghai University, Manager of the Audit Services Department at Crowe (TW) CPAs, Taichung Branch.	None	None			

- Note 1: Information on the general manager, deputy general manager, assistant general manager and the supervisors of all the company's divisions and branch units, and all those with the equivalent rankings, regardless of title, should also be disclosed.
- Note 2: Experience related to the current position, if any, should include the title and responsibilities of the position held by the auditing firm or the affiliates during the reporting period in the previous paragraph.
- Note 3: Where the President or a person of equivalent ranking (i.e. the highest ranking officer) and the Chairman are the same person, or spouses or relatives within the first degree of kinship, an explanation should be given to describe the rationale, reasonableness, necessity, and countermeasures taken:
The Chairman of the Board and the President of the Company are relatives within the first degree of kinship as they share the same business philosophy, are professionally matched and can work smoothly, which is conducive to enhancing the execution of decisions and operational efficiency of the Company; at the same time, major resolutions are submitted to the Board of Directors for approval; more than half of the Board of Directors are not also employees or managers; moreover, they usually maintain close communication with the directors and listen to their suggestions regarding the management of the Company, so it is necessary and reasonable to continue the current operation style. However, in order to implement corporate governance, the Company plans to increase the number of independent directors to strengthen the functions of the Board of Directors and to improve the supervision mechanism.
- Note 4: Including spouses utilizing third parties' names to hold shares.

(III) Remuneration to directors (including independent directors), president, and vice president

(1) Remuneration Paid to Directors and Independent Directors

Unit: NT\$ thousand
December 31, 2024

Title	Name	Director's Remuneration								The proportions of the total amounts and the ratio to the net profit after tax for items A, B, C, and D.		Compensation earned by the part-time employees								The proportions of the total amounts and the ratio to the net profit after tax for items A, B, C, D, E, F and G.		Have there been any remunerations received from investee companies outside of subsidiaries?
		Base Compensation (A)		Retirement Pension (B)		Director's Remuneration (C)		Business Execution Expenses (D)				Base Compensation, Bonuses, and Allowances (E)		Retirement Pension (F)		Employee Compensation (G)						
		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities			
Director	Representative of En Hui Investment Corporation: Kuo, Su-Hui	360	360	0	0	931	931	25	25	1,316 0.42%	1,316 0.42%	5,420	5,420	108	108	20	0	20	0	6,864 2.17%	6,864 2.17%	None
Director	Kuo, Shih-Hsien	360	360	0	0	311	311	20	20	691 0.22%	691 0.22%	0	0	0	0	0	0	0	0	691 0.22%	691 0.22%	None
Director	Representative of En Hui Investment Corporation: Kuo, Ching-Wen	360	360	0	0	311	311	25	25	696 0.22%	696 0.22%	0	0	0	0	0	0	0	0	696 0.22%	696 0.22%	None
Director	Representative of En Hui Investment Corporation: Kuo, Hsien-Kung	360	360	0	0	311	311	25	25	696 0.22%	696 0.22%	0	0	0	0	0	0	0	0	696 0.22%	696 0.22%	None
Independent Director	Liu, Chi-Hsiung	650	650	0	0	0	0	25	25	675 0.21%	675 0.21%	0	0	0	0	0	0	0	0	675 0.21%	675 0.21%	None
Independent Director	Sha, Hsu-Sheng	650	650	0	0	0	0	25	25	675 0.21%	675 0.21%	0	0	0	0	0	0	0	0	675 0.21%	675 0.21%	None
Independent Director	Ting, Chia-Huei	600	600	0	0	0	0	20	20	620 0.20%	620 0.20%	0	0	0	0	0	0	0	0	620 0.20%	620 0.20%	None
Independent Director	Wang, Yen-Ching	600	600	0	0	0	0	20	20	620 0.20%	620 0.20%	0	0	0	0	0	0	0	0	620 0.20%	620 0.20%	None
1.	Please specify the policy, system, standards, and structure for remunerating independent directors, and articulate the correlation between the remuneration amount and factors such as their responsibilities, risks, and time commitment: (1) Independent directors receive a fixed monthly remuneration and do not share in the distribution of director's fees. They are also reimbursed for transportation expenses when attending meetings. (2) The fixed remuneration mentioned above is determined based on the level of participation and contribution of the independent directors to the Company's operations. This determination takes into account the remuneration practices of relevant listed companies in the industry. The Remuneration Committee further discusses and evaluates the remuneration before it is approved by the Board of Directors. (3) Members of functional committees shall receive additional compensation on a monthly basis. (4) The remuneration of Directors and employees reported in the table above is an estimated figure.																					
2.	In addition to the disclosure in the table above, remuneration was received by the Company Directors in the most recent fiscal year for providing services, such as serving as consultants to the parent Company or any companies within the financial reports, or as non-employee advisor to affiliated investment businesses: None.																					

(2) Remuneration for President and Vice President

Unit: NT\$ thousand
December 31, 2024

Title	Name	Salary (A)		Retirement Pension (B)		Bonuses and special expenses (C)		Employee Compensation (D)				The proportions of the total amounts and the ratio to the net profit after tax (%) for items A, B, C, and D.		Have there been any remunerations received from investee companies outside of subsidiaries? (Note 10)
		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company		From All Consolidated Entities		The Company	From All Consolidated Entities	
								Cash Amount	Share Amount	Cash Amount	Share Amount			
Chairman and President	Kuo, Su-Hui	4,560	4,560	108	108	860	860	20	0	20	0	5,548 1.75%	5,548 1.75%	None
Vice President	Yu, Kai-Wen	3,818	3,818	108	108	916	916	20	0	20	0	4,862 1.54%	4,862 1.54%	None

(IV) Employees remuneration paid to executive officers

December 31, 2024

	Title	Name	Share Amount	Cash Amount	Total (Note 1)	Percentage of net earnings after tax (%)
Manager	Chairman and President	Kuo, Su-Hui	0	80	80	0.03%
	Vice President	Yu, Kai-Wen				
	Deputy Factory Director	Chuang, Wu-Hsiung				
	Accounting Supervisor and Corporate Governance Officer	Chiu, Yen-Ju				

Note 1: The amounts in the table are estimated figures.

- (V) Total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, president and vice president and the remuneration policies, standards, and packages, the procedure for determining remuneration and its linkage to operating performance and future risk exposure:

- A. The remuneration paid to the directors and supervisors, president and vice president of the Company and all consolidated companies in the last two years are described as follows:

Unit: NT\$ thousand

Item/Year	2024	2023
Total remuneration to directors, supervisors, president and vice president	16,399	15,156
Net profit after tax	316,203	415,217
Percentage of total remuneration to directors, supervisors, president and vice president of net profit after tax	5.19%	3.65%

- B. The remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:
- (1) According to Article 29 of the Company's bylaws, if the Company generates a profit in the fiscal year, between 2% and 5% should be allocated for employee compensation, and up to 2% should be allocated for director compensation.

(2) Managers' Remuneration:

This includes fixed salary, management allowance, position allowance, various subsidies, year-end bonuses, and employee compensation. It is determined according to internal salary regulations and employee performance evaluation management measures, taking into account executives' contributions, relevant industry salary levels, operational performance, and profitability status. The compensation is then submitted to the Remuneration Committee and the Board of Directors for discussion and approval.

The Company implements performance evaluation results in accordance with the "Employee Performance Evaluation Management Measures" as a reference basis for executive bonus issuance. Executive performance evaluation items include financial indicators (such as steel production volume, steel shipment volume, cost reduction amounts, etc.) and non-financial indicators (such as process improvement cases, occupational accident incidents, 6-month zero-injury records, etc.). The compensation is calculated based on the achievement of objectives by executives and various departments, and the compensation system is reviewed in a timely manner according to actual operational conditions and relevant regulations.

(3) Director's Remuneration:

Directors receive a fixed monthly remuneration and meeting attendance fees based on actual meeting attendance. The aforementioned fixed remuneration is determined according to directors' level of participation in and contribution to the Company's operations, with reference to industry standards, after evaluation and recommendation by the Remuneration Committee, and then submitted to the Board of Directors for approval.

Additionally, according to Article 29 of the Company's Articles of Incorporation, up to 2% is allocated as director compensation, which is determined in accordance with the 'Director and Functional Committee Remuneration Payment Regulations' and the results of the Board of Directors' performance evaluation. It is formulated considering the directors' contributions and the relevant industry payment levels. The final approval is given after discussion by the Remuneration Committee and the Board of Directors.

The calculation and distribution method for director compensation is:

$$\text{Director compensation} = \text{Distributable director compensation amount} \times \frac{\text{Individual director's points}}{\text{Total points of all participating directors}}$$

The points are assigned based on directors' level of participation in and contribution to company operations (such as serving as Chairman or President, directors who provide endorsements or guarantees for the Company or its subsidiaries, etc.).

(4) Independent Directors' Remuneration:

Independent directors receive a fixed monthly remuneration and do not participate in profit distribution. If they serve as members of the Company's functional committees, they may additionally receive a fixed monthly remuneration for functional committee members and meeting attendance fees based on actual meeting attendance. The aforementioned fixed remuneration is determined according to independent directors' level of participation in and contribution to the Company's operations, with reference to industry standards, after evaluation and recommendation by the Remuneration Committee, and then submitted to the Board of Directors for approval.

II. Corporate Governance Implementation:

(I) Board of Directors' meetings:

Board of Directors' meeting status

The Board of Directors met 4 times (A) in 2024 and the attendance of directors was as follows:

Title	Name (Note 1)	Attendance in person (B)	Attendances by proxy	Attendance rate in person (%) [B/A] (Note 2)	Remarks
Chairman	Representative of En Hui Investment Corporation: Kuo, Su-Hui	4	0	100	
Director	Kuo, Shih-Hsien	4	0	100	
Director	Representative of En Hui Investment Corporation: Kuo Ching-Wen	4	0	100	
Director	Representative of En Hui Investment Corporation: Kuo Hsien-Kung	4	0	100	
Independent Director	Liu, Chi-Hsiung	4	0	100	
Independent Director	Sha, Hsu-Sheng	4	0	100	
Independent Director	Ting, Chia-Huei	4	0	100	
Independent Director	Wang, Yen-Ching	4	0	100	

Other matters required to be recorded:

- I. While carrying out its operations, the Board of Directors must report the meeting date, period, meeting content, and board resolutions for dissenting opinions or qualified opinions from independent directors:
1. Matters Specified in Article 14-3 of the Securities and Exchange Act: Not applicable as the Company has established an Audit Committee.
 2. Unless otherwise noted, are there any independent directors who expressed opposition or qualified opinions that were recorded or declared in writing: None.

- II. The director's implementation of the avoidance of interest motions should state the name of the director, the content of the motion, the reason for the interest avoidance and the voting situation:

Date/Session	Name of Directors	Proposal	Reasons for Avoidance	Participation of the voting
2024.03.15 1st meeting in 2024	Kuo, Su-Hui, Kuo, Shih-Hsien	Adjustment of salary determination and year-end bonus distribution for company executives.	Personal Interests and Relative Relationships	Excused from discussion and voting in accordance with the laws.
2024.08.13 3rd meeting in 2024	Kuo, Su-Hui, Kuo, Shih-Hsien, Kuo, Ching-Wen, Kuo, Hsien-Kung	Resolution for the Company's distribution of director remuneration for the fiscal year 2023		
	Kuo, Su-Hui, Kuo, Shih-Hsien	Resolution for the distribution of employee remuneration for the fiscal year 2023.		
	Kuo, Su-Hui, Kuo, Shih-Hsien, Liu, Chi-Hsiung, Sha, Hsu-Sheng	Establishment of the Sustainable Development and Risk Management Committee and appointment of the inaugural term members of the Committee		
2025.03.12 1st meeting in 2025	Kuo, Su-Hui, Kuo, Shih-Hsien	Distribution of year-end bonuses to managers of the Company.		

- III. The evaluation cycle and period, assessment scope, method and content of the self- (or peer) evaluation of the Board:

Assessment cycle	Assessment period	Scope of assessment	Method of assessment	Assessment items
Conducted once a year	January 1 to December 31, 2024	Includes the Board of Directors, individual Board members, and functional committees (Remuneration Committee, Audit Committee, Sustainability and Risk Management Committee)	1. Board member performance is self-evaluated by all Board members. 2. Functional committee performance is evaluated by each functional committee chairperson. 3. Board performance is evaluated by the corporate governance officer.	1. Board member evaluation areas include: Understanding of company goals and missions, awareness of director responsibilities, level of involvement in company operations, management of internal relationships and communication, professional competence and ongoing education of directors, internal controls. 2. Functional committee evaluation areas include: Level of involvement in company operations, understanding of committee responsibilities, quality of committee decision-making, composition and selection of committee members, internal controls. 3. Board evaluation areas include: Participation level in company operations, quality of board decision-making, composition and structure of the board, director selection and ongoing education, internal controls.

IV. Objectives of strengthening the functionality of the Board of Directors in the current year and the most recent fiscal year (e.g., setting up the Audit Committee, enhancing information transparency, etc.), and evaluation of the execution thereof:

1. The Company established the Remuneration Committee in the year 2011 to assist the Board of Directors in executing functions related to director and managerial remuneration management.
2. In the year 2017, the Company established independent directors and an audit committee to strengthen corporate governance.
3. Every year, based on the level of participation of the Board of Directors, the board conducts a self-evaluation on various aspects such as understanding of company goals and tasks, knowledge of internal control procedures, etc. To safeguard the directors of the Company from personal legal liabilities arising from acts such as errors, negligence, breaches of duty, breaches of trust, false or misleading statements, etc., while performing their duties, the company has obtained directors' liability insurance for all directors.
4. On May 11, 2021, the Board of Directors approved the establishment of a Corporate Governance Officer to assist the Board in promoting corporate governance.

(II) Operations of the Audit Committee:

(1) Audit Committee Meeting Status:

Operational Information of Audit Committee

The Audit Committee met 4 times (A) in 2024 and the attendance of independent directors was as follows:

Title	Name	Attendance in person (B)	Attendances by proxy	Attendance rate in person (%) (B/A) (Note)	Remarks
Independent Director	Liu, Chi-Hsiung	4	0	100	
Independent Director	Sha, Hsu-Sheng	4	0	100	
Independent Director	Ting, Chia-Huei	4	0	100	
Independent Director	Wang, Yen-Ching	4	0	100	

Other matters required to be recorded:

- I. If the Audit Committee operates under any of the following circumstances, it shall disclose the date of the Audit Committee meeting, session, agenda items, opinions of independent directors opposing, reservations, or significant recommendations, the decision of the Audit Committee, and the Company's handling of the opinions of the Audit Committee.

1. Matters listed under Article 14-5 of the Securities and Exchange Act:

Date of Audit Committee meetings	Proposal	Dissenting opinions, qualified opinions or major suggestions	Resolution of Audit Committee	Handling of the opinions of Audit Committee members
2024.03.15 The 3rd meeting of the 3rd term	Proposal: Business report and financial statements for 2023. Proposal: Proposal of dividend distribution for 2023. Proposal: Internal Control System Effectiveness Assessment 2023 and Internal Control System Statement Case Proposal: Appointment of CPAs and assessment of independence and suitability. Proposal: Change in roles for the Company's accounting supervisor and Corporate Governance Officer.	None	All members attended passed the proposal.	All members of the Board of Directors attended passed the proposal.
2024.05.13 The 4th meeting of the 3rd term	Proposal: Review of the financial statements for the first quarter of 2024 Proposal: Proposal for non-distribution of dividends for the first quarter of 2024 Proposal: Proposal for purchase of land by the Company Proposal: Appointment of representative for the Company's land mortgage rights	None	All members attended passed the proposal.	All members of the Board of Directors attended passed the proposal.
2024.08.13 The 5th meeting of the 3rd term	Proposal: Business report and financial statements for the second quarter of 2024 Proposal: Proposal of dividend distribution for the second quarter of 2024	None	All members attended passed the proposal.	All members of the Board of Directors attended passed the proposal.
2024.11.11 The 6th meeting of the 3rd term	Proposal: Review of the financial statements for the third quarter of 2024 Proposal: Proposal of dividend distribution for the third quarter of 2024 Proposal: Internal audit operation audit plan for the fiscal year 2025. Proposal: Cutting plant expansion and energy transition investment plan Proposal: Establishment of "Sustainability Information Management Operations" in the Company's internal control system	None	All members attended passed the proposal.	All members of the Board of Directors attended passed the proposal.

Date of Audit Committee meetings	Proposal	Dissenting opinions, qualified opinions or major suggestions	Resolution of Audit Committee	Handling of the opinions of Audit Committee members
	Proposal: Establishment of "Information Security Control Operations" in the Company's internal control system Proposal: Amendment to the Company's internal control system "Computerized Information Processing Operations"			
2025.03.12 The 7th meeting of the 3rd term	Proposal: Business report and financial statements for 2024. Proposal: Proposal of dividend distribution for 2024. Proposal: Internal Control System Effectiveness Assessment and Internal Control System Statement Case for 2024 Proposal: Amendment to the Company's internal control system "Payroll Cycle" Proposal: Appointment of CPAs and assessment of independence and suitability.	None	All members attended passed the proposal.	All members of the Board of Directors attended passed the proposal.

2. Except for the matters stated above, were there any resolutions rejected by the Audit Committee but approved by two thirds of directors: None.

II. When an independent director recuses himself/herself due to conflicts of interest, the name of that independent director, the involved proposal(s), the cause(s) of the recusal, and the participation in voting of that director shall be specified: None.

III. Communications between independent directors and the internal audit manager and CPAs

1. Communications between independent directors and CPAs

The Company's CPA communicates with the independent directors from time to time regarding the content of the Company's financial statements. Matters related to the Company's financial statements are fully discussed and explained thoroughly in order to reach a consensus, thus the communication status is sound.

Summary of communications for 2024:

Date	Contents	Resolutions
2024.01.10 Letter to Independent Director	Communication with independent directors regarding corporate governance matters should be conducted during the audit planning phase.	No dissenting opinion
2024.03.15 Audit Committee	Communication and discussion regarding the audit results of the financial statements for the year 2023 should be conducted.	No dissenting opinion
Irregularly	Communication regarding the content of financial statements should be conducted via telephone or email.	No dissenting opinion

2. Communications between the Independent Directors and the Internal Auditors

The internal audit director of the Company maintains a communication mechanism by regularly submitting internal audit reports for review by independent directors. After receiving guidance from independent directors, the reports are then presented to the Board of Directors. Additionally, the internal audit director attends meetings of the Audit Committee and the Board of Directors to provide updates on the execution of internal audit activities. The communication between independent directors and the internal audit unit is good.

Summary of communications for 2024:

Date	Contents	Resolutions
2024.03.15 Audit Committee	1. Implementation status and result of 2023 Q4 internal audit plan 2. Internal Control System Effectiveness Assessment 2023 and Internal Control System Statement Case	No dissenting opinion
2024.05.13 Audit Committee	Implementation status and result of 2024 Q1 internal audit plan	No dissenting opinion
2024.08.13 Audit Committee	Implementation status and result of 2024 Q2 internal audit plan	No dissenting opinion
2024.11.11 Audit Committee	1. Implementation status and result of 2024 Q3 internal audit plan 2. Internal audit operation audit plan for the fiscal year 2024.	No dissenting opinion
Irregularly	Internal audit matters should be communicated via telephone or email.	No dissenting opinion

(III) Corporate governance implementation status and deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
I. Has the Company established and disclosed the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	V		The Company has established the "Corporate Governance Best-Practice Principles" and has disclosed relevant information on the Market Observation Post System (MOPS) and the Company's website.	Significant differences.
II. Shareholding structure & shareholders' rights				
(I) Has the Company established an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(I) The Company has appointed a spokesperson and a proxy spokesperson dedicated to handling shareholder inquiries.	(I) No significant differences.
(II) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shareholders?	V		(II) The Company's shareholding operations are managed by a professional share transfer agency, with dedicated personnel handling the reporting of changes in shareholding by insiders and major shareholders.	(II) No significant differences.
(III) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	V		(III) All transactions with related parties are conducted on an arm's length basis. The Company has established the "Operating Procedures for Financial Transactions among Related Parties" and adheres to the relevant provisions of the Company's internal control system.	(III) No significant differences.

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(IV) Does the Company establish internal rules against insiders trading with undisclosed information?	V		(IV) The Company has established specific regulations within the "Internal Procedures for Handling Significant Information," and utilizes email notifications to inform the Board of Directors of meeting dates and the blackout periods preceding the announcement of quarterly financial reports to prevent inadvertent breaches by insiders.	(IV) No significant differences.
III. Composition and responsibilities of the Board of Directors				
(I) Does the Board formulate a diversity policy, specific management objectives and implement them in relation to the composition of the Board?	V		(I) The Company has established the "Corporate Governance Best Practice Guidelines," which include a policy for diversification in Chapter 3, "Strengthening the Functions of the Board of Directors." The appointment of board members follows a nomination system, and based on the Company's operational scale and development needs, board members are required to possess relevant expertise in industries, business, finance, and accounting to ensure diversity among board members. For more details, please refer to Chapter II, Section 1, 3. Diversification and Independence of Board of Directors.	(I) No significant differences.
(II) Other than Remuneration and Audit Committees which are required by laws, does the Company plan to set up other functional committees?	V		(II) In addition to the legally established Audit Committee and Remuneration Committee, the Company established a Sustainable Development and Risk Management Committee on August 13, 2024.	(II) No significant differences.

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(III) Does the company set board performance evaluation methods and evaluation methods, and conduct annual performance evaluation regularly, report the results of performance evaluation to the Board, and use it for reference for individual directors' salary remuneration and nomination renewal?	V		(III) The Company has established a "Board of Directors Performance Evaluation Method," which includes methods such as internal evaluation by the board, self-assessment by board members, and commissioning external professional organizations or experts. The evaluation results are submitted to the board as references for individual director remuneration and nomination for reappointment. The results of the Company's 2024 Board of Directors performance evaluation, individual director performance evaluations, and functional committee performance evaluations all fell between 5 points "Strongly Agree" and 4 points "Agree," with an overall assessment result of "Excellent." Directors predominantly expressed strong agreement with the various assessment indicators, indicating that the Board of Directors and all functional committees are operating effectively. For detailed information regarding the 2024 Board performance evaluation, including evaluation cycle and period, scope, methods, and content, please refer to Chapter II, Section 2, (1), Item 3, The Board's Self (or Peer) Evaluation, of this annual report.	(III) No significant differences.

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(IV) Has the Company periodically evaluate the independence of the CPAs?	V		(IV) The Company conducts an annual assessment of the suitability and independence of the CPA, with reference to Audit Quality Indicators (AQIs) for the assessment. There have been no instances of violation of independence or suitability (assessment items in the CPA suitability and independence assessment report are as noted in Note 1). The CPA suitability and independence assessment reports for the last two fiscal years were approved by the Board on March 12, 2025, and March 15, 2024, respectively.	(IV) No significant differences.
IV. Does the Company have an adequate number of qualified corporate governance personnel and appoint a chief corporate governance officer to handle matters pertaining to corporate governance (including but not limited to provide information required for business execution by Directors and Supervisors, assist Directors and Supervisors with regulatory compliance, handle matters pertaining to board meetings and shareholders' meetings according to laws and regulations, produce minutes of Board meetings and shareholders meetings, etc.)?	V		To safeguard shareholders' rights and strengthen the functions of the Board of Directors, the Company has established a Corporate Governance Officer in accordance with practical operational needs. This officer is responsible for providing the necessary information for the board's execution of duties, ensuring legal compliance, and handling various related corporate governance matters.	No significant differences.

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
V. Has the Company established a communication channel with its stakeholders (including but not limited to shareholders, employees, customers and suppliers) and created a stakeholder relations section on the corporate website to appropriately respond to corporate social responsibilities issues that are essential to stakeholders?	V		The Company has appointed a spokesperson and deputy spokesperson to serve as external communication channels. The Company has also established a stakeholder section on its corporate website to respond to important corporate social responsibility issues of concern to stakeholders and to provide channels for stakeholder grievances and reporting of illegal activities.	No significant differences.
VI. Has the Company appointed a professional shareholder service agency to organize the shareholders' meetings?	V		The Company has appointed Fubon Securities Co., Ltd. as the professional shareholder service agency to handle matters related to shareholder meetings.	No significant differences.
VII. Information disclosure (I) Has the Company established a corporate website to disclose information regarding the Company's financials, business and corporate governance status? (II) Does the Company have other information disclosure channels (e.g., maintaining an English-language website, designating personnel to handle information collection and disclosure, implementing spokesperson system, uploading investor conference recordings to the corporate website)?	V V		(I) The Company has established a website to disclose relevant information. Financial and corporate governance information is disclosed in accordance with regulations on the Market Observation Post System and the Company's website. (II) The Company's Information Disclosure Methods: 1. Established Chinese and English websites with designated personnel responsible for collecting and disclosing relevant information. 2. Appointed a spokesperson and deputy spokesperson. 3. Disclosed corporate financial information to the investing public through the Company website and the Market Observation Post System.	(I) No significant differences. (II) No significant differences.

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(III) Does the Company publicly announce and file its annual financial report within two months after the end of financial year, and its financial reports of the first three quarters as well as operational status of each month prior to the prescribed deadlines?		V	4. Published all presentation materials from investor conferences on the Company website and the Market Observation Post System for investor reference. (III) Announcements and filings are made within regulatory deadlines.	(III) The Company will endeavor to announce and submit the annual financial reports within two months following the end of each accounting year in the future.
VIII. Whether the Company has any other important information to understand the operation of corporate governance rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisors training, risk management policy and risk measurement criteria; Implementation of the account policy, the company purchasing liability insurance for directors and supervisors, etc.?	V		1. Employee benefits, employee care, investor relations, supplier relations, stakeholder rights: The Company adheres to the concept of sustainable operation and considers shareholder interests in all operational decisions. In terms of employee welfare, the Company has established an Employee Welfare Committee, which provides benefits such as wedding, funeral, and celebratory allowances, injury and illness care, and educational training. Additionally, retirement schemes and measures to protect the working environment and employee safety are in place. Both the Company and our suppliers strictly comply with regulatory requirements. We have never employed workers under 16 years of age or assigned young workers to dangerous tasks, nor have we forced employees to	No significant differences.

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			work overtime or extended hours. The Company requires suppliers to sign a Supplier Code of Conduct commitment letter, pledging to fulfill corporate social responsibility in aspects such as ethical management, labor protection, and environmental preservation. Furthermore, a "Stakeholder Relations" is available on the Company's website, providing contact information for stakeholders to voice their concerns. 2. Director and supervisor training: The Company arranges periodic training courses for directors. For details on the training status of relevant directors, please refer to Chapter II, Section 7 of this year's report, Other Important Information for Understanding the Operation of Corporate Governance. 3. Implementation of risk management policies and risk measurement standards: The Company does not engage in high-risk, high-leverage investments, and there have been no instances of lending funds to others, endorsing guarantees, or engaging in non-hedging derivative transactions in the most recent fiscal year. 4. Implementation of customer policies: To provide customers with higher quality products and services, the Company has established a customer satisfaction monitoring procedure. Every year, we conduct customer satisfaction surveys regarding our product quality and services. The survey results are compiled into a customer satisfaction report, and response measures are formulated based on customer feedback and	

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			requirements. We implement these measures and continuously improve our product quality and services. To protect the privacy and security of customer data, the Company follows the 'Information System Management Standard Operating Procedures.' When signing outsourcing contracts, we consider the security of outsourced operations and the importance level of information, establishing relevant security and confidentiality clauses in the contracts. 5. The Company has renewed the Directors' Liability Insurance for the period from March 1, 2025, to March 1, 2026. The renewal report for the Directors' Liability Insurance was submitted to the Board of Directors on March 12, 2025.	
IX. The improvement status for the outcome of Corporate Governance Evaluation announced by Taiwan Stock Exchange Corporate Governance Center and the priority of pending issues: The information disclosed in the Company's annual report and on external websites has been gradually enriched and improved. It is anticipated that corporate governance-related indicators will be enhanced.				

Note 1: Assessment items for the evaluation report on the suitability and independence of accountants

Evaluated based on Audit Quality Indicators (AQIs)

Evaluation Item	Key Metrics	Evaluation Result	Whether it meets (Yes/No)
Professionalism			
1. Audit Experience	Whether senior audit personnel possess sufficient auditing experience to perform audit work.	Yes	Yes
2. Training Hours	Whether accountants and senior audit personnel receive sufficient education and training annually to continuously acquire professional knowledge and skills.	Yes	Yes
3. Turnover Rate	Whether the firm maintains a sufficient pool of senior human resources.	Yes	Yes
4. Professional Support	Whether the firm possesses a sufficient number of professional personnel (e.g., evaluators) to support the audit team.	Yes	Yes
Quality Control			
1. Auditor Workload	Whether the workload of auditors is excessive.	No	Yes
2. Audit Engagement	Whether the members of the audit team allocate appropriate resources at each stage of the audit process.	Yes	Yes
3. EQCR Review Situation	Whether the EQCR accountant devotes sufficient time to conducting reviews of audit engagements.	Yes	Yes
4. Quality Control Support Capability	Whether the firm has sufficient quality control personnel to support the audit team.	Yes	Yes
Independence			
1. Fees for Non-Audit Services	Whether there is an understanding of the impact of fees for non-audit services on independence.	Yes	Yes
2. Client Familiarity	Whether there is an understanding of the impact of the cumulative years of auditing a client's financial statements by the firm on independence.	Yes	Yes
Oversight			
1. Lack of External Inspection	Whether the firm's quality control and audit engagements are conducted in accordance with relevant laws and standards.	Yes	Yes
2. Regulatory Authority Correspondence for Improvement	Whether the firm's quality control and audit engagements are conducted in accordance with relevant laws and standards.	Yes	Yes
New Capabilities			
1. Innovative Planning or Advocacy	The commitment of the accounting firm to enhance audit quality, including the firm's innovation capabilities and planning.	Yes	Yes

Suitability Assessment

Factors Affecting Suitability	Suitability (Yes/No)	
	Hsieh, Jen-Yao	Tsai, Shu-Man
1. Possess extensive professional qualifications and experience.	v	v
2. No disciplinary record from the Accountant's Disciplinary Committee in the past two years.	v	v
3. Capable of providing timely financial and tax audit reports.	v	v
4. Capable of providing updates on tax and regulatory laws and offering advice.	v	v
5. Able to provide professional and prompt responses to inquiries.	v	v
6. Able to assist in communicating with regulatory authorities and providing appropriate responses to inquiries in a timely manner.	v	v

Independence Assessment

Factors Affecting Independence	Independence Status (Yes/No)	
	Hsieh, Jen-Yao	Tsai, Shu-Man
1. The auditor has no direct or significant indirect financial interests in the Company.	v	v
2. The auditor has not engaged in financing or guarantee activities with the Company or its directors.	v	v
3. There are no close business relationships or potential employment relationships between the auditor and the Company.	v	v
4. The auditor and members of their audit team have not served as directors, executives, or in positions significantly affecting audit work for the Company in the current or past two years.	v	v
5. The auditor has not provided non-audit services to the Company that could directly affect audit work.	v	v
6. The auditor, their spouse, or minor children have no direct or indirect blood relationship or in-law relationship with the Company's directors or executives.	v	v
7. The auditor or their spouse and minor children have no investment or financial interest in the Company.	v	v
8. The auditor has not been engaged in continuous signing services for seven years.	v	v
9. There have been no disciplinary actions or compromising incidents affecting the auditor's independence.	v	v

(IV) If the company has established a Remuneration Committee, it should disclose the committee's composition, responsibilities, and operations:

1. Members of Remuneration Committee:

April 25, 2025

Qualification		Professional qualification and work experience	Status of independence	Number of other public companies where concurrently serving as a member of Remuneration Committee
Identity	Name			
Independent Director (Convener)	Liu, Chi-Hsiung	Qualifications include professional certification as a CPA and more than five years of working experience in business, finance, and corporate operations. Graduated from the Graduate School of Accounting, National Chengchi University. Previously served as the Director of Horwath ChienHsing CPAs and Chairman of Think Flex Corporation.	Prior to appointment and throughout the term of office, the individual has met all the following criteria for independence assessment: (1) Not an employee of the company or any of its affiliates. (2) Not a director or supervisor of the company or any of its affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the company or ranking in the top 10 in holdings.	1
Independent Director	Sha, Hsu-Sheng	With more than five years of working experience in business, finance, and corporate operations. Graduated from the Department of Finance, Southern Taiwan University of Science and Technology. Previously served as the Director of Finance Department at Nang Kuang Pharmaceutical Co., Ltd. and Assistant General Manager of Management Department at BUENO TECHNOLOGY CO., LTD.	(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons in the (2) or (3). (5) Not a director, supervisor or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company or that ranks among the top five in shareholdings or that designates its representative to	0

Qualification Name Identity		Professional qualification and work experience	Status of independence	Number of other public companies where concurrently serving as a member of Remuneration Committee
Independent Director	Ting, Chia-Huei	With more than five years of working experience in business, finance, and corporate operations. Graduated from the Department of Banking and Insurance, Feng Chia University. Previously served as the Branch Manager of Hua Nan Commercial Bank and Specialist of the Business Management Department at Hua Nan Commercial Bank. Currently serves as Director and Manager of the Management Department at Leang Yeh Enterprise Co., Ltd.	serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution.	0
Independent Director	Wang, Yen-Ching	Qualifications include professional certification as a CPA and more than five years of working experience in business, finance, and corporate operations. Graduated from EMBA at National Cheng Kung University. Possesses over 10 years of experience as a CPA at Deloitte. Currently employed as CPA at Lan Chi CPA Firm.	(8) Not a director, supervisor, officer or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the company. (9) Not a professional individual who, or an owner, partner, director, supervisor or officer of a sole proprietorship, partnership, company or institution that, provides auditing services to the company or any affiliate of the company or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received compensation, or a spouse thereof. (10) Not a spouse or a relative within the second degree of kinship with other directors. (11) No government, juridical person or its representative is elected as stipulated in Article 27 of the Company Act.	1

2. Operation of Remuneration Committee

- I. The Company's Remuneration Committee consists of 4 members.
- II. The term of office: from June 12, 2023 to June 11, 2026.

The Remuneration Committee convened three meetings in 2024 (A). The qualification and attendance of members are as follows:

Title	Name	Attendance in person (B)	Attendances by proxy	Attendance rate in person (%) (B/A) (Note)	Remarks
Convener	Liu, Chi-Hsiung	3	0	100	
Committee member	Sha, Hsu-Sheng	3	0	100	
Committee member	Ting, Chia-Huei	3	0	100	
Committee member	Wang, Yen-Ching	3	0	100	

Other matters required to be recorded:

- I. If the Board of Directors decline to adopt or amend a recommendation of the Remuneration Committee, the date and session of the Board meeting, content of the motion, resolution and actions taken regarding the Remuneration Committee's opinions shall be specified (if the compensation package approved by the Board is better than the recommendation made by the Committee, please specify the discrepancy and its reason): None.

Date	Proposal	Resolutions of the Remuneration Committee	Handling of the opinions of Remuneration Committee members
2024.03.15 The 2nd meeting of the 5th term	Proposal: Distribution of employee remuneration and director remuneration for the fiscal year 2023. Proposal: Adjustment of salary determination and year-end bonus distribution for company executives.	All members attended passed the proposal.	The proposal is approved by Board of Directors.
2024.05.13 The 3rd meeting of the 5th term	Proposal: Continuation of the "Remuneration Payment Regulations for Directors and Functional Committee Members" of the Company.	All members attended passed the proposal.	The proposal is approved by Board of Directors.
2024.08.13 The 4th meeting of the 5th term	Proposal: Resolution for the distribution of director remuneration for the fiscal year 2023. Proposal: Disbursement of employee remuneration for the fiscal year 2023.	All members attended passed the proposal.	The proposal is approved by Board of Directors.

Date	Proposal	Resolutions of the Remuneration Committee	Handling of the opinions of Remuneration Committee members
2025.03.12 The 5th meeting of the 5th term	Proposal: Distribution of employee remuneration and director remuneration for the fiscal year 2024. Proposal: Distribution of year-end bonuses to managers of the Company.	All members attended passed the proposal.	The proposal is approved by Board of Directors.
II. As to the Remuneration Committee's resolutions, if a member has objections or reservations with records or in writing, the date and session of the Committee meeting, contents of motions, all members' opinions and actions taken regarding the opinions shall be specified: None.			

Note 1: If any member resigned before the end of the year, the resignation date shall be noted in the Remark column. The Attendance Rate (%) shall be calculated based on the number of Remuneration Committee's meeting held and the actual attendance during the term of office.

Note 2: If any member was re-elected before the end of the year, incoming and outgoing members shall be listed accordingly, and the status of member, i.e. whether he/she is "Outgoing", "Incoming" or "Re-elected", and the date of re-election shall be indicated in the Remark column. The Attendance Rate (%) shall be calculated based on the number of Remuneration Committee's meeting held and the actual attendance during the term of office.

(V)1. Implementation of sustainable development and differences from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons therefor

Evaluation Item	Implementation Status (Note 1)			Differences from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons therefor
	Yes	No	Summary (Note 2)	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (parttime) unit for sustainable development, delegated the Board delegated the authority to senior managerial levels to deal with it? How does the Board’s supervision go?	V		The Company established the Sustainable Development and Risk Management Committee on August 13, 2024 as a dedicated unit for sustainable development, convening on a quarterly basis. This committee is composed of 3 members, with independent directors making up more than half of its members. It is responsible for promoting and executing sustainable development-related matters and regularly reporting to the Board of Directors. The committee has established the "Sustainable Development Practices Guidelines" and the "Organizational Regulations of the Sustainable Development and Risk Management Committee." It is anticipated that the compilation of the 2024 sustainability report will be completed by the end of August 2025. Upon completion of the report, the relevant progress will be reported to the most recent Board of Directors meeting for approval.	No significant differences.
II. Has the Company conducted risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulated relevant risk management policies or strategies?	V		The Company has established risk and opportunity management procedures. Based on the principle of materiality, the following risks have been identified, along with corresponding mitigation measures: 1. Economic Risks: (1) Interest Rate Risk: Regular assessment of bank borrowing interest rates, maintaining close communication with banks to obtain favorable borrowing rates.	No significant differences.

Evaluation Item	Implementation Status (Note 1)			Differences from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons therefor
	Yes	No	Summary (Note 2)	
			(2) Exchange Rate Risk: Derivative transactions undertaken by the Company serve as hedging measures, solely aimed at avoiding exchange rate risks in operations and fund deployment, with the objective of minimizing exchange losses. 2. Climate Change Risk: (1) Conducted ISO 14064-1 greenhouse gas inventories and verification by third parties. (2) Implemented equipment improvements and enhanced efficiency to reduce greenhouse gas emissions and improve environmental performance. (3) Planned to change fuel types, switching from fuel oil to liquefied natural gas (LNG). (4) Implemented waste recycling programs to minimize waste generation while maximizing recycling and reuse. 3. Legal and Regulatory Risk Management: The Company effectively manages social, economic, and environmental legal and regulatory risks to ensure compliance with relevant regulatory requirements, implement basic aspects of corporate social responsibility, and avoid involvement in legal proceedings related to anti-competitive, anti-trust, and monopolistic behaviors.	

Evaluation Item	Implementation Status (Note 1)			Differences from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons therefor
	Yes	No	Summary (Note 2)	
III. Environmental Issues				
(I) Does the Company establish environmental management system designed to fit industry characteristics?	V		(I) The Company complies with environmental laws and regulations by obtaining the necessary operating permits. Waste generated during the production process is disposed of by qualified vendors. Additionally, the Company has implemented a labor safety and health management plan to comply with domestic environmental, safety, and health regulations. It has also established a dedicated environmental management unit and personnel. The Company has implemented the ISO 9001:2015 Quality Management System, and has obtained certifications including ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Health and Safety Management System, and IATF 164949:2016 Automotive Quality Management System Standard in 2024. It periodically reviews the adequacy of relevant regulations and conducts greenhouse gas inventories annually according to ISO 14064-1 standards to track emission reduction effectiveness, publicly disclosing the results in sustainability reports and on the Company's website.	(I) No significant differences.
(II) Has the Company committed itself to improving energy efficiency and using recycled materials with low environmental impact?	V		(II) As a steelmaking company using electric furnaces to recycle scrap iron into steel products, the Company has gradually introduced environmentally friendly practices. It utilizes recycled or re-manufactured environmentally friendly products and implements multiple cycles of water recycling to reduce environmental impact.	(II) No significant differences.

Evaluation Item	Implementation Status (Note 1)			Differences from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons therefor															
	Yes	No	Summary (Note 2)																
(III) Has the Company assessed the potential risks and opportunities of climate change for the business now and in the future, and taken relevant measures to address them?	V		In August 2023, the Company switched from heavy oil to natural gas as fuel for its steel rolling furnace, as well as its ladle preheater in October 2024, reducing greenhouse gas emissions. (III) The Company recognizes that climate change may not only directly affect its operations through natural disasters but also indirectly impact material prices and supply disruptions. Therefore, it actively focuses on energy conservation, carbon reduction, and greenhouse gas reduction initiatives. Since 2004, the Company has actively participated in the Steel Industry Association's voluntary reduction counseling program and the Ministry of Economic Affairs' Industry Greenhouse Gas Voluntary Reduction Promotion Program, as well as joining World Steel Association's Climate Action. In 2024, the Company received the Certificate for Green Recycled Product for its steel billets. This is all part of the Company's efforts in achieving greenhouse gas reduction targets.	(III) No significant differences.															
(IV) Does the Company calculate its greenhouse gas (GHG) emissions, water consumption and total waste weight in the past two years, and formulate policies for energy conservation, reductions of carbon, GHG and water consumption, or other	V		(IV) Environmental-related data and policies are as follows: <table><tr><td></td><td>2024 (Note)</td><td>2023</td></tr><tr><td>Greenhouse gas emissions (tons CO2e)</td><td></td><td></td></tr><tr><td>Scope 1: Direct greenhouse gas emissions</td><td>66,846</td><td>86,683</td></tr><tr><td>Scope 2: Indirect greenhouse gas emissions</td><td>174,179</td><td>162,234</td></tr><tr><td></td><td>241,025</td><td>248,917</td></tr></table>		2024 (Note)	2023	Greenhouse gas emissions (tons CO2e)			Scope 1: Direct greenhouse gas emissions	66,846	86,683	Scope 2: Indirect greenhouse gas emissions	174,179	162,234		241,025	248,917	(V) No significant differences.
	2024 (Note)	2023																	
Greenhouse gas emissions (tons CO2e)																			
Scope 1: Direct greenhouse gas emissions	66,846	86,683																	
Scope 2: Indirect greenhouse gas emissions	174,179	162,234																	
	241,025	248,917																	

Evaluation Item	Implementation Status (Note 1)			Differences from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons therefor															
	Yes	No	Summary (Note 2)																
waste management?			<table><tr><td>Total emissions</td><td></td><td></td></tr><tr><td>Water consumption (million liters)</td><td>800.42</td><td>563.54</td></tr><tr><td>Total waste weight (tons)</td><td></td><td></td></tr><tr><td>Hazardous waste</td><td>11,816</td><td>11,691</td></tr><tr><td>Non-hazardous waste</td><td>137,354</td><td>144,563</td></tr></table> Note: The 2024 greenhouse gas emissions are the results of our company's internal inventory and have not been externally verified. Complete assurance information will be disclosed in the sustainability report. Waste Management Policy 1. Strictly control the quality of scrap iron for smelting to reduce impurities in scrap iron. 2. Increase the recycling rate of electric arc furnace steelmaking to indirectly reduce the use of slagging agents and slag generation. 3. Control the usage of raw materials to reduce waste generation. 4. Improve product yield to minimize the production of defective products and reduce waste generation. 5. Implement employee resource recycling policies and conduct promotional campaigns to raise awareness. Water Conservation Policy 1. Increase the wastewater recycling rate to nearly 90% to enhance the factory's wastewater recycling efficiency. 2. Improve the efficiency of water treatment and recycling in cooling water towers to reduce water vapor splashing. 3. Control the usage of tap water within the factory premises to prevent water leakage from pipelines. 4. Implement employee water conservation policies and conduct promotional campaigns to raise awareness.	Total emissions			Water consumption (million liters)	800.42	563.54	Total waste weight (tons)			Hazardous waste	11,816	11,691	Non-hazardous waste	137,354	144,563	
Total emissions																			
Water consumption (million liters)	800.42	563.54																	
Total waste weight (tons)																			
Hazardous waste	11,816	11,691																	
Non-hazardous waste	137,354	144,563																	

Evaluation Item	Implementation Status (Note 1)			Differences from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons therefor
	Yes	No	Summary (Note 2)	
			Energy Saving and Greenhouse Gas Measures 1. Increase the recycling rate in electric arc furnace steelmaking to reduce the energy consumption per product unit. 2. Replace old motor equipment with energy-efficient motors. 3. Regularly maintain and inspect the air compressors used in steel rolling to improve equipment efficiency. Optimize the operation of air compressors by adjusting the number of units in operation as needed, and conduct regular inspections of air compressor pipelines to prevent leaks. 4. Increase the proportion of heat input in furnaces to reduce the usage of natural gas, and periodically replace refractory materials to reduce heat loss. 5. Promote energy-saving policies and encourage employees to propose energy-saving improvements.	
IV. Social Issues (I) Does the Company draw up management policies and procedures in compliance with relevant laws and regulations and the International Bill of Human Rights?	V		(I) The Company respects and supports the fundamental human rights in international conventions, including the principles and spirit of the "United Nations Universal Declaration of Human Rights," the "United Nations Guiding Principles on Business and Human Rights," and the "International Labour Organization Declaration on Fundamental Principles and Rights at Work." We have formulated human rights policies applicable to our company, strictly adhering to labor-related regulations, and integrating these as the foundation for our company's human resource management policies and standards.	(I) No significant differences.

Evaluation Item	Implementation Status (Note 1)			Differences from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons therefor
	Yes	No	Summary (Note 2)	
(II) Does the Company formulate and execute reasonable employee welfare measures (including compensation, leaves and other benefits), and have the operating performance or results properly reflected in employee compensation?	V		(II) The Company has established a Staff Welfare Committee that provides employees with monetary gifts for weddings, funerals, and celebrations, as well as care and support for illness and injury. We also take care of employee benefits in accordance with the work rules, salary management regulations, and business performance. Please refer to Chapter V, Section 5, Labor Relations, of this annual report.	(II) No significant differences.
(III) Has the Company provided employees with a safe and healthy working environment, and regularly offer safety and health education to employees?	V		(III) 1. The Company values the physical and mental health of its employees, thus endeavors to provide a safe and healthy working environment. In addition to conducting regular annual health check-ups for employees to better understand their health status, the Company also employs dedicated nursing staff to provide employees with various health education information and assist them in basic health maintenance. In terms of occupational safety, the Company fosters employees' emergency response capabilities and safety awareness through continuous education, training, and advocacy. Employees who maintain a zero-accident record for six months are rewarded with bonuses to reduce occupational accidents. 2. The Company has obtained ISO 45001:2018 certification (valid from January 16, 2024, to January 15, 2027), applicable to the manufacturing of steel billets, rebar, steel bars, and wire rods.	(III) No significant differences.

Evaluation Item	Implementation Status (Note 1)			Differences from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons therefor
	Yes	No	Summary (Note 2)	
(IV) Has the Company established effective career development and training plans for its employees?	V		3. In 2024, the Company experienced a total of 6 occupational injuries (accounting for 1.55% of the total number of employees at the end of 2024). To improve employee work safety, our company has implemented various measures, including increasing safety protection facilities, urging employees to wear personal protective equipment, marking dangerous areas of machinery and equipment, eliminating hazards, and providing employee safety and health education and training to enhance employee safety awareness and promote workplace safety. 4. In 2024, the Company did not experience any fire incidents and has no records of fire-related deaths or injuries.	(IV) No significant differences.
(V) Does the Company comply with relevant laws and regulations and international standards on issues such as customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant policies and complaint procedures to protect the rights and	V		(IV) To equip employees with professional knowledge and enhance their advantages, the Company organizes internal training courses and sends employees for professional training periodically. (V) Both incoming materials and finished products undergo inspection by radiation detectors to ensure consumer health. Various management measures are established, and the quality meets ISO quality certification standards. The Company's website also provides a complaint channel for customer contact.	(V) No significant differences.

Evaluation Item	Implementation Status (Note 1)			Differences from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons therefor
	Yes	No	Summary (Note 2)	
interests of consumers or customers? (VI) Has the Company established the supplier management policies requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised their compliance?	V		(VI) To ensure the stability of raw material quality, the Company evaluates raw material suppliers. General procurement items such as consumables, spare parts, and mechanical repairs are not subject to evaluation. For suppliers not yet on our qualified external supplier list, we conduct on-site evaluations based on production equipment, facility conditions, production processes, quality management, and cooperation as selection criteria. Suppliers listed in the qualified external supplier directory undergo an annual evaluation according to external supplier management procedures. The evaluation is scored on five items: delivery schedule, cooperation, quality condition, price, and claim execution, with 1-5 points for each item. Suppliers scoring less than 15 points in total are deemed unqualified. Suppliers below the evaluation standard are suspended from price inquiries and transactions for one year, while those with severe issues are blacklisted. Both the Company and our suppliers strictly comply with regulatory requirements. We have never employed workers under 16 years of age or assigned young workers to dangerous tasks, nor have we forced employees to work overtime or extended hours. The Company requires suppliers to sign a Supplier Code of Conduct commitment letter, pledging to fulfill corporate social responsibility in aspects such as ethical management, labor protection, and environmental preservation.	(VI) No significant differences.

Evaluation Item	Implementation Status (Note 1)			Differences from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons therefor
	Yes	No	Summary (Note 2)	
V. Does the Company refer to the internationally accepted standards or guidelines for the preparation of reports to prepare CSRs and other reports that disclose the Company's non-financial information? Has the aforesaid reports received assurance or certification from a third-party accreditation institution?	V		1. The Company’s 2023 Sustainability Report was compiled in accordance with the Sustainability Reporting Standards (GRI Standards) issued by the Global Reporting Initiative (GRI), with reference to the Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), and the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" established by the Taiwan Stock Exchange Corporation and the Taipei Exchange, as well as the Taiwan Stock Exchange's "Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" for data disclosure. The 2023 Sustainability Report was approved by the Board of Directors on November 11, 2024. 2. To ensure the credibility of the information, the 2023 Sustainability Report has been verified by an independent third-party verification agency, AFNOR Group - AFNOR Asia Ltd., in accordance with the AA1000 Assurance Standard Version 3 and the Medium Assurance Level of Type 1. A verification statement was obtained certifying the information disclosed in the report.	No significant differences.
VI. If a company has its own code of sustainability in accordance with the “Code of Practice on Sustainability for Listed Companies”, please state the difference between its operation and the established rules: None.				
VII. Other significant information to help understand the implementation of promoting sustainable development:				

Evaluation Item	Implementation Status (Note 1)			Differences from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons therefor
	Yes	No	Summary (Note 2)	
1.			The Company operates under the ISO 9001 Quality Management System, ISO 17025 Laboratory Quality Management System, ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Safety and Health Management System, and IATF 16949:2016 Automotive Quality Management System, adhering to relevant laws and regulations. It has obtained certifications such as commodity verification registration, CNS certification, Korea KSD 3504, Australia ASNZS 4671, and Malaysia MS 146, ensuring compliance with domestic and international standards.	
2.			In January 2024, the Company passed the ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management System verification. In March 2024, it obtained Environmental Product Declarations (EPD) and carbon footprint verification for steel billets, rebars, rods, and coils. In April 2024, it received the Ministry of Economic Affairs Resource Recycling Green Product (steel billet) approval certificate. Finally, in September 2024, it obtained the IATF 16949:2016 Automotive Quality Management System certification. The Company continues to apply for international green steel product certification to promote product internationalization, making its products representative of environmentally friendly steel.	
3.			The Company's hot-rolled steel products comply with the European Union's Restriction of Hazardous Substances Directive (RoHS), ensuring that the levels of lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls, polybrominated diphenyl ethers, and four types of phthalates in the products meet standards. It also complies with the European Union's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulations, managing the chemicals used in products entering the EU.	
4.			In October 2024, the Company was honored with the "2024 Net-Zero Industry Competitiveness" Excellence Award from the 21st Century Foundation. This award is based on financial reports, annual reports, sustainability reports, and other public information, selecting outstanding, superior, and excellent companies in each industry through various quantitative and qualitative indicators.	
5.			In November 2024, the Company obtained the Steel Sustainability Australia (SSA) certificate, qualifying as an SSA-certified steel supplier.	
6.			The Company values the physical and mental health of its employees, thus endeavors to provide a safe and healthy working environment. In addition to conducting regular annual health check-ups for employees to better understand their health status, the Company also employs dedicated nursing staff to provide employees with various health education information and assist them in basic health maintenance.	

Evaluation Item	Implementation Status (Note 1)			Differences from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons therefor
	Yes	No	Summary (Note 2)	
7.	The Company is committed to community development and participates in local activities. It frequently provides materials or sponsors activities for nearby communities such as community associations and temples. It also provides employment opportunities to enhance social stability, with priority given to hiring local residents to assist in stabilizing the local economy.			

Note 1: If the "Yes" box is checked, please explain the important policies, strategies and measures adopted and their implementation. If the "No" box is checked, please describe your future plans for the adoption of relevant policies, strategies and measures.

Note 2: The Company, which has compiled a Corporate Social Responsibility (CSR) report, should specify the method for accessing the CSR report and provide an alternative index page number for reference.

(V)2. Climate-related information for listed and OTC-listed companies

1. Implementation status of climate-related information

Project	Implementation Status				
1. Supervision and governance of climate-related risks and opportunities by the board and management.	Governance: The Company established a Sustainability Development and Risk Management Committee on August 13, 2024, consisting of 3 members, more than half of whom are independent directors, appointed by Board resolution. The convener (chairman) is the Chairman of the Board, responsible for supervising and managing climate change-related issues. The committee meets at least once a year and regularly reports sustainability development policies and implementation status to the Board. Compliance with environmental, safety, and health regulations is a basic requirement of the Company's operations, aiming to reduce environmental, safety, and health risks and environmental pollution, effectively utilize resources, and provide colleagues with a healthy and safe working environment as our goal for sustainable operations. We hope to continuously improve the overall environment through the ongoing operation and improvement of this management system. Additionally, to effectively meet the requirements of the environmental management system, before establishing or implementing the system, we consider the environmental impacts of activities, products, and services that we can control and influence from a lifecycle perspective. This serves as a basis for formulating environmental policies, environmental objectives, and planning the environmental management system, thereby enhancing management efficiency to comply with environmental management system standards and achieve continuous improvement, reducing risks brought by climate change.				
2. Description of how identified climate risks and opportunities affect the Company's business, strategies, and finances (short-term, medium-term, and long-term). 3. Explanation of the impact of extreme weather events and transition actions on the Company's finances.	Strategies: <table border="1" data-bbox="1070 1023 2089 1407"> <tr> <td data-bbox="1070 1023 1256 1262">Climate Risk Management</td><td data-bbox="1256 1023 2089 1262"> ● Regulation of Greenhouse Gas Emissions ● Annual Energy Conservation Targets for Major Electricity Users ● Carbon Pricing ● Extreme Weather Events Caused by Climate Change ● Supply Chain Disruptions Caused by Climate Change ● Uncertainties in Energy and Resource Supply ● Changes in Regulations and Policies </td></tr> <tr> <td data-bbox="1070 1262 1256 1407">Potential Financial Impacts:</td><td data-bbox="1256 1262 2089 1407"> ● Asset Losses ● Operational Disruptions ● Increased Costs across Various Areas ● Legal Litigations and Fines </td></tr> </table>	Climate Risk Management	● Regulation of Greenhouse Gas Emissions ● Annual Energy Conservation Targets for Major Electricity Users ● Carbon Pricing ● Extreme Weather Events Caused by Climate Change ● Supply Chain Disruptions Caused by Climate Change ● Uncertainties in Energy and Resource Supply ● Changes in Regulations and Policies	Potential Financial Impacts:	● Asset Losses ● Operational Disruptions ● Increased Costs across Various Areas ● Legal Litigations and Fines
Climate Risk Management	● Regulation of Greenhouse Gas Emissions ● Annual Energy Conservation Targets for Major Electricity Users ● Carbon Pricing ● Extreme Weather Events Caused by Climate Change ● Supply Chain Disruptions Caused by Climate Change ● Uncertainties in Energy and Resource Supply ● Changes in Regulations and Policies				
Potential Financial Impacts:	● Asset Losses ● Operational Disruptions ● Increased Costs across Various Areas ● Legal Litigations and Fines				

Project	Implementation Status	
	Response measures	● Conducted ISO 14064-1 greenhouse gas inventory and verification by AFNOR Asia Ltd., a third-party verification organization. ● Implemented equipment improvements and enhanced efficiency to reduce greenhouse gas emissions and improve environmental performance. ● Installed renewable energy equipment to effectively reduce energy consumption and achieve energy-saving goals. ● Opted for renewable energy sources as energy alternatives. ● Planned fuel type transitions, such as switching from fuel oil to liquefied natural gas (LNG). ● Improved processes and managed inventory effectively to enhance energy efficiency while reducing material usage, ensuring efficient resource utilization. ● Implemented a waste recycling program to minimize waste generation and maximize recycling and reuse. Implemented sustainable circular economy models to transform waste into resources, reducing environmental burdens.
	Opportunities: In response to the "Climate Change Response Act," we conducted an inventory of internal carbon emissions within the Company. Subsequently, we have been gradually formulating carbon reduction strategies to enhance the Company's competitiveness and achieve sustainable development goals. Indicators and Targets: A. Conducted ISO 14064-1 greenhouse gas inventories and verification by third parties. B. Implemented equipment improvements and enhanced efficiency to reduce greenhouse gas emissions and improve environmental performance. C. Planned to change fuel types, switching from fuel oil to liquefied natural gas (LNG). D. Implemented waste recycling programs to minimize waste generation while maximizing recycling and reuse.	

Project	Implementation Status
	E. In line with government carbon reduction policies, we plan corresponding strategies and measures, including improving energy efficiency, adopting renewable energy, and monitoring and reporting carbon emissions. We are committed to reducing carbon emissions, minimizing our environmental impact, and actively participating in efforts to address climate change and promote sustainability. F. Through greenhouse gas inventories, we identify sources of carbon emissions and assess methods for reducing emissions to mitigate the effects of climate change, protect the environment, and promote sustainable development. G. Completed installation of natural gas pipelines in 2022, and began using natural gas in 2023.
4. Description of how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management framework.	Risk Management: A. When planning the environmental management system, we consider relevant internal and external issues, stakeholders' needs and expectations, and the scope of the environmental management system. We also identify its risks and opportunities, ensuring that the environmental management system achieves its intended outcomes and prevents or reduces negative impacts, including potential effects of external environmental conditions on the organization, achieving continuous improvement. B. To address relevant environmental regulations and other requirements, social environmental concerns, stakeholder feedback and activities, and changes in products and services, a comprehensive environmental assessment involving the entire company is conducted every three years. If significant environmental factors or regulatory changes occur, the President may appoint environmental assessment personnel to conduct partial environmental assessments of the changes. Furthermore, we identify potential climate-related risks and develop corresponding risk management strategies.

Project	Implementation Status
5. If using scenario analysis to assess resilience to climate change risks, the following should be explained: the scenario used, parameters, assumptions, analysis factors, and the main financial impacts. 6. If there is a transition plan to manage climate-related risks, explain the plan's content, indicators, and targets used to identify and manage physical and transition risks. 7. If internal carbon pricing is used as a planning tool, explain the pricing basis. 8. If climate-related goals are set, explain the activities covered, greenhouse gas emission scopes, planning schedules, annual progress towards achieving the goals, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, explain the sources and quantities of the offset carbon credits or the quantity of RECs exchanged.	5.~8. None.
9. Greenhouse Gas Inventory and Verification Status, Reduction Targets, Strategies, and Specific Action Plans (also provided in 1-1 and 1-2).	9. Please refer to the attached Tables 1-1 and 1-2 below.

1-1 The Company's Greenhouse Gas Inventory and Verification Status for the Past Two Years

1-1-1 Greenhouse Gas Inventory Information

Description of greenhouse gas emissions (tons CO₂e), intensity (tons CO₂e/revenue in NT\$ million), and data coverage for the last two years.

According to the roadmap for sustainable development of listed companies, the following disclosures are required:

1. Parent company entities should begin inventory in 2023 and disclose inventory information in 2024.
2. Subsidiaries in consolidated financial reports should begin inventory in 2024 and disclose inventory information in 2025.

To reduce greenhouse gas emissions, comply with national policies and legal requirements, and fulfill corporate responsibility, the Company continues to promote greenhouse gas inventory and track carbon emissions to effectively reduce greenhouse gas emissions from our processes. The greenhouse gas emissions from 2021 to 2023 were verified according to ISO 14064-3:2006 and current regulations of the Environmental Protection Administration, Executive Yuan. The verification results found no violations of substantive limitations and met the reasonable assurance level recognized by the Environmental Protection Administration, Executive Yuan.

The greenhouse gas emissions for the last two years are as follows:

		2024 (Note 5)		2023	
		Emissions (tons CO ₂ e)	Intensity (tons CO ₂ e/revenue in NT\$ million)	Emissions (tons CO ₂ e)	Intensity (tons CO ₂ e/revenue in NT\$ million)
Parent Company	Scope 1: Direct greenhouse gas emissions	66,846		86,683	
	Scope 2: Indirect greenhouse gas emissions	174,179		162,234	
	Subtotal	241,025		248,917	
Total		241,025	23.64	248,917	23.74

Note 1: Direct emissions (Scope 1, i.e., direct emissions from sources owned or controlled by the company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions from imported electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions from company activities that are not energy indirect emissions but come from emission sources owned or controlled by other companies).

Note 2: The data coverage for direct emissions and energy indirect emissions should follow the timeline specified in the regulations under Article 10, Paragraph 2 of these Principles, while other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions is calculated based on revenue (NT\$ million).

Note 5: The 2024 greenhouse gas emissions are the results of our company's internal inventory and have not been externally verified. Complete assurance information will be disclosed in the sustainability report.

1-1-2 Greenhouse Gas Assurance Information

Disclosure of verification status for the past two years, including verification scope, verification institution, verification standards, and verification opinion:

According to the roadmap for sustainable development of listed companies, the following implementations are required:

1. Assurance of greenhouse gas emissions by the parent company in individual financial reports should begin implementation in 2023.

Year	2024		2023	
Item	Parent Company	Subsidiary	Parent Company	Subsidiary
Scope of Assurance	Wei Chih Steel Industrial Co., Ltd.	Not Applicable	Wei Chih Steel Industrial Co., Ltd.	Not Applicable
Assurance Entity	Complete assurance information will be disclosed in the Sustainability Report	Not Applicable	AFNOR Asia Ltd.	Not Applicable
Principles of Assurance		Not Applicable	ISO 14064-1 : 2006	Not Applicable
Assurance Opinion		Not Applicable	The Company discloses a total greenhouse gas emission of 248,917 tons CO ₂ e for Scope 1 and Scope 2, covering 100% of total emissions. This has been verified by AFNOR International Co., Ltd., and we have obtained a reasonable assurance level statement.	Not Applicable

2. Assurance of greenhouse gas emissions by subsidiaries in consolidated financial reports should begin implementation in 2026.

Note 1: Procedures shall be conducted in accordance with the timelines specified in Article 4-1, Paragraph 3 of these Principles.

Note 2: The verification institution must comply with the relevant requirements for sustainability report verification set by the Taiwan Stock Exchange Corporation and the Taipei Exchange Foundation.

Note 3: Disclosed content can be referenced in the best practice examples available on the Taiwan Stock Exchange Corporate Governance Center website.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Description of greenhouse gas reduction base year and data, reduction targets, strategies, specific action plans, and achievement status.	
<u>Greenhouse Gas Reduction Base Year and Reduction Targets</u> We will apply for a voluntary reduction plan to the Ministry of Environment by the end of June 2025 to obtain preferential carbon fee rates. The Company's greenhouse gas emissions use 2018-2022 as the base years (annual average emission of 291,249 tons CO₂e): ● Short-term goal: Greenhouse gas emissions of 271,421 tons CO₂e by 2025. ● Medium-term goal: Greenhouse gas emissions of 267,417 tons CO₂e by 2030. ● Long-term goal: Achieve carbon neutrality by 2050. <u>Greenhouse Gas Reduction Strategies, and Specific Action Plans</u> Climate change may directly and indirectly affect operations, be it through natural disasters, or its impact on material prices and supply disruptions. Therefore, the Company actively focuses on energy conservation, carbon reduction, and greenhouse gas reduction initiatives. Since 2014, it has actively participated in the Steel Industry Association's voluntary reduction counseling program and the Ministry of Economic Affairs' Industry Greenhouse Gas Voluntary Reduction Promotion Program to achieve greenhouse gas reduction targets. Additionally, Wei Chih Steel has proactively responded to the greenhouse gas emission reduction policy by formulating the following energy-saving policies: ● Increase the recycling rate in electric arc furnace steelmaking and reduce the energy consumption per product unit. ● Replace old motor equipment with energy-efficient motors. ● Regularly maintain and inspect the air compressors used in steel rolling to improve equipment efficiency. Optimize the operation of air compressors by adjusting the number of units in operation as needed, and conduct regular inspections of air compressor pipelines to prevent leaks. ● Increase the proportion of heat input in furnaces to reduce the usage of natural gas, and periodically replace refractory materials to reduce heat loss. ● Promote energy-saving policies and encourage employees to propose energy-saving improvements. <u>Reduction Achievement Status</u> ● Compared to the average carbon emission of 0.4562 tons CO₂e per ton of steel billet products from 2018-2022 (base years), this decreased to 0.4065 tons CO₂e in 2024. We will continue to manage emission issues in the future.	
Note 1:	This should be conducted according to the timeline specified in the regulations under Article 10, Paragraph 2 of these Principles.
Note 2:	The base year should be the year in which the inventory is completed within the boundaries of the consolidated financial report. For example, according to the regulations under Article 10, Paragraph 2 of these Principles, companies with capital exceeding NT\$10 billion should complete the inventory of the consolidated financial report for 2024 in 2025, thus the baseline year is 2024. If a company has completed the inventory of the consolidated financial report in advance, it may use that earlier year as the baseline year. Additionally, the base year data may be calculated based on a single year or as an average of multiple years.

(VI) Ethical management implementation status and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons

Evaluation Item	Implementation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
I. Establishment of ethical management policies and schemes (I) Has the Company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the board of directors and management to rigorous and thorough implementation of such policies? (II) Has the company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		(I) The Company has established a "Code of Business Ethics" and the "Operational Procedures and Guidelines for Business Ethics." Additionally, the "Code of Conduct" explicitly state that various principles of integrity must be adhered to during the period of service. The "Code of Ethics" is also provided for directors and executives to follow. We are actively implementing the commitment to ethical business by both the Board of Directors and employees, and this information is published on the company website. (II) The company has established the "Operational Procedures and Guidelines for Business Ethics" and the "Code of Conduct," which stipulates that directors and employees of the Company are prohibited from using their authority to benefit themselves or others, or from receiving gifts or other unlawful benefits based on their position.	(I) No significant differences. (II) No significant differences.

Evaluation Item	Implementation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
(III) Does the company specify the operating procedures, behavioral guidelines, violation of disciplinary and grievance system in the prevention plan of dishonesty, and implement it, and regularly review the correction plan?	V		(III) The Company discloses its "Code of Business Ethics," "Operational Procedures and Guidelines for Business Ethics," and "Code of Ethics" on both the Company website and the Market Observation Post System to ensure employees understand ethics standards and other policies related to ethical business practices. The Company regularly promotes ethical business concepts and moral integrity through its internal website and educational training programs.	(III) No significant differences.
II. Implementation of ethical management				
(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(I) Article 19 of the Company's "Operational Procedures and Guidelines for Business Ethics" stipulates that when entering into contracts with others, the Company shall thoroughly understand the counterparty's ethical business practices and include compliance with the Company's ethical business policies in the contract terms.	(I) No significant differences.
(II) Does the company set up a dedicated unit to promote corporate integrity management under the board of directors, and regularly (at least once a year) to report its integrity management policy and anti-integrity behavior plan to the Board and supervise the implementation?	V		(II) On August 13, 2024, the Company established the Sustainability and Risk Management Committee as the dedicated unit responsible for promoting ethical business practices. This committee is responsible for formulating and supervising the implementation of ethical business policies and preventive measures. The committee meets at least once annually and consists of three members, with independent directors comprising more than half of the membership. Matters concerning the implementation of ethical business practices are discussed by the Sustainability and Risk Management Committee annually before being submitted to the Board of Directors. The implementation status of ethical business practices and insider trading prevention for 2024 was reported to the Board of Directors on November 11, 2024.	(II) No significant differences.

Evaluation Item	Implementation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
(III) Has the Company established policies to prevent conflicts of interest, provide appropriate communication channels and thoroughly implement the policies?	V		(III) The Company has established a director's conflict of interest avoidance system in the "Board Meeting Regulations." Directors are prohibited from participating in discussions and voting on agenda items where they or their represented legal entities have conflicts of interest that may harm the Company's interests. They are required to recuse themselves from discussions and voting and are not allowed to represent other directors in exercising their voting rights.	(III) No significant differences.
(IV) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?	V		(IV) The Company has implemented accounting and internal control systems to ensure the ongoing effectiveness of these systems. Audit personnel conduct annual reviews and revisions to establish robust corporate governance and risk management mechanisms.	(IV) No significant differences.
(V) Has the Company regularly held internal and external training sessions on ethical management?	V		(V) 1. The Company has established "Business Ethics" educational materials disseminated through the company's internal website. In 2024, the training primarily targeted Taiwanese employees, and was subsequently implemented in new employee orientation programs. In 2024, 293 employees completed the training, totaling 293 training hours. 2. In November 2024, the Company's directors and employees finalized the signing of the "Commitment to Integrity in Business Operations, Anti-Corruption, and Anti-Bribery" and the "Commitment to Integrity and Clean Governance." This serves as a reminder for directors and employees to refrain from obtaining	(V) No significant differences.

Evaluation Item	Implementation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			improper benefits as a result of their positions.	
III. Implementation of whistleblowing system				
(I) Has the Company established a concrete whistleblowing and reward system, established convenient whistleblowing channels, and designated appropriate personnel to handle the case being exposed by the whistle-blower?	V		(I) The Company has established a "Whistleblowing Procedure" with reporting channels, providing whistleblowing information in the stakeholder section of the company website. The "Code of Conduct" stipulates employee grievance procedures, allowing employees to submit complaints and reports through suggestion boxes, verbal communication, written documents, or email to department supervisors.	(I) No significant differences.
(II) Does the company set standard operating procedures for the investigation, follow-up measures to be taken after the completion of the investigation and the relevant confidentiality mechanism?	V		(II) The Company's "Whistleblowing Procedure" includes procedures for: report acceptance, investigation process, investigation results, and when allegations are substantiated, directing relevant company departments to review related internal control systems and operational procedures, and implement improvement measures.	(II) No significant differences.
(III) Has the Company established measures to protect whistleblowers from retaliation?	V		(III) According to Article 7 of the "Whistleblowing Procedure," the safety of whistleblowers shall be protected. If the whistleblower is an employee of the Company, the Company commits to protecting the whistleblower from improper treatment resulting from their report. Personnel handling whistleblowing cases must strictly maintain the confidentiality of whistleblowers' identities and report contents. Violations of these regulations will result in internal disciplinary action based on the severity of the violation.	(III) No significant differences.

Evaluation Item	Implementation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
IV. Enhancement on information disclosure Has the Company disclosed its Principles of Business Ethics and information on implementation of such guidelines on its website and MOPS?	V		The Company has established the "Code of Business Ethics," the "Operational Procedures and Guidelines for Business Ethics," and a "Code of Ethics," which are published on the Company website and the Market Observation Post System. These are reviewed annually by the Sustainability and Risk Management Committee before being submitted to the Board of Directors. The implementation status of ethical business practices and insider trading prevention for 2024 was reported to the Board of Directors on November 11, 2024, and the implementation status is publicly disclosed on the Company website and in the annual report.	No significant differences.
V. If the Company has established its own Principles of Business Ethics pursuant to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe the implementation status and any deviations from the Best Practice Principles: The Company has established a "Code of Ethics" to maintain a culture of integrity and ensure sound development. The actual operation aligns with the Company's code, with no deviations observed.				
VI. Other important information to facilitate better understanding of the Company's ethical management practices (e.g. the Company reviews and revises its Code of Business Ethics, etc.): 1. The Company requires suppliers to sign a Supplier Code of Conduct Commitment Letter, pledging to fulfill corporate social responsibility in areas including ethical business practices, labor protection, and environmental preservation. 2. The "Board Meeting Rules" explicitly stipulate that when a matter involves a director's own interests, the director must recuse themselves. If there is concern about potential harm to the Company's interests, the director may not participate in discussion and voting, must recuse themselves during discussion and voting, and may not exercise voting rights on behalf of other directors. All Company directors maintain a high degree of self-discipline and adhere to the principle of conflict of interest recusal whenever an agenda item involves their personal interests. 3. The Company has established "Internal Handling Procedures for Material Information," which clearly stipulate that the Company's directors, managers, and employees must exercise the duty of care and loyalty of a good administrator, conduct business in accordance with the principle of good faith, and refrain from disclosing any internal material information to others.				

Note: Please provide details at the Summary column regardless of whether "Yes" or "No" is ticked under "Status".

(VII) Other important information to facilitate better understanding of the Company's corporate governance:

1. The relevant personnel in the finance, accounting, auditing, and corporate governance departments of the Company hold the following domestic and international certifications:

Domestic certification: 1 person holds a CPA license.

2. Continuing Education/Training of Directors in 2024:

Title	Name	Date	Host By	Course Name	Training Hours
Independent Director	Liu, Chi-Hsiung	2024/06/19	Taiwan Investor Relations Institute	Carbon Exchange Assistance and Outlook & Data-Based Precision Carbon Reduction, Driving Operational Management Upgrade	3
		2024/08/12	Securities & Futures Institute	How Directors and Supervisors Should Oversee Corporate Risk Management and Crisis Handling (Including Gender Equality)	3
		2024/09/13	Taiwan Corporate Governance Association	Net-Zero Carbon Emissions Promotion Meeting - Tainan Session	3
		2024/11/12	Securities & Futures Institute	How to Leverage the Beneficial Functions of Board Functional Committees	3
Independent Director	Sha, Hsu-Sheng	2024/05/10	Taiwan Institute of Directors	Utilizing Policy Tools to Enhance Corporate Governance and Reduce R&D Risks	3
		2024/06/19	Taiwan Investor Relations Institute	Carbon Exchange Assistance and Outlook & Data-Based Precision Carbon Reduction, Driving Operational Management Upgrade	3
		2024/09/13	Taiwan Corporate Governance Association	Net-Zero Carbon Emissions Promotion Meeting - Tainan Session	3
Independent Director	Ting, Chia-Huei	2024/05/10	Taiwan Institute of Directors	Utilizing Policy Tools to Enhance Corporate Governance and Reduce R&D Risks	3

Title	Name	Date	Host By	Course Name	Training Hours
		2024/06/19	Taiwan Investor Relations Institute	Carbon Exchange Assistance and Outlook & Data-Based Precision Carbon Reduction, Driving Operational Management Upgrade	3
Independent Director	Wang, Yen-Ching	2024/09/18	Taiwan Corporate Governance Association	Reconstructing Information Security from a Digital Forensics Perspective (Part 1 & 2)	6
Director	Representative of En Hui Investment Corporation: Kuo, Su-Hui	2024/04/26	Corporate Operating and Sustainable Development Association	Challenges and Management Thinking for Taiwanese Enterprises in Turbulent Times	3
		2024/05/10	Taiwan Institute of Directors	Utilizing Policy Tools to Enhance Corporate Governance and Reduce R&D Risks	3
		2024/06/19	Taiwan Investor Relations Institute	Carbon Exchange Assistance and Outlook & Data-Based Precision Carbon Reduction, Driving Operational Management Upgrade	3
Director	Kuo, Shih-Hsien	2024/05/10	Taiwan Institute of Directors	Utilizing Policy Tools to Enhance Corporate Governance and Reduce R&D Risks	3
		2024/06/19	Taiwan Investor Relations Institute	Carbon Exchange Assistance and Outlook & Data-Based Precision Carbon Reduction, Driving Operational Management Upgrade	3

Title	Name	Date	Host By	Course Name	Training Hours
Director	Representative of En Hui Investment Corporation: Kuo, Ching-Wen	2024/05/10	Taiwan Institute of Directors	Utilizing Policy Tools to Enhance Corporate Governance and Reduce R&D Risks	3
		2024/06/19	Taiwan Investor Relations Institute	Carbon Exchange Assistance and Outlook & Data-Based Precision Carbon Reduction, Driving Operational Management Upgrade	3
Director	Representative of En Hui Investment Corporation: Kuo, Hsien-Kung	2024/06/11	Accounting Research and Development Foundation	How to Apply Robotic Process Automation (RPA) to Enhance Internal Control Efficiency	6

3. Education training for Internal Audit Manager/Accounting Supervisor in 2024:

Title	Name	Date	Host By	Course Name	Training Hours
Internal Audit Manager	Hung, Hui-Fang	2024/07/04	Internal Audit Association of the Republic of China	Examples of Corporate Implementation of ESG and Integrated Application Practices with Internal Audit and Internal Control	6
		2024/09/06	Internal Audit Association of the Republic of China	Information Security Audit Control Practices for Internal Auditors	6
Accounting Supervisor	Chiu, Yen-Ju	2024/10/14~23	Accounting Research and Development Foundation	Initial Education Course for Accounting Supervisors	30

4. Education training for Corporate Governance Officer in 2024:

Title	Name	Date	Host By	Course Name	Training Hours
Corporate Governance Officer	Chiu, Yen-Ju	2024/05/10	Taiwan Institute of Directors	Utilizing Policy Tools to Enhance Corporate Governance and Reduce R&D Risks	3
		2024/05/30~31	Securities & Futures Institute	Sustainable Disclosure Implementation Workshop	9

Title	Name	Date	Host By	Course Name	Training Hours
		2024/09/06	Securities & Futures Institute	2024 Insider Trading Prevention Conference	3
		2024/09/12~13	Taiwan Corporate Governance Association	Climate Risk Identification Workshop and Net-Zero Carbon Emissions Promotion Meeting - Tainan Session	9
		2024/11/22	Securities & Futures Institute	Legal Compliance Briefing on Insider Trading by Internal Personnel in 2024	3

(VIII) Internal control system

1. Internal Control Statement: Please refer to the Taiwan Stock Exchange Market Observation Post System using the following access path:
MOPS > Single Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement
2. Where CPAs are retained to audit the internal control system, please disclose the CPAs' audit report: None.

(IX) Major resolutions of the Shareholders' Meetings and Board of Directors' meetings in the most recent fiscal year and as of the date of this annual report

1. Major resolutions of the Shareholders' Meetings:

Date	Major resolutions of shareholders' meetings	Implementation Status
2024.06.20	1. Approval of the Business Report and Financial Statements for the Fiscal Year 2023. 2. Approval of the non-distribution of dividends for 2023. 3. Amendment to the "Company Bylaws" of the Company.	1. Issue major information announcement on the same day of the meeting. 2. Issue major information announcement on the same day of the meeting. 3. The amended articles will be uploaded to the Market Observation Post System after the meeting.

2. Major resolutions of the Board of Directors' meetings:

Date	Major Proposals
2024.03.15	1. Approval of the 2023 business report and financial statements. 2. Approval of the dividend distribution 2023. 3. Approval of the cash dividend distribution for the fourth quarter of 2023. 4. Approval of the distribution of employee remuneration and director remuneration for the fiscal year 2023. 5. Approval of the Internal Control System Effectiveness Assessment 2023 and Internal Control System Statement Case. 6. Approval of the amendment of the "Company Bylaws" of the Company.

Date	Major Proposals
	7. Approval of the amendment to the Company's share repurchase for transfer to employees regulations. 8. Approval of the amendment to the "Board of Directors Meeting Regulations." 9. Approval of the amendment to the "Organization Regulations of the Audit Committee." 10. Approval of the establishment of the Company's "Corporate Governance Best Practices Guidelines." 11. Approval of the establishment of the Company's "Financial Business Procedures between Related Parties' Regulations." 12. Approval of the establishment of the Company's "Code of Business Ethics" and "Operational Procedures and Guidelines for Business Ethics." 13. Approval of the agenda for the 2024 Annual General Meeting of Shareholders. 14. Approval of personnel promotion. 15. Approval of the change in roles for the Company's accounting supervisor and Corporate Governance Officer. 16. Approval of the adjustment of salary determination and year-end bonus distribution for company executives. 17. Approval of the appointment of CPAs and assessment of independence and suitability. 18. Approval of the application for credit limits from financial institutions.
2024.05.13	1. Approval of the review of the financial statements for the first quarter of 2024. 2. Approval of the non-distribution of dividends for the first quarter of 2024. 3. Approval of the continuation of the "Remuneration Payment Regulations for Directors and Functional Committee Members" of the Company. 4. Approval of the application for credit limits from financial institutions. 5. Approval of the proposal for purchase of land by the Company. 6. Approval of the appointment of representative for the Company's land mortgage rights.
2024.08.13	1. Approval of the 2024 business report and financial statements. 2. Approval of the dividend distribution for the second quarter of 2024. 3. Approval of the cash dividend distribution for the second quarter of 2024. 4. Approval of resolution for the Company's distribution of director remuneration for the fiscal year 2023. 5. Approval of resolution for the Company's distribution of employee remuneration for the fiscal year 2023. 6. Approval of the amendment of the Company's "Board of Directors Performance Evaluation Method."

Date	Major Proposals
	7. Approval of the amendment of the original "Organizational Regulations of the Sustainable Development Committee" to "Organizational Regulations of the Sustainable Development and Risk Management Committee." 8. Approval of the establishment of the Sustainable Development and Risk Management Committee and appointment of the inaugural term members of the Committee. 9. Approval of the establishment of the Company's "Human Rights Policy." 10. Approval of the establishment of the Company's "Whistleblower Procedure." 11. Approval of the application for credit limits from financial institutions.
2024.11.11	1. Approval of the review of the financial statements for the third quarter of 2024. 2. Approval of the dividend distribution for the third quarter of 2024. 3. Approval of the internal audit operation audit plan for the fiscal year 2025. 4. Approval of the issuance of the Company's 2023 Sustainability Report. 5. Approval of the cutting plant expansion and energy transition investment plan. 6. Approval of the establishment of "Sustainability Information Management Operations" in the Company's internal control system. 7. Approval of the establishment of "Information Security Control Operations" in the Company's internal control system. 8. Approval of the amendment to the Company's internal control system "Computerized Information Processing Operations." 9. Approval of the amendment of the Company's "Code of Business Ethics." 10. Approval of the amendment of the Company's "Operational Procedures and Guidelines for Business Ethics." 11. Approval of the amendment of the Company's "Whistleblower Procedure." 12. Approval of the application for credit limits from financial institutions.
2025.03.12	1. Approval of the 2024 business report and financial statements. 2. Approval of the dividend distribution 2024. 3. Approval of the distribution of employee remuneration and director remuneration for the fiscal year 2024. 4. Approval of the Internal Control System Effectiveness Assessment 2024 and Internal Control System Statement Case. 5. Definition of the scope of Company's entry-level employees. 6. Approval of the amendment to the Company's internal control system "Payroll Cycle." 7. Approval of the amendment of the Company's "Corporate Governance Best Practices Guidelines." 8. Approval of the amendment of the "Company Bylaws" of the Company.

Date	Major Proposals
	9. Approval of the agenda for the 2025 Annual General Meeting of Shareholders. 10. Approval of the distribution of year-end bonuses to managers of the Company. 11. Approval of the appointment of CPAs and assessment of independence and suitability. 12. Approval of the application for credit limits from financial institutions.

(X) Where Directors or Supervisors expressed different opinions regarding major resolutions of the Board meetings, either by recorded statement or in writing, in the most recent fiscal year and as of the date of this annual report, please disclose the details: None.

III. Audit Fees for Independent Auditors

Unit: NT\$ thousand

Accounting Firm	Name of CPA (Note 1)	Period Covered by CPA's Audit	Audit Fees	Non-Audit Fees (Note 1)	Total	Remarks
Crowe (TW) CPAs	Hsieh, Jen-Yao, Tsai, Shu-Man	2024	1,610	742	2,352	

Note 1: Mainly tax audit fees of NT\$540,000, transfer pricing report, fairness opinion for pricing assessment, financial statement translation, and other expenses.

- (I) Where the CPA firm was replaced and the audit fees in the fiscal year of replacement were less than that in the previous fiscal year, the amount of audit fees paid before/after replacement and reasons thereof shall be disclosed: None.
- (II) Where the audit fees were reduced by 15% or more on a year-to-year basis, the amount and percentage of decrease in audit fees, and the reason for such decrease shall be disclosed: None.

IV. Change of Independent Auditor: None.

V. The company's chairman, general manager, manager responsible for finance or accounting affairs, has worked in the office of a visa accountant within the last year: None.

VI. Changes in Shareholding and Shares Pledged by Directors, Supervisors, Managers, and Shareholders with 10% Shareholdings or More in the Most Recent Year up to the Date of Publication of this Annual Report:

(I) Changes in shareholding:

Changes in shareholding of Directors, managers and shareholders

Title	Name	Until April 20, 2025		2024	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairman and President	Representative of En Hui Investment Corporation: Kuo, Su-Hui	0	0	0	0
Director	Kuo, Shih-Hsien	0	0	0	0

Title	Name	Until April 20, 2025		2024	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Director	Representative of En Hui Investment Corporation: Kuo, Ching-Wen	0	0	0	0
Director	Representative of En Hui Investment Corporation: Kuo, Hsien-Kung	0	0	0	0
Independent Director	Liu, Chi-Hsiung	0	0	0	0
Independent Director	Sha, Hsu-Sheng	0	0	0	0
Independent Director	Ting, Chia-Huei	0	0	0	0
Independent Director	Wang, Yen-Ching	0	0	0	0
Chairman and President	Kuo, Su-Hui	0	0	0	0
Vice President	Yu, Kai-Wen	(120,000)	0	(500,000)	0
Deputy Factory Director	Chuang, Wu-Hsiung	0	0	0	0
Major Shareholder	Hui Chun Investment Co., Ltd.	0	0	0	7,000,000
Financial Supervisor	Dai, Ruei-Yi	0	0	0	0
Accounting Supervisor and Corporate Governance Officer	Chiu, Yen-Ju (Date of induction: 2024/03/16)	0	0	0	0
Accounting Supervisor and Corporate Governance Officer	Lee, Yueh-Chin (Date of discharge: 2024/03/16)	0	0	0	0

(II) Share Transfer Information: None.

(III) Share Pledged Information: None.

VII. Information regarding relationships between the top ten shareholders, including related party relationships, spousal relationships, or relationships within the second degree of kinship:

Information regarding the relationship between the top ten shareholders based on their respective shareholding percentages

April 20, 2025

Name	Individual shareholding		Shares held by spouse and minors		Shares held by third parties		Names and relationship of top 10 shareholders who are related parties, spouses or within second-degree relatives to each other		Remarks
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Name	Relationship (Note 1)	
Hui Chun Investment Co., Ltd. Representative: Kuo, Su-Hui (A)	42,099,000	12.93%	0	0.00%	0	0.00%	(A)~(J)	The individual or their company representatives are relatives within the second degree of kinship.	
En Hui Investment Co., Ltd. Representative: Kuo, Su-Hui (B)	12,026,719	3.69%	502,000	0.15%	9,550,000	2.93%			
Chien Yao Technology Co., Ltd. Representative: Kuo, Jui-Hsi (C)	32,354,201	9.93%	0	0.00%	0	0.00%			
	12,026,719	3.69%	502,000	0.15%	9,550,000	2.93%			
Li En Investment Co., Ltd. Representative: Kuo, Su-Hui (D)	32,005,604	9.83%	0	0.00%	0	0.00%			
	9,261,092	2.84%	524,897	0.16%	0	0.00%			
UNISOLEIL ENTERPRISE CO., LTD. Representative: Kao, Yu-Ting (E)	26,006,000	7.98%	0	0.00%	0	0.00%			
	12,026,719	3.69%	502,000	0.15%	9,550,000	2.93%			
Ding Kuang Investment Co., Ltd. Representative: Kuo, Wei-Ming (F)	17,770,000	5.46%	0	0.00%	0	0.00%			
	502,000	0.15%	12,026,719	3.69%	6,500,000	2.00%			
Kuo, Su-Hui (G)	13,671,800	4.20%	0	0.00%	0	0.00%			
	0	0.00%	0	0.00%	0	0.00%			
Chun En Investment Co., Ltd. Representative: Kuo, Su-Hui (H)	12,026,719	3.69%	502,000	0.15%	9,550,000	2.93%			
	11,412,000	3.50%	0	0.00%	0	0.00%			
Huili Investment Co., Ltd. Representative: Kuo, Su-Hui (I)	9,550,000	2.93%	0	0.00%	0	0.00%			
	12,026,719	3.69%	502,000	0.15%	9,550,000	2.93%			
Kuo, Jui-Hsi (J)	9,261,092	2.84%	524,897	0.16%	0	0.00%			

Note 1: Kuo, Jui-Hsi is the father of both Kuo, Su-Hui and Kuo, Wei-Ming; Kuo, Su-Hui and Kuo, Wei-Ming are siblings; Kao, Yu-Ting is the spouse of Kuo, Su-Hui.

VIII. Number of Shares Held and the Consolidated Shareholding Percentage of the Company, the Company's Directors, Supervisors, Managers and Directly or Indirectly Controlled Entities on the Same Investee.

Unit: Thousand Shares;% December 31, 2024

Investee	Investment by the Company		Investment by Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities		Total Investment	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio
Xiaogang Warehousing Co., Ltd.	733,358	8.15	-	-	733,358	8.15
Taiwan Steel Union Co., Ltd.	3,351,449	3.01	-	-	3,351,449	3.01

Three. Capital Overview

I. Capital and Shares, Corporate Bonds, Preferred Shares, Global Depositary Receipt, Employee Stock Options, Restricted Stock Units, and Mergers and Acquisitions (including mergers, acquisitions, and spin-offs) Handling Status

(I) Source of Share Capital

1. Type of shares

Type of shares	Authorized Capital			Remarks
	Outstanding Shares	Unissued Shares	Total	
Registered common shares	325,714,800	394,285,200	720,000,000	

2. Formation of Share Capital

Unit: Shares; NT\$

Month/ Year	Issue price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Share Capital	Capital Increase by Assets Other than Cash	Other
1982.10	10	480,000	4,800,000	480,000	4,800,000	Establishment of share capital with cash of NT\$4,800,000	None	-
1983.11	10	960,000	9,600,000	960,000	9,600,000	Capital increase by cash NT\$4,800,000	None	-
1989.07	10	8,000,000	80,000,000	8,000,000	80,000,000	Capital increase by cash NT\$70,400,000	None	-
1991.06	10	19,500,000	195,000,000	19,500,000	195,000,000	Capital increase by cash NT\$115,000,000	None	-
1992.09	10	19,650,000	196,500,000	19,650,000	196,500,000	Reduction of share capital by NT\$58,500,000 Merged with Wei Hong Construction NT\$60,000,000 Capital increase by cash NT\$115,000,000	None	-
1993.08	10	180,000,000	1,800,000,000	180,000,000	1,800,000,000	Capital increase by cash NT\$1,465,950,000 Capital increase from retained earnings NT\$137,550,000	None	-
1994.12	10	220,000,000	2,200,000,000	220,000,000	2,200,000,000	Capital increase from retained earnings NT\$324,000,000 Capital surplus transferred to increase in share capital of NT\$76,000,000	None	(Note 1)

Month/ Year	Issue price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Share Capital	Capital Increase by Assets Other than Cash	Other
1996.09	10	300,000,000	3,000,000,000	242,000,000	2,420,000,000	Capital increase from retained earnings NT\$220,000,000	None	(Note 2)
1997.07	10	450,000,000	4,500,000,000	338,300,000	3,383,000,000	Capital increase by cash NT\$600,000,000 Capital increase from retained earnings NT\$363,000,000	None	(Note 3)
1997.12	10	450,000,000	4,500,000,000	365,680,433	3,656,804,330	Conversion of convertible bonds into shares for NT\$273,804,330	None	(Note 4)
1998.05	10	570,000,000	5,700,000,000	402,635,914	4,026,359,140	Capital increase from retained earnings NT\$365,680,440 Conversion of convertible bonds into shares for NT\$3,874,370	None	(Note 5)
1999.01	10	570,000,000	5,700,000,000	402,689,247	4,026,892,470	Conversion of convertible bonds into shares for NT\$533,330	None	(Note 6)
2003.11	10	570,000,000	5,700,000,000	265,000,000	2,650,000,000	Reduction of share capital by NT\$1,376,892,470	None	Note 7
2014.08	10	570,000,000	5,700,000,000	342,858,000	3,428,580,000	Common stock in private placements NT\$778,580,000	None	Note 8
2015.10	10	570,000,000	5,700,000,000	442,858,000	4,428,580,000	Common stock in private placements NT\$1,000,000,000	None	Note 9
2015.12	10	570,000,000	5,700,000,000	542,858,000	5,428,580,000	Common stock in private placements NT\$1,000,000,000	None	Note 10
2016.09	10	570,000,000	5,700,000,000	325,714,800	3,257,148,000	Reduction of share capital by NT\$2,171,432,000	None	Note 11
2020.07	10	720,000,000	7,200,000,000	325,714,800	3,257,148,000	Change in total share capital to NT\$7,200,000,000	None	Note 12

Note 1: Jing (1995) Shang Zi No. 118772 dated 1995.01.13

Note 2: Jing (1996) Shang Zi No. 116529 dated 1996.09.26

Note 3: Jing (1997) Shang Zi No. 112774 dated 1997.07.21

Note 4: Jing (1998) Shang Zi No. 101634 dated 1998.02.10

Note 5: Jing (1998) Shang Zi No. 113099 dated 1998.06.15

Note 6: Jing (1999) Shang Zi No. 125436 dated 1999.07.15

Note 7: Jing Shou Shang Zi No. 0921303940 dated 2003.11.04
 Note 8: Jing Shou Shang Zi No. 10301163750 dated 2014.08.26
 Note 9: Jing Shou Shang Zi No. 10401242030 dated 2015.11.19
 Note 10: Jing Shou Shang Zi No. 10501012690 dated 2016.01.20
 Note 11: Jing Shou Shang Zi No. 10501224020 dated 2016.09.26
 Note 12: Jing Shou Shang Zi No. 10901126670 dated 2020.07.29

3. Information on the blanket filing system: None.

(II) Name of major shareholder: shareholders holding more than 5% in total or shareholding percentage in the top ten shareholders by shareholding, including names, number of shares held, and percentage of ownership

Base date: April 20, 2025

Name of Major Shareholder	Shares	Shareholding	Shareholding Ratio
Hui Chun Investment Co., Ltd.		42,099,000	12.93%
En Hui Investment Co., Ltd.		32,354,201	9.93%
Chien Yao Technology Co., Ltd.		32,005,604	9.83%
Li En Investment Co., Ltd.		26,006,000	7.98%
UNISOLEIL ENTERPRISE CO., LTD.		17,770,000	5.46%
Ding Kuang Investment Co., Ltd.		13,671,800	4.20%
Kuo, Su-Hui		12,026,719	3.69%
Chun En Investment Co., Ltd.		11,412,000	3.50%
Huili Investment Co., Ltd.		9,550,000	2.93%
Kuo, Jui- Hsi		9,261,092	2.84%

(III) Dividend policy and implementations:

1. Dividend policy:

(1) The Company's profit distribution or loss offset can be conducted at the end of each quarter. If there are profits in each quarterly financial statement, estimated tax donations, compensation for accumulated losses, estimated employee and director remuneration, and 10% of statutory surplus reserves should be reserved first. However, if the statutory surplus reserves reach the paid-in capital of the Company, no further provision is necessary. Special surplus reserves should be provisioned or reversed according to laws and regulations. If there are still profits, the remaining balance, plus the accumulated undistributed profits from previous quarters, should be proposed by the Board of Directors for profit distribution. If distributed in cash, it should be resolved by the Board of Directors. If distributed through the issuance of new shares, it should be distributed after resolution by the shareholders' meeting.

In the annual financial statements of the Company, after paying taxes and compensating for accumulated losses according to the law, 10% of the remaining balance should be set aside as statutory surplus reserves. However, if the statutory surplus reserves reach the paid-in capital of the Company, no further provision is necessary. Special surplus reserves should be provisioned or reversed according to laws and regulations. If there is still a balance, it should be proposed by the board of directors for profit distribution along with the accumulated undistributed profits at the beginning of the period, and submitted to the shareholders' meeting for resolution.

- (2) The Company authorizes the Board of Directors, with the attendance of two-thirds or more of the directors, and the resolution of the majority of attending directors, to distribute dividends, capital reserves, or statutory surplus reserves in whole or in part by cash, and report to the shareholders' meeting, exempting the requirement for resolution by the shareholders' meeting as stipulated in the preceding paragraph.
- (3) The Company's dividend policy is to align with current and future development plans, consider investment environments, domestic and international competitive conditions, and maintain a solid long-term financial structure while considering shareholder interests. The distribution of available profits may be retained or distributed in the form of stocks or cash. The total expected dividend distribution is not less than 30% of the current period's after-tax net profit, adjusted for the offset of statutory surplus reserves and special surplus reserves provisioned or reversed according to laws and regulations. The method of dividend distribution, except for improving the financial structure and responding to significant capital expenditure funding needs, should ensure that cash dividends are not less than 10% of the total dividends distributed for the period.

2. Implementation status:

According to Article 29-1 of the Company's bylaws, the Board of Directors is authorized to distribute cash dividends every quarter. The dividend distribution for the fiscal year 2024 is as follows:

2024	Board of Director's Resolution Date	Date of Issue	Cash Dividend per Share (New Taiwan Dollar)	Total Cash Dividend Amount (New Taiwan Dollar)
First Quarter	2024/5/13	-	-	-
Second quarter	2024/8/13	2025/1/21	0.30	97,206,540
Third Quarter	2024/11/11	-	-	-
Fourth quarter	2025/3/12	-	-	-
Total			0.30	97,206,540

(IV) Impact of stock dividends on operation performance and earnings per share: Not applicable.

(V) Remuneration of employees and directors:

1. Percentage or range of remuneration to employees, Directors and Supervisors in the Articles of Incorporation

If the Company generates profits during the year, it should allocate 2% to 5% for employee remuneration, to be distributed in the form of stocks or cash as decided by the Board of Directors. The recipients of such distributions may include employees of subsidiary companies who meet certain conditions.

Additionally, the Company may allocate up to 2% of the aforementioned profit for director and supervisor compensation.

However, in the presence of accumulated losses, the amount required to offset the losses should be reserved first. Afterward, employee and director remuneration should be allocated according to the aforementioned proportions.

2. Regarding the accounting treatment in cases where there are differences between the estimated and actual amounts of employee and director remuneration:
The estimated amount of employee and director remuneration is based on the net profit before tax of the current year after reserving for the offset of accumulated losses, following the Company's articles of association and considering industry practices. If there are differences between the estimated and actual amounts, accounting adjustments should be made based on estimation variations, and these adjustments should be accounted for in the next fiscal year.
3. Proposed remuneration approved by the Board of Directors
 - (1) Amount of remuneration to employees, Directors and Supervisors in the form of cash or stock.
In the fiscal year 2024, the Company allocated estimated amounts of employee remuneration totaling NT\$7,454 thousands and director remuneration totaling NT\$1,863 thousands. After reviewing the revenue and profit situation for the fiscal year 2024 and comparing it with the allocation levels in the industry for the fiscal year 2023, the Remuneration Committee deliberated and proposed to the Board of Directors for approval. It was decided to distribute the employee remuneration and director remuneration for the fiscal year 2024 in cash, amounting to NT\$7,454 thousands and NT\$1,863 thousands, respectively, which aligns with the estimated allocation.
 - (2) Amount of stock distributed as employee compensation and as a percentage to net income of parent company only or individual financial statements and to aggregate compensation to employees: Not applicable.
4. Actual payment of remuneration to employees, Directors and Supervisors in the previous year (including the number of shares, amount and stock price), and if it is different from the amount of remuneration recognized, the differences, causes, and ways of reconciliation shall be disclosed:
The Board of Directors of the Company approved the distribution of employee remuneration and director remuneration for the fiscal year 2023 in cash. The difference between the estimated amount and the actual distribution amount was NT\$2,447 thousand. This difference was treated as a change in accounting estimate and recognized as gains or losses in the fiscal year 2024.

(VI) Share repurchases:

The repurchase of treasury shares by the Company is as follows:

Term of repurchase	4th (1st time in 2023)	3rd (2nd time in 2022)	2nd (1st time in 2022)
Expected share repurchase status			
Purpose of repurchase	Shares transferred to employees	Shares transferred to employees	Shares transferred to employees
Board of Director's Resolution Date	2023/11/10	2022/11/10	2022/08/11
Scheduled repurchase period	2023/11/13~ 2024/01/12	2022/11/11~ 2023/01/09	2022/08/12~ 2022/10/11
Expected repurchase quantity	2,000,000 shares	1,000,000 shares	2,000,000 shares
Price range of repurchase	NT\$18~25	NT\$18~24	NT\$18~28
Actual share repurchase status			
Actual term of repurchase	2023/11/13~ 2024/01/12	2022/11/11~ 2022/11/28	2022/09/15~ 2022/10/07
Actual repurchase quantity	429,000 Shares	259,000 Shares	1,005,000 shares
Amount of shares repurchased	NT\$10,481,646	NT\$6,161,912	NT\$24,067,111

Term of repurchase	4th (1st time in 2023)	3rd (2nd time in 2022)	2nd (1st time in 2022)
Average repurchase price per shares	NT\$24.43	NT\$23.79	NT\$23.95
Ratio of quantity repurchased to scheduled quantity of repurchase(%)	21.45%	25.90%	50.25%
Number of retired and transferred shares	0 share	0 share	0 share
Cumulative number of shares held in the Company	1,693,000 shares	1,264,000 shares	1,005,000 shares
The accumulated holding of shares in our Company as a percentage of the total issued shares (%)	0.52%	0.39%	0.31%
Reasons for the incomplete execution	The Company opts for partial repurchase within a price range to consider employee subscription willingness and the efficiency of fund utilization, while also ensuring that market mechanisms do not affect stock prices. Hence, the repurchase has not been completed.		

(VII) The handling of corporate bonds: There are no outstanding or ongoing corporate bonds.

(VIII) Preferred Shares, Global Depositary Receipt, Employee Stock Options and Mergers and Acquisitions Handling Status: None.

II. Execution status of fund utilization plans: None.

Four. Operational Highlights

I. Business Activities

(I) Business scope

1. Main business:

- (1) CA01020 Steel Rolling
- (2) CA01050 Steel Secondary Processing
- (3) CA02990 Other Metal Products Manufacturing
- (4) CA01010 Iron and Steel Smelt
- (5) CA01030 Iron and Steel Casting
- (6) CA01070 Scrapped Car and Boat Dismantling and Scrap Iron and Steel Metal Processing
- (7) CA01990 Other non-ferrous metal basic industries
- (8) CA02010 Manufacture of Metal Structure and Architectural Components
- (9) CA02030 Screw, Nut and Rivet Manufacturing
- (10) F106010 Wholesale of Hardware
- (11) F199010 Wholesale of Recycling Materials
- (12) F401010 International Trade
- (13) CD01060 Aircraft and Parts Manufacturing
- (14) J10103 Waste Disposing
- (15) J101040 Waste Treatment
- (16) J101090 Waste Disposal
- (17) C901040 Manufacture of Ready-mix Concrete
- (18) C901050 Cement and Concrete Products Manufacturing
- (19) C901990 Other Non-Metallic Mineral Products Manufacturing
- (20) EZ99990 Other Engineering
- (21) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

2. Main products and proportion of operations

Item	Proportion of operations in 2024
Steel bars	85.46%
Bar steel	9.37%
Steel wire rod	4.20%
Steel billet	0.91%
Other	0.06%
Total	100.00%

(II) Industry overview

1. Current status and future development

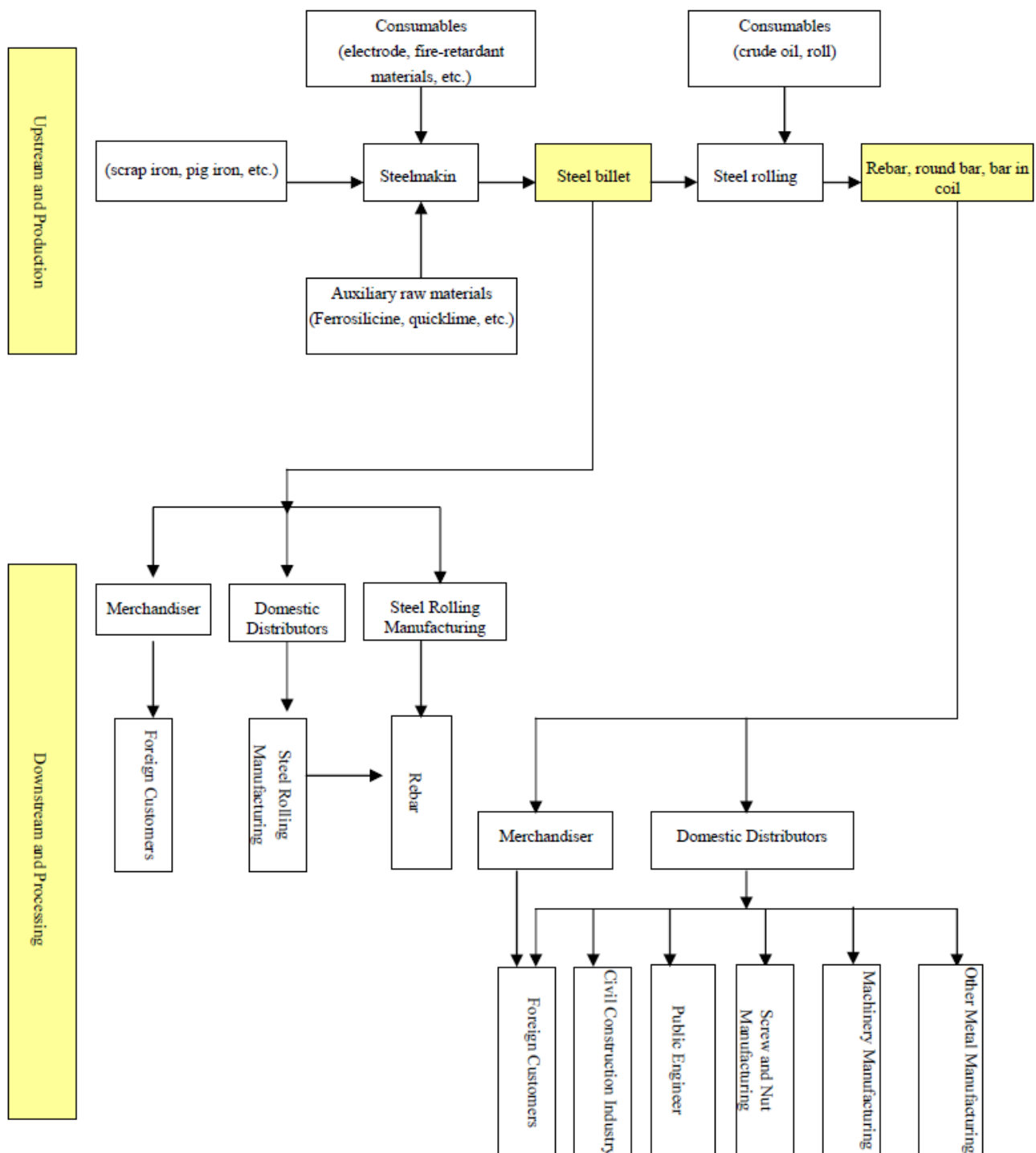
Looking back at 2024, the global steel industry continued to face numerous challenges including geopolitical risks, high inflation, weak demand, overproduction, and sluggish steel prices. Moreover, the domestic market was affected by the dumping of low-priced steel billets from China and Russia, resulting in a reduced price gap between finished products and raw materials, resulting in declining profits.

Due to the impact of the economic environment, our Company's revenue for 2024 was NT\$10,196,132 thousand. The gross profit was NT\$556,828 thousand, and the net profit for the period was NT\$316,203 thousand. This represents a decrease of NT\$99,014 thousand compared to the previous year's NT\$415,217 thousand, which is a reduction of 24%.

Looking ahead to 2025, the global economy is steadily recovering, which will enhance steel demand. However, China's excess production capacity and the spillover of low-priced steel products are expected to persist. The biggest variable remains U.S. President Trump's trade policies, which requires ongoing monitoring. Furthermore, the Russia-Ukraine war, which has continued for three years, may enter a substantive ceasefire in the first half of the year, with the massive reconstruction needs potentially benefiting the steel industry's development. Regarding the domestic economy, the strong demand driven by AI opportunities, low-carbon development trends, and automation needs in recent years is expected to encourage manufacturers to continue expanding capacity and equipment. Additionally, increased investment in Taiwan by major international companies and the steady growth of government infrastructure investment are improving the construction industry outlook, which is expected to stimulate the recovery of demand for construction materials such as reinforcing bars and structural steel. Nevertheless, uncertain geopolitical risks, the EU's CBAM (Carbon Border Adjustment Mechanism), global net-zero emission requirements, domestic electricity price increases, carbon fee implementation, and the government's acceleration of carbon neutrality initiatives are creating a harsh market environment both domestically and internationally. Facing rapid changes in the global political, economic, and steel markets, the company will respond more prudently to changing trends in its management approach to maintain stable profitability targets.

2. Relationship with up- and down-stream companies

The Company is a steel mill with integrated rolling mill operations, and the upstream and downstream linkages of its industry are as follows:



3. Product development trends and competition status:
- In the face of intense competition in oversupplied markets, the future trend of the steel industry lies in enhancing product added value and expanding and deepening customer bases to improve profitability and ensure sustainable operations should be the direction that industry players need to respond to.

(III) Technology and R&D overview:

1. Research and development expenditures for the last two years:

The Company does not have a separate research and development department. Instead, research and development tasks are undertaken by personnel in the production department. Research and development expenses are implicitly included in manufacturing costs. However, the Company's technology and equipment are directly imported from overseas, and operational responsibilities lie with the production department. During operations, newer processes and technologies are utilized, or improvements are made through the acquisition of additional equipment to enhance equipment efficiency. The aim is to produce higher quality products at lower costs.

2. Research development results for the most recent year:

Item	Contents
Steelmaking	1. The nitrogen content in special steel has been reduced to improve defects related to cracking in chromium-vanadium and boron-vanadium steel billets. 2. The automatic oxygen blowing nozzle length have been extended in accordance with the electric furnace operating port elevation, positioning the nozzle outlet closer to the molten steel surface to enhance oxygen injection efficiency. 3. CDQ filling has been changed from manual supplementation to pneumatic filling to prevent workers from operating in high-temperature, high-dust environments. 4. The reuse rate of steel ladles has increased from 80 cycles to over 110 cycles. 5. Continuous casting sequences has been raised from 11 to 15 for steel grades other than A-grade and boron steel. 6. Burners have been modified to utilize NG fuel, resulting in a 13% reduction in fuel costs and 24% decrease in carbon emissions.
Steel Rolling	1. The temperature settings for the heating furnace's uniform temperature zone/heating zone/preheating zone during different hot/cold input conditions and during shutdown periods have been adjusted, reducing consumption by 1.3 m3/ton. 2. The furnace pressure parameters for different production states (hot/cold input) have been adjusted, ensuring temperature variations at the front/middle/end during rolling production do not exceed 10°C.

(IV) Long-term and short-term business development plans:

1. Short-term business development plans

- (1) Continuously increase the market share of direct customers in the domestic rebar market.
- (2) Continuously strive to increase the market share of high-value-added steel products, such as bar steel and plate elements.
- (3) Continuously develop international high-price markets.

2. Long-term business development plans

- (1) Actively expand into the public works market and strengthen direct customer development.
- (2) Global expansion, actively developing emerging markets to enhance international competitiveness.
- (3) Increase product specifications and material types to enhance product added value.

- (4) Stabilize product technology, continuously improve processes, reduce costs, improve quality, and reduce complaint rates.
- (5) Strengthen control over raw material sources and price trends to establish optimal procurement strategies.
- (6) Enhance environmental protection efforts to create a low-pollution environment.

II. Market and Sales Overview

(I) Market analysis

1. Regions where main products (services) are sold (provided)

The geographic areas where the main products of the Company are provided The Company's main sales products are rebar, steel bars, bars in coils and steel billets. In the early stage, the proportion of sales was mainly rebar and steel billets, but after the successful development of steel bar and bars in coils, the production and sales strategy became more flexible and the proportion of production and sales of steel bar coils increased year by year. The sales area is all over the country, mainly in the central and southern part of Taiwan, but the proportion of sales in the central and northern part of Taiwan has increased gradually in recent years, while Australia, Hong Kong and Korea are the key sales areas for overseas sales.

2. In response to the successful development of bars in coils, we are actively developing customers in the hand tool business in central Taiwan and in the screw and nut business in the south of Taiwan.

3. The company's market share, demand and supply conditions for the market in the future

The change in the ratio of domestic and foreign sales depends on the market conditions; the rebar customers are construction and public works, so the prosperity of the industry is determined according to the construction industry's success and the government's efficiency in promoting public works and the foreign market. Steel bar customers are in the machinery and hand tool industries, and their prosperity is highly related to the overall economic conditions In addition to the existing products such as steel bar, rebar and steel billets, the Company has added new equipment at the end of 2013 for bars in coils, so that our products can be used in the machinery manufacturing industry and the screw and nut industry. We can adjust our sales strategy according to the economic environment to reduce the risk of operation and create the highest profit.

4. Competitive niche:

(1) The Company operates as an integrated rolling mill, originally focusing on the production of rebar and billets. With successful development in higher-margin products such as bars and coils, and the addition of forming and processing production lines, the company's product range, steel types, and sizes have become more diversified and comprehensive. With stable and excellent quality and rapid delivery, the products not only meet domestic demand but also comply with regulations in countries such as the UK, the US, and South Korea. As a result, the sales network has expanded from domestic to international markets, earning high praise from customers and establishing a competitive advantage in the industry. Furthermore, the diversification of steel types and market dispersion allows the Company's production and sales strategies to adapt flexibly to external changes, aiming to maximize profitability.

- (2) Rebar is a basic building material used in construction, roads and bridges, while steel bars and bars in coils can be used in hand tools, automobile and motorcycle parts, and screws and nuts for the machinery manufacturing industry. The Company will continue to research and develop higher value added steel products to diversify its products to increase profitability and reduce operating risks, and to strengthen its competitive niche.
5. Positive and negative factors for future development, and the company's response to such factors
 - (1) Positive factors
 - a. The integrated operation of rolling and steelmaking can save cost, improve production efficiency, and control quality, as well as allow for flexible production planning, and mechanically adjust production requirements to meet the diversified market characteristics of the products, which will help increase the company's market share. Also, with the addition of a new forming and processing line in 2021, we have been able to provide more flexibility in the size of our rebar products to better meet our customers' needs and thus steadily expand our rebar market share.
 - b. The Company has been successful in developing overseas markets. The product specifications meet the standards in many countries, and the quality of our products is well recognized worldwide, which indirectly enhances our domestic reputation and image. At the same time, the diversified sales network is conducive to the adjustment of production capacity and volume, thus enhancing the competitiveness and profitability for the Company.
 - c. The Company has actively entered the special steel segment and has successfully developed larger size steel bars (13 mm to 60 mm) to adjust its production capacity and product combination according to the changes in market demand, so that it can achieve the best profitability to strengthen the Company's operational performance.
 - (2) Negative factors and response
 - a. Domestic steel production is excessive. Without the promotion of major public projects and without an increase in demand, the production capacity will become excessive and the market will be highly competitive, which will affect the profitability of the industry.
Response measures:
As the Company is a rolling mill, it will be less affected by the adverse impact. Moreover, the Company has actively entered into the field of special steel, which enables the Company to diversify its products and flexibly adjust its production capacity and product combination according to the changes in market demand, so as to optimize its profitability and strengthen its operating performance.
 - b. Global steel production capacity continues to increase, and with the prevalence of trade protectionism, the export market is facing serious challenges.
Response measures:
The Company has diversified its products and can adjust its production and sales combination and sales area according to market changes in a timely manner to reduce the impact of the increase in global steel production capacity and the severe impact from the export market.

- c. The rising cost of various raw materials is not conducive to the development of the steel industry

Response measures:

The Company will intensify the market expansion for high value-added products in line with the changes in the economy, apply prudent production and marketing strategies and implement cost-saving measures to reduce the impact caused by the unfavorable economic environment.

(II) Usage and manufacturing processes for the Company's main products

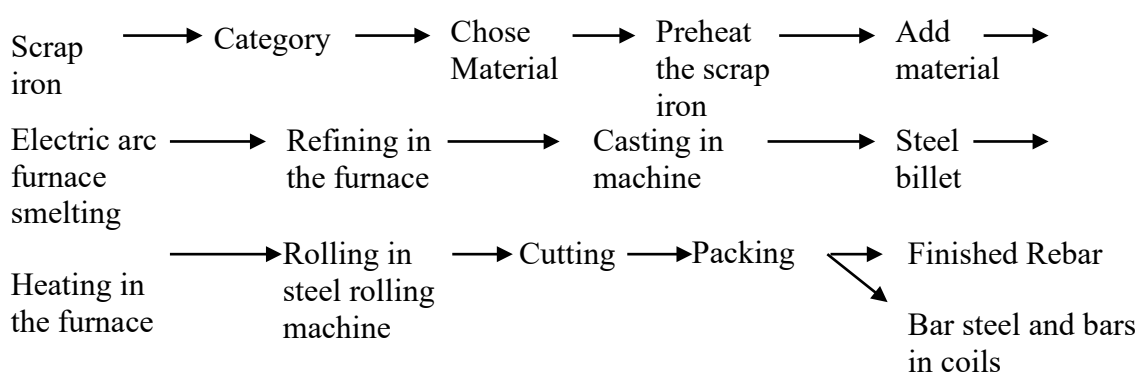
1. Usage for main products

Steel billets: the main raw material for rolling various kinds of steel products.

Rebar: For use in construction of office buildings, houses, factories, roads, bridges and tunnels.

Steel bars: for making screws and nuts, hand tools and parts for automobiles, etc.

2. Manufacturing processes for main products



(III) Supply situation for the company's major raw materials:

The two processes of steelmaking and rolling mill of the Company are described as follows:

1. Scrap iron

Steel mill products are steel billets, and the main raw material for the refining process is scrap iron, which is sourced from domestic and foreign suppliers:

- (1) Domestic: Mainly supplied by scrap iron distributors in the south and partially supplied by scrap iron distributors in the north and central regions.
- (2) Overseas: the main import area is Hong Kong, Japan, the United States, South Africa, Australia, Ukraine and other regions.

2. Steel billet

The main product of rolling mill is rebar, steel bars and bars in coils, and the main raw material used in the rolling process is steel billets. The Company has its own rolling mill and can produce its own steel billets for use in the rolling mill without any problem.

(IV) A list of any suppliers and clients accounting for 10% or more of the Company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each:

1. Customers accounting for more than 10% of annual net revenue for the most recent two years:

Major customers for the most recent two years

Unit: NT\$ thousand

Until March 31, 2025					2024				2023			
Item	Name	Amount	As a percentage of net revenue for the current year up to the previous quarter	Relationship with issuer	Name	Amount	As % of 2023 total net revenue	Relationship with issuer	Name	Amount	As % of 2023 total net revenue	Relationship with issuer
1	Company A	261,371	11.89%	None	Company A	543,448	5.33%	None	Company A	237,512	2.27%	None
2	Company B	203,063	9.23%	None	Company B	1,225,651	12.02%	None	Company B	1,317,104	12.56%	None
3	Company C	187,412	8.52%	None	Company C	1,313,085	12.88%	None	Company C	1,224,295	11.67%	None
	Other	1,547,303	70.36%		Other	7,113,948	69.77%		Other	7,705,352	73.50%	
	Net revenue	2,199,149	100.00%		Net revenue	10,196,132	100.00%		Net revenue	10,484,173	100.00%	

Note 1: List any clients accounting for 10% or more of the company's total sales amount in either of the 2 most recent fiscal years, the amounts sold to each, the percentage of total procurement (sales) accounted for by each. Where the company is prohibited by contract from revealing the name of a client, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2: As of the publication date of the annual report, the latest financial statements that have been audited or reviewed by a certified public accountant should also be disclosed for companies whose shares are listed or traded on the stock exchange.

Note 3: Reason for the increase/decrease: The proportion of customers has changed due to the adjustment of product composition and the changes in market supply and demand.

2. Suppliers accounting for more than 10% of annual net procurement for the most recent two years:

Major suppliers for the most recent two years

Unit: NT\$ thousand

Until March 31, 2025					2024				2023			
Item	Name	Amount	As a percentage of net procurement for the current year up to the previous quarter	Relationship with issuer	Name	Amount	As % of 2023 total net procurement	Relationship with issuer	Name	Amount	As % of 2023 total net procurement	Relationship with issuer
1	Company A	116,993	10.65%	None	Company A	490,157	5.64%	None	Company A	375,771	4.46%	None
	Other	981,278	89.35%		Other	8,198,409	94.36%		Other	8,045,936	95.54%	
	Net procurement	1,098,271	100.00%		Net procurement	8,688,566	100.00%		Net procurement	8,421,707	100.00%	

Note 1: List any suppliers accounting for 10% or more of the company's total procurement amount in either of the 2 most recent fiscal years, the amounts bought from each, the percentage of total procurement accounted for by each. Where the company is prohibited by contract from revealing the name of a supplier, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2: As of the publication date of the annual report, the latest financial statements that have been audited or reviewed by a certified public accountant should also be disclosed for companies whose shares are listed or traded on the stock exchange.

Note 3: Increase or decrease is due to changes in market supply and demand.

III. Human Resources

		Until March 31, 2025	2024	2023
No. of employees	Administrative department	52	52	51
	Production department	336	336	317
	Total	388	388	368
Average Age		48.70	48.70	47.20
Average years of service		10.69	10.44	10.28
Education distributions (%)	Master's	5.15	5.15	4.00
	Bachelor's	31.44	31.44	30.00
	Senior high school	36.86	36.86	39.00
	Senior high school and below	26.55	26.55	27.00

IV. Environmental Protection Expenditure

- (I) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid) and penalties incurred due to environmental pollution, its future countermeasures and possible expenses:

Unit: NT\$ thousand

Year	Environmental pollution	Penalties paid	Countermeasures and improvements
Until March 31, 2025	None		
2024	The on-site scrap iron stacking area does not comply with air pollution permits.	100	The removal of scrap iron in the area complies with the permit.
	The on-site scrap iron stacking area does not comply, failing to process the waste book change within the specified time.	18	Processing of waste book changes.
	The on-site scrap iron stacking area does not comply, failing to process the waste book change within the specified time.	12	Processing of waste book changes.

- (II) Projected environmental protection expenditure in the future (including potential losses, penalties, and remuneration resulting from unaddressed mitigation measures):

The Company anticipates annual environmental protection expenditures of approximately NT\$200,000 thousands.

V. Labor Relations

(I) The current employee welfare measures, continuing education, training, retirement system, and their implementation status:

1. Employee welfare:

The labor-management relationship is good, and the vacation system is implemented in accordance with the Labor Standards Act. Each employee enjoys health and labor insurance, group insurance, and health check-ups, ensuring their well-being. In addition, generous subsidies, condolences, and bonuses are provided for festivals, employee birthdays, weddings, funerals, hospitalization due to work-related injuries, and family funerals, ensuring the welfare of employees' lives.

2. Employee Education and Training:

The Company has established the "Education and Training Management Regulations" as a guideline for planning employee development and conducting training operations. In order to ensure that employees understand the Company's goals and mission, as well as to familiarize them with job-related expertise and relevant regulations, internal training courses are conducted periodically as needed. Additionally, to continuously improve employee performance and professional capabilities, each department also sends representatives to participate in relevant external training courses. This allows for the transfer of experiential knowledge and skills, as well as the timely acquisition of new external information.

3. Retirement system:

(1) The Company has established a retirement policy for employees, and reserves retirement funds within the range of 2% of the total salary, stored in a designated account at Taiwan Bank. When paying retirement benefits, funds are disbursed from this account, supplemented by the Company if necessary.

(2) In compliance with the implementation of the Labor Pension Act in 2005, for employees who choose to remain under the old system, the Company continues to reserve retirement funds according to the aforementioned principle. For employees who opt for the new system, retirement funds equivalent to 6% of their monthly salary, as required by the Labor Pension Act, are reserved monthly into their individual accounts at the Labor Insurance Bureau. Employees may also voluntarily contribute within the 6% range based on personal needs, to meet their individual retirement planning requirements.

4. Status of labor-management agreements: None.

5. Work environment and employee safety protection measures:

The Company values the physical and mental health of its employees, thus endeavors to provide a safe and healthy working environment. In addition to conducting regular annual health check-ups for employees to better understand their health status, the Company also employs dedicated nursing staff to provide employees with various health education information and assist them in basic health maintenance.

(1) Workplace environment:

The Company operates as an integrated steel mill, involving both refining and rolling processes. The work environment is characterized by inherent noise, dust, and high temperatures typical of steel mills.

(2) Employee safety protection measures:

In response to the working environment characterized by noise, dust, and high temperatures, the Company implements the following measures to ensure the safety of employees:

a. Establishing safety regulations and various operational safety standards for employees to adhere to.

b. Regular implementation of employee safety and health education training.

- c. Installation of pollution prevention and control equipment.
- d. Conducting annual health check-ups for employees.
- e. Providing earplugs, masks, safety shoes, fire-resistant clothing, and other protective equipment.
- f. Implementing preventive maintenance of mechanical equipment to provide a safe working environment.
- g. Employing occupational physicians to be stationed at the factory regularly and setting up nursing staff. In addition to providing various types of health education consultation and information, they also assist employees in basic health maintenance.

(II) Losses due to labor disputes in the most recent year and as of the date of publication of the annual report: None.

VI. Cybersecurity management

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs and investments in resources for cyber security management.

1. Framework of cybersecurity risk management

The Information Department serves as the Company's information security department, with a Chief Information Security Officer and a dedicated information security staff member for a total of two individuals. It has strengthened its information security management to ensure the confidentiality and integrity of the information it owns, and conducts information security inspections from time to time.

2. Information security policy

- (1) Ad-hoc information security and personal data protection education and training programs are conducted.
- (2) Daily backups of information systems and files are performed, and periodic disaster recovery is carried out to ensure availability.
- (3) All personal computers are equipped with antivirus software and receive regular updates of virus definitions. Unauthorized software usage is prohibited.

3. Concrete management programs, and investments in resources for cyber security management

- (1) Set user access to prevent data alteration or leakage.
- (2) Save important data to a file server to ensure data security.
- (3) Set up a firewall and review the daily log to avoid illegal network activities.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VII. Important Contracts:

Supply/sales contracts, technologies cooperation contracts, construction contracts, long-term loan agreements, and all other important contracts which are likely to impact the investors' rights, whether or not they are currently effective or have expired in the most recent fiscal year: None.

Five. Review and Analysis of Financial Conditions, Financial Performance, and Risk Issues

I. Review and Analysis of the Financial Condition

Analysis of financial condition

Unit: NT\$ thousand

Item \ Year	2024	2023	Difference	
			Change in Amount	Change in Percentage
Current assets	5,235,499	4,561,157	674,342	14.78%
Property, plant, and equipment	4,226,820	3,705,497	521,323	14.07%
Intangible assets	177	579	(402)	-69.43%
Other non-current assets	449,667	377,873	71,794	19.00%
Total assets	9,912,163	8,645,106	1,267,057	14.66%
Current liabilities	3,379,253	2,719,540	659,713	24.26%
Non-current liabilities	1,865,855	1,466,084	399,771	27.27%
Total liabilities	5,245,108	4,185,624	1,059,484	25.31%
Share Capital	3,257,148	3,257,148	0	-
Retained earnings	1,077,191	948,196	128,995	13.60%
Other equity interest	373,427	292,105	81,322	27.84%
Treasury stock	40,711	37,967	2,744	7.23%
Total equity	4,667,055	4,459,482	207,573	4.65%

1. Explanation of Significant Changes: (No significant changes occurred, where the variation exceeds 20%, and the amount of change exceeds NT\$10 million.)
 - (1) The increase in total liabilities is primarily due to increased short-term and long-term borrowings. This resulted from inventory increases necessitating additional procurement loans and working capital, as well as long-term loans for the successive purchase of energy-saving and carbon-reduction equipment, related infrastructure projects, and land for the cutting plant expansion.
 - (2) The increase in other equity represents unrealized valuation gains from equity instrument investments.
2. Future Response Plans for Significant Impacts: None.

II. Review and Analysis of the Company's Financial Performance

Analysis of financial performance

Unit: NT\$ thousand

Item \ Year	2024	2023	Difference	
			Change in Amount	Change in Percentage
Operating revenue	10,196,132	10,484,173	(288,041)	-2.75%
Operating costs	9,639,304	9,799,877	(160,573)	-1.64%
Gross margin	556,828	684,296	(127,468)	-18.63%
Operating expenses	179,858	176,924	2,934	1.66%
Net operating income	376,970	507,372	(130,402)	-25.70%
Non-operating income and expenses	(13,602)	(8,250)	(5,352)	64.87%
Net income (loss) before income tax	363,368	499,122	(135,754)	-27.20%
Income tax (expense) gains	(47,165)	(83,905)	36,740	-43.79%
Net income (loss) of the period	316,203	415,217	(99,014)	-23.85%

- Explanation of Significant Changes: (No significant changes occurred, where the variation exceeds 20%, and the amount of change exceeds NT\$10 million.)
 - Decrease operating profit and pre-tax profit: Mainly due to the overall downturn in the steel market this period, with weakened steel consumption and reduced price differentials between finished products and raw materials.
 - Decrease in income tax expenses: Mainly attributable to the decrease in pre-tax profit this period.
 - Decrease in net profit for the period: Considering the aforementioned factors, net profit for the period has decreased.
- Sales volume expectations and their basis for the next year, along with potential impacts on the Company's future financial operations and response plans:
 The Company is engaged in the manufacture of steel products, primarily reinforcing bars, wire rods, coils, and billets. The sales target for the year 2025 is set at 450,000 tons of reinforcing bars and 100,000 tons of wire rods and coils, with product proportions adjusted dynamically in response to market demand. For details on the expected sales volume, their basis, potential impacts on the Company's future financial operations, and response plans, please refer to the explanations in Chapter IV, Operating Overview, of this annual report.

III. Analysis of cash flow changes

Unit: NT\$ thousand

1. Analysis of cash flow changes of current year					
Cash balance amount at the beginning of the year	Net cash flow from operating activities in the year	Net cash flow from investing activities in the year	Net cash flow from financing activities in the year	Cash Shortage Amount	Remarks
59,278	173,736	(983,607)	891,037	140,444	
Explanation of changes in cash flows for the current year: (1) Net cash inflow from operating activities: Primarily due to the operating profits generated during the period. (2) Net cash outflow from investing activities: Mainly attributed to the purchase of property, plant, and equipment during the period. (3) Net cash inflow from financing activities: Mainly resulting from increased borrowings during the period.					
2. Projected remedial measures for cash shortfalls and liquidity analysis: None.					
3. Cash liquidity analysis for the following year:					
Unit: NT\$ thousand					
Cash balance amount at the beginning of the year	Net cash flow from operating activities in the year	Net cash flow from investing activities in the year	Net cash flow from financing activities in the year	Cash Shortage Amount	Remarks
140,444	470,119	(234,889)	(21,798)	353,876	
Analysis of future changes in cash flows for the next year: (1) Net cash inflow from operating activities: It is expected that the stabilizing recovery of the global economy will enhance demand for steel, which is likely to develop favorably. This is attributed to estimated profits and the sale of inventory positions. (2) Net cash outflow from investing activities: Anticipated mainly due to the expected purchase of property, plant, and equipment during the period. (3) Net cash outflow from financing activities: Expected to be primarily due to the anticipated repayments of borrowings during the period.					

IV. Major Capital Expenditures in the Most Recent Year and Their Company's Finance and Operations:

- (I) In line with the government's 2050 net-zero carbon emissions policy objectives and to fulfill our corporate social responsibility, our company plans to install energy-saving and carbon-reducing equipment while also investing in solar photovoltaic and energy storage systems. This investment involves the purchase of machinery and equipment totaling NT\$1,559,667 thousand, with the project period extending from 2022 to 2024. According to the approval letter, implementation may continue until December 2025. As of December 31, 2024, NT\$922,257 thousand has already been invested. Upon completion of equipment installation, we will not only enhance energy efficiency and carbon reduction performance, increase production capacity, and improve production efficiency to lower production costs, but also reduce the carbon emissions per unit of product. This will relatively decrease future environmental protection-related expenditures, contributing to improved company competitiveness while fulfilling our corporate social responsibility.

In response to the expansion of the rebar market's formed products, approximately NT\$911,000 thousand will be invested between 2024 and 2027 for the cutting plant expansion. Additionally, to address global environmental awareness and actively promote energy transition, we plan to install additional solar photovoltaic equipment with an expected investment of approximately NT\$80,000 thousand. As of December 31, 2024, NT\$563,620 thousand has already been invested.

Investment Project Funding Sources and Schedule:

Investment Project	Funding Source	Expected Completion Date	Total Estimated Funding Required	Actual Fund Utilization	
				2024	2023
Investment Acceleration Action Plan for Companies Remaining in Taiwan	Internal Capital or Bank Financing	December 2025	1,559,667	259,329	662,928
Cutting Plant Expansion and Energy Transition	Internal Capital or Bank Financing	December 2027	991,000	563,620	-

(II) Given the Company's stable profitability in recent years, ample liquidity in its operating funds, and good relationships with financial institutions, the above significant capital expenditures are not expected to have any impact on the company's financial operations.

V. Reinvestment Policies of the Most Recent Year, Main Reasons for Investment Gains or Losses, Improvement Plans, and Investment Plans of the Upcoming Year:

- (I) Recent year investment amount exceeding 5% of paid-in capital for re-investment: None.
- (II) Expected investment amount exceeding 5% of paid-in capital for re-investment within the next year: None.

VI. Risk Analysis and Assessment in the Most Recent Year up to the Date of Publication of This Annual Report

- (I) Impact of changes in interest rates, foreign exchange rates, and inflation on the Company's profits or losses and future response measures:

Unit: NT\$ thousand

Item	2024	Q1 2025
Financial costs	58,424	Not Applicable
Exchange (loss) gain	15,547	

- The Company regularly assesses bank loan interest rates and maintains close communication with banks to secure more favorable borrowing rates. A 1% increase (decrease) in the average borrowing interest rate will affect the Company's pre-tax profit by an increase (decrease) of NT\$30,083 thousands.
- The Company has established clear strategies and control procedures for foreign exchange operations. Derivative transactions are conducted solely for hedging purposes, aiming to mitigate exchange rate risks in operations and fund allocation, thus minimizing exchange losses. Additionally, given the simultaneous import and export transactions, proceeds from USD sales are used to settle USD purchases for raw materials, effectively reducing the impact of exchange losses.

- (II) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:
1. The Company does not engage in high-risk, high-leverage investments, lending funds to others, or endorsing guarantees.
 2. The Company conducts derivative transactions solely for hedging purposes, aiming to mitigate exchange rate risks in operations and fund allocation. All transactions are controlled and audited in accordance with the Company's "Acquisition or Disposal of Assets Handling Procedures," thus having no significant adverse impact on the Company.
- (III) Future research and development plans and projected R&D expenses:
1. Future research and development projects include:
 - (1) Using handheld XRF component analyzers to analyze the composition of special steel scrap, preventing scrap containing harmful elements such as tin and copper from entering the furnace for smelting.
 - (2) Adjusting the most appropriate refractory material for the electric furnace PTI water tank gap according to slag conditions to prevent slag leakage through the water tank gap.
 - (3) Testing the optimal TSM sampling tubes for the electric furnace to improve sampling success rates, thereby shortening the time required for process composition adjustments and saving electricity.
 - (4) Increasing the number of continuous casting runs for all SBQ steel grades to 15 or more.
 - (5) After modifying the scrap steel containers, the scrap iron filling volume has increased to 110 m³.
 - (6) When producing general steel, the average casting speed has been increased from 2.43 m/min to 2.90 m/min, improving production efficiency and reducing electricity consumption and carbon emissions.
 - (7) Improving the heating capacity of the heating furnace from 85 tons/hour to 100 tons/hour.
 - (8) Correcting the temperature rise and fall curves of the heating furnace, continuing research to reduce natural gas consumption.
 - (9) Modifying the rolling line by changing rolling mill equipment and modes to reduce size change over time, increasing capacity and reducing electricity/gas consumption during standby periods.
 - (10) Modifying and designing cooling equipment to continuously stabilize the length of the rebar yield plateau and avoid surface scratches on special steel.
 - (11) Researching and modifying cutting blade control parameters for more accurate cutting lengths, increasing capacity and improving process rates.
 2. Estimated R&D expenditure is approximately NT\$30,000 thousands.
- (IV) Impact and response measures to significant policy and legal changes domestically and internationally: None.
- (V) Impact and response measures to technological changes and industry shifts on the Company's financial operations: None.
- (VI) Impact of changes in corporate image on crisis management and response measures: None.

- (VII) Expected benefits and potential risks of mergers and acquisitions: None.
- (VIII) Expected benefits and potential risks of expanding factory facilities: None.
- (IX) Risks of concentrated sources of sales or purchases: The Company's purchasing suppliers or sales customers are diversified, and it maintains good relationships with sales customers or suppliers over the long term. Therefore, there are no significant risks associated with concentrated purchasing or sales.
- (X) Impact and risks relating to major equity transfer or exchange events involving Directors, Supervisors, or major shareholders holding more than 10% of the Company's shares: None.
- (XI) Impact and risks relating to changes in ownership: None.
- (XII) For litigations or non-litigations:
 - 1. Company has no litigation, non-litigation, or administrative disputes that have been finally adjudicated or are currently pending as of the date of the annual report, and whose outcomes may have a significant impact on shareholder equity or securities prices.
 - 2. There are no litigation, non-litigation, or administrative disputes involving directors, supervisors, general managers, major shareholders with a shareholding of 10% or more, and subsidiary companies, which have been finally adjudicated or are currently pending in the most recent fiscal year and as of the date of the annual report, and whose outcomes may have a significant impact on shareholder equity or securities prices.
- (XIII) Other significant risks: None.

VII. Other significant risks: None.

Six. Special Disclosure

- I. Affiliated Companies: None.
- II. Private placements of securities during the most recent fiscal year and up to the date of publication of the annual report: None.
- III. Other Matters that Require Additional Description: None.

Seven. Other Material Impact Matters

- I. Matters that have significant impact on shareholders' rights or securities prices as set out in Article 36 (3) of Article 36 of the Securities Transaction in the recent year and to the date of publication of the annual report: None.

Wei Chih Steel Industrial Co., Ltd.

Chairman: Kuo, Su-Hui