Stock Code：2029

Sheng Yu Steel Co., Ltd.

Annual Report 2024

(Translation)

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Taiwan Stock Exchange Market Observation Post System：https://mops.twse.com.tw

Sheng Yu Steel Co., Ltd. Annual Report is available at http://www.shengyusteel.com

Printed on April 15, 2025

I. Spokesperson and Deputy Spokesperson

	Name	Title	TEL	E-mail
Spokesperson	Shih-Chiang Hung	President	886-7-871-8111	sc_hung@shengyusteel.com
Deputy Spokesperson	Ming-Hung Wu	General Manager of New Business Development Division	886-7-871-5433	w_wu@shengyusteel.com
Deputy Spokesperson	Jing-Si Chen	Deputy General Manager of Finance & Accounting Division	886-7-871-9000 Ext.120	cs_chen@shengyusteel.com

II. Address & Telephone Numbers

1. Headquarter
   Address：No.11, Chung Lin Rd., Hsiao Kang, Kaohsiung, 81260 Taiwan, R.O.C.
   Tel：886-7-871-9000
2. Factory
   Address：No.11, Chung Lin Rd., Hsiao Kang, Kaohsiung, 81260 Taiwan, R.O.C.
   Tel：886-7-871-9000

III. Stock Transfer Agency

Name：Stock Transfer Agency Department of Taishin Securities Co., Ltd.
Address：B1, No.96, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)
Website：https://www.tssco.com.tw/
Tel：886-2-2504-8125

IV. The CPAs for the Latest Financial Report

Name of CPAs：Xiu-Wen Chen, Lee-Yuan Kuo
Accounting Firm：Deloitte & Touche
Address：3F, ChinaSteel Building No.88 Chenggong 2nd Rd. Qianzhen Dist. Kaohsiung , Taiwan (R.O.C.)
Website：http://www.deloitte.com.tw
Tel：886-7-530-1888

V. Offshore Securities：None

VI. Company website：http://www.shengyusteel.com

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I. Letter to Shareholders

A. Operating results of 2024

2024 was a year of myriad challenges for governments and enterprises worldwide: the Russia-Ukraine war and the Palestine conflict showed no end in sight; developed economies kept interest rates elevated to counter inflation; protectionist measures expanded; and the drive toward carbon neutrality accelerated. In Taiwan, traditional-industry export recovery remained sluggish and global geopolitical risks intensified; yet, buoyed by artificial-intelligence exports, expanded private-sector investment and steady consumer demand, economic growth outpaced expectations.

Steel-industry demand has yet to recover, and China’s overcapacity persists. Although market deterioration continued at a slow pace, unresolved issues—namely inflationary pressures and maritime-transport instability caused by protracted conflicts—make next year’s and beyond’s market trends difficult to forecast.

The Company has periodically adjusted sales prices in line with steel-market dynamics to ensure targeted profit margins. Domestically, we have aggressively promoted new applications—primarily galvanized products—to expand our market share, thereby maintaining and even increasing sales volumes despite a contracting home market. In Asia’s export markets, we held volumes steady amid intensifying price competition; in North America, despite ongoing U.S. protectionist policies, we grew sales by strengthening customer relationships and reassessing pricing. Under these conditions, fiscal-year 2024 revenues reached NT$13,691 million (up NT$1,302 million year-on-year), operating profit was NT$625 million (down NT$124 million), and net profit after tax was NT$590 million (down NT$41 million).

Looking to 2025, with President Trump’s inauguration in the U.S., trade-protection measures are expected to expand further; the timing and magnitude of policy-rate cuts by other economies remain uncertain; conflicts persist across regions; and costs associated with carbon-neutral initiatives are projected to rise. Our market environment will therefore remain challenging. In response, we will continuously enhance the quality of our coil-coated steel sheets and strengthen our brand equity, introduce cutting-edge technologies and drive digital transformation, target overseas markets demanding premium performance, and deepen customer engagement—so as to secure margins regardless of market volatility. Meanwhile, China’s Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd., though challenged by a sluggish real-estate sector and industry overcapacity, has begun to register sales-volume growth; we, together with our parent company, will continue to provide full support.

We'd like to take this opportunity to offer our heartfelt appreciation to all shareholders for the prolonged support and encouragement. We earnestly hope that all our shareholders will continually support us in the days and years ahead.

(1). The Implementation of the 2024 Business Plan

Unit：NT$ thousands

Item	2024
Operating revenues	13,690,701
Operating costs	12,376,090
Gross profit	1,314,611
Total operating expenses	689,460
Profit from operations	625,151
Net non-operating income and expenses	109,653
Profit before income tax	734,804

(2). Consolidated Profitability Analysis

Unit：NT$ thousands;%

Item		2024	2023
Net cash generated from (used in) operating activities		397,816	1,226,923
Equity Ratio (%)		89.3	91.8
Financial structure	Debt ratio (%)	10.7	8.2
	Ratio of long-term capital to property, plant and equipment (%)	439.2	463.0
Solvency	Current ratio (%)	721.9	968.4
	Quick ratio (%)	521.2	730.8
	Interest earned ratio (times)	214.4	241.3
Profitability	Return on total assets (%)	5.3	5.9
	Return on stockholders' equity (%)	5.8	6.4
	Pre-tax income to paid-in capital (%)	22.9	24.6
	Profit ratio (%)	4.3	5.1
	Earnings per share (NT$)	1.81	1.95
Issued Shares		321,180,000	321,180,000

(3). Research and Development Status

Items satisfactorily completed：

(1) Development and Mass Production of Low-Temperature Bake-Cured Coil-Coated Steel Sheet
The low-temperature bake-cured coil-coated steel sheet is engineered to target a coating bake temperature below 200 ℃, reducing natural-gas energy consumption in the production process by over 10 % and significantly lowering CO_2-equivalent emissions. This material offers excellent decarbonization performance and is ideally suited for a wide range of applications—most notably as roofing panels and other exterior building components.

(2) Development of Copper-Sulfide-Patterned Coil-Coated Steel Sheet
The copper-sulfide-pattern coil-coated steel sheet leverages the differing cross-linking and curing kinetics of its coating formulation to create a crystalline, three-dimensional textured surface. This unique finish delivers exceptional formability and outstanding chemical-resistance performance, making it ideal for use in architectural cladding, appliance housings, and other applications requiring both decorative appeal and functional durability.

(3) Development of Bio-Based Eco-Friendly Coil-Coated Steel Sheet
The bio-based eco-friendly coil-coated steel sheet employs an environmentally benign coating in which a portion of the petrochemical-derived resins is replaced by renewable bio-based polymers. This substitution reduces carbon emissions during the manufacturing process, yielding a low-carbon, eco-friendly finish. The material is ideally suited for sustainable building panels and other green construction applications.

(4) Development and Mass Production of Matte-Finish Coil-Coated Steel Sheet for Home Appliances
The coil-coated steel sheet features a semi-matte, lustrous-black metallic finish, combined with outstanding chemical-resistance and high formability. It is employed as the exterior housing for the latest Japanese front-loading washing-machine models.

Items undertaken：

(1) Development of waterborne coil-coated steel sheet
(2) Development of printed-pattern coil-coated steel sheet (“Deep Rock” motif)
(3) Development of high-design, weather-resistant, warranty-backed coil-coated steel sheet
(4) Development of fluorine-modified, high-durability, weather-resistant coil-coated steel sheet

B. Business Plan for 2025

(1).Business Objectives

1. Further strengthen safety awareness and education, and thoroughly understand work procedures.
2. Continuously shift employee mindset and deepen corporate culture.
3. Enhance talent cultivation, implement generational succession plans, and create a pleasant work environment.
4. Promote digital transformation to improve efficiency and reduce costs.
5. Strengthen corporate governance and sustainable development.

(2) Sales Forecast and the Basis Thereof

Unit：Thousand tons

Major products	Annual expected sales volume
Galvanized steel coils	266
Prepainted steel coils	142
Total	408

Basis：Production planning and actual sales experience, excluding processing service and other products.

(3) Important Production and Sales Policies

1. Increase market share and enhance brand influence through expanding sales channels and conducting public relations activities.
2. Cultivate new markets, develop new products, and deepen cooperation with business partners to meet societal needs.
3. Promote digital transformation, improve efficiency and cost-effectiveness, and establish environmentally friendly manufacturing processes.

C. Development Strategies

Although the domestic steel market has seen moderate fluctuations in recent years, steel prices remain conservative due to global uncertainties. Geopolitical tensions, the growing impact of climate issues, and ongoing regional conflicts, combined with the United States’ imposition of high tariffs and the rapid rise of global trade barriers, have led to an anti-globalization and anti-liberalization atmosphere. As international conditions remain volatile, the Company must respond prudently. Going forward, the Company aims to maintain profitability through flexible volume and price adjustments, while continuously improving product quality, delivery timelines, and customer service to enhance customer satisfaction. The Company will also actively expand domestic and overseas distribution and user channels to increase revenue scale and market share.

In terms of domestic sales, the Company is actively promoting specialized steel products such as high-coating, highly corrosion-resistant AZ300 solar panel supports and low-carbon, eco-friendly pre-painted products. By utilizing various new media marketing strategies, the Company seeks to raise the Sheng Yu Steel brand’s recognition and market penetration, strengthen relationships with downstream customers, stabilize sales volume, and solidify the Company’s market share in pull-forming pre-painted steel and domestic coated construction materials to boost profitability. In terms of exports, the Company plans to use cost-competitive raw materials to expand production volume and increase production line utilization. Additionally, it will promote niche products targeting high-end quality application markets, actively developing sales channels in the United States and Europe, and expanding distribution networks through supply chain collaboration.

Moreover, the Company places great importance on talent development and is committed to creating a high-quality and friendly workplace environment. The Company enriches career development training programs, enhances employee welfare to attract talent, and continuously fosters a mindset for reform. By promoting digital transformation and optimizing operational processes, the Company aims to strengthen business resilience and deepen its culture of responsibility through intelligent succession planning, thus achieving the vision of sustainable corporate development.

D. The Effect of External Competition, the Legal Environment, and the Overall Business Environment

The rise of tariff and trade wars, ongoing global inflation concerns, and the potential slowdown in interest rate cuts by banks in Europe and the U.S. may delay overall investment demand. Uncertainty remains in post-war developments following the Russia-Ukraine peace negotiations, NATO's self-defense posture in Europe, and the unresolved ceasefire between Israel and Hamas. Although the implementation of the EU's CBAM (Carbon Border Adjustment Mechanism) has been postponed, domestic electricity price hikes, carbon fee imposition, and the government's acceleration of net-zero carbon initiatives have made the market environment even more complex. In addition to anti-dumping duties, the U.S. has launched multiple trade protection measures, including tariffs on imports from Canada and Mexico, punitive tariffs on Chinese goods, and secondary sanctions on countries purchasing Venezuelan crude oil. These changes have led to significant shifts in export markets in the U.S. and Canada. Despite efforts by the Chinese government to stabilize its real estate market, no signs of recovery have emerged, and excess production capacity continues to spill over. Meanwhile, price competition remains fierce in Europe, Southeast Asia, and Australia, resulting in slow growth in export orders. The Company has already adjusted its strategy to actively prepare and respond to these challenges.

From a long-term perspective, the U.S.-China trade war has extended into global tariff and trade protection measures, leading to international strategic and supply chain restructuring. Industrial regionalization, climate change adaptation, energy and transportation strategies, and localized procurement and plant expansion are expected to remain key focus areas for business development in the future.

In light of this, the Company stays attuned to the rapidly changing market environment, analyzes demand and supply trends, and continues to respond with flexibility and timely execution to adapt to external changes, aiming to achieve stable and sustainable profitability.

Chairman：Koichi Tarumiya President：Shih-Chiang Hung Accounting Manager：Pei-Yu Kuo

II. Corporate Governance Report

A. Information on directors, president, vice president, assistant vice president, and managers of all the company's divisions and branch units

(1). Directors

Information of directors -1

2025/04/15

Title	Nationality/ Country of Origin	Name	Gender/ Age	Date elected	Term (Years)	First Election Date	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	Japan Japan	Yodogawa Steel Works Ltd. Representative：Koichi Tarumiya (Note 1)	Male 57	2023.06.16	3	1993.06.18	167,446,855 N/A	52.1349%	204,181,843 0	63.5724% 0.0000%	–	–	–	–	Graduated from Business Management of Business Administration, Kyoto Sangyo University	1. CEO of the company (Note 5) 2. Chairman of Yodoko International Ltd. 3. Director of Yodoko International (HK) Ltd.	None	None	None
Director	Japan R.O.C.	Yodogawa Steel Works Ltd. Representative：Shih-Chiang Hung	Male 63	2023.06.16	3	1993.06.18	167,446,855 N/A	52.1349%	204,181,843 8,715	63.5724% 0.0027%	1,591	0.0005%	–	–	1. Department of Mold and Die Engineering, National Kaohsiung University of Applied Sciences 2. Supervisor of cold-rolling plant and galvanizing plant at Sysco, G.Manger of Operations Division, A.V.P. of Oper.& Eng. Grand Division Concurrently serving as G.Manager of Engineering Division and V.P. of Enterprise Services Grand Division of the Company 3. Minister of Operations Division at Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd.	1. Present of the company 2. Director of Yodoko International Ltd. 3. Vice Chairman of Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd. 4. Director of Sheng-Shing Worldwide Corp.	None	None	None
Director	Japan R.O.C.	Yodogawa Steel Works Ltd. Representative：Tung-Chih Lin	Male 61	2023.06.16	3	1993.06.18	167,446,855 N/A	52.1349%	204,181,843 0	63.5724% 0.0000%	–	–	–	–	1. MBA, National Sun Yat-Sen University 2 .Engineer of Production Planning Dept.,Sales Representative of Plated domestic sales Dept.,Manager of Raw Material Dept.,G.Manager of Raw Material Division,AVP of Raw Material Grand Division of the Company	1.V.P. of Marketing Grand Division of the company 2. Director of Sheng-Shing Worldwide Corp. 3. Director & President of Sheng-Yu Trading (Dongguan) Corp. 4. Director & President of Yodoko International Ltd. 5. Director of Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd.	None	None	None
Director	Japan Japan	Yodogawa Steel Works Ltd. Representative：Tetsuhiro Yamamoto (Note 2)	Male 50	2023.06.16	3	1993.06.18	167,446,855 N/A	52.1349%	204,181,843 0	63.5724% 0.0000%	–	–	–	–	Graduated from English subject of Faculty of Foreign Studies, Dokkyo University	1. Business Headquarters, 1st Business Division and Export Group Leader of Tokyo branch, Yodogawa Steel Works Ltd. 2. Director of Yodoko International Ltd.	None	None	None
Director	Japan Japan	Toyota Tsusho Corp. Representative：Hidekazu Sugahara (Note 3)	Male 52	2023.06.16	3	2001.06.15	36,734,988 N/A	11.4375%	0 0	0.0000% 0.0000%	–	–	–	–	School of Economics and Management, Kobe University of Commerce.	1. Minister of Metal Products Division, Toyota Tsusho Corp. 2. Director of Yodoko International Ltd. 3. TECHNO STEEL PROCESSING TURKEY CELIK BUKME VE ISLEME SANAYI VE TICARET A. S. Director 4. Techno Steel Processing De Mexico S.A. de C.V. Director 5. TOYOTA TSUSHO PROCESSING DE MEXICO Director 6. MARUICHI PHILIPPINES STEEL TUBE INC. Director 7. Maruichimex, S.A. de C.V. Director	None	None	None
Director	Japan Japan	Fujiden International Corporation Representative：Hideaki Arashima (Note 4)	Male 63	2023.06.16	3	1994.06.17	3,370,195 N/A	1.0493%	3,370,195 0	1.0493% 0.0000%	–	–	–	–	Graduated from Faculty of Foreign Studies, Kyoto Sangyo University	1. Director and Asia coordinating minister of Fujiden International Corporation 2. President of Fujiden International Asia Co., Ltd. 3. Director of Yodoko International Ltd.	None	None	None
Director	R.O.C. R.O.C.	Yung Chi Paint & Varnish Mfg. Co., Ltd. Representative：Te-Hsiung Chang	Male 74	2023.06.16	3	1994.06.17	3,668,477 N/A	1.1422%	3,668,477 0	1.1422% 0.0000%	–	–	–	–	Master of management from Cheng Shiu University/ Lecturer at Cheng Shiu University	1. Jyeyou Industrial Co. chairman 2. Yongying Investment Co. supervisor 3. Sanxiangmin Ltd. supervisor 4. Yongxiang Investment Co. director 5. Zhaoxing Enterprise Co. director 6. Chairman of Yung Chi Paint & Varnish (Vietnam) Co. 7.Chairman of Emass Investment International Co., Ltd 8. Director of Yung Chi America Corp 9. Director of Continental Coatings,INC.	None	None	None
Independent Director	R.O.C.	Ying-Fang Huang	Male 71	2023.06.16	3	2017.06.15	0	0.0000%	0	0.0000%	–	–	–	–	1. Bachelor of mechanical engineering at National Cheng Kung University 2. Master of Business Administration at National Chung Hsing University 3. PhD in quality management at University of Paisley (now University of the West of Scotland) 4. Associate professor of National Kaohsiung University of Applied Sciences (KUAS) and head of the industrial and regional development center 5. Professor of KUAS and head of industrial engineering and management 6. Professor of KUAS and special assistant to president 7. Professor of KUAS and dean of school affairs at KUAS Yanchao Campus 8. President of Fortune Institute of Technology 9. Professor of National Kaohsiung University of Science and Technology	1. Convener of the Company's Remuneration Committee 2. Independent director & Member of the Remuneration Committee of Fu Chun Shin Machinery Manufacture Co., Ltd.	None	None	None
Independent Director	R.O.C.	Simon C. S. Liu	Male 71	2023.06.16	3	2017.06.15	0	0.0000%	0	0.0000%	–	–	–	–	1. Bachelor of Law at Soochow University 2. Consultant of Lee and Li Attorneys-at-Law 3. Legal adviser of the Kaohsiung Chamber of Industry	1. Adviser of Yuh Yow Fishery Co., Ltd. 2. Member of the Remuneration Committee of the Company	None	None	None
Independent Director	R.O.C.	Fang-Yih Hsu	Male 58	2023.06.16	3	2017.06.15	0	0.0000%	0	0.0000%	–	–	–	–	1. Graduated from Department of Accounting, National Chung Hsing University 2. Master (EMBA) in High-Level Business Management of National Sun Yat-Sen University 3. Senior Manager of Deloitte Touche Tohmatsu International Taiwan 4. Successful in the National Higher Examinations (Financial Specialists), Higher National Examination for Professional Occupations (Certified Public Accountants), National General Examination for Professional Occupations (Accounting Officers).	Member of the Sustainable Development Committee of the Company	None	None	None
Independent Director	R.O.C.	Lian-Hwei Hsu	Female 62	2023.06.16	3	2023.06.16	0	0.0000%	0	0.0000%	–	–	–	–	1. Bachelor of Laws at National Chengchi University 2. Master of Laws at Southern Methodist University 3. Pass New York State Attorney License exam 4. Adviser of Baker & McKenzie 5. Legal Manager of Hon Hai Precision Industry Co., Ltd. 6. Supervisor of Pan-International Industrial Corp., 7. Legal Manager of Pou Chen Corporation 8. Chief Legal Officer of JCET Group Co., Ltd.	Member of the Sustainable Development Committee of the Company	None	None	None

Note 1：Yodogawa Steel Works Ltd. reappointed its representative on Apr. 1, 2024 ; previous：Shohei Kozaki
Note 2：Yodogawa Steel Works Ltd. reappointed its representative on Jun. 17, 2024 ; previous：Soichi Kitamura
Note 3：On March 24, 2025, the institutional director of our company, Toyota Tsusho Corporation, was automatically dismissed due to the transfer of shares exceeding one half of the number of company shares held at the time of election.
Note 4：Fujiden International Corporation reappointed its representative on Apr. 1, 2024 ; previous：Ryuichi Yoshida
Note 5：Chairman and CEO are the same person the reason is that the company is streamlined, the nature of the business is simple, and the unified powers are more efficient. The chairman assumes the role of CEO and has operational benefits. Countermeasures: Strengthen various supervisory mechanisms such as board functions, information transparency and internal control. In the 2023 re-election, the number of independent director seats was increased to 4, and with more than half of the directors not concurrently serving as employees or managers.

Table1：Major shareholders of the institutional shareholders

2025/03/31

Name of Institutional Shareholders	Major Shareholders	%
Yodogawa Steel Works Ltd.	The Master Trust Bank of Japan, Ltd.	7.26%
	INTERTRUST TRUSTEES (CAYMAN) LIMITED SOLELY IN ITS CAPACITY AS TRUSTEE OF JAPAN－UP	3.93%
	INTERTRUST TRUSTEES CAYMAN LIMITED AS TRUSTEE OF JAPAN－UP UNIT TRUST	3.36%
	Resona Bank, Limited	3.36%
	Mizuho Bank, Ltd.	3.34%
	Yodoko Parners' Shareholding Association	3.33%
	OHGI SHOKAI CO.,LTD.	2.67%
	STATE STREET BANK AND TRUST COMPANY 505001	2.01%
	Custody Bank of Japan, Ltd.	1.98%
	HANWA CO., Ltd.	1.97%
Toyota Tsusho Corp.	Toyota Motor Corporation	21.56%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	14.40%
	Toyota Industries Corporation	11.11%
	Custody Bank of Japan, Ltd.(Trust Account)	5.96%
	MUFG Bank	2.28%
	JPMorgan Securities Japan Co., Ltd.	1.24%
	Mitsui Sumitomo Insurance Company, Limited	1.20%
	STATE STREET BANK WEST CLIENT － TREATY 505234	1.18%
	STATE STREET BANK AND TRUST COMPANY 505001	1.02%
	Kochi Shinkin Bank	0.92%
Fujiden International Corporation	Yodogawa Steel Works Ltd.	33.00%
	Ryuichi Yoshida	20.50%
	Mitsunori Yoshida	11.00%
	Hideaki Arashima	10.00%
	Yuko Onishi	8.00%

2025/04/15

Name of Institutional Shareholders	Major Shareholders	%
Yung Chi Paint & Varnish Mfg. Co., Ltd.	Yong Ying Investment Co., Ltd.	22.65%
	Te-Hsiung Chang	7.56%
	Citibank (Taiwan) Limited in custody for Yuanta Securities Co., Ltd. - Customer Investment account	7.51%
	Te-Jen Chang	7.12%
	Te-Sheng Chang	6.40%
	Xiang-hui Huang	5.76%
	Ping-Lin Kuo	4.45%
	Sanxiangmin Co., Ltd.	2.16%
	De-Ming Chang in custody for the Trust Account managed by Yu-Ren Du.	2.10%
	Shu-Li Chang	1.84%

Table2：Major Shareholders of Institutional Shareholders mentioned in Table1

2025/04/15

Name of Institutional Shareholders	Major Shareholders	%
Yong Ying Investment Co., Ltd.	Yongtai Venture Capital Co., Ltd.	16.67%
	Libao Holdings Co., Ltd.	16.67%
	Te-Hsiung Chang	13.33%
	Te-Sheng Chang	13.33%
	Te-Hsien Chang	13.33%
	Te-Jen Chang	13.30%

Information of directors -2

a. Disclosure of Information on professional qualifications of the company's directors and independence of the independent directors：

2025/04/15

Qualifications / Name	Professional qualifications and experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Chairman Koichi Tarumiya	**Education** Graduated from Business Management of Business Administration, Kyoto Sangyo University **Professional qualifications** Experience in business management **Experience** 1. Leader of 1st Business Division Tokyo branch of Yodogawa Steel Works, Ltd. 2.Representative director and Executive director of KEIYO TEKKO FUTO, LTD.	Not applicable	0
Director Shih-Chiang Hung	**Education** Department of Mold and Die Engineering,National Kaohsiung University of Applied Sciences **Professional qualifications** Product, manufacturing, and business management **Experience** 1. Supervisor of cold-rolling plant and galvanizing plant at Sysco, G.Manger of Operations Division, A.V.P. of Oper.& Eng. Grand Division Concurrently serving as G.Manager of Engineering Division and V.P. of Enterprise Services Grand Division of the Company 2. Minister of Operations Division at Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd.	Not applicable	0
Director Tung-Chih Lin	**Education** MBA, National Sun Yat-Sen University **Professional qualifications** Business management and marketing expertise **Experience** Engineer of Production Planning Dept.,Sales Representative of Plated domestic sales Dept.,Manager of Raw Material Dept.,G.Manager of Raw Material Division,AVP of Raw Material Grand Division of the Company	Not applicable	0
Director Tetsuhiro Yamamoto	**Education** Graduated from English subject of Faculty of Foreign Studies, Dokkyo University **Professional qualifications** Experience in business management **Experience** 1.Sales ＆ BOI General Manager of PCM PROCESSING(THAILAND) LTD. 2. Business Headquarters, 1st Business Division and Export Group Leader of Tokyo branch, Yodogawa Steel Works Ltd.	Not applicable	0

Qualifications / Name	Professional qualifications and experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Director Hideaki Arashima	**Education** Graduated from Faculty of Foreign Studies, Kyoto Sangyo University **Professional qualifications** Experience in business management **Experience** 1. Director and Asia coordinating minister of Fujiden International Corporation 2. President of Fujiden International Asia Co., Ltd.	Not applicable	0
Director Te-Hsiung Chang	**Education** Master of management from Cheng Shiu University **Professional qualifications** Management science, university lecturer and business management **Experience** 1. Jyeyou Industrial Co. chairman 2. Yongying Investment Co. supervisor 3. Sanxiangmin Ltd. supervisor 4. Yongxiang Investment Co. director 5. Zhaoxing Enterprise Co. director 6. Chairman of Yung Chi Paint & Varnish (Vietnam) Co. 7.Chairman of Emass Investment International Co., Ltd 8. Director of Yung Chi America Corp 9. Director of Continental Coatings,INC.	Not applicable	0
Independent Director Ying-Fang Huang	**Education** 1. Bachelor of mechanical engineering at National Cheng Kung University 2. Master of Business Administration at National Chung Hsing University 3. PhD in quality management at University of Paisley (now University of the West of Scotland) **Professional qualifications** Mechanical, business management, quality management expertise, etc. **Experience** 1. Served as the chairman, professor and president of several universities. 2. Independent director and a member of the Compensation Committee of FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD.	The independence requirements were verified in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	1
Independent Director Simon C. S. Liu	**Education** Bachelor of Law at Soochow University **Professional qualifications** Legal expertise **Experience** 1. Served as a consultant of Lee and Li Attorneys-at-Law 2. Legal advisor of Kaohsiung Chamber Of Industry 3. Serves as an advisor of Yuh Yow Fishery Co., Ltd.	The independence requirements were verified in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	0

Qualifications / Name	Professional qualifications and experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Independent Director Fang-Yih Hsu	**Education** 1. Graduated from Department of Accounting, National Chung Hsing University 2. Master (EMBA) in High-Level Business Management of National Sun Yat-Sen University **Professional qualifications** Qualified in the Civil Service Senior Examination (Financial Officer), Senior Professional and Technical Examination (CPA), and Junior Professional and Technical Examination (Bookkeeper), accounting or finance expertise **Experience** 1. Served as an Assistant Vice President of the Deloitte & Touche 2. Independent director and member of the Compensation Committee of KING SLIDE WORKS CO., LTD.	The independence requirements were verified in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	0
Independent Director Lian-Hwei Hsu	**Education** 1. Bachelor of Laws at National Chengchi University 2. Master of Laws at Southern Methodist University **Professional qualifications** Legal expertise, Pass New York State Attorney License exam **Experience** 1. Adviser of Baker & McKenzie 2. Legal Manager of Hon Hai Precision Industry Co., Ltd. 3. Supervisor of Pan-International Industrial Corp., 4. Legal Manager of Pou Chen Corporation 5. Chief Legal Officer of JCET Group Co., Ltd.	The independence requirements were verified in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	0

Note：None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.

b. The diversity policy and status of independence of the board of directors：

(a)The diversity policy：

All directors of the Company shall be elected by a nomination system, and the selection criteria shall not be limited to gender, age, race and nationality, and shall be in accordance with the requirements of the Company's diversified development. The Company's Board of Directors shall be structured in accordance with the Company's Articles of Incorporation to determine the appropriate director seats, taking into account the scale of the Company's operations and the shareholdings of its major shareholders, and taking into account practical operational needs.

The Company has established a "Corporate Governance Best Practice Principles", which stipulates that the composition of the Company's board of directors should take into account diversity. In addition to the fact that the number of directors who are also managers of the Company should not exceed one-third of the total number of directors, the Company should also set appropriate diversity guidelines for its operation, business model and development needs, including but not limited to the following two major criteria：

① Basic requirements and values: Gender, age, nationality, and culture.

② Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities：

① Ability to make operational judgments.
② Ability to perform accounting and financial analysis.
③ Ability to conduct management administration.
④ Ability to conduct crisis management.
⑤ Knowledge of the industry.
⑥ An international market perspective.
⑦ Ability to lead.
⑧ Ability to make policy decisions.

The Company's current Board of Directors consists of 10 directors, including 4 independent directors, with extensive experience and expertise in finance, accounting, taxation, legal affairs, and industrial management. The percentage of the directors who are employees of the Company is 30% and the percentage of independent directors who are employees of the Company is 40%. The term of office of the one independent directors ranges under 3 years and three independent directors ranges from 3 to 9 years, three of the directors is aged 70 to 79 and four of the directors are aged 60 to 69 and three are aged 50 to 59. The Company has begun to focus on gender equality in the composition of the Board of Directors, and the current percentage of female directors is 10%. It is expected that further increase the proportion of female directors will be elected in the next Directors' re-election to achieve the goal of gender equality and diversity.

The specific management objectives of the future diversity policy and the status of achievement：

Items	Management Objectives	The Status of Accomplishment
1	Next re-election is held, further increase female Directors on the BOD	Not yet
2	Next re-election is held, Number of single juristic person directors is less than 1/3 (inclusive) of the BOD	Not yet
3	Next re-election is held, The consecutive term for more than half of the independent directors shall not exceed three terms.	Not yet

Implementation of the diversity of board members：

Title	Name	Basic requirements and values					Other position	Term of office of independent directors		Professional knowledge and skills					The board of directors shall possess the following abilities							
		Gender	Nationality/ Country of Origin	age				Less than 3years	3~9 years	law	accounting	industry	finance	marketing or leadership	Operational judgments	Accounting and financial analysis	Management administration	Crisis management	Knowledge of the industry	An international market perspective	Leadership	Policy decisions
				50~ 59	60~ 69	70~ 79																
Chairman	Koichi Tarumiya	Male	Japan	V			V					V		V	V		V		V			V
Director	Shih-Chiang Hung	Male	R.O.C.		V		V					V		V	V	V	V	V	V	V	V	V
Director	Tung-Chih Lin	Male	R.O.C.		V		V					V		V	V		V	V	V	V	V	V
Director	Tetsuhiro Yamamoto	Male	Japan	V								V		V					V	V		
Director	Hideaki Arashima	Male	Japan		V									V	V		V		V	V		
Director	Te-Hsiung Chang	Male	R.O.C.			V						V		V	V		V	V	V	V	V	V
Independent Director	Ying-Fang Huang	Male	R.O.C.			V			V				V	V	V	V	V	V	V	V	V	V
Independent Director	Simon C. S. Liu	Male	R.O.C.			V			V	V					V	V	V	V	V	V	V	V
Independent Director	Fang-Yih Hsu	Male	R.O.C.	V					V		V		V		V	V	V	V	V	V	V	V
Independent Director	Lian-Hwei Hsu	Female	R.O.C.		V			V		V		V		V	V		V	V	V	V	V	V

Diverse background of directors (including independent directors)：

The Board of Directors is composed of Taiwanese and Japanese bicultural talents, three of whom are also employees of the Company. The remaining directors (including independent directors) are all outside professionals, including eight professionals in industrial business management and marketing management, one professional in finance and accounting, two university professors or lecturers, and two professional in legal counsel.

Age：There is three directors (including independent directors) over the age of 70, four directors over the age of 60 and under the age of 70, and three directors over the age of 50 and under the age of 60, all of whom are male.

Gender：1 female, 9 male.

(b) **The status of independence：**

①Structure of the Board of Directors：

The current board of directors consists of four independent directors (40%) and six non-independent directors (60%), three of whom are employees/managers (30%, not more than one-third of all directors), there are 4 seats for single juristic person directors (40%, more than one-third (inclusive) of all directors),none of whom are related to each other as spouses or second degree relatives, comply with the provisions of paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

②Independence of the Board of Directors：

The Board of Directors of the Company exercises its authority in accordance with laws, regulations, the Company’s Articles of Incorporation or resolutions of the shareholders’ meeting.

The Board of Directors emphasizes the function of independent operation and transparency, and the directors and independent directors are independent individuals who exercise their duties and responsibilities independently.

The independent directors also comply with the relevant laws and regulations and review the Company’s financial reports, risk management and internal control system within the terms of reference of the Audit Committee to ensure the effective implementation of the Company. In addition, the Company adopts a cumulative voting system and a candidate nomination system for the election of directors and independent directors.

The Company has established a performance evaluation system for the Board of Directors and performs an internal self-evaluation of the Board of Directors, a self-evaluation of the Board members and a self-evaluation of the Functional Committees once a year.

An evaluation shall be carried out at least once every three years by an external professional independent agency or a team of external experts and scholars.

The performance evaluation report of the Board of Directors and external performance evaluation report of the Board of Directors is published in the Company’s annual report and website after it is submitted to the Board of Directors.

(2). Information on President, Vice President, Assistant Vice President, and managers of all the company's divisions and branch units

2025/04/15

Title	Nationality/ Country of Origin	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
CEO (Note 1)	Japan	Koichi Tarumiya	Male	2024/06/17	0	0%	－	－	－	－	Graduated from Business Management of Business Administration, Kyoto Sangyo University	1. Chairman of Yodoko International Ltd. 2. Director of Yodoko International (HK) Ltd.	None	None	Chairman and CEO are the same person (Note 1)
President Concurrently serving as Enterprise Services Grand Division	R.O.C.	Shih-Chiang Hung	Male	2023/06/30	8,715	0.0027%	1,591	0.0005%	－	－	1. Department of Mold and Die Engineering, National Kaohsiung University of Applied Sciences 2. Supervisor of cold-rolling plant and galvanizing plant at Sysco, G.Manger of Operations Division, A.V.P. of Oper.& Eng. Grand Division Concurrently serving as G.Manager of Engineering Division and V.P. of Enterprise Services Grand Division of the Company 3. Minister of Operations Division at Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd.	1. Director of Yodoko International Ltd. 2. Vice Chairman of Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd. 3. Director of Sheng-Shing Worldwide Corp.	None	None	None
Marketing Grand Division V.P. Concurrently serving as Raw Material Grand Division	R.O.C.	Tung-Chih Lin	Male	2019/06/15	0	0%	－	－	－	－	1.MBA, National Sun Yat-Sen University 2.Engineer of Production Planning Dept.,Sales Representative of Plated domestic sales Dept.,Manager of Raw Material Dept.,G.Manager of Raw Material Division,AVP of Raw Material Grand Division of the Company	1.Director of Sheng-Shing Worldwide Corp. 2. Director & President of Sheng-Yu Trading (Dongguan) Corp. 3. Director & President of Yodoko International Ltd. 4. Director of Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd.	None	None	None
Oper.& Eng. Grand Division A.V.P.	R.O.C.	Tsun-Hung Wang	Male	2021/06/26	28,000	0.0087%	－	－	－	－	1.Department of Industrial Engineering and management, National Kaohsiung University of Applied Sciences 2.Supervisor of cold-rolling plant and galvanizing plant ,G.Manger of Operations Division &Technical Development Div. of the Company 3. Minister of Operations Division/Adminstration Division at Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd.	Director & President of Yodoko International Ltd.	None	None	None
Operations Division Deputy G.M	R.O.C.	Yong-Sen Shi	Male	2021/06/26	539	0.0002%	－	－	－	－	1. Master of industrial management, National Pingtung University of Science and Technology 2. Manager of Technical Dept. of the Company 3. Minister of Technical Development Division at Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd. 4. Deputy General Manager of Manufacturing Department 2 at Sheng Yu Technology Co., Ltd.	None	None	None	None
Technical Development Division Deputy G.M.	R.O.C.	Ying-Jie Huang	Male	2021/06/26	0	0%					1. Master of resources engineering, National Cheng Kung University 2. Manager of R&D Dept. of the Company 3. Minister of Technical Development Division at Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd.	None	None	None	None
Engineering Division Deputy G.M.	R.O.C.	Ming-Hsien Chen	Male	2023/06/26	0	0%	－	－	－	－	1. Master of Materials Research at National Cheng Kung University 2. Manager of Product R&D, Manger of Technology, Acting General Manager of Technology Development Div. , Deputy General Manager of Operations Div., General Manager of Technology Development Div., Deputy General Manager of Sales Division and Assistant To Grand Division Head of Marketing Grand Division of the Company	None	None	None	None
Sales Division Acting Deputy G.M.	R.O.C.	Ching-Wen Cheng	Male	2023/01/26	8,000	0.0025%	－	－	－	－	1.Department of Transportation Engineering and Management & a minor in education, Feng Chia University 2. Section Chief of Marketing Planning Dept. , Section Chief of China Area Sales Dept. of the Company and Senior Manager of domestic sales department of the Company	None	None	None	None
Raw Material Division Acting Deputy G.M.	R.O.C.	Jhih-Han Chen	Male	2024/06/26	0	0%	－	－	－	－	1. Graduated from the Department of Business Administration, Chinese Culture University 2. Section Chief of Trading Section and Manager of Raw Material Dept. of the company	None	None	None	None
Industry Safety Office Deputy G.M. Concurrently serving as Administration Division	R.O.C.	Kuang-He Chen	Male	2023/06/26	0	0%	66,000	0.0205%	－	－	1. Master of Civil and Construction Engineering at National Taiwan University of Science and Technology 2. Systems coordinator of Taiwan Sugar Corporation 3. Deputy Manager of Bidding Dept. & Purchasing Dept. and Deputy General Manager of Purchasing Service Division of the Company	None	None	None	None
Information Systems Division Deputy G.M.	R.O.C.	Ming-Tsai Fang	Male	2022/06/26	18,997	0.0059%	－	－	－	－	1. Master of computer management and decision-making at National Tsing Hua University 2. Engineer of the Institute for Information Industry 3. Manager of Factory Systems Dept. and senior manager of System Resources Dept. of the Company	None	None	None	None
Purchasing Service Division Deputy G.M.	R.O.C.	Teng-Chun Tsai	Male	2023/06/26	10,000	0.0031%					1. Department of electrical engineering, National Taipei Institute of Technology 2. Specialist of Extension Div., Acting Deputy Manager of Purchasing Dept., Deputy Manager of Project Engineering Dept. and Acting Deputy G.M. of Engineering Division of the Company 3. Minister of Purchasing Div.,Engineering Division at Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd.	None	None	None	None
New Business Development Division General Manager	R.O.C.	Ming-Hung Wu	Male	2021/06/26	0	0%	－	－	－	－	1. Department of Industrial Engineering, Feng Chia University 2. Manager of production control department , manger of domestic sales department and General Manager of Sales Division	Director of Sheng-Shing Worldwide Corp.	None	None	None
China Business Division Acting Deputy G.M.	R.O.C.	Chih-Ping Hung	Male	2019/06/15	1,000	0.0003%	－	－	－	－	1. Department of Industrial Engineering, Feng Chia University 2. Manager of Marketing Planning Dept. and Manager of China Area Sales Dept. of the Company 3. Minister of Sales Division at Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd.	Director of Sheng-Shing Worldwide Corp.	None	None	None
F&A Division Deputy G.M.	R.O.C.	Jing-Si Chen	Male	2021/12/26	18,997	0.0059%	－	－	－	－	1. Department of physics, National Cheng Kung University 2. Minister of Production planning Div. at Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd. 3. Manager of Production Control Dept. and Senior Manager of Industrial Engineering Dept. of the Company	Supervisor of Yodoko International Ltd.	None	None	None

Note 1：Chairman and CEO are the same person the reason is that the company is streamlined, the nature of the business is simple, and the unified powers are more efficient. The chairman assumes the role of CEO and has operational benefits.
Countermeasures: Strengthen various supervisory mechanisms such as board functions, information transparency and internal control. In the 2023 re-election, the number of independent director seats was increased to 4, and with more than half of the directors not concurrently serving as employees or managers.

Note 2：The company began implementing the employee stock ownership trust in August ,1997 ,Most of the above managers participated in the trust.

B. Remuneration paid during the most recent fiscal year to directors, president, and vice president

(1). Remuneration of directors, president, and vice president

1. Remuneration of general directors and independent directors

2024/12/31 Unit：NT$'000

Title	Name	Remuneration								The total amount of Remuneration (A+B+C+D) and Ratio to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								The total amount of Compensation (A+B+C+D+E+F+G) and Ratio to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)						
		The company	Consolidated	The company	Consolidated	The company	Consolidated	The company	Consolidated	The company	Consolidated	The company	Consolidated	The company	Consolidated	The company		Consolidated		The company	Consolidated	
																Cash	Stock	Cash	Stock			
Director	Yodogawa Steel Works Ltd. Representative：Koichi Tarumiya (Note 1)	0	0	0	0	1,960	1,960	572	572	2,532 0.44%	2,532 0.44%	12,880	12,880	120	120	125	0	125	0	15,657 2.69%	15,657 2.69%	None
Director	Yodogawa Steel Works Ltd. Representative：Shih-Chiang Hung																					
Director	Yodogawa Steel Works Ltd. Representative：Tung-Chih Lin																					
Director	Yodogawa Steel Works Ltd. Representative：Tetsuhiro Yamamoto (Note 2)																					
Director	Toyota Tsusho Corp. Representative：Hidekazu Sugahara (Note 3)																					
Director	Fujiden International Corporation Representative：Hideaki Arashima (Note 4)																					
Director	Yung Chi Paint & Varnish Mfg. Co., Ltd. Representative：Te-Hsiung Chang																					
Independent Director	Ying-Fang Huang	120	0	0	0	1,240	1,240	270	270	1,630 0.28%	1,630 0.28%	0	0	0	0	0	0	0	0	1,630 0.28%	1,630 0.28%	None
Independent Director	Simon C. S. Liu																					
Independent Director	Fang-Yih Hsu																					
Independent Director	Lian-Hwei Hsu																					

1. Please describe the policy, system, standard and structure of independent directors' remuneration, and the correlation with the amount of remuneration paid based on the responsibilities, risks, time commitment, etc.：
   The remuneration of the independent directors of the Company is evaluated and determined periodically by the Remuneration Committee of the Company in accordance with the extent of their participation in and contribution to the operation of the Company and the value of their contribution to the Company, taking into account the usual standards of the industry, and submitted to the Board of Directors for approval.
2. In addition to the information disclosed above, has any of the Company's directors received compensations for providing services to any of the companies listed in this financial report in the most recent year：None

Note 1：Yodogawa Steel Works Ltd. reappointed its representative on Apr. 1, 2024 ; previous：Shohei Kozaki

Note 2：Yodogawa Steel Works Ltd. reappointed its representative on Jun. 17, 2024 ; previous：Soichi Kitamura

Note 3：Toyota Tsusho Corp. reappointed its representative on Apr. 1, 2024; previous：Hiroshi Yanagisawa

Note 4：Fujiden International Corporation reappointed its representative on Apr. 1, 2024 ; previous：Ryuichi Yoshida

Table of remuneration ranges

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Under NT$ 1,000,000	Koichi Tarumiya (Note 1), Soichi Kitamura, Shih-Chiang Hung, Tung-Chih Lin, Tetsuhiro Yamamoto (Note 2), Shohei Kozaki, Hidekazu Sugahara (Note 3), Hiroshi Yanagisawa, Hideaki Arashima (Note 4), Ryuichi Yoshida, Te-Hsiung Chang, Ying-Fang Huang, Simon C. S. Liu, Fang-Yih Hsu, Lian-Hwei Hsu	Koichi Tarumiya (Note 1), Soichi Kitamura, Shih-Chiang Hung, Tung-Chih Lin, Tetsuhiro Yamamoto (Note 2), Shohei Kozaki, Hidekazu Sugahara (Note 3), Hiroshi Yanagisawa, Hideaki Arashima (Note 4), Ryuichi Yoshida, Te-Hsiung Chang, Ying-Fang Huang, Simon C. S. Liu, Fang-Yih Hsu, Lian-Hwei Hsu	Tetsuhiro Yamamoto (Note 2), Shohei Kozaki, Hidekazu Sugahara (Note 3), Hiroshi Yanagisawa, Hideaki Arashima (Note 4), Ryuichi Yoshida, Te-Hsiung Chang, Ying-Fang Huang, Simon C. S. Liu, Fang-Yih Hsu, Lian-Hwei Hsu	Tetsuhiro Yamamoto (Note 2), Shohei Kozaki, Hidekazu Sugahara (Note 3), Hiroshi Yanagisawa, Hideaki Arashima (Note 4), Ryuichi Yoshida, Te-Hsiung Chang, Ying-Fang Huang, Simon C. S. Liu, Fang-Yih Hsu, Lian-Hwei Hsu
NT$1,000,000(included) ~ NT$2,000,000(excluded)	-	-	-	-
NT$2,000,000(included) ~ NT$3,500,000(excluded)	-	-	Koichi Tarumiya (Note 1), Soichi Kitamura	Koichi Tarumiya (Note 1), Soichi Kitamura
NT$3,500,000(included) ~ NT$5,000,000(excluded)	-	-	Shih-Chiang Hung, Tung-Chih Lin	Shih-Chiang Hung, Tung-Chih Lin
NT$5,000,000(included) ~ NT$10,000,000(excluded)	-	-	-	-
NT$10,000,000(included) ~ NT$15,000,000(excluded)	-	-	-	-
NT$15,000,000(included) ~ NT$30,000,000(excluded)	-	-	-	-
NT$30,000,000(included) ~ NT$50,000,000(excluded)	-	-	-	-
NT$50,000,000(included) ~ NT$100,000,000(excluded)	-	-	-	-
Over NT$100,000,000	-	-	-	-
Total	15	15	15	15

Note 1：Yodogawa Steel Works Ltd. reappointed its representative on Apr. 1, 2024 ; previous：Shohei Kozaki

Note 2：Yodogawa Steel Works Ltd. reappointed its representative on Jun. 17, 2024 ; previous：Soichi Kitamura

Note 3：Toyota Tsusho Corp. reappointed its representative on Apr. 1, 2024; previous：Hiroshi Yanagisawa

Note 4：Fujiden International Corporation reappointed its representative on Apr. 1, 2024 ; previous：Ryuichi Yoshida

2. Remuneration of supervisors
No supervisors.
3. Remuneration of the president and vice president

Unit：NT$'000；2024/12/31

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D)				The total amount of Remuneration (A+B+C+D) and Ratio to Net Income (%)		Compensation paid to the President and Vice President from an Invested Company Other Than the Company's Subsidiary
		The company	Consolidated	The company	Consolidated	The company	Consolidated	The company		Consolidated		The company	Consolidated	
								Cash	Stock	Cash	Stock			
CEO	Koichi Tarumiya	10,436	10,436	120	120	2,444	2,444	125	0	125	0	13,125 2.26%	13,125 2.26%	None
President	Shih-Chiang Hung													
Vice President	Tung-Chih Lin													
CEO (former)	Soichi Kitamura													

Table of remuneration ranges

Range of Remuneration	Name of president and vice president	
	Total of (A+B+C)	
	The company	Companies in the consolidated financial statements
Under NT$ 1,000,000	-	-
NT$1,000,000(included) ~ NT$2,000,000(excluded)	-	-
NT$2,000,000(included) ~ NT$3,500,000(excluded)	Koichi Tarumiya, Soichi Kitamura	Koichi Tarumiya, Soichi Kitamura
NT$3,500,000(included) ~ NT$5,000,000(excluded)	Shih-Chiang Hung, Tung-Chih Lin	Soichi Kitamura, Shih-Chiang Hung
NT$5,000,000(included) ~ NT$10,000,000(excluded)	-	-
NT$10,000,000(included) ~ NT$15,000,000(excluded)	-	-
NT$15,000,000(included) ~ NT$30,000,000(excluded)	-	-
NT$30,000,000(included) ~ NT$50,000,000(excluded)	-	-
NT$50,000,000(included) ~ NT$100,000,000(excluded)	-	-
Over NT$100,000,000	-	-
Total	4	4

Names of managerial officers provided with employee's compensation and state of payments

Unit：NT$'000；2024/12/31

	Title	Name	Employee Bonus - in Stock (Fair Market Value)	Employee Bonus - in Cash	Total	Ratio of Total Amount to Net Income (%)
Managerial officers	CEO	Koichi Tarumiya	0	299	299	0.05%
	President	Shih-Chiang Hung				
	V.P.	Tung-Chih Lin				
	A.V.P.	Tsun-Hung Wang				
	Financial officer	Jing-Si Chen				
	Accounting officer	Pei-Yu Kuo				
	Corporate governance officer	Shun-Liang Chen				

(2). Analysis of percentage of total remuneration paid by the Company and all companies listed in the consolidated financial report to the Company's directors, General Manager and Deputy General Manager to the net income after tax in the last two years, as well as policies, standards, and packages for payment of remuneration, the procedures for determining remuneration, and its linkage to business performance and future risk exposure

Unit：NT$’000

Analysis / Year	The company		Companies in the consolidated financial statements	
	Total remuneration paid to directors, presidents and vice presidents	Ratio of total remuneration paid to directors, presidents and vice presidents to net income (%)	Total remuneration paid to directors, presidents and vice presidents	Ratio of total remuneration paid to directors, presidents and vice presidents to net income (%)
2023	27,837	4.44%	27,837	4.44%
2024	17,287	2.97%	17,287	2.97%

The remuneration of directors includes bonus for directors and bonus for employees. Remuneration is appropriated according to Article 25 of the Articles of Incorporation. Remuneration for the general managers and deputy general managers includes salary, bonus, and allowances and the rates are set according to the responsibilities assigned to each position and general practice in the industry.

As for other managerial personnel, performance evaluations are conducted based on the following performance indicators, as outlined in the “Salary Management Policy,” “Performance Evaluation and Promotion Management Policy,” “Salary Adjustment Management Policy,” and “Year-End Bonus Policy”: “Company Annual Goal Achievement (30%),” “Innovation/Improvement (30%),” “Personnel Management (25%),” and “Self-Development and Further Education (15%).” These indicators serve as the basis for differentiated salary adjustments and year-end bonuses. In addition, performance bonuses are distributed according to the “Performance Bonus Policy,” based on the following performance metrics: “Utilization Rate (25%),” “Quality Yield (25%),” and “Profitability (50%).” The annual goal achievement for the Company includes performance in areas such as occupational safety and health, competitiveness enhancement (performance improvement and innovation), effective cost reduction, talent cultivation, and strengthening ESG and sustainable development objectives.

The procedures for determining remuneration：The remuneration of directors and managers shall be regular assessed and determined by the remuneration committee of the Company and submitted to the Board of Directors for approval.

C. Implementation of corporate governance

(1) Implementation of the Board of Directors

1). Implementation of the Board of Directors

A total of 5 (A) meetings of the Board of Directors were held in 2024. The attendance of directors was as follows：

Title	Name (Note)	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	Koichi Tarumiya	5	0	100%	Representative of Yodogawa Steel Works Ltd. reassigned on Apr.1, 2024. Former Director：Shohei Kozaki
Director	Shih-Chiang Hung	5	0	100%	
Director	Tung-Chih Lin	5	0	100%	
Director	Tetsuhiro Yamamoto	5	0	100%	Representative of Yodogawa Steel Works Ltd. reassigned on Jun. 17, 2024. Former Director：Soichi Kitamura
Director	Hidekazu Sugahara	5	0	100%	Representative of Toyota Tsusho Corp. reassigned on Apr.1, 2024. Former Director：Hiroshi Yanagisawa
Director	Hideaki Arashima	5	0	100%	Representative of Fujiden International Corporation reassigned on Apr.1, 2024. Former Director：Ryuichi Yoshida
Director	Te-Hsiung Chang	4	1	80%	
Independent director	Ying-Fang Huang	5	0	100%	
Independent director	Simon C. S. Liu	5	0	100%	
Independent director	Fang-Yih Hsu	5	0	100%	
Independent director	Lian-Hwei Hsu	5	0	100%	

Note：(1) Koichi Tarumiya, Shih-Chiang Hung , Tung-Chih Lin and Tetsuhiro Yamamoto are representatives of Yodogawa Steel Works Ltd.
(2) Hidekazu Sugahara is representative of Toyota Tsusho Corp.
(3) Hideaki Arashima is representative of Fujiden International Corporation.
(4) Te-Hsiung Chang is representative of Yung Chi Paint & Varnish Mfg. Co., Ltd.

Other mentionable items：

a. If there are circumstances referred to in Article 14-3 of the Securities and Exchange Act and resolutions of the directors' meetings objected to by independent directors or subject to qualified opinion and recorded or declared in writing, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified：None

b. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified：

Name	Contents of motion	Causes for avoidance and voting
Soichi Kitamura,Shih-Chiang Hung, Shohei Kozaki,Tung-Chih Lin, Hiroshi Yanagisawa,Ryuichi Yoshida, Te-Hsiung Chang,Ying-Fang Huang, Simon C. S. Liu,Fang-Yih Hsu, Lian-Hwei Hsu	The 2023 remuneration to Directors and Independent directors	The compensation of individual directors and independent directors was discussed and approved unanimously by the other members present, except for the interested parties who recused themselves from the discussion and voting.
Ying-Fang Huang,Simon C. S. Liu, Fang-Yih Hsu,Lian-Hwei Hsu	Proposal on 2023 remuneration of members of the Remuneration Committee and Sustainable Development Committee	The remuneration of individual members of the Remuneration Committee was discussed and approved unanimously by the other members present, except for the interested parties who recused themselves from the discussion and voting.
Soichi Kitamura,Shih-Chiang Hung, Tung-Chih Lin,Hiroshi Yanagisawa, Ryuichi Yoshida	Discussion of signed a land and plant lease contract for 2024 and loaning of funds for Yodoko International Ltd.	This case discussed the contract of signed a land and plant lease and loaning of funds for Yodoko International Ltd., except for the interested parties who recused themselves from the discussion and voting, the other directors present unanimously approved the case without objection.
Shih-Chiang Hung, Tung-Chih Lin	Discussion of the loaning of funds for Sheng-Shing Worldwide Corp.	This case discussed the loaning of funds for Sheng-Shing Worldwide Corp., except for the interested parties who recused themselves from the discussion and voting, the other directors present unanimously approved the case without objection.
Koichi Tarumiya,Shih-Chiang Hung, Tung-Chih Lin,Tetsuhiro Yamamoto, Hideaki Arashima	Acknowledgement of the technical support contract signed with Yodogawa Steel Works Ltd.	This case discussed the technical support contract for Yodogawa Steel Work Ltd., except for the interested parties who recused themselves from the discussion and voting, the other directors present unanimously approved the case without objection.

c. Measures taken to strengthen the functionality of the board：In accordance with the "Procedures for Evaluation of Performance of the Board of Directors", the company conduct the 2024 overall board and director performance evaluation work,self-evaluation of the Board members,self-evaluation of the Functional Committees, and complete the 2023 board external performance evaluation.
Submit the performance evaluation report to the Board of Directors.

2). The Board of Directors evaluation has been conducted

a. Internal evaluation

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Description of evaluation
Performed Once a year	2024/01/01 ~ 2024/12/31	(1) The Board of Directors (2) Individual directors (3) Functional Committees	Internal Self-evaluation	(1) BOD performance evaluation: A. Participation in the operation of the company B. Improvement of the quality of the Board of Directors' decision making C. Composition and structure of the Bard of Directors D. Election and continuing education of the directors E. Internal control (2) Individual directors performance evaluation: A. Alignment of the goals and missions of the company B. Awareness of the duties of a director C. Participation in the operation of the company D. Management of internal relationship and communication E. The director's professionalism and continuing education F. Internal control. (3) The evaluation aspects of each functional committee : A. Participation in the company's operation B. Awareness of functional committee responsibilities C. Improvement of the quality of functional committee decisions D. Composition and selection of functional committee members E. Internal control

b. Evaluation by external professional organizations

valuation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Description of evaluation
Performed every three years	2022/11/01 ~ 2023/10/31	Including board of directors, individual board members, and functional committees	According to the provisions of the Company's“Board of Directors' Performance Evaluation Guidelines”, the performance evaluation of the Board of Directors shall be conducted at least every three years by an external professional and independent organization or a team of external experts and scholars. The external evaluation was executed by the "Chinese Corporate Governance Association" in 2023, and the association and the executive experts have no business dealings with the Company and are independent. The former association conducted self-assessment by the company through an questionnaire, and after the evaluation committee reviewed the relevant documents provided by the company, four evaluation committee members were appointed to conduct a interview with the Chairman, Convener of the Functional Committee of the Board of Directors, President, Corporate governance officer, Chief Internal Auditor and major Managers of our Company on December 29, 2023.	The operation of our Company's board of directors are reviewed from eight major aspects: composition of the board of directors, guidance of the board of directors, authorization of the board of directors, supervision of the board of directors, communication of the board of directors, internal control and risk management, self-discipline of the board of directors, and other aspects such as board meetings and support systems.

(2) Implementation of the Audit Committee

Implementation information of the Audit Committee

A total of 5 (A) Audit Committee meetings were held in 2024. The attendance of independent directors was as follows：

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%)(B/A)	Remarks
Convener and Independent director	Ying-Fang Huang	5	0	100%	
Independent director	Simon C. S. Liu	5	0	100%	
Independent director	Fang-Yih Hsu	5	0	100%	
Independent director	Lian-Hwei Hsu	5	0	100%	

Other mentionable items：

1). If the operation of the audit committee falls under any of the following circumstances, the dates of Audit Committee meetings, sessions, contents of motion, the independent directors' objections, reservations or major suggestions, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified：

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

Date and sessions of Audit Committee	Contents of motion	The independent directors' dissenting opinions, qualified opinions or major suggestions, Resolution of the Audit Committee and the Company's response to the Audit Committee's Opinion
Mar. 8, 2024 The 1st Audit Committee Meeting in 2024	Adoption of the 2023 Business Report and Financial Statements Adoption of the 2023 Declaration of Internal Control System The 2023 Employee Remuneration and Directors' Remuneration distribution Approval on loaning of funds for Yodoko International Ltd.	The independent directors' objections, reservations or major suggestions：None. Approved by all members presented without any objection. The Company's response to the Audit Committee's Opinion：None.
May 8, 2024 The 2nd Audit Committee Meeting in 2024	Adoption of the 1st quarter of 2024 Consolidated Financial Statements	The independent directors' objections, reservations or major suggestions：None. Approved by all members presented without any objection. The Company's response to the Audit Committee's Opinion：None.
Jun. 14, 2024 The 3rd Audit Committee Meeting in 2024	The Loaning of funds for Sheng-Shing Worldwide Corp.	The independent directors' objections, reservations or major suggestions：None. Approved by all members presented without any objection. The Company's response to the Audit Committee's Opinion：None.
Aug.9, 2024 The 4th Audit Committee Meeting in 2024	Adoption of the 2nd quarter of 2024 Consolidated Financial Statements Amendment to the Internal Control System	The independent directors' objections, reservations or major suggestions：None. Approved by all members presented without any objection. The Company's response to the Audit Committee's Opinion：None.
Nov. 8, 2024 The 5th Audit Committee Meeting in 2024	Adoption of the 3rd quarter of 2024 Consolidated Financial Statements Adoption of the 2025 CPAs Appointment and Service fee The Company's 2025 Audit Plan	The independent directors' objections, reservations or major suggestions：None. Approved by all members presented without any objection. The Company's response to the Audit Committee's Opinion：None.

b. Resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors：None

2). If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified：

Name	Contents of motion	causes for avoidance and voting
Ying-Fang Huang, Simon C. S. Liu, Fang-Yih Hsu, Lian-Hwei Hsu	The 2023 Employee Remuneration and Directors' Remuneration distribution	The compensation of individual directors and independent directors was discussed and approved unanimously by the other members present, except for the interested parties who recused themselves from the discussion and voting.

3). Communications between the Independent Directors, the Chief Internal Auditor and the Accountants：

a. Communication policy between the independent directors and the Chief Internal Auditor and the accountant

① The accountant shall participate in the Audit Committee at least twice a year to report to the independent directors the results of the annual audit and any amendments to tax laws and regulations

② At least twice a year, the Chief Internal Auditor reports directly to each independent director on：

A. annual internal audit plan and implementation status;

B. the implementation of annual professional training for Chief Internal Auditor

③ Other：The independent directors, the Chief Internal Auditor and the accountant communicate directly with each other as necessary for smooth communication.

b. The Chief Internal Auditor notifies the independent directors of the audit reports or follow-up reports submitted by the end of the month following the completion of the audit.

c. The Chief Internal Auditor attends each audit committee meeting and board of directors' meeting to report on the audit activities.

In 2024 and 2025 up to the date of publication of the annual report, communications between the independent directors and the company's chief internal auditor for a total of 5 times were as follows：

Date / meetings	Communications	Independent director's opinion	Actions in Response to Independent Directors' Opinions
Mar. 8, 2024 The 1st Audit Committee Meeting, 2024	The chief internal auditor reports the progress of the audit and participates in the communication meeting between independent directors and accountants.	No opinion.	Not applicable
May 8, 2024 The 2nd Audit Committee Meeting, 2024	The chief internal auditor communicated with the independent directors on the Internal Audit Progress (2nd report, 2024).	No opinion.	Not applicable
Aug. 9, 2024 The 4th Audit Committee Meeting, 2024	The chief internal auditor communicated with the independent directors on the Internal Audit Progress (4th report, 2024).	No opinion.	Not applicable
Nov. 8, 2024 The 5th Audit Committee Meeting, 2024	The chief internal auditor reports the progress of the audit and participates in the communication meeting between independent directors and accountants.	No opinion.	Not applicable
Mar. 7, 2025 The 1st Audit Committee Meeting, 2025	The chief internal auditor participates in the communication meeting between independent directors and accountants.	No opinion.	Not applicable

In 2024 and 2025 up to the date of publication of the annual report, communications between the Independent Directors and CPAs for a total of 3 times were as follows：

Date / meetings	Communication matters	Independent Director's opinion	Results
Mar. 8, 2024	1. Responsibilities of the governance unit 2. Quality Management System of Deloitte Firm 3. Scope and method of the audit 4. Group audit 5. Significant accounting policies, significant estimates and significant events or transactions 6. Significant risk and Key audit matters 7. Assessment of going-concern 8. Introduction of the new law 9. 2022 Audit Quality Indicators report (AQI) 10. Service team	None	None
Nov. 8, 2024	1. Responsibilities of the governance unit 2. Quality Management System of Deloitte Firm 3. Scope and method of the audit 4. Group audit- reduce an entity 5. Significant accounting policies, significant estimates and significant events or transactions 6. Significant risk and Key audit matters 7. Assessment of going-concern 8. Internal control deficiencies found during the audit process 9. Service team 10. CPAs Service fee and disclosure of Service fee Information 11. International Financial Reporting Standards, Sustainability Disclosure Standards 12. Others	After communication and discussion, no opinion was expressed.	Explain the questions raised by independent directors.
Mar. 7, 2025	1. Responsibilities of the governance unit 2. Scope and method of the audit 3. Group audit 4. Significant accounting policies, significant estimates and significant events or transactions 5. Significant risk (same as Key audit matters) 6. Corrected and uncorrected material misrepresentations 7. Assessment of going-concern 8. Internal control deficiencies found during the audit process 9. Suggestions and communication matters 10. Service team	None	None

(3) Status of corporate governance operations, conformity with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the cause of non-conformity

Evaluation Item	Implementation Status [1]			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose 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 based on “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and disclosed on Taiwan Stock Exchange Market Observation Post System and the company's website.	None
2. Shareholding structure & shareholders’ rights				
(1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		The President’s Office, spokesperson and deputy Spokespersons deal with issues such as shareholder suggestions or disputes.	None
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		The company fully grasps the major shareholders who actually control the company,and will be processed with the assistance of a stock agency.	None
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		According to relevant regulations.	None
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		The Company has established the Procedures for Handling Material Inside Information against insiders trading with undisclosed information.	None
3. Composition and Responsibilities of the Board of Directors				None
(1) Does the Board develop a diversity policy, specific management objectives and implement them?	V		The specific management objectives of the Board Diversity Policy are detailed on page 10.	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		The Company has voluntarily established the Sustainable Development Committee on Nov. 11, 2022.	None
(3) Does the company establish a standard to measure the performance of the Board, implement it annually, report the results of the performance evaluation to the Board of Directors, and use them as reference for individual directors' remuneration and nomination for reappointment?	V		The company has established formulated rules and procedures for evaluating the Board’s performance, annual and regular performance evaluation, the results of the performance evaluation have been reported to the Board of Directors, and used as a reference for individual directors' remuneration and nomination for re-appointment.	None
(4) Does the company regularly evaluate the independence of CPAs?	V		The Company annually obtains the "Independent Auditor's Letter of Conformity," "Transparency Report," and "Audit Quality Indicators (AQIs)" from the financial accounting department, certified by the auditors and the audit team. These documents are used to assess the independence and suitability of the auditors. The assessment results were approved by the Audit Committee and the Board of Directors on November 8, 2024.	None
4. Are TWSE/GTSM listed companies staffed with qualified and appropriate number of corporate governance personnel and designated as corporate governance officers to be responsible for corporate governance-related matters (including but not limited to the provision of directors, information necessary for the conduct of business, assisting directors in complying with laws and regulations, handling matters related to board and shareholders' meetings in accordance with the law, and preparing minutes of board and shareholders' meetings, etc.)?	V		The company has set up a corporate governance officer appoint personnel responsible for corporate governance matters.	None
5. Does the company establish a communication channel and build a designated section on its website for stakeholders(including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company has established the “Stakeholder Area” section on the corporate website for handle all the issues they care for in terms of corporate social responsibilities.	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company has designated Stock Affairs Agency Department, Taishin Securities Stock Transfer Agency Department to deal with shareholder affairs.	None
7.Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		The Company has set up a website to disclose information regarding the Company’s financials, business and corporate governance status.	None
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		The Company has set up a Chinese/English/Japanese website to disclose information regarding the Company’s financials, business and corporate governance status and implement the spokesperson system in accordance with regulations.	None
(3) Does the Company announce and report its annual financial report within two months after the end of the fiscal year, and announce and report its first, second and third quarter financial reports and operating status for each month well in advance of the required deadline?		V	The Company has announced and filed its quarterly financial statements and monthly operational reports within the prescribed deadlines. Annual financial report of this company needs to be approved by the audit committee and the Board of Directors, the work was not completed before the end of February.	Same as abstract description

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status [1]</th><th rowspan="2">Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td>8.Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?</td><td>V</td><td></td><td>1) Directors enrolling for training courses, detailed on Note 1.
2) Risk management policies and procedures and their implementation:
a. "Risk Management Policy and Procedures" were amended on June 17, 2023, and revised and implemented with the Board of Directors' approval on August 4 of the same year.
b. The Company's risk management implementation status:
(1) In January 2024, a regulatory change assessment was conducted. The assessment found that changes in regulations affecting the Technical Development Department, Finance and Accounting Department, and Industrial Safety Office had an impact on the Company. The results were announced on February 27 and presented at the Q1 2024 meeting of the Regulatory Compliance and Risk Management Committee.
(2) To enhance the Company's risk management, the frequency of meetings of the Regulatory Compliance and Risk Management Committee was increased from once to twice a year, held in Q1 and Q3 respectively, to better monitor the risk control implementation status of each department.
(3) In October 2024, all departments conducted a "Departmental Risk Identification and Response Measures" review based on the Risk Management Policy and Procedures. A total of 74 potential risks and corresponding response measures were submitted by 14 departments. The implementation status of measures proposed in 2023 was also reviewed.
(4) In 2024, there were no violations of external laws or regulations and no major information security incidents within the Company.
(5) To strengthen the protection of intellectual property and trade secrets, the Intellectual Property Task Force established the "Intellectual Property Management Policy" on November 22, 2024.
(6) On December 31, 2024, the Committee revised the "Sheng Yu Steel Co., Ltd. Policy on Acceptance of Gifts and Banquets."
(7) Regarding TCFD-related disclosures in 2024, a total of 15 risk and opportunity issues along with corresponding actions were proposed.
(8) 2024 Risk Management Results: A total of 45 risk management plans were proposed, with 38 completed.
3) Since 2006, the Company has purchased liability insurance for all directors.</td><td>None</td></tr>
<tr><td colspan="5">9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.
(1) The final evaluation score of the Company in 2024：90.02; ranking range：21%~35%
For the improved item in 2024：
1). Disclosure of English interim financial report
2). Disclose the board's supervision of sustainable development。
3). The sustainability report has been submitted to the board of directors for approval。
(2) Priorities and measures that have not been improved as follows：
1). Holding the annual general meeting before the end of May.
2). Publishing the annual financial report within two months after the end of the fiscal year.
3) Disclosure of policy on linking senior executive compensation with ESG-related performance evaluations。
4). Establishing a "Compensation Policy" for directors and managers.
5). Formulating workplace diversity or promoting gender equality policies.</td></tr>
</table>

Note1：2024 Continuing education for the Board of Directors

Title	Name	Organizer	Course Title	Date of Training	Training Hours
Chairman	Koichi Tarumiya	Taiwan Corporate Governance Association	Overview of Taiwan's tax system, audit system and internal control system	2024/11/08	3.0
Director	Tetsuhiro Yamamoto	Taiwan Corporate Governance Association	Overview of Taiwan's tax system, audit system and internal control system	2024/11/08	3.0
Director	Hidekazu Sugahara	Taiwan Corporate Governance Association	Overview of Taiwan's tax system, audit system and internal control system	2024/11/08	3.0
Director	Hideaki Arashima	Taiwan Corporate Governance Association	Overview of Taiwan's tax system, audit system and internal control system	2024/11/08	3.0
Director	Te-Hsiung Chang	Taiwan Stock Exchange Corporation	Taiwan Capital Market Summit	2024/09/30	3.0
		Securities & Futures Institute	2024 Insider Trading Prevention Seminar	2024/10/18	3.0
Independent Director	Ying-Fang Huang	Taiwan Institute of Directors	Make good use of policy tools to improve corporate governance and reduce R&D risks	2024/05/10	3.0
		Taiwan Investor Relations Institute	Sharing on the practical application of preparing sustainability reports	2024/06/19	3.0
Independent Director	Simon C. S. Liu	Cathay Financial Holdings and its subsidiaries and Taiwan Stock Exchange Corporation	2024 Cathay Pacific Sustainable Finance and Climate Change Summit	2024/07/03	3.0
		Securities & Futures Institute	2024 Insider Trading Prevention Seminar	2024/09/20	3.0
Independent Director	Fang-Yih Hsu	Taiwan Project Management Society	Continuing Education Course for OTC Directors - Digital Transformation and Latest Information Technology	2024/10/29	3.0
		Securities & Futures Institute	2024 Insider Equity Trading Legal Compliance Seminar	2024/11/22	3.0
Independent Director	Lian-Hwei Hsu	Securities & Futures Institute	Course series for directors, supervisors and corporate governance managers - How to review financial reports for directors and supervisors with non-accounting backgrounds	2024/03/06	3.0
		Cathay Financial Holdings and its subsidiaries and Taiwan Stock Exchange Corporation	2024 Cathay Pacific Sustainable Finance and Climate Change Summit	2024/07/03	6.0

(4)-1 The composition and operation of the Remuneration Committee:

The Remuneration Committee assists the Board in discharging its responsibilities relating to the company's compensation and benefits policies, plans and programs, and the evaluation of the directors' and executives' compensation.

1). Information of Members of the Remuneration Committee

Date：2025/04/15

Role \ Criteria	Name	Professional Qualification Requirements and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Convener and Independent director	Ying-Fang Huang	1. Bachelor of mechanical engineering at National Cheng Kung University 2.Master of Business Administration at National Chung Hsing University 3. PhD in quality management at University of Paisley (now University of the West of Scotland) 4.Member of the Audit Committee 5.Member of the Remuneration Committee 6. Specialized in machinery, business management, quality management, etc. 7. Previously served as a professor and president of several universities, and is currently an independent director and member of the Compensation Committee of FU CHUN SHIN MACHINERY MANUFACTURE CO.,LTD. Currently the convener of the Audit Committee of the Company.	1. Independent director of the company 2. The independence requirements were verified in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange". 3. Inquiries content of Information of directors -2 at page 7.	1
Other	Chun-Hsien Wang	1. Graduate of the Department of Accounting and Statistics, NCKU 2. CIA 3. Previously served as the Deputy Plant Manager and Auditor General of TSRC Corporation, director of the Internal Auditors Association, chairman of the board of directors of The Splendor Hotel Taichung, and currently serves as an independent director and member of the Compensation Committee of CHC RESOURCES CORPORATION and FLUXTEK INTERNATIONAL CORP.	The independence requirements were verified in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange".	2
Independent director	Simon C. S. Liu	1.Bachelor of Law at Soochow University 2.Member of the Audit Committee 3.Member of the Remuneration Committee 4. Specialized in law 5. Previously served as a consultant of Lee and Li, Attorneys-at-Law and a legal advisor of Kaohsiung Chamber Of Industry, and currently serves as an consultant of Yuh Yow Fishery Co., Ltd.	1. independent director of the company 2. The independence requirements were verified in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange". 3. Inquiries content of Information of directors -2 at page 7.	0

Note：All three remuneration committee members have more than five years of work experience required by the company's business.

2). Information of Remuneration Committee Operations

a. There are 3 members in the Remuneration Committee.

b. The term of this session：June 16, 2023 to June 15, 2026. A total of 2 (A) Remuneration Committee meetings were held in 2024. The attendance record of the Remuneration Committee members was as follows：

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Ying-Fang Huang	2	0	100%	None
Committee Member	Chun-Hsien Wang	2	0	100%	None
Committee Member	Simon C. S. Liu	2	0	100%	None

Other mentionable items：

① If the Board of Directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified)：

Date and session of the Board of Directors	Content of the motion	Resolution by the Board of Directors, and the Company's response to the remuneration committee's opinion
Mar. 8, 2024 The 1st Board of Directors Meeting	2023 Employee Remuneration and Directors' Remuneration distribution	Except for the interested parties who recused themselves from the discussion and voting, the other directors present unanimously approved the case without objection.
	2023 Remuneration proposal for members of the Remuneration Committee and Sustainable Development Committee	Except for the interested parties who recused themselves from the discussion and voting, the other directors present unanimously approved the case without objection.
Nov. 8, 2024 The 5th Board of Directors Meeting	Acknowledgment of the structure of directors and managers' compensation.	Approved by all Directors presented without any objection.
	Acknowledgment of the 2024 bonus payment policy for managers	Approved by all Directors presented without any objection.

② Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified：None

(4)-2 Implementation of Sustainable Development Committee:

1). The Company's Sustainable Development Committee is composed of three directors, the convener of which is the Company's Director and President , who has managerial experience. The other two are independent directors, with academic backgrounds in finance, accounting and law. Corporate governance and sustainable development expertise as required by the Committee.

2). Committee Authority

a. Formulate the company's sustainable development policy.

b. Corporate sustainable development, including sustainable governance, business integrity, and the formulation of environmental and social goals, strategies, and implementation plans.

c. Review, track and revise the company's sustainable development implementation and effectiveness, and report to the board of directors regularly.

d. Pay attention to stakeholders, including shareholders, customers, suppliers, employees, government, non-profit organizations, communities, and the media.
Issues of concern and supervisory communication plan.

3). Information of Sustainable Development Committee

a. There are 3 members in the Sustainable Development Committee.

b. The term of this session：June 16, 2023 to June 15, 2026. A total of 2 (A) Sustainable Development Committee meetings were held in 2024. The attendance record of the Sustainable Development Committee members was as follows：

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener, Director and President	Shih-Chiang Hung	2	0	100%	None
Committee Member	Ying-Fang Huang	2	0	100%	None
Committee Member	Lian-Hwei Hsu	2	0	100%	None

(5)-1 The state of the company's promotion of sustainable development, any variance from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance

<table>
<tr><th rowspan="2">Promotion Item</th><th colspan="3">Implementation situation</th><th rowspan="2">Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td>1. Has the Company established a governance structure to promote sustainable development and established a dedicated (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and is supervised by the Board of Directors?</td><td>v</td><td></td><td>1. On November 11, 2022, the Company established the "Sustainable Development Committee" composed of members of the Board of Directors, the President shall be the convener, as a dedicated unit for promoting sustainable development, responsible for decision-making and supervision of related work, hold committee meetings at least twice a year.
The functions of the Committee are as follows：
(1). Formulation of the company's sustainable development policy.
(2). Formulation of the company's sustainable development, including sustainable governance, integrity management, environmental and social goals, strategies, and implementation plans.
(3). Review, tracking, and revision of the company's sustainable development implementation and performance, and regular reporting to the Board of Directors (at least twice a year).
(4). Paying attention to various stakeholders, including shareholders, customers, suppliers, employees, government, non-profit organizations, communities, and media, and supervising communication plans for their concerns.
2. Based on the actual work promotion, including environmental sustainability, corporate social responsibility, corporate governance, integrity management, risk management, talent development, intellectual property, and information security, the "ESG Sustainability Development Executive Committee" was established by the Company on January 15, 2022, to promote and implement the responsibilities, with the division of labor handled by the subordinate sub-committees and functional groups. These include seven committees: “Regulatory Compliance and Risk Management Committee,” “Corporate Social Responsibility Committee,” “Energy and Resource Management Committee,” “Customer Satisfaction Committee,” “Talent Development Committee,” “Quality Assurance Committee,” and “Improvement Committee,” as well as three functional groups: “Digital Transformation Task Force,” “Information Security Management Task Force,” and “Intellectual Property Management Task Force.” Committee meetings are held quarterly.
3. In 2024 Sustainability Committee held committee meetings on February 26 and October 21, respectively, and reported the implementation status to the Board of Directors. The Board of Directors' supervisory opinions and resolutions are as follows.
<table>
<tr><th>Date / meetings</th><th>Related proposals</th><th>Opinion and resolution</th></tr>
<tr><td>Mar. 8, 2024
The 1st BOD Meeting</td><td>1.2023 Board of Directors External Performance Evaluation Report
2.2023 Greenhouse Gas Inventory and Verification Progress Report
3.Discussion of amendments to the company's “Rules of Procedure for Directors Meetings”</td><td>No comments
No comments
Approved</td></tr>
<tr><td>May. 8, 2024
The 2nd BOD Meeting</td><td>1.Greenhouse gas inventory and verification progress report of the company and its consolidated subsidiaries
2. 2023 Annual Sustainability Report Approval</td><td>No comments
Approved</td></tr>
<tr><td>Aug. 9, 2024
The 4th BOD Meeting</td><td>1.Greenhouse gas inventory and verification progress report of the company and its consolidated subsidiaries
2. Intellectual Property Management Plan and Implementation Report</td><td>No comments
Approved</td></tr>
<tr><td>Nov. 8, 2024
The 5th BOD Meeting</td><td>1 2024 Sustainable Development Implementation Report
2 2024 Corporate Integrity Management Operation Report
3. Discussion of amendments to the company's “Sustainable Development Committee Organization Charter”</td><td>No comments
No comments
Approved</td></tr>
</table>
4. The achievements of the 2024 promotion are as follows:
(1) Environmental issues
1). Improve energy efficiency and use environmentally-friendly renewable materials:</td><td>None</td></tr>
</table>

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<tr><th rowspan="2">Promotion Item</th><th colspan="3">Implementation situation</th><th rowspan="2">Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
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The Company implemented 24 energy-saving projects, such as reducing CPL steam consumption, optimizing AIR usage in the CR1 control panel, replacing the tap water booster pump with a high-efficiency variable frequency centrifugal pump, and developing low-temperature coatings, reducing annual CO2 emissions by 490 tons CO2-e, with a cumulative reduction of 306 tons CO2-e by Q4. The company’s products use materials that comply with RoHS and REACH standards, covering 62 types and 126 items.
2). Climate issue response measures：
On September 2, 2024, the Company collaborated with China Steel Corporation to address the topic of product carbon neutrality declaration and obtained a verification opinion statement for carbon neutrality of hot-dip galvanized pre-painted steel coils.
3). Data on annual greenhouse gas emissions, water usage, and waste reduction over the last four years:
<table>
<tr><th>Item</th><th>2021</th><th>2022</th><th>2023</th><th>2024</th></tr>
<tr><td>Greenhouse Gas Emissions (tonnes-CO_2e)</td><td>87,268</td><td>68,557</td><td>74,559</td><td>84,285</td></tr>
<tr><td>Water Usage Per Unit (kg/tonne)</td><td>365</td><td>418</td><td>370</td><td>330</td></tr>
<tr><td>General Waste Sludge (kg/tonne)</td><td>1.11</td><td>1.42</td><td>1.15</td><td>0.97</td></tr>
<tr><td>Hazardous Waste Sludge (kg/tonne)</td><td>0.08</td><td>0.04</td><td>0.006</td><td>0.01</td></tr>
</table>
4). Greenhouse gas inventory and verification progress:
In June 2024, the third-party verification of the Company's greenhouse gas emissions for 2023 was completed, totaling 74,559.353 tonnes of CO2-e. Subsidiaries included in the consolidated financial statements are scheduled to implement the 2023 inventory and verification of this year's carbon emissions completed on July 31, 2024.
(2) Social issues
1). Talent Development: In 2024, 15,158.73 training hours were completed, averaging 30.08 hours per person. (Target ≧26 hours/person)
2). Occupational Health and Safety: In 2024, the “Healthy Eating, Healthy Living” health promotion activity reached a 77% participation rate among employees with a BMI over 27. From April to July, the Company held employee training courses including “Treatment for Burn and Chemical Incident Victims in the Factory,” “Healthy Eating for Weight Management,” and “Workplace EQ and Emotional Management.” Each course was conducted in two sessions, with an average satisfaction rate of 93.62%. For health examinations, five sessions were held from December 18 to December 30, with a total of 509 employees participating and achieving a 100% participation rate.
3). Social Responsibility: 2024 Community contributions included adopting a beautification project on Zhongshan Road for NT$1.87 million and donating NT$200,000 to the Cultural Center and Friends of Republic of China Police Association. Additionally, the Company donated NT$100,000 worth of traffic safety supplies to schools. In June, a basic volunteer training session for employees was held with 76 total participants.
4). Human Rights Policy: The Company completed voice-based training materials for personal data protection under the human rights policy for promotion and use by all departments. In 2024, a total of 290 hours of human rights policy advocacy was conducted. All zinc-aluminum raw material purchases complied with the Conflict Minerals Policy.
(3) Governance issues
1). Amendments to the Company’s “Rules of Procedure for Shareholders’ Meetings,” “Rules of Procedure for Board of Directors Meetings,” and “Audit Committee Charter” were approved by the Board of Directors in March. The revised “Internal Control System” was approved by the Board in August.
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Promotion Item	Implementation situation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations
	Yes	No	Abstract Explanation	
			2). As of the end of September 2024, Independent Directors Ying-Fang Huang and Simon C. S. Liu each completed 6 hours of continuing education. 3). The English version of the interim consolidated financial statements and related website disclosures for the first and second quarters of 2024 were completed on July 11 and October 14, respectively. (4) Sustainability Report The 2023 Sustainability Report was approved by the Board of Directors on May 8,2024 ,that was compiled in accordance with the GRI standards issued by the Global Reporting Initiative and verified by GREAT Certification. It received an independent assurance statement on July 3, 2024. The Chinese version was released on Aug. 30, 2024, and the English version on Nov. 29, 2024. (5) Risk Management Operations 1). October 2024, the "Unit Risk Identification and Response Measures" report was implemented in accordance with the risk management policies and procedures, and a total of 74 potential risk opportunities and response measures were proposed. 2). In 2024,TCFD climate-related financial disclosures proposed 15 risk and opportunity topics and corresponding actions. 3). 2024 Risk Management Results: 45 risk management plans were proposed and 38 were completed. 4). In 2024, the entire company had no violations of external laws and regulations, and no significant cyber security incidents.	
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations and formulate relevant risk management policies or strategies in accordance with the materiality principle?	v		1.The Company follows the regulations stipulated in Article 44 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies" issued by the Financial Supervisory Commission, and formulates the "Risk Management Policy and Procedures" for the Company. Main contents： ・Establish appropriate risk management policies and procedures. ・Set up an effective risk management framework to assess and supervise its risk-taking capacity. ・Current risk status, risk response strategies, and risk management procedures. ・Disclose relevant risk management information. 2. Risk management implementation in 2024： (1) In January 2024, the regulatory review identified that changes in regulations from the Technical Development Division, Finance & Accounting Division and Industry Safety Office had an impact on the Company,the results of the investigation were announced on 2/27. An explanation was provided at the 2024 Q1 meeting of the Regulatory Compliance and Risk Management Committee. (2) To strengthen the Company’s risk management, the Regulatory Compliance and Risk Management Committee meetings were increased from once a year to twice a year, held in Q1 and Q3, in order to keep abreast of risk control implementation across all departments. (3) In October 2024, each department conducted a “Departmental Risk Identification and Response Measures” review in accordance with the Risk Management Policy and Procedures. A total of 74 potential risks and corresponding responses were reported by 14 departments. The implementation status of the responses proposed in 2023 was also reviewed. (4) In 2024, there were no violations of external laws or regulations within the Company. (5) To enhance protection of intellectual property and trade secrets, the Intellectual Property Task Force established the “Intellectual Property Management Policy” on November 22. (6) On December 31, the Committee revised the “Sheng Yu Steel Co., Ltd. Policy on Acceptance of Gifts and Banquets.”	None

Promotion Item	Implementation situation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations
	Yes	No	Abstract Explanation	
3. Environmental issues				
(1) Does the company establish proper environmental management systems based on the characteristics of their industries?	v		1. The Company has established an environmental management system in accordance with ISO 14001:2015 standard. Through the management cycle of planning, implementation, checking and improvement, the Company implements good environmental protection and energy performance management, providing the resources required to achieve the goals/objectives and making continuous improvements to ensure the effectiveness of the management system operation. 2. The environmental management system was validated by an international certification body on Dec. 20, 2024. Scope of management system: It covers all certified products and their related service activities, including process outsourcing and packaging manpower outsourcing, with the entire factory at the company's current location as the boundary of the management system.	None
(2) Does the company endeavor to improve energy using efficiency and use renewable materials which have low impact on the environment?	v		1. The Company has organized the "Energy Resource Management Committee" to manage the energy usage of the entire company, and actively introduced the ISO 50001 energy management system to continuously improve factory energy-saving schemes, increase energy efficiency, and achieve carbon emission reduction goals. On September 20, 2024, the ISO 50001: 2018 standard international certification regular follow-up was passed, and the ISO 50001 energy management system has been passed for 12 consecutive years, covering the design, manufacture, and sale of cold-rolled steel coils, galvanized steel coils, aluminum-zinc steel coils, and galvanized (aluminum) zinc-coated steel coils. 2. Major energy-saving and carbon reduction measures in 2024: (1). CPL steam consumption reduction and energy-saving improvement (2). Energy-saving improvement of the magnetic separator in the CPL SBL scale breaker (3). Optimization of AIR usage in CR1 control panel (4). Optimization of CR1 AIR usage (5). Optimization of CR2 AIR usage (6). Optimization of CG1 AIR usage (7). NOF refractory material replacement (8). Energy-saving improvement for CC1 painting line lighting (9). Reduction of long downtime on CC1 production line (10). Energy-saving improvement for compressed air system (11). Replacement of tap water booster pump with a high-efficiency variable-frequency centrifugal pump (12). Power consumption improvement of CG1 low-temperature annealing furnace (13). Air conditioning performance enhancement in electrical rooms (14). Improvement of cooling fan control method for CT-901 (15). Energy-saving lighting and exhaust fan measures for the guardhouse (16). Replacement of office lighting in the administration building with more energy-efficient lighting (17). Energy-saving improvement for air supply fans in administration building HVAC system (18). Replacement of office lighting in production building with more energy-efficient lighting (19). PC equipment upgrades in 2024 (20). Mainframe consolidation and virtualization in 2023 (21). Low-temperature coating development project (22). Reduction of edge trimming on hot-rolled coils to lower energy consumption (23). Reduction of energy loss in CC1 sandblasting machine (24). Replacement of office lighting in the materials warehouse with more energy-efficient lighting These measures can reduce annual greenhouse gas emissions by 490 metric tons of CO2e. 3. In order to achieve the goal of sustainable resource utilization, a waste acid regeneration and recovery system is specially set up. The waste acid generated from the metal surface cleaning process is refined and recycled, then transported back to the original process for reuse, greatly reducing waste acid output and new acid	None

Promotion Item	Implementation situation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations
	Yes	No	Abstract Explanation	
			consumption, and minimizing the impact of waste on the environment. 4. In 2024, the European Union's high-concern substances expanded to 242 items. In response to the global trend of chemical control to reduce environmental impacts, the Company has completed relevant management change procedures. As of 2024, the materials used in the Company's products have met the requirements of RoHS and REACH regulations for 62 categories and 126 items of non-hazardous materials.	
(3) Does the Company assess the current and future potential risks and opportunities of climate change for the business and take measures to address issues?	v		1. The Company is highly focused on climate change and carbon reduction issues related to the supply chain, and is accelerating the establishment of response mechanisms. Comprehensive assessments of climate-related risks and opportunities are being conducted, and response strategies are being developed. Collaborations with domestic and international peers, the green energy industry, suppliers, and the academic and research sectors are being strengthened to mitigate the impact of climate change on the supply chain and to systematically prevent and mitigate the impacts brought about by climate change. The Company follows the guidelines of the international initiative on climate-related financial disclosures (Task Force on Climate-related Financial Disclosures, TCFD), including engaging external professional institutions for guidance, and discussing and identifying climate change risks and transformation opportunities with various departments. Disclosures are made according to the TCFD recommended framework, ensuring that stakeholders fully understand Sheng Yu's efforts in risk management and response strategies for addressing climate change, and this commitment is communicated to senior executives and all company colleagues. 2. The Company regularly connects to the national regulatory website to obtain the relevant regulations formulated by the EPA and the Ministry of Economic Affairs and other government authorities in response to climate change. In accordance with the Company's greenhouse gas policy commitment, we are committed to greenhouse gas emission inventory, and the results of the inventory will be registered on the National Greenhouse Gas (GHG) Registry platform of the Environmental Protection Administration. We actively participate in the "Industrial GHG Voluntary Reduction Plan" of the Industrial Development Bureau, Ministry of Economic Affairs, and undertake to reduce greenhouse gas emissions by 1,250 metric tons-CO2e in five years (2016-2020), In 2022, the company promised the Iron and Steel Association that it would reduce carbon emissions by 7% in 2025 compared to 2018 as a mid- to long-term goal, actively implementing greenhouse gas reduction efforts. 3. From 2003 to 2024 Q4, a total of 32,778 metric tons-CO2e of greenhouse gas emissions had be reduced, and the relevant information is posted on the "Industrial GHG Voluntary Reduction Information Platform" website. 4. To address the potential risks of global climate change policies on the company's future, the company added emissions categories three to six in 2022 to understand the proportion of carbon emissions in the product life cycle. Moreover, a 1,500 kWp rooftop solar power system was installed on July 1, 2022. It is also expected that the construction of the 8,408kWp solar power generation system project at the Pingnan plant will be completed in July 2025 to obtain carbon credits and reduce the impact of climate change on the company.	None
(4) Does the Company compiled statistics on greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies on greenhouse gas reduction, water reduction or other waste management?	v		We regard environmental protection and energy management as an indispensable part of the Company, so we have set up an environmental/energy policy: "All employees shall protect the environment, prevent pollution, care for the earth, and achieve sustainable development", with energy consumption reduction and carbon emission reduction as our energy management goals. **1. Greenhouse gas emission** Annual inventory of greenhouse gas emissions, including the scope of all production processes and facilities and foreign staff rented accommodation in the site at No. 11, Zhonglin Rd., Xiaogang Dist., Kaohsiung City; and international verification agencies were commissioned to conduct data verification operations. The greenhouse gas emissions verified in the last three years are shown in the following table: (unit: metric tons)	None

Promotion Item	Implementation situation: Yes	No	Abstract Explanation	Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations
			(see below)	
4. Social issues				

Coverage Scope		2022	2023	2024
Scope 1	CO_2e	23,586.4	27,121.6	33,149.4
Scope 2	CO_2e	44,970.2	47,437.8	51,136.0
Emission intensity (kg/Ton)		69.0	63.5	63.5
Scope 3	CO_2e	1,232,960.6	739,536.6	896,483.0

Note：The 2024 data and Scope 3 represents monthly self-inspection data within the plant and has not been externally verified.

Since 2024, we have been conducting internal audits on the consolidated subsidiaries Yodoko International Ltd. and Sheng-Yu Trading (Dongguan) Corp. The employees of the other two subsidiaries work in the parent company's office, so there will be no repeated audits within the same area.

Yodoko International Ltd.		2023
Scope 1	CO_2e	51.3
Scope 2	CO_2e	38.5
Scope 3	CO_2e	3900.5

Sheng-Yu Trading (Dongguan) Corp.		2023
Scope 1	CO_2e	6.2
Scope 2	CO_2e	8.4
Scope 3	CO_2e	9.3

2. Water consumption

The water source of our company is from Taiwan Water Corporation. The water is mainly used for daily life and process water. According to the data of 2024, the recovery rate of process water ((total recycled water + total reused water) ÷ total factory water consumption) x 100%) is only 98.89%.

The waste (sewage) water is treated by the wastewater treatment equipment until it meets the discharge standard and then discharged to the Linhai Linyuan & Dafa Industrial Parks Combined Wastewater Treatment Plant through pipelines.

The water consumption and unit water consumption in the last three years are shown in the following table：

	2022	2023	2024
Total water consumption (Ton)	319,353	434,255	438,785
Unit water consumption(kg/Ton)	418	370	330

3. Waste management

The Company has established a "Waste Cleaning Plan" to manage the business waste generated. Business waste is classified and stored in accordance with the law, and qualified waste removal/disposal providers are entrusted to carry out removal/disposal and reporting operations. Annual inspection and assessment of waste disposal plants are conducted to ensure proper disposal of waste and to avoid environmental hazards from illegal disposal.

The total waste production and unit product emissions in the past three years are shown in the following table:

	2022	2023	2024
Total general sludge production (metric tons)	1,413	1,351	1,261
General sludge (kg/tonne)	1.42	1.15	0.95
Total hazardous sludge production (tonne)	6.80	1.13	2.22
Hazardous sludge (kg/tonne)	0.04	0.006	0.012

Promotion Item	Implementation situation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations
	Yes	No	Abstract Explanation	
(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	v		1. The Company complies with national labor regulations and refers to international human rights conventions such as the "United Nations' Nine Core Human Rights Treaties," "Universal Declaration of Human Rights," "The United Nations Global Compact," "International Bill of Human Rights," "ILO Declaration on Fundamental Principles and Rights at Work," "United Nations Guiding Principles on Business and Human Rights (UNGPs)," "OECD Guidelines for Multinational Enterprises," and the "Ten Principles of the United Nations Global Compact (UNGC)." A human rights policy applicable to the Company and its related enterprises has been developed. This policy is continually improved to enhance working conditions and employee benefits and to address and improve human rights management issues. The human rights policy and specific management plans are as follows: (1) Providing a safe and healthy work environment. (2) Eliminating illegal discrimination to ensure equal employment opportunities. (3) Prohibiting the employment of child labor. (4) Assisting employees in maintaining physical and mental health and work-life balance. (5) Protecting personal data. (6) Establishing a grievance system. (7) Creating effective channels for diverse communication. (8) Conducting educational training and advocacy. 2. Implementation status of the human rights policy: (1) Human rights policy education and advocacy: "Human Rights Policy" OJT (On-the-Job Training) materials were produced, and OJT education and advocacy were conducted by various units. By December 2024, all units had completed the advocacy and logged the training records. (2) Gender equality and friendly workplace: The ratio of female colleagues has increased. The company has established a grievance system to protect equal employment opportunities for different genders. Through gender equality training or diverse advocacy, the company actively eliminates workplace gender discrimination and fosters a gender-friendly work environment.	None
(2) Does the Company establish and implement reasonable employee benefit measures (including remuneration, leave and other benefits, etc.) and appropriately reflect operating performance or results in employee remuneration?	v		1. Employee benefit：Please refer to page 56 of this annual report. 2. The Company's "Articles of Incorporation" specify the allocation ratio for employee compensation in the event of profits, to share the operational results. 3. The Company has established "Salary Management Regulations," "Performance Bonus Issuance Regulations," "Year-End Bonus Issuance Regulations," "Performance Assessment and Promotion Management Regulations," and "Reward and Discipline Management Regulations" to provide reasonable and competitive compensation to attract, retain, and motivate talent, facilitating the company's long-term development. 4. The Company has established an Employee Stock Ownership Plan, implementing a stock trust incentive. 5. The Company has a Labor Welfare Committee that organizes various employee welfare activities and subsidies.	None
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	v		In 2024, the company continues to promote and strengthen employee safety awareness and safety education activities to provide employees with a safe and healthy work environment： 1. Continue strengthening safety education and awareness (1) Implementation of high-risk incident OPL -A total of 24 OPL materials were completed, with a 100% completion rate. (2) Installation of warning signs at high-risk incident locations-A total of 24 warning signs were installed. 2. Implementation of safety management measures (1) Effectiveness audit of company industrial safety incident countermeasures (random checks No. 99–103) -15 cases were audited with a 100% implementation rate of countermeasures. (2) Implementation of contractor safety management-43 contractors were audited, with 100% completion. (3) Ongoing YIL safety audits and assistance in establishing basic safety management systems -As of December, 11 on-site safety audits were conducted for subsidiary YIL, with 100% completion. -Safety management system review meetings were held on 3/26, 6/27, 9/24, and 12/25.	None

Promotion Item	Implementation situation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations
	Yes	No	Abstract Explanation	
			3. Promote employee physical and mental well-being (1) Implementation rate of supervisor-led health concern program: From Q1 to Q4 2024, 445 cases were required, and 415 were completed, with an overall execution rate of 93.25%. (2) Health management: A total of 12 health monitoring items were tracked, including overweight (BMI), the “three highs” (systolic/diastolic blood pressure, fasting blood sugar, triglycerides, total cholesterol, and LDL), chronic diseases, and metabolic syndrome (GOT, GPT, waist circumference, smoking status, and age). Initially, 118 employees were under management; by 2024, 19 had improved and were downgraded (1 person from level 4 to level 3; 18 people from level 3 to level 2), achieving a cumulative downgrade rate of 16.1%. (3) Health promotion activity: To address issues such as overweight and metabolic syndrome among employees, the “Healthy Eating, Healthy Living” wellness program was held from May 1 to September 30, 2024, in line with the Company’s “Health Management and Promotion” policy. As of September 30, the participation rate among employees with BMI >27 reached 77%. (4) Health promotion courses: 1). “Factory Burn and Chemical Incident Casualty Management”: Held on 4/15 (Mon) and 4/23 (Tue), with 62 participants and an average satisfaction rate of 94.28%. 2). “Smart Eating Tips for Weight Management”: Held on 5/14 (Tue) and 7/2 (Mon), with 75 participants and an average satisfaction rate of 96.24%. 3). “Workplace EQ and Emotional Management”: Held on 9/16 (Mon) and 9/24 (Tue), with 51 participants and an average satisfaction rate of 93.34%. Certifications obtained by the Company and their scopes: 1. Sheng Yu's acquisition of ISO 45001 certification: (1) Management boundaries and scope: Covers all company products and related service activities, including outsourced processing and packaging manpower, with the management system's physical boundaries set at the company’s location at No. 11, Zhonglin Rd., Xiaogang Dist., Kaohsiung City. (2) Applicable scope: Manufacture of cold-rolled steel coils, galvanized steel coils, aluminum-zinc coated steel coils, and painted steel coils. (3) Certifying body: DNV GL, Netherlands. (4) Certificate number: 00001-2020-AS-TWN-TAF (5) Validity date: March 7, 2026 2. Sheng Yu's acquisition of TOSHMS certification: (1) Applicable scope: The implemented occupational health and safety management system meets the requirements of CNS 45001: 2018. (2) Certifying body: DNV GL, Netherlands. (3) Certificate number: CB13-98004-05 (4) Validity date: March 7, 2026 Annual Statistics and improvement measures for employee occupational accidents : Number of incidents and individuals affected by temporary total disability in 2024, 0 cases involving, 0 individuals, accounting for 0.00% of the total number of employees at the end of 2024, with a disability injury frequency of 0.0. Annual Fire incidents, casualties, and casualty rates as a percentage of total employee numbers, along with related improvement measures: 1. Fire incidents, casualties, and casualty rates in 2024: None. 2. Fire-related improvement measures: (1) Fire prevention management measures: 1). Designate responsibility areas with fire safety officers and assign individuals responsible for fire sources to regularly inspect fire protection equipment and maintain fire prevention measures. 2). Establish a hot work permit application system to ensure fire prevention management during operations involving open flames. 3). Control personnel entry and exit in the plant area, organize and remove combustible materials from the premises, and enhance inspections of blind spots and patrols during holidays and nighttime.	

Promotion Item	Implementation situation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations
	Yes	No	Abstract Explanation	
			(2) Preventive management strategies: 1). Ensure maintenance of fire safety equipment by contracting professional fire protection engineers or a professional maintenance organization to inspect the fire safety equipment annually, with inspection results reported to local fire authorities as required. 2). Plan and establish an in-house firefighting team and regularly conduct disaster response drills to ensure minimal damage and loss in case of fires or other disasters. 3). Regularly conduct disaster response training to improve all employees' knowledge of fire prevention and disaster response capabilities.	
(4) Does the company provide its employees with career development and training sessions?	v		The Company values employees' knowledge learning and career development, designing courses and training plans based on organizational needs and competency gaps. We hold hierarchical, occupational safety and environmental protection, TQM, and skill improvement training, encouraging employees to participate in relevant training courses outside the company. We also provide employee tuition assistance for further studies, expecting employees to "enhance themselves through work challenges" in line with the company's management philosophy. We actively promote the policy that human resources are the company's essential assets, comprehensively improving employee performance and potential to meet the company's sustainable development needs. For the year 2024, the total training hours for internal and external training amounted to 15,158.73 hours, with an average training time of 30.08 hours per person.	None
(5) Does the Company comply with relevant regulations and international standards on customer health and safety, customer privacy, marketing and labeling, etc. of its products and services, and has it formulated relevant policies and complaint procedures to protect consumer or customer rights?	v		1. Upon receipt of an order, the Company will arrange the production process in accordance with the relevant product specifications and guidelines as required by domestic and foreign customers. After the products are produced, they will be sold and marketed domestically in full compliance with the "Fair Trade Act", and they will also comply with the local laws and regulations of each country when they are exported abroad. 2. Over the process of Company product being produced and delivered to end-users, in case of any dissatisfaction with the products, there is a complete set of customer complaint or complaint handling standards. Once a customer complains about or files a claim against the Company's products, it will protect the rights and interests of consumers with the principle of quick handling and in accordance with the above procedures. Furthermore, to secure the stability and reliability of product quality, it has continuously obtained JIS, CNS, MS MARK , BC1 etc. product certifications. According to the Company's quality policy "Keeping up with customer expectations," it has purchased related items that are up to standard. In terms of after-sales service, the Company has drawn up the operating procedures of the "Guidelines for Handling Claims and Complaints" to ensure the rights and interests of consumers. In terms of after-sales service, the Company has a standard operating procedure, which can be referred to the " F10-CIS-2. Claims and Complaints Handling" standard document, which is regularly updated with the current situation to ensure consumer rights. 3. The Company has established a "Prohibition of Restricted Competition and Unfair Competition Conduct Regulation."	None
(6) Does the Company have a supplier management policy that requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor human rights, and how is it implemented?	v		1. Supplier management is carried out in accordance with the "Procurement and Contracting Management Regulations" of Sheng Yu Company. Specific management policies include: (1). Suppliers and contractors shall comply with Sheng Yu's corporate social responsibility policy, and suspend their rights to trading until improvement is made in the event of infringement of environmental protection, industrial safety, labor human rights, integrity and labor-related laws and regulations. (2). The contractors are required to pay attention to improving the environmental impact of the production or construction process and to comply with the requirements of laws and regulations, including proper procedural control of waste disposal, in order to achieve the purpose of environmental protection and energy performance management. (3). Sheng Yu has established an inspection process for qualified suppliers of HSF green products without harmful substances. Every year, Sheng Yu conducts an inspection based on the quality of the supplier's products, related documents and third-party testing results, and announces the results as a basis for procurement. (4). Sheng Yu's waste removal and disposal contractors are strictly selected. Before signing a contract, we must	None

Promotion Item	Implementation situation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations
	Yes	No	Abstract Explanation	
			examine the government-issued permits, the records of relevant violations in the past three years, and visit the contractor's factory to conduct on-site inspections, and then sign a contract after passing the evaluation. During the contract period, the waste removal and disposal procedures shall be in accordance with the environmental protection regulations and shall be regularly inspected every year. (5). In terms of labor safety protection, the contractors are required to attend safety training and hazard warnings prior to operation, and the contractors' employers are required to designate dedicated safety and health management personnel to manage and comply with all safety and health management regulations set by Sheng Yu, and any violation will result in fines to the employers in order to improve the safety of the contractors' operators. (6). In terms of labor rights protection, employers of contractors are required to insure their workers take out insurance in accordance with government regulations, and to take out additional accident insurance of at least $5 million per person to enhance the protection of workers in case of accidents, and to comply with the requirements of labor-related laws and regulations in terms of attendance and wages.	
			(7). When evaluating whether to bring in a new contractor, we must fill out a survey form and submit relevant information such as registered business scopes, and whether the contractor has passed ISO 45001 and ISO 14001 certification for inspection to confirm that it is a legally registered company, and to report whether there have been no major safety, health, and environmental incidents in the past three years. If necessary, on-site inspections will be arranged. Sheng Yu's production base is located in Taiwan, and it is part of our corporate social responsibility to enhance local supply optimization to protect the rights and interests of local grassroots workers, reduce carbon pollution from transportation and improve environmental and social issues, and establish long-term relationships with local suppliers to enhance supply chain stability. (8). The procurement of foreign equipment and raw materials will be adjusted based on the human rights status of the country of origin, and the procurement documents and contract terms will stipulate that no bribery and no infringement of rights will be allowed. (9). Support the advocacy of the Global e-Sustainability Initiative (GeSI) by purchasing non-conflict materials and not purchasing conflict metals from conflict areas in the Democratic Republic of Congo and surrounding countries, and all zinc and aluminum ingots purchased in 2024 complied with the conflict minerals policy. 2. The specific implementation status are as follows: (1). Follow the requirements of ISO 9001, QC080000, ISO45001 and ISO14001 management systems, and conduct annual supplier management audits; there was no deficiency in 2024. (2). Risk assessment of environmental aspects will be conducted annually to implement enterprise operation risk management and maintain normal operation. In 2024 , the results of the indirect environmental assessment of suppliers in the procurement process are below moderate risk. (3). Qualified suppliers of HSF green products without harmful substances in 2024 have been reviewed and the results announced. (4). The contractor for waste removal and treatment has signed a contract for waste removal and treatment in compliance with environmental regulations in 2024, and no negative impact concerns were identified during the 2024 plant visit. (5). Suppliers and contractors of outsourced processing, coating (baking), grinding, transportation, air conditioning maintenance, forklift maintenance, and other outsourced processing work, as well as contractors who are stationed at the site, are required to report the "Environmental Management System Contractor Compliance Survey Form" annually to understand the contractors' compliance with regulations and to manage them. In 2024, no supplier with negative impact is found in the environmental management compliance survey of suppliers. (6). Supplier evaluation and assessment: The scope includes the delivery performance of suppliers of raw materials, materials and packaging materials directly related to the production of finished goods, and the annual evaluation was carried out in 2024. (7). Contractor evaluation and assessment: The scope includes the evaluation of restricted space operations, roofing operations, plant construction or repair operations, excavation operations, erection of construction racks over 5 meters, and outsourcing of additional work, etc. The evaluation was carried out at the time of completion and acceptance in 2024 as scheduled.	
5. Does the Company make reference to international standards or guidelines for the preparation of sustainability reports and other reports that disclose non-financial information about the Company? Does the previous report	v		The 2023 Sustainability Report was approved by the Board of Directors on May 8,2024 , that was compiled in accordance with the "Global Reporting Initiative" (GRI) standards and verified by "GREAT Certification." A statement of independent assurance was obtained on July 3, 2024, to ensure the accuracy of the data on economic,	None

Promotion Item	Implementation situation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations
	Yes	No	Abstract Explanation	
obtain a third-party verification unit's opinion of confirmation or assurance?			social, environmental, and corporate governance reported. The 2023 Sustainability Report was published in Chinese on Aug. 30, 2024 and disclosed on the Market Observation Post System and company website, english version published on Nov. 29, 2023.	
6. If the Company has established the corporate sustainable development principles based on the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies , please describe any discrepancy between the Principles and their implementation： The Company has formulated its "Sustainable Development Best Practice Principles" in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and disclosed these on the Market Observation Post System and the company's website, ensuring compliance with the Company's "Sustainable Development Best Practice Principles."				
7. Other important information to facilitate better understanding of the company’s corporate sustainable development practices： Corporate sustainable development is not only detailed in the annual report, but also published on the Company’s website (http://shengyusteel.com), including information on corporate governance, environmental performance development, and the promotion of social welfare. Can reference to "Sheng Yu Corporate Sustainability Report 2023" on the company website.				

(5)-2 Climate-Related Information of TWSE/TPEx Listed Company

1. Implementation of Climate-Related Information

Item	Implementation status
1.Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	1. The board has established a "Sustainability Committee", with the Director and President serving as the convener. It lays out actual tasks involving environmental sustainability, CSR, corporate governance, ethical management, risk management, talent development, intellectual property and information security. The ESG Sustainability Executive Committee is responsible for reporting the annual plans and implementation results to the Sustainability Committee, which then reports to the board.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	2. Sales: The supply and demand structure changes the product and service practices, and the ways of affecting the market are intricate. Strategy: Limit any adverse impacts that may contribute to climate change and promote climate change adaptation. Financials: Increased operating costs (such as compliance costs and insurance premium increases), and policy changes leading to write-offs and early scrapping of existing assets.
3. Describe the financial impact of extreme weather events and transformative actions.	3. Extreme weather events: Property damage or supply chain disruption.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4.The purpose of identifying climate change is not to make accurate predictions, but to strengthen risk identification and measurement through regular monitoring of relevant laws and regulations, guidelines and literature for the completeness of identification and explore and understand potential material risks, which can be used as reference for the company's decision-making. The "Compliance Risk Management Committee" and the "Energy and Resources Management Committee" meet every quarter, and regularly report the progress to the "ESG Sustainability Executive Committee".
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	5.The scenario explains that 2° C is mild. Low emissions scenario for warming not exceeding 2° C. The warming is controlled, and the physical risk is lower. 4° C is severe, and a high emissions scenario. By 2100, global warming will be close to 4° C. Warming cannot be controlled in time, and extreme weather leads to a higher risk of disasters. Carbon-related charges are the main factor impacting the finances.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	6. Actions: In terms of transition risks, there are construction of the product carbon footprint management platform; added heat shielding function of Colorstrong products; add VOCs reduction equipment (zeolite runner concentration equipment) to CC2; establish carbon footprint verification for critical materials and find supply sources of low-carbon products; collaborate with MIRDC on carbon reduction process technology. In terms of physical risks, there are completing flood control preparations by the end of May every year; each unit formulates appropriate emergency response plans separately according to the risk level; each responsible unit conducts preparations, response measures and patrol inspection in accordance with the status of typhoon.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	7. At present, we have not planned an internal carbon pricing practice. We will wait for further regulations or guidelines from government agencies. We plan to have a carbon management platform, which has two modules, organizational inventory and product carbon footprint, to prepare the entire value chain, including us, our subsidiaries and main suppliers, to move toward low-carbon transition through system integration and analysis for better carbon risk management. The implementation will mitigate the increasingly severe impact of climate change and respond to stakeholders' requirements on carbon information disclosure and management.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	8. Short-term: GHG emissions in 2022 reduced by 3% compared with 2018. Intermediate-term: GHG emissions in 2025 reduced by 7% compared with 2018. Long-term: Achieve net zero emissions by 2050. We have completed 1950 kWp of solar power generation system. In order to meet the reduction goals of the Greenhouse Gas Reduction and Management Act, we have continued to plan the installation of solar power generation equipment, operation testing and on-grid connection, inspection for completion and the acquisition of electricity business license.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	9. The greenhouse gas inventory and third-party verification have been completed, and the titles of the verification statements for the last three years are as follows: 2021 87,267.553 metric tons ISO14064-1 2006 edition / SGS; 1,320,332.407 metric tons ISO14064-1 2018 edition 2022 68,556.657 metric tons ISO14064-1 2006 edition / SGS; 808,137.027 metric tons ISO14064-1 2018 edition 2023 74,559.353 metric tons ISO14064-1 2006 edition / SGS; 971,102.659 metric tons ISO14064-1 2018 edition

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

1. In 2023, the greenhouse gas emissions were 74,559 tons CO2e (Scope 1 and Scope 2), with a revenue of NT$11.729 billion, and an emission intensity of 6.36 tons CO2e per million NT$.
   Scope 3 Other indirect emissions 896,483 tons CO2e. The emission information of the company and its consolidated subsidiaries is as follows:
2. In 2024, the greenhouse gas emissions were 84,285 tons CO2e (Scope 1 and Scope 2), with a revenue of NT$13.045 billion, resulting in an emission intensity of 6.46 tons CO2e per million NT$.
   Scope 3 other indirect emissions 1,115,309 tons CO2e. The emissions of all subsidiaries account for less than 0.5% of the total emissions, which is below the materiality standard of 5%, so the 2013 inventory information is used as the basis.

	Scope	2023		2024	
		Emissions tons CO_2e	Emission Intensity tons CO2e / million NT$	Emissions tons CO_2e	Emission intensity tons CO2e / million NT$
The Company	Scope 1 Direct greenhouse gas emissions	27,122	6.36	33,149	6.46
	Scope 2 Indirect Greenhouse Gas Emissions	47,438		51,136	
	Subtotal	74,559		84,285	
	Scope 3 Other indirect emissions	896,483	-	1,115,309	-
subsidiaries in the consolidated financial statements	Scope 1 Direct greenhouse gas emissions	58	0.16	58	0.16
	Scope 2 Indirect Greenhouse Gas Emissions	47		47	
	Subtotal	104		104	
	Scope 3 Other indirect emissions	3,910	-	3,910	-
Combined emissions	Scope 1 and Scope 2	74,663	6.03	84,389	6.16
TOTAL	Scope 1, Scope 2 and Scope 3	975,056	-	1,203,608	-

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

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

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

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT$ 1 million) shall be disclosed.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

1. The greenhouse gas emissions inventory for 2023 was audited by Taiwan Inspection Technology Corporation SGS in May 2024. The assurance scope was at No. 11, Chung Lin Rd., Hsiao Kang Dist., Kaohsiung City, covering the period from January 1, 2023, to December 31, 2023. The audit was conducted according to the ISO 14064-3:2006 guidelines, and the results met the current regulations and reasonable assurance levels set by the relevant authorities.
2. The greenhouse gas emissions inventory for 2024 is scheduled to be audited by Taiwan Inspection Technology Corporation SGS in May 2025. The assurance scope is also at No. 11, Chung Lin Rd., Hsiao Kang Dist., Kaohsiung City, for the period from January 1, 2024, to December 31, 2024, and will be conducted according to the ISO 14064-1:2006 guidelines.

(Complete assurance information will be disclosed in the sustainability report.)

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that “Complete assurance information will be disclosed in the sustainability report.” If the Company does not prepare a sustainability report, it shall note that “Complete assurance information will be disclosed on the Market Observation Post System (MOPS),” and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEx.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
After verification, the greenhouse gas emissions for 2023 were 74,663 tons of CO2-e. The year 2023 has been set as the base year for reduction, with a 2025 target to reduce emissions by 3% from the base year, amounting to a reduction of 2,240 tons of CO2-e. A total of 14 energy-saving projects planned for 2025 are estimated to reduce carbon emissions by 5,528 tons of CO2-e, equivalent to saving 76,265,324 kWh of electricity.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, a company with capital of NT$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024. If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

(6) Corporate integrity practices, Differences from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and the Reasons

Evaluation Item	Implementation Status[1]			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs				
(1) Does the Company have an ethical corporate management policy that has been approved by the Board of Directors and expresses its policies and practices on ethical corporate management in its regulations and external documents, as well as the Board of Directors' and management's commitment to actively implement the policy?	v		(1) 1).The Company's board of directors has approved the "Ethical Corporate Management Best Practice Principles," and according to this code, the "Procedures for Ethical Management and Guidelines for Conduct" have been established. These guidelines specifically regulate matters that all employees should be aware of when conducting business. The ethical management policy is also stated in Article 5 of the "Ethical Corporate Management Best Practice Principles." 2).Through internal publications, the promotion of moral conduct, adherence to discipline, and company regulations are emphasized to implement the corporate image of ethical management. The code of conduct for practitioners is set out in Article 4 of the work rules, requiring employees to be honest and clean. The Company has also established "Shengyu's Gift Property and Banquet Entertainment Management Measures" and "Prohibition of Bribery to Public Sector and Personnel Management Measures," ensuring employees understand and commit to not providing, accepting, promising, or requesting any improper benefits, either directly or indirectly, or engaging in other violations of integrity, illegal, or breach of fiduciary obligations. 3).The ethical management policy is publicized on the company's website, promotional materials, or external activities, enabling managers, employees, suppliers, customers, and other business-related organizations and personnel to understand the company's ethical management concepts and norms. 4).The Company discloses the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," and "Codes of Ethical Conduct" on the company's website and the Market Observation Post System. This helps employees understand the ethical norms and related policies of ethical management. The Company regularly promotes ethical management concepts and moral conduct through internal websites, meetings, or educational training.	None
(2) Has the Company established an assessment mechanism for the risk of unethical conduct and regularly analyzed and evaluated the business activities within its business scope with a higher risk of unethical conduct, and formulated a plan to prevent unethical conduct, covering at least the preventive measures under Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	v		(2) 1).The Company has established an "Regulatory Compliance and Risk Management Committee" within its internal organization. The Committee is responsible for identifying and responding to various risks within the scope of business, including promoting and communicating anti-corruption policies, committing to and complying with the laws and ethical standards of the countries where the business operates, and planning various regulatory compliance and promotion activities. 2).The Company has established the "Codes of Ethical Conduct," which timely promotes moral concepts within the company and encourages employees to report any suspected or discovered violations of laws, regulations, or the Moral Behavior Code to the appropriate personnel. The Company also provides enough information to handle subsequent matters properly.	None

Evaluation Item	Implementation Status[1]			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			3).The Company has established "Shengyu's Gift Property and Banquet Entertainment Management Measures" and "Prohibition of Bribery to Public Sector and Personnel Management Measures" to implement a high-quality corporate culture, maintain the company's image, and provide guidelines for employees to handle gifted property, banquet entertainment, and lobbying. When encountering a gift from someone with a vested interest in their job, the gift should be refused or returned unless otherwise specified. If it cannot be returned, employees should complete a "Gifted Property Handling Report," submit it to their department supervisor for approval, and send the gifted property to the "Regulatory Compliance and Risk Management Committee" office for processing.	
(3) Has the Company defined and implemented the operating procedures, conduct guidelines, disciplinary and complaint systems for non-compliance in its unethical conduct prevention program, and regularly reviewed and revised the preceding program?	v		(3) The Company's "Codes of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and "Procedures for Ethical Management and Guidelines for Conduct" all have provisions for preventing dishonest behavior and are reviewed and revised in accordance with regulatory amendments. Additionally, a complaint system is in place to implement the complaint system and disciplinary actions for violations.	None
2.Fulfill operations integrity policy				
(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	v		(1) The Company periodically audits and interviews suppliers, including clauses prohibiting bribery or accepting kickbacks in various engineering, procurement, and cooperative contracts. The Company's "Procurement and Engineering Contract Management Measures" stipulate that suppliers and contractors must adhere to the Company's corporate social responsibility policies, including ethical conduct. If any violation occurs, the company will suspend transactions until improvements are made.	None
(2) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report to the Board of Directors on a regular basis (at least once a year) on its ethical corporate management policy and program to prevent unethical conduct and monitor its implementation?	v		(2) To strengthen the management of ethical operation, the Company established the "Sustainable Development Committee" at the board of directors meeting. One of its responsibilities is to promote and implement ethical management-related work and report the execution status of ethical management to the board of directors annually.	None
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	v		(3) The Company's Code of Ethical Conduct and Code of Integrity Management, have established a conflict of interest prevention policy, provided appropriate representation channels and implemented them.	None
(4) Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management, and has the internal audit unit drawn up an audit plan based on the results of the assessment of the risk of unethical conduct, in order to verify compliance with the plan to prevent unethical conduct, or has it engaged an accountant to perform the audit?	v		(4) The Company has established an effective accounting system and internal control system for the implementation of integrity management, which will be regularly checked by the internal audit unit.	None
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	v		(5) 1).The Company's Code of Integrity Management is promoted through its internal website and quarterly publications.	None

Evaluation Item	Implementation Status[1]			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			2). The Company's directors signed the "Integrity Management, Anti-Corruption, and Anti-Bribery Commitment". 3). The Company's employees completed the signing of the "Code of Integrity and Ethical Standards Statement". 4). In January 2024, voice-based training materials on the Human Rights Policy, Personal Data Protection, and Prevention of Unethical Conduct were produced and provided to all departments for OJT (on-the-job training) educational promotion. 5). On August 29, 2024, a campaign was conducted to promote the principle that "employees shall comply with confidentiality regulations to protect trade secrets," resulting in the collection of 502 signed acknowledgments from employees, achieving a 100% return rate. 6). In January, April, July, and October 2024, the Company conducted training on "violations related to the reporting of insider shareholding changes." Additionally, in February, April, July, and October, the Company conducted advocacy on "prohibiting insiders from trading securities using non-public information obtained from the market."	
3.Operation of the integrity channel				
(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	v		(1) The Company has established "Procedures for Ethical Management and Guidelines for Conduct" to regulate the ethical guidelines and moral standards for employees when conducting business. The Company has also set up a dedicated anti-corruption hotline (SYSCO Hot Line) at 07-8715252 and a dedicated email address: anti-corruption@shengyusteel.com, as well as a General Manager's dedicated email: president@shengyusteel.com. For illegal (including corrupt) and unethical behavior, the Company has specifically set up an independent anti-corruption hotline for internal and external personnel. The hotline is handled confidentially and endeavors to protect the safety of the informants. The reporting window for the hotline is the "Regulatory Compliance and Risk Management Committee." Additionally, the General Manager's dedicated email provides a channel for reporting illegal activities, with the contents of the report directly sent to the General Manager.	None
(2) Does the company have a standard operating procedure for the investigation of the matters to be investigated, follow-up measures to be taken after the completion of the investigation, and relevant confidentiality mechanisms?	v		(2) The Company's Code ofIintegrity Management prescribes standard operating procedures for the investigation of complaints and relevant confidentiality mechanisms.	None
(3) Does the company provide proper whistleblower protection?	v		(3) The Company takes measures to protect those making a complaint from retaliatory actions.	None
4.Strengthening information disclosure				None
Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	v		The Company's website https://www.shengyusteel.com, under the "Sustainable Development" section, in the "Corporate Governance" subsection, and under "Corporate Governance-related Regulations," discloses information about the "Ethical Corporate Management Best Practice Principles," "Codes of Ethical Conduct," and "Procedures for Ethical Management and Guidelines for Conduct" and other related policy requirements and regulations for colleagues and the public to inquire. The Company's progress in ethical management is disclosed on its website, the Market Observation Post System, annual reports, or Sustainability Reports etc.	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status[1]</th><th rowspan="2">Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td colspan="5">5.If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation：
The Company has established "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct." All directors, managers, employees, appointed personnel, or those with substantial control of the Company must comply with these guidelines and related regulations. The Company's ethical management operations and regulatory content show no significant differences.</td></tr>
<tr><td colspan="5">6.Other important information to facilitate a better understanding of the company's ethical corporate management policies：
(1). The Company adheres to the Company Act, Securities and Exchange Act, listing-related regulations, and other relevant laws as the basis for implementing ethical management. The Company prohibits any dishonest behavior in external business dealings with counterparties.
(2). The Company has already amended the "Codes of Ethical Conduct" at the board of directors meeting on November 6, 2020, and revised the "Ethical Corporate Management Best Practice Principles" and established "Procedures for Ethical Management and Guidelines for Conduct" at the board of directors meeting on November 11, 2022.</td></tr>
</table>

(7) Other important information to facilitate better understanding of the Company's corporate governance activities may be disclosed here：

1). The company’s finance and accounting and auditing personnel obtained the license:Internal auditor (International license) 1 person

2). The Company has amended Corporate Governance Best-Practice Principles and implemented it upon the approval of the Board of Directors.

(8) The following information relating to implementation of the internal control system shall be disclosed：

1). The Declaration of the Internal Control System：Refer to p.70

2). Any CPA commissioned to conduct a project review of the ICS shall disclose the CPA’s audit report：None

(9) Significant resolutions made in/by the Shareholders’ Meeting and the Board of Directors in the most recent fiscal year up to the date of publication of this Annual Report：

1). Shareholders' Meeting：

A total of 1 Shareholders' Meeting was held in 2024 up to the date of publication of this Annual Report. Major Resolutions of Shareholders’ Meeting：

a. Approval of the 2023 business report and financial statements：Passed by vote.

b. Approval of Distribution of 2023 Profit：

Implementation：The Company paid a cash dividend of NT$1.25 per share and set July 22, 2024 as the allocation base date and August 16, 2024 as the payment date.

2). Board meeting：

A total of 6 Board Meetings were held in 2024 up to the date of publication of this Annual Report. Major Resolutions of Board Meetings：

Major resolutions of Board Meetings		
Date of Board Meetings	Proposal	Resolutions
Mar. 8, 2024	(1).Acknowledgment of the 2023 business report and financial statements.	Approved by all Directors presented without any objection.
	(2).Acknowledgment of the declaration of 2023 Internal Control System of the Company.	Approved by all Directors presented without any objection.
	(3).Discussion of the 2023 employees' and directors' remuneration	Except for directors with a conflict of interest who recused themselves from discussions and voting, approved by remaining directors presented without any objection.
	(4).Discussion of 2023 Profit Distribution.	Approved by all Directors presented without any objection.
	(5).Discussion of the 2023 earnings distribution in cash dividends	Approved by all Directors presented without any objection.
	(6).Discussion of 2023 remuneration to Remuneration Committee and Sustainable Development Committee members	Except for directors with a conflict of interest who recused themselves from discussions and voting, approved by remaining directors presented without any objection.
	(7).Discussion of the 2024 Directors and Important Staff Liability Insurance.	Approved by all Directors presented without any objection.
	(8).Discussion of signed a land and plant lease contract for 2024 and loaning of funds for Yodoko International Ltd.	Except for directors with a conflict of interest who recused themselves from discussions and voting, approved by remaining directors presented without any objection.
	(9).Discussion of amendments to the company's “Rules of Procedure for Shareholders Meetings”.	Approved by all Directors presented without any objection.
	(10).Discussion of set up the company's "Rules of Procedure for Directors Meetings ".	Approved by all Directors presented without any objection.
	(11).Discussion of amendments to the company's “Audit Committee Charter”.	Approved by all Directors presented without any objection.
	(12). Resolution of 2024 Shareholders’ Meeting	Approved by all Directors presented without any objection.
May 8, 2024	(1).Acknowledgment of the 1st quarter of 2024 Consolidated Financial Statements	Approved by all Directors presented without any objection.
	(2).Discussion the distribution of the 2023 Employees’, Directors’ ,Remuneration Committee members’ and Sustainable Development Committee members’ Remuneration	Approved by all Directors presented without any objection.
	(3).Approval of the company's 2023 Sustainability Report	Approved by all Directors presented without any objection.
Jun. 14, 2024	(1).Discussion of loaning of funds for SHENG-SHING WORLDWIDE CORP.	Except for directors with a conflict of interest who recused themselves from discussions and voting, approved by remaining directors presented without any objection.
	(2).Chairman re-election proposal	Approved by all Directors presented without any objection.
	(3).Acknowledgment of change in Managers	Approved by all Directors presented without any objection.

Major resolutions of Board Meetings		
Date of Board Meetings	Proposal	Resolutions
Aug. 9, 2024	(1). Acknowledgment of the 2nd quarter of 2024 Consolidated Financial Statements	Approved by all Directors presented without any objection.
	(2). Acknowledgment of the 2024 Budget revision	Approved by all Directors presented without any objection.
	(3). Discussion of amendments to the company's "Internal Control System"	Approved by all Directors presented without any objection.
Nov. 8, 2024	(1).Acknowledgment of the 3rd quarter of 2024 Consolidated Financial Statements	Approved by all Directors presented without any objection.
	(2).Acknowledgment of Assessment of independence and competency of CPAs	Approved by all Directors presented without any objection.
	(3).Acknowledgment of the 2025 CPAs Appointment and Service fee	Approved by all Directors presented without any objection.
	(4).Acknowledgment of the structure of directors and managers' compensation	Approved by all Directors presented without any objection.
	(5).Acknowledgment of the 2024 bonus payment policy for managers	Approved by all Directors presented without any objection.
	(6).Acknowledgment of 2025 Internal Audit Plan	Approved by all Directors presented without any objection.
	(7).Acknowledgement of the technical support contract signed between our company and Yodogawa Steel Works Ltd.	Except for directors with a conflict of interest who recused themselves from discussions and voting, approved by remaining directors presented without any objection.
	(8).Discussion of amendments to the company's "Remuneration Committee Charter"	Approved by all Directors presented without any objection.
	(9).Discussion of amendments to the company's "Sustainable Development Committee Charter"	Approved by all Directors presented without any objection.
	(10). Discussion of amendments to the company's " Corporate Governance Code of Practice"	Approved by all Directors presented without any objection.
Mar. 7, 2025	(1).Acknowledgment of the 2024 business report and financial statements.	Approved by all Directors presented without any objection.
	(2).Acknowledgment of the declaration of 2024 Internal Control System of the Company.	Approved by all Directors presented without any objection.
	(3).Discussion of the 2024 employees' and directors' remuneration	Except for directors with a conflict of interest who recused themselves from discussions and voting, approved by remaining directors presented without any objection.
	(4).Discussion of 2024 Profit Distribution.	Approved by all Directors presented without any objection.
	(5).Discussion of the 2024 earnings distribution in cash dividends	Approved by all Directors presented without any objection.
	(6).Discussion of 2024 remuneration to Remuneration Committee members and Sustainable Development Committee members	Except for directors with a conflict of interest who recused themselves from discussions and voting, approved by remaining directors presented without any objection.
	(7). Acknowledgment of the 2025 Directors and Important Staff Liability Insurance.	Approved by all Directors presented without any objection.
	(8).Discussion of signed a land and plant lease contract for 2025	Except for directors with a conflict of interest who recused themselves from discussions and voting, approved by remaining directors presented without any objection.
	(9).Discussion of set up the scope of the company's grassroots employees	Approved by all Directors presented without any objection.
	(10). Discussion of amendments to the company's "Articles of Incorporation”	Approved by all Directors presented without any objection.
	(11). Resolution of 2025 Shareholders’ Meeting	Approved by all Directors presented without any objection.

(10) Major contents of any dissenting opinions on record or stated in a written statement made by directors or audit committee regarding key resolutions of the board of directors in the most recent year up to the publication date of this report：None

D. Information on CPA professional fees

Unit：NT$ thousands

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee	Total	Remark
Deloitte & Touche Taiwan	Xiu-Wen Chen Lee-Yuan Kuo	2024	3,060	700	3,760	

Note：Non-Audit Service Items
(1). Fee for tax service for 2024 is NT$200 thousand.
(2). Application successful Fee for tax write-off service for 2022 Invest in smart machines is NT$446 thousand
(3). The certificate of foreign income of 3 persons in 2023 & 2024 was made NT$54 thousand.

E. Information on replacement of CPA

(1) Regarding the former CPA：Not applicable.

(2) Regarding the successor CPA：Not applicable.

(3) The content of the reply letter from the former certified public accountant if any of the situations listed in Article 10, subparagraph 6, item A and to (c) of the item B of the Regulations Governing Information to be Published in Annual Reports of Public Companies：Not applicable.

F. The company's chairman, chief executive officer, chief financial officer, and managers in charge of its finance and accounting operations did not hold any positions in the company's independent auditing firm or its associates during the latest fiscal year：None

G. Transfer or pledge of shares by the company's directors, managers and stockholders with more than 10% of the company's shares：

(1) Changes in Shareholding of Directors, Managers and Major Shareholders

Unit：Shares

Title	Name	2024		As of Apr.15, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Director	Yodogawa Steel Works Ltd. (Note 1)	0	0	36,734,988	0
Director	Toyota Tsusho Corporation (Note 2)	0	0	(36,734,988)	0
Director	Yung Chi Paint & Varnish Mfg. Co., Ltd. (Note 3)	0	0	0	0
Director	Fujiden International Corporation (Note 4)	0	0	0	0
Independent director	Ying-Fang Huang	0	0	0	0
Independent director	Simon C. S. Liu	0	0	0	0
Independent director	Fang-Yih Hsu	0	0	0	0
Independent director	Lian-Hwei Hsu	0	0	0	0
CEO	Koichi Tarumiya	0	0	0	0
CEO(former)	Soichi Kitamura	0	0	0	0
President	Shih-Chiang Hung	0	0	0	0
Vice President	Tung-Chih Lin	0	0	0	0
Assistant Vice President	Tsun-Hung Wang	0	0	0	0
Financial officer	Jing-Si Chen	0	0	0	0
Accounting officer	Pei-Yu Kuo	0	0	0	0
Corporate governance officer	Shun-Liang Chen	0	0	0	0
Major Shareholders	Yodogawa Steel Works Ltd	0	0	36,734,988	0
Major Shareholders	Toyota Tsusho Corporation	0	0	(36,734,988)	0

Note 1：Representative are Koichi Tarumiya, Shih-Chiang Hung , Tung-Chih Lin and Tetsuhiro Yamamoto

Note 2：Representative is Hidekazu Sugahara, On March 24, 2025, he was dismissed at Toyota Tsusho Corporation due to the transfer of shares exceeding half of the company's shares held at the time of election.

Note 3：Representative is Te-Hsiung Chang

Note 4：Representative is Hideaki Arashima

(2) Equity transfer information：On March 24, 2025, Toyota Tsusho Corporation, the major shareholder of the Company holding 11.43% of the shares, disposed of all its shares to the director, Yodogawa Steel Works Ltd.

Name（Note 1）	Reasons for equity transfer（Note 2）	Transaction Date	Transaction counterparty	Transaction counterparties, companies and directors , Supervisors, Managers and Shareholding Ratio Relationship of shareholders with more than 10%	Number of shares	Transaction Price
Toyota Tsusho Corporation	Disposal	March 24, 2025	Yodogawa Steel Works Ltd	Directors of the Company and shareholders holding more than 10% of the shares	36,734,988	27.2403

Note 1：The name of the company's directors, supervisors, managers and shareholders holding more than 10% of the shares shall be filled in.

Note 2：Fill in the acquisition or disposal。

(3) Equity pledge information：Not applicable.

H. Information on the top 10 holders of the company's shares who are identified as related parties, spouse or relative within second-degree of kinship：

Relationship information between 10 largest shareholders

Date：2025/04/15

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Yodogawa Steel Works Ltd. Representative：Koichi Tarumiya, Shih-Chiang Hung , Tung-Chih Lin and Tetsuhiro Yamamoto	204,181,843	63.57%	0	0	0	0	Fujiden International Corporation	Yodogawa Steel Works Ltd. Holding 33% and acted as its supervisor.	-
Yung Chi Paint & Varnish Mfg. Co., Ltd. Representative：Te-Hsiung Chang	3,668,477	1.14%	0	0	0	0	None	None	-
Fujiden International Corporation Representative：Hideaki Arashima	3,370,195	1.05%	0	0	0	0	Yodogawa Steel Works Ltd.	Aacted as supervisor of Fujiden International Corporation	-
SYSCO Entrusts China Trust Bank With The Custody of Staff Shares.	2,176,848	0.68%	0	0	0	0	None	None	-
Wei-Ren Chen,	2,133,000	0.66%	0	0	0	0	None	None	-
Ching-Lin Chang	1,300,000	0.40%							
HSBC Bank (Taiwan) Limited is entrusted with the custody of Morgan Stanley investment account	1,127,733	0.35%	0	0	0	0	None	None	-
Citi (Taiwan) Commercial Bank is entrusted with the custody of Berkeley Capital Securities Co., Ltd. —SBL/PB Investment Account	1,082,000	0.34%	0	0	0	0	None	None	-
Gao-Huang Lin	1,050,000	0.33%	0	0	0	0	None	None	-
Rong-Jie Lai	888,000	0.28%	0	0	0	0	None	None	-

I. Information on the number of shares of the company invested by the company, any of the company's directors and executive officers or a company directly or indirectly controlled by the company and consolidated percentage of shareholding：

Unit：shares/ % ; Date：2025/04/15

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Yodoko International Ltd.	2,045,750	81.83%	250,000	10.00%	2,295,750	91.83%
Sheng-Shing Worldwide Corp.	2,705,000	54.10%	0	0.00%	2,705,000	54.10%
Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd.	-	20.91%	-	79.09%	-	100.00%

Note：Under equity method

III. Capital Overview

A. Capital and shares

(1) Source of capital

Date：2025/04/15
Unit：Amount NT$ thousands

Year. month	Issuance Price (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital (NT$)	Capital Increased by Assets Other than Cash	Other
1985.01	1,000	198,000	198,000	198,000	198,000	Issuance of common stocks	-	-
1986.03	1,000	1,500,000	1,500,000	1,500,000	1,500,000	Issuance of common stocks NT$1,302,000,000	-	-
1987.05	1,000	1,510,000	1,510,000	1,510,000	1,510,000	Capitalization of Merge Sheng-Yi Company NT$10,000,000	-	-
1989.12	1,000	2,000,000	2,000,000	2,000,000	2,000,000	Issuance of common stocks NT$490,000,000	-	-
1990.10	10	250,000,000	2,500,000	250,000,000	2,500,000	Issuance of common stocks NT$500,000,000	-	-
1997.09	10	450,000,000	4,500,000	300,000,000	3,000,000	Issuance of common stocks NT$500,000,000	-	July 21, 1997 TDCC (1) No.52521
1998.07	10	450,000,000	4,500,000	318,000,000	3,180,000	Capitalization of Capital Surplus NT$ 180,000,000	-	June 12, 1998 TDCC (1) No.51151
2003.09	10	450,000,000	4,500,000	321,180,000	3,211,800	Capitalization of Earnings NT$ 31,800,000	-	July 4, 2003 TDCC (1) No. 0920129809

Date：2025/04/15
Unit：Shares

Share Type	Authorized Capital			Remarks
	Issued Shares(Note)	Un-issued Shares	Total Shares	
Registered Shares	321,180,000	128,820,000	450,000,000	Shares of publicly-listed Company
Special Shares	None	None	-	-

(2) List of major shareholders：

Date：2025/04/15

	Major Shareholders \ Shares	Shareholding	
		Shares	Percentage
1	Yodogawa Steel Works Ltd.	204,181,843	63.57%
2	Yung Chi Paint & Varnish Mfg. Co., Ltd.	3,668,477	1.14%
3	Fujiden International Corporation	3,370,195	1.05%
4	SYSCO Entrusts China Trust Bank With The Custody of Staff Shares.	2,176,848	0.68%
5	Wei-Ren Chen,	2,133,000	0.66%
6	Ching-Lin Chang	1,300,000	0.40%
7	HSBC Bank (Taiwan) Limited is entrusted with the custody of Morgan Stanley investment account	1,127,733	0.35%
8	Citi (Taiwan) Commercial Bank is entrusted with the custody of Berkeley Capital Securities Co., Ltd. —SBL/PB Investment Account	1,082,000	0.34%
9	Gao-Huang Lin	1,050,000	0.33%
10	Rong-Jie Lai	888,000	0.28%

(3) Dividend Policy and Implementation Status

1). Dividend Policy in the Company's Articles of Incorporation：

The Company's current net income before tax and deduction of employee and director remuneration shall be appropriated as the employee remuneration with no less than 0.1% and appropriated as the director remuneration with no higher than 3%. However, if the Company still has accumulated losses (including the adjustment of undistributed earnings), the amount for off-setting shall be retained beforehand.

The employee remuneration mentioned above may be distributed with stocks or cash. The director remuneration can only be distributed with cash.

The above two remunerations shall be distributed after being resolved by the board and shall be reported to the shareholders' meeting.

If the final accounts of the Company in each year show a net income after tax, then payments for off-setting the previous losses shall be allocated. 10% shall then be set aside as the legal reserve in accordance with laws, unless the legal reserve already reaches the total paid-in capital of the Company. Secondly, appropriate or reverse the special reserve in accordance with the laws or the regulations of the competent authority. If there are earnings, the board shall propose a motion for earnings distribution, along with the beginning balance of the unappropriated earnings (including the adjusted unappropriated earnings amount), to submit to the shareholders' meeting for resolution on distributing the shareholder bonuses.

The Board of Directors of the Company reach a resolution based on the attendance of more than 2/3 of all of the directors and the approval of a majority of the attending directors, in order to distribute dividends and bonuses, all or a portion of the capital surplus and legal reserve in the form of cash, and report to the shareholders' meeting, such that the requirement for the resolution of shareholders' meeting as specified in the preceding paragraph is not applicable.

The Company's dividend policy is as follows：

a. The environment faced by the Company still has growing ability. The Company will follow the trend of the economic environment to pursue sustainable operation. Besides, the Company's dividend policy is made based on future and actual operational conditions and focuses on the stability and growth of dividends.

b. The shareholder bonuses are appropriated from accumulated distributable earnings, and shall not be lower than 50% of the distributable earnings of the current year.

c .The shareholder bonuses may be distributed with cash or shares. Cash dividends shall not be lower than 90% of the total amount of shareholder bonuses.

2). Proposed Distribution of Dividend

The proposal for a cash dividend of NT$ 1.25 per share will report to the annual shareholders' meeting.

3). Explanation of Material change in dividend policy is expected：None

(4) Effect upon Business Performance and Earnings per Share of any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholders' Meeting：Not applicable.

(5) Employee Bonus and Directors' Remuneration

1). Information Relating to Employee and Directors' Remuneration in the Articles of Incorporation

Article 25 The Company's current net income before tax and deduction of employee and director remuneration shall be appropriated as the employee remuneration with no less than 0.1% and appropriated as the director remuneration with no higher than 3%. However, if the Company still has accumulated losses (including the adjustment of undistributed earnings), the amount for off-setting shall be retained beforehand.

The employee remuneration mentioned above may be distributed with stocks or cash. The director remuneration can only be distributed with cash.

The above two remunerations shall be distributed after being resolved by the board and shall be reported to the shareholders' meeting.

If the final accounts of the Company in each year show a net income after tax, then payments for off-setting the previous losses shall be allocated. 10% shall then be set aside as the legal reserve in accordance with laws,unless the legal reserve already reaches the total paid-in capital of the Company. Secondly, appropriate or reverse the special reserve in accordance with the laws or the regulations of the competent authority. If there are earnings, the board shall propose a motion for earnings distribution, along with the beginning balance of the unappropriated earnings (including the adjusted unappropriated earnings amount), to submit to the shareholders' meeting for resolution on distributing the shareholder bonuses.

The Board of Directors of the Company reach a resolution based on the attendance of more than 2/3 of all of the directors and the approval of a majority of the attending directors, in order to distribute dividends and bonuses, all or a portion of the capital surplus and legal reserve in the form of cash, and report to the shareholders' meeting, such that the requirement for the resolution of shareholders' meeting as specified in the preceding paragraph is not applicable.

2). The basis for estimating the amount of employee and directors' compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period：

There is no difference between the estimated amount for this period (2024) and the resolution passed by the Board of Directors on March 7, 2025.

3). Information on any approval by the Board of Directors of 2024 distribution of compensation:

a. Compensation of employees, directors in the forms of cash or shares.

① Approved by the Board of Directors on March 7, 2025

② Type and amount of distribution：

②-1. Proposed compensation of employee：NT$17,420,000 (cash)

②-2. Proposed compensation of directors：NT$3,200,000 (cash)

b. The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation：0% (2024 employee compensation distributed in cash)

4). The actual distribution of employee, directors' compensation for the previous fiscal year(2023)：

a. Distribution of compensation of Employee：NT$10,000,000(cash)

b. Distribution of compensation of directors：NT$3,250,000(cash)

c. There is no difference between Actual distribution and Estimated amount for 2023

d, Names and positions of the top ten persons who received employee stock option certificates: The Company has not issued any employee stock option certificates.

e. Names and positions of the top ten employees who have obtained employee compensation：

The total amount of top ten employees' compensation in 2023 was revealed：

Cash distribution	Stock distribution
NT$ 204,040	None

Note：The company assigns employees to pay regardless of the position level, and each employee distributes the same amount, so the names and positions of the top 10 employees are not disclosed.

(6) Share repurchases：None

B. Issuance of corporate bonds：None

C. Issuance of preferred shares：None

D. Issuance of global depository receipts：None

E. Employee subscription warrants：None

F. New restricted employee shares：None

G. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies：None

H. Implementation of the capital utilization plan：None

IV. Overview of Business Operations

A. Description of the business：

(1) Scope of business

1). The company's major Content of business

a. Iron and Steel Refining
b. Iron and Steel Rolls over Extends and Crowding
c. Iron and Steel Casting
d. Iron and Steel Rolling, Drawing, and Extruding
e. Metal forging
f. Other Fabricated Metal Products Manufacturing Not Elsewhere Classified
g. Heat treatment
h. Metal Surface Treating
i. Other Wholesale Trade
j. International Trade
k. Other consultancy services
l. All business items that are not prohibited or restricted by the law, except those that are subject to special approval.

2). Relative weight of business:

Major products	2024 Sales Ratio (%)
Galvanized steel coils	52.25 %
Prepainted steel coils	45.00 %
Cold rolled steel coils	0.01 %
Hot rolled steel coils & Others	2.74 %
Total	100.00%

3). Current products (services)：

Mainly engaged in the manufacturing, processing and selling of cold rolled steel coils, galvanized steel coils, and prepainted steel coils.

4). New products (services) planned for development：

Development of waterborne coil-coated steel sheet, Development of printed-pattern coil-coated steel sheet (“Deep Rock” motif), Development of high-design, weather-resistant, warranty-backed coil-coated steel sheet and Development of fluorine-modified, high-durability, weather-resistant coil-coated steel sheet.

(2) Overview of the industry：

1). The current status and development of the industry：

After a brief post-pandemic recovery, major global economies such as the United States, China, and Europe have experienced a slowdown in economic growth due to rising inflation, increasing interest rates, and geopolitical tensions such as the Russia-Ukraine war and strained U.S.-China relations. As the world’s largest steel producer and consumer, China’s real estate downturn, declining exports, and weak domestic demand have significantly impacted global steel demand. Currently, China is shifting its economic focus toward high-tech industries and domestic consumption, reducing its past strong demand for raw materials.

2). The links between the upstream, midstream, and downstream segments of the industry supply chain :

The steel industry is situated in the midstream of the supply chain. It relies on upstream raw materials such as iron ore, coking coal, and scrap steel, while downstream applications span across industries such as construction, automotive, home appliances, energy, and machinery manufacturing. Raw material price fluctuations affect production costs, and the prosperity of downstream sectors determines steel demand. With the increasing emphasis on green transformation and demand for high value-added steel products, the steel industry must enhance upstream and downstream collaboration, stabilize the supply chain, and promote technological upgrades to improve competitiveness and respond to environmental pressures and market changes.

3). Development trends and competition for the company's product：

Future goals include increasing sales volume and market share in the higher-profit domestic market, developing new markets that meet customer needs, and strengthening sales in domestic engineering projects. In terms of exports, the current regional focus is on the North American and Canadian markets, with priority given to markets that demand or emphasize product quality. The Company continues to implement cost control to increase opportunities for U.S. sales, enhance brand marketing visibility overseas, and evaluate opportunities for cross-industry collaborations abroad. The Company is also actively expanding into European and emerging markets with the goal of further increasing profitability and driving sales growth.

(3) Overview of technologies and R&D：

1). Research and development expenditures during the most recent fiscal year and during the current fiscal year up to the date of publication of the annual report：

The Company spends an annual budget to buy a variety of precision instruments and equipment for the analysis of metallurgical properties, materials, coating properties and various chemical analyses. A total of NT$83,741 thousand R&D expenditures in 2024, and NT$21,658 thousand up to the date of publication of the annual report in 2025.

2). Acquisition of intellectual property list

As of the end of December 2024, the Company has obtained the following intellectual property list and achievements：

Patents：The Company has 4 valid invention patents, and 11 design patents in Taiwan.

Trademarks：The Company has 35 valid trademark applications in Taiwan.

3). The test research equipment purchased during 2024 was as follows：

Device	Equipment Quantity	Price(NT$)
1. Spectrometer – SPECTRO,SPECTROLAB S	1 set	5,700,000
2. Electronic Balance – AND,GX-400	1 set	30,000
3. Desktop Cutting Device – Morimotsu,OSDT-0500, Type 20	1 set	89,132
4. pH Meter – Thermo,pH510/P1	1 set	12,800
5. pH Meter – Thermo,pH510/P1	1 set	13,500
6. Ceramic Glass Heating Plate – IKA C-MAG HP10	2 set	25,000
Total		5,870,432

4). Technologies and/or products successfully developed：During 2024 and up to the date of publication of the annual report

Items	Projects	Completion date	Description
1	Development of low-temperature baking pre-painted steel sheets	DEC. 2024	The low-temperature baking pre-painted steel sheet is designed for coating processes with a baking temperature below 200℃. Its low-temperature feature reduces gas heating energy consumption during coating by over 10%, significantly lowering CO_2 equivalent emissions. The product exhibits stable quality and excellent carbon reduction benefits. It is suitable for applications such as roofing back panels, offering both environmental and functional advantages.
2	Development of sulfurized copper-texture pre-painted steel sheets	DEC. 2024	The sulfurized copper-texture pre-painted steel sheet creates a crystalline three-dimensional surface texture by utilizing varying cross-linking and curing rates of different resins in the coating. The coating demonstrates excellent formability and outstanding chemical resistance, making it widely applicable in construction materials and home appliance casings. It represents a new generation of aesthetic and multifunctional color steel products.
3	Development of bio-based eco-friendly pre-painted steel sheets	DEC. 2024	The bio-based eco-friendly pre-painted steel sheet adopts environmentally friendly coatings, partially replacing petrochemical components with renewable bio-based polymers. This reduces carbon emissions during the coating production process, making it a low-carbon, eco-friendly steel product with excellent durability, suitable for home construction materials.
4	Development and mass production of matte color pre-painted steel sheets for home appliances	DEC. 2024	Breaking away from the conventional glossy design of home appliances, this matte black metallic finish steel sheet targets the popular Japanese aesthetic. It delivers a modern design style along with outstanding chemical resistance and high processability. This significantly enhances product quality and has been adopted in the casings of next-generation Japanese front-loading washing machines. It represents a major advancement in the development and design innovation of eco-friendly appliance-grade steel materials.

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

1). Short-term goal：

Enhance the functionality of domestic pull-forming pre-painted products to increase sales volume.
Expand sales of coated products into a wider variety of application categories.
Actively visit new and existing industrial zone manufacturers to better understand their needs and increase project-based paint coating orders.
Develop and promote high value-added products; participate in the Taipei Building Show and Taiwan International Smart Energy Week PV Expo.
Conduct foreign trade market research to establish a database of steel market conditions and trade restrictions in various countries and identify target markets for further development.
Analyze competitors' sales performance for the Company's niche products to seek opportunities for expanding overseas market share.
Regularly arrange business trips to visit existing and prospective clients to strengthen long-term relationships and explore new cooperation opportunities.

2). Long-term development：

Consolidate the image of a leading domestic brand.
Increase diversified brand marketing activities, including hosting regional product briefings.
Produce promotional videos for Sheng Yu Steel's brand and continue managing the SYSCO Facebook community to enhance brand awareness.
Proactively target developing countries with high steel demand growth potential to increase SYSCO's brand recognition in those regions.

B. Overview of market, production and sales：

(1) Market analysis：

1). Sales (Service) Region:

Area \ Year & %		2024 Sales Ratio (%)
Domestic		76.61%
Export	Europe and America	22.39%
	Asia	
	Others	
TOTAL		100.00%

2). Market share(KPI)：

Major products	2024 Domestic surface Consumption (Ton)	2024 Domestic Sales (Ton)	Market share(%)
Galvanized steel sheets (GI & GL)	749,000	199,272	26.6%
Prepainted steel sheets (PPGI & PPGL)	190,000	91,430	48.1%

3). Market supply and demand situation and growth in the future：

Future demand trends are expected to shift gradually from "quantity" to "quality." According to forecasts by WSD, global steel demand is projected to grow slowly at an average annual rate of approximately 1.5%, with total demand reaching around 1.93 billion tons in 2024 and potentially 2.08 billion tons by 2030. In the medium to long term, global steel supply and demand is expected to gradually reach equilibrium; however, in the short term (2025–2026), some regions may face oversupply and trade friction pressures.

4). Competitive niche：

a. Proactive and trustworthy management and service team.
b. Enthusiastic service attitude.
c. Diversified product portfolio.
d. Strong financial structure and brand image.
e. Sound management systems.
f. Flexible domestic and international sales channels.

5). Positive and negative factors for future development：

a. Positive factors：

① Dedicated high-quality customer base.
② High-performance R&D team driven by market demand.
③ Production flexibility and diversification.
④ Brand leadership in the industry.
⑤ Expansion into emerging markets and geographically diversified operations.

b. Negative factors：

① Trade barriers imposed by various countries.
② Rising costs of carbon emission reduction and increasing environmental pressure.
③ Volatile prices of hot-rolled raw materials.
④ Impact of low-priced imported steel products on the market.
⑤ High freight costs in overseas regions.

c. Response to such factors：

① Product upgrades and a focus on high value-added direction.
② Strengthen regional markets and domestic demand layout to diversify market risks.
③ Increase the sales ratio of niche products and improve product quality.
④ Consolidate the domestic market and increase the proportion of price-based orders.
⑤ Develop new differentiated products and explore new markets.

6). Industry-specific key performance indicators：

2024 Average CGL Machine Operating Rate performance as below

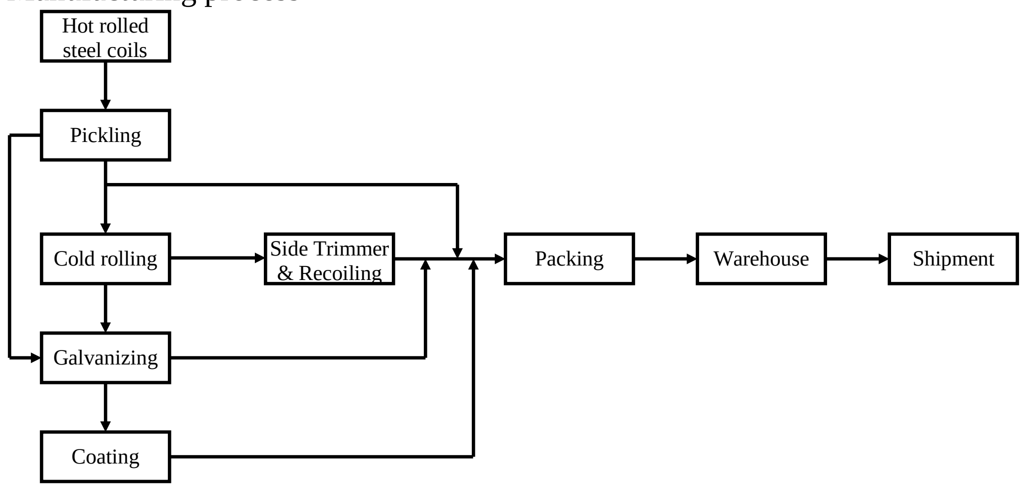
Budget	Actual	Achieving rate
93.74%	93.82%	100.09%

(2) Usage and manufacturing processes for the main products：

1). Main usage:

Products	Main usage
Pickled steel coils	For use in Air conditioning equipment , Business furniture ,Eelectrical appliances,and motor cars,industrial machinery, etc.
Cold rolled steel coils	For use in Air conditioning equipment , Business furniture ,electrical appliances,and motor cars,industrial machinery, etc.
Galvanized steel coils	For use in Computer shells,Building & construction, Eelectrical appliances,Hardware,and motor cars,industrial machinery, etc.
Prepainted steel coils	For use in Building & construction Eelectrical appliances,Hardware,and motor cars,industrial machinery, etc.

2). Manufacturing process：



(3) The Supply Status of the Major Raw Materials (2024)：

Major Raw Materials	Supply by domestic suppliers	Supply by foreign suppliers
Hot roll	79.46%	20.54%
Zinc / Aluminum	0.25%	99.75%
Paint	100.00%	0.00%

(4) A list of any suppliers and clients accounting for 10 percent 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, and an explanation of the reason for increases or decreases in the above figures.

1). Major Clients in the Last Two Calendar Years：

Unit：NT$ thousands

	2024				2023			
Item	Company Name	Amount	Percent (%)	Relation With Issuer	Company Name	Amount	Percent (%)	Relation With Issuer
1	A Company	1,776,458	13.62	None	A Company	1,398,747	11.93	None
2	B Company	11,268,809	86.38	None	Others	1,338,791	11.41	None
3	Others			None		8,991,335	76.66	None
	Net Total Sales	13,045,267	100.00	-	Net Total Sales	11,728,873	100.00	-

Note：Others have not reached 10% or more of net total sales.
Reason for the change：There was no significant difference between the two years.

2). Major Suppliers in the Last Two Calendar Years：

Unit：NT$ thousands

	2024				2023			
Item	Company Name	Amount	Percent (%)	Relation With Issuer	Company Name	Amount	Percent (%)	Relation With Issuer
1	China Steel Corp.	3,111,691	26.70	None	China Steel Corp.	3,578,215	36.97	None
2	Chung Hung Steel Corp.	3,085,015	26.47	None	Chung Hung Steel Corp.	2,277,142	23.53	None
3	Others	5,458,819	46.83	-	Others	3,822,289	39.50	-
	Net Total Procurement	11,655,525	100.00	-	Net Total Procurement	9,677,646	100.00	-

Note：Others have not reached 10% or more of net total procurement.
Reason for the change：Cooperate with business needs.

C. Employee information：

The employees information for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report.

Date：2025/04/15

Year		2023		2024		January 1, 2025 to April 15, 2025	
Number of Employees	Direct Unit	211		212		210	
	Indirect Unit	294		292		291	
	Total	505		504		501	
Average Age		45		45		45	
Average Years of Service		18.05		18.52		18.26	
Education Levels	Ph.D.	1	(0.20%)	1	(0.20%)	1	(0.20%)
	Masters	74	(14.65%)	74	(14.68%)	75	(14.97%)
	Bachelor’s Degree	299	(59.21%)	301	(59.72%)	295	(58.88%)
	Senior High School	125	(24.75%)	122	(24.21%)	124	(24.75%)
	Below Senior High School	6	(1.19%)	6	(1.19%)	6	(1.20%)

D. Disbursements for environmental protection：

(1) Total losses (including damage awards) and fines for environmental pollution for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report：

Year	2023	2024	01/01/2025-04/15/2025
Pollution (type, extent)	None	None	None
Compensation recipient or unit imposing the punishment	None	None	None
Compensation amount or punishment	None	None	None

(2) Estimated amounts and possible responses currently and in the future：

The Company has always been committed to environmental protection businesses, such as air pollution control, industrial waste reduction, and greenhouse gas emission reduction, adhering to the spirit of "pursuing perfection without stopping at perfection".

In the future, we plan to invest resources in improvements and investments, such as green electricity use, volatile organic compound reduction, upgrading wastewater treatment units, using non-toxic chemicals, and reducing water resource consumption to build corporate resilience. Relevant details are as follows：

Unit：NT$’000

Environmental protection category	Planned implementation	Expected benefits	Expenditure amount
Greenhouse gas reduction	Installing approximately 7,400 KWP solar power generation equipment at the Pinnan factory.	Solar power generation integrated into the power grid, increasing green electricity usage and reducing greenhouse gas emissions.	355,000
	14 energy-saving measures for the year 2025.	Reduction of electricity usage by 76,265,324 kWh/year, decreasing greenhouse gas emissions by 5,528 tons/year.	42,000
Air pollutant reduction	Installation of a zeolite wheel system in the coating plant's emission ducts.	Reduction in the emission of volatile organic compounds.	29,900
Upgrading wastewater treatment equipment	Upgrading the reaction tank and sedimentation tank in the wastewater treatment unit.	Improving wastewater treatment efficiency.	15,000
Waste reduction	Replacing hexavalent chromium film-forming agents with trivalent chromium film-forming agents.	Reducing the output of hazardous sludge and lowering the environmental burden.	0

(3) In response to the EU Restriction of Hazardous Substances (RoHS)：The Company has complied with the RoHS standard and only slightly increased the cost, which has no significant impact on the financial and business of the Company.

E. Labor relations：

(1) List any loss sustained as a result of labor disputes in the most recent fiscal year, and during the current fiscal year up to the date of publication of the annual report：None

(2) Employee benefit：

The company offers its employees a safe and pleasant working environment. In addition to the various benefits, the Company works closely with the labor union and welfare committee to host a range of activities. These activities aim to promote interaction between the Company's employees and their families and develop solidarity in the company.

The Company has been nominated by the City of Kaohsiung for excellence in employee care.This is the best testimony to the company's care for its employees.

a. Sheng Yu provides each of its employees a group insurance package and a comprehensive health program. The company clinic is staffed with a nurse and visited by a physician of both western and Chinese medicine every week. The company provides its employees an annual health check-up package and follows up with health and fitness seminars/evaluations.

The company clinic also offers free blood sugar and blood pressure check-ups. It is also committed to promoting the activities of tobacco prevention and health promotion in the workplace, actively implementing smoke-free and health promotion measures, and establishing a healthy work environment.

b. In order to enhance the health of staff and control the deterioration of chronic diseases, and achieve the goal of "losing weight and not gaining weight," health promotion activities and physical fitness exercises have been staged recently. And to reach the ultimate goal of weight loss, it also worked with the medical institutions to conduct the " Eat healthy, move healthy, and live a healthy life " activities. In addition to the individuals, all departments are all encouraged to group weight loss mode, stimulating a virtuous cycle of health management.

c. The Company organizes training courses and professional programs for employees of different ranks, as well as subsidizing on-the-job training programs for employees. In order to enhance the ability of colleagues to internationalize, we also provide foreign language study subsidies.

d. Organizing networking events through the clubs of company organizes large-scale recreational activities for employees and their families, including hiking, ball games and travel events, art classes, and more.

e. The Company has also set a budget for emergency aid and subsidies for employees' children.The recreation center in the plant is equipped with a gym, LOHAS classroom, and indoor activity room, complete with a full range of sports equipment and gear. Employees also organize various ball games, interest clubs, and community activities.

(3) Employee continuing education and training

The Company attaches great importance to the knowledge and career development of employees, carries out curriculum design and training planning according to the needs and functions of the organization, holds strata training, occupational safety and environmental protection, ESG, skills upgrading training, encourages employees to participate in relevant training courses outside the Company, and provides in-service refresher subsidy for employees, expecting employees to "personal development through challenging wok" The Company actively promotes the principle of human resources as an important asset of the Company, and comprehensively improves the performance and potential of employees as a response to the needs of its sustainable operation. In 2024, there were 15,445.23 man-hours in internal and external training, with an average of 30.65 hours per trainee

The results of 2024 annual education and training are as follows：

Training program	Class number	Total number of people	Total hours	Expense(NT$)
Group training	24	1,657	5,366.00	604,278
Off-company training	168	249	2,560.83	1,146,450
On job training (OJT)	1,100	7,925	7,518.40	—
Inservice education	8	8	—	35,524
TOTAL	1,300	9,839	15,445.23	1,786,252

(4) Employee Code of Ethics

In accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies", the Company has adopted two provisions by the Board of Directors,the "Code of Ethical Conduct" and the "Integrity Management Operating Procedures and Behavior Guidelines". The Company also announced the regulations, so that employees would understand their contents and abide by the relevant norms. Employees are encouraged to take a positive, enterprising, conscientious and responsible attitude, abandon departmentalism, build team spirit, and abide by the principle of honesty and credibility. In the course of engaging in various business activities, employees shall not directly or indirectly provide, promise, demand or accept any unfair interests, or make other dishonest acts that violate honesty, the law or fiduciary obligations. It is hoped that everyone can establish a good corporate governance environment under the concept of honesty-based management, in an effort to maintain the sustainable operation and development of the Company.

The Company sets the highest standards for employee ethics. Employees of Sheng Yu pursue the "better than best". The standard of employee conduct is laid out in the Working rules, and the Company leads by example with its reputable corporate image.

(5) Work environment and employee personal safety protection measures

"Don't ever wish to learn from accidents" "We pursue absolute safety and hygiene." "Safety is the only way home." One of our management philosophies to provide "a safe and pleasant working environment". Under the leadership of the management, employees worked together to build a safe environment and actively participated in the acquisition of safe knowledge. Over the years, we have had significant achievements in accident prevention. The Company won the Five Star Award from the Council of Labor Affairs for excellence in labor safety and hygiene and was certified for the safety and hygiene self-management mark (three-year honorary mark). The Company is also certified for the ISO 45001 occupational safety and hygiene management system and the TOSHMS Taiwan Occupational Safety and Hygiene Management System. The awards and certification are the best testimony to our efforts.

The Company has also set up a series of safety and hygiene guidelines for different workplaces to provide a set of standards for each of the operations. The Company launched a series of accident prevention training and SJK activities. Through the PDCA techniques, the Company set out to improve unsafe environments and conducts regular hazard identification risk assessments.Improving the safety and hygiene management system has been an on-going practice for us. In prevention, we have also launched hazard alert activities, aiming to identify unsafe factors in our workplace. The risk and hazard in the workplace can be effectively reduced through the implementation of on-site safety observation activities.We have also implemented regular fire prevention and emergency response drills to equip employees with better abilities to handle emergency situations. Employees are also trained to properly inspect and manage high-hazard machines and facilities to prevent accidents and maintain employee safety. The General Manager regularly leads senior executives to conduct work safety inspections, workplace safety reviews for female employees, environmental inspections, and plant safety inspections. These activities have yielded multiple effects on the safety of overall plant facilities. We strive to guard the health and well-being of employees by creating an environment of "zero accidents".

In addition, the Company has established a human rights policy applicable to itself and its related enterprises based on international human rights conventions such as the "United Nations Nine Core Human Rights Treaties", "United Nations Universal Declaration of Human Rights", "United Nations Global Compact", "International Human Rights Law", "International Labor Organization - Declaration on Fundamental Principles and Rights at Work", "United Nations Guiding Principles on Business and Human Rights (UNGPs)", "Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises", and "United Nations Global Compact Ten Principles (UNGC)". We continue to improve working conditions and employee benefits for all employees and enhance and improve management of human rights-related issues. The "Human Rights Policy" is also promoted internally through education and disclosed on the company's website to demonstrate the company's commitment to gender equality and a friendly workplace.

(6) Retirement systems and implementation

1). Defined contribution plans

The Company and Yodoko International Co., Ltd. adopted a pension plan under the Labor Pension Act ("LPA"), which is a state-managed defined contribution plan. Under the LPA, the Company and YI make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Sheng-Yu Trading (Dongguan) Corp. adopted local legal which is also state-managed defined contribution plan. Entities make monthly employee insurance to government organization, in order to pay to employees when they retire.

2). Defined benefit plans

The defined benefit plan adopted by the Company and YI in accordance with the Labor Standards Law ("LSL") is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company and YI contribute amounts equal to certain percentage of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year.

(7) Publication of the Sheng Yu Quarterly aims to promote harmonious labor relations. This quarterly publication informs employees of various activities, discloses the company's operating status and enhance the feelings of colleagues. For Love the earth through environmental protection, this publication has also been launched online to cut down on the use of paper,as well as expand readership to our shareholders, customers, employees, and their families.Through this publication, everyone in this circle is brought together to share in the joy of the company's growth and better understand the company's efforts to build a sustainable business.The Company also holds regular meetings with the labor union to communicate labor issues and achieve consensus on the Company's goals.

(8) The status of labor-management agreements：The company is currently negotiating with the labor union, so a collective agreement has not yet been signed.

F. Cyber security management：

The company's cyber security risk management framework includes the following contents：

(1) Information security policy and organization
The President is responsible for the approval, supervision and monitoring of the information security policy, while the policy specification and implementation are handled by the Information Systems Division, the information security requirements are proposed by the Information Systems Division and each unit, and the information security audit is handled by the internal audit office and the external audit organization with each unit.
The information security policy covers the following areas, and the relevant units and personnel set up relevant management regulations or implementation plans in accordance with their authority and responsibility, and regularly evaluate the effectiveness of the implementation.
1). Personnel management and information security education and training
2). Computer system security management
3). Network system security management
4). Information system access control
5). Application system development security management
6). Information asset security management
7). Physical and environmental security management
8). Planning and management of emergency response plans and notification mechanisms

(2) Information security management procedures
The Company’s information security management procedures are implemented in accordance with the following standards and are subject to regular audits by internal and external auditors.
1). Information Security Incident Response Management Regulations
2). Internet Service Implementation Regulations
3). Personal Information Management Regulations
4). Information System Operation Management Regulations
5). Information System Emergency Response and Recovery Plan

(3) Management plan and resources
In addition to regular internal audits for general controls and cybersecurity checks, the Company undergoes an annual information operation review conducted by an accounting firm and an assessment conducted by JSOX-ITGC (Japanese Sarbanes-Oxley Act - Information System General Controls) by the parent company in Japan. Furthermore, the Company produce cybersecurity educational materials for on-the-job employee training and regularly organize "Email Social Engineering Drills" to enhance employees’ awareness of information security. The main systems also undergo regular vulnerability scans and security updates. Collectively, these measures involved a commitment of 125 person-days. Regarding the setup and maintenance of cybersecurity-related equipment (including the upgrade and migration of the email gateway protection system, replacement of air-conditioning units in the administration building computer room and UPS room, upgrade of surveillance systems in administrative and production server rooms, ongoing updates of endpoint and gateway protection software, continuous patching of host system security, and regular updates of software used for digital data confidentiality and transmission), the expenditure in 2024

amounted to approximately NT$770,000.

(4) Losses, possible impacts, and responses to major information and communications security incidents in the latest year and up to the date of publication of the annual report：
On March 30, 2025, the Company experienced a hacker attack on its servers and personal computers, during which files were encrypted, rendering some systems and data temporarily inaccessible. After assessment, it was determined that there was no significant impact on the Company’s financial or business operations.
Moving forward, the Company will further strengthen its cybersecurity infrastructure, closely cooperate with cybersecurity firms, and implement EDR/MDR solutions to detect anomalies early during potential threat incubation periods.

G. Important contracts：

Date：2025/04/15

Nature	Contracting Parties	Contract start/end date	Major Content	Restrictive Clauses
Technical service agreement	Yodogawa Steel Works Ltd.(YSW)	2025/01/01 ~ 2025/12/31	YSW provides technical support required for operation	The technical information provided by YSW shall be kept confidential.

V. Review of Financial position, Financial performance, and Risk management

A. Financial position：

Analysis of Financial Position (Consolidated)

Unit：NT$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	8,233,940	7,925,705	308,235	3.9
Property, plant, and equipment	2,361,531	2,179,554	181,977	8.3
Other Assets	917,437	804,532	112,905	14.0
Total Assets	11,512,908	10,909,791	603,117	5.5
Current Liabilities	1,140,567	818,455	322,112	39.4
Total Liabilities	1,227,728	893,168	334,560	37.5
Capital stock	3,211,800	3,211,800	0	0.0
Capital surplus	1,557,364	1,557,364	0	0.0
Retained Earnings	5,437,058	5,190,614	246,444	4.7
Total equity	10,285,180	10,016,623	268,557	2.7

Analysis of changes in financial ratios (Deviation over 20%)：
Current Liabilities and Total Liabilities：Amount Increase,It's mainly because Short-term loans increased NT$95,036 thousand (167.6%) and other accounts payable increased NT$165,337 thousand (55.3%) as compared to the previous year.

B. Financial performance：

(1) Analysis of Financial Performance：

Analysis of Financial Performance (Consolidated)

Unit：NT$ thousands

Item \ Year	2024	2023	Increases (decreases) Amount	Change Ratio (%)
Operating Revenues	13,690,701	12,389,155	1,301,546	10.5
Operating Costs	12,376,090	11,030,830	1,345,260	12.2
Gross Profit	1,314,611	1,358,325	(43,714)	(3.2)
Operating Expenses	689,460	609,815	79,645	13.1
Profit from Operations	625,151	748,510	(123,359)	(16.5)
Non-operating Income and Expenses	109,653	41,712	67,941	162.9
Profit Before Income Tax	734,804	790,222	(55,418)	(7.0)
Income Tax Expense	144,857	159,502	(14,645)	(9.2)
Net Profit	589,947	630,720	(40,773)	(6.5)

Analysis of changes in financial ratios(Deviation over 20%)：
Non-operating Income and Expenses：
It's mainly because Net foreign exchange gain increased NT$40,838 thousand (775.4%) as compared to the previous year.

(2) Sales volume forecast and the basis therefor：Refer to page 3

C. Cash flow：

(1) Liquidity analysis for the 2 most recent fiscal years (Consolidated)：

Item \ Year	2024	2023	Variance (%)
Cash Flow Ratio (%)	34.9	149.9	(76.7)
Cash Flow Adequacy Ratio (%)	90.1	98.4	(8.4)
Cash Reinvestment Ratio (%)	0.0	4.3	(100.4)

Analysis of financial ratio change(Deviation over 20%)：
Cash Flow Ratio：The ratio decreased by 76.7% was mainly due to decrease NT$829,107 thousand (67.6%) in Net cash flow from operating activities and increase NT$322,112 thousand (39.4%) in Current Liabilities as compared to the previous year.
Cash Reinvestment Ratio：The ratio decreased by 100.4% was mainly due to decrease NT$829,107 thousand (67.6%) in Net cash flow from operating activities as compared to the previous year.

(2) Cash Flow Analysis for the coming year (Standalone)：

Unit：NT$ thousands

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (Inflow) (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
2,720,177	705,000	1,090,000	2,335,177	-	-

D. The effect upon financial operations of any major capital expenditures during the most recent fiscal year：

(1) Major capital expenditure items and source of capital：None

(2) Expected benefits：None

E. The company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year：

(1) The company's reinvestment policy for the most recent fiscal year：

With the promotion of the Company's main products and the extension of sales channels to reach the market and end users, we can better understand the market dynamics and expand customer service, in order to directly provide customers with better service quality and control channels.

(2) The main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year：

The investment loss of NT$24,757 thousand in the consolidated financial statements under the equity method compared to an investment loss of NT$33,164 thousand last year, the recognition of an investment loss decreased by NT$8,407 thousand mainly due to the recognition of an investment loss of NT$24,757 thousand in Yodogawa-Shengyu (Hefei) High-Tech Steel Co., Ltd (YSS).

The main reasons for the loss in 2024:

In the first half of the year, China’s economy continued to deteriorate from the previous year, resulting in construction projects being canceled or postponed. This caused self-sold volumes to fall short of targets. Under weak demand conditions, companies engaged in price competition, leading to reduced profit margins. To increase production line utilization, OEM production of aluminized zinc-coated steel sheets increased compared to the previous year.

In the second half of the year, there was a slight recovery in demand for construction projects, and the Company was able to increase its self-sold volume. However, price competition with other companies remained intense, and selling prices failed to return to normal levels.

Despite this challenging environment, the Company achieved increased sales from new construction material distributors and developed new export-oriented customers.

The plan for improving:

In the construction material sector, we will focus on distribution through capable distributors to avoid price-cutting competition with rivals. In addition to targeting large-scale construction projects, we will also pursue orders from small and medium-sized projects.

With growing recognition and brand strength of YSS year by year, we will form a team composed of sales, technical, and production personnel to develop new customers.

We will continue expanding sales of high value-added and differentiated products (such as self-cleaning, high-coating aluminum-zinc, and PCM for wall panels). Moreover, by reducing variable costs such as raw materials and energy, as well as fixed costs, we aim to lower overall manufacturing costs and improve revenue.

(3) Investment plans for the coming year: None

F. Analysis of risk management:

(1) Effects of changes in interest rates, foreign exchange rates and inflation on corporate finance, and future response measures:

1). Analysis of profit and loss of net interest income (expense) and net foreign exchange gain (loss) (Consolidated):

Unit：NT$ thousands;%

Item	2024
Net interest income (expense)	73,219
Net foreign exchange gain (loss)	46,105
Net interest income (expense) accounted for operating revenues ratio	0.53%
Net interest income (expense) accounted for pre-tax net profit ratio	9.96%
Net foreign exchange gain (loss) accounted for operating revenues ratio	0.34%
Net foreign exchange gain (loss) accounted for pre-tax net profit ratio	6.27%

2). Financial risk assessment (Consolidated):

Unit: NT$ thousands; %

Risk item	Factor	Range of change	Sensitivity analysis	Future response measures
Interest rate	The carrying amount of the Group's financial assets and financial liabilities exposed to interest rates risk at the end of 2024 Financial assets：NT$2,339,569 thousand Financial liabilities：NT$149,686 thousand	Rate ＋/－1%	Pre-tax profit ＋/－21,899	The financial structure of the Group is strong , and the interest rate changes have no significant impact on the Group. The Group regularly evaluate the bank borrowing rates and closely contact with the banks to obtain preferential loan interest rates.
Foreign currency	The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. The Group was mainly exposed to the foreign currency USD.	NTD against USD exchange rate weakened / strengthened by 1%	Profit or loss ＋/－3,650	The management's assessment of the reasonably possible range of foreign currency exchange rates, exchange rate changes have no significant impact on the company.
Credit	The Group will cause a financial loss due to failure of Counterparties to discharge an obligation.	None	None	None
Liquidity	The Group manages liquidity risk by maintaining a sufficient level of cash and cash equivalents to meet the Group's operational demand and mitigate the effects of fluctuations in cash flows.	None	None	None
Inflation	CPI rises or falls, non-primary financial risks.	Taiwan's 2024 CPI annual growth rate +2.18%, it's low and stable.	None	The Group will pay close attention to the inflation situation and appropriately adjust the product price and raw material inventory to reduce the impact of inflation on the Group.

(2) Policies, Main causes of gain or loss and future response measures with respect to high-risk, high-leveraged investments, lending or endorsement guarantees, and derivatives transactions：

Funds loaning to others shall be handled in accordance with the act issued by the competent authority and the Operational Procedures for Loaning Funds to Others prescribed by the Company. No engagement in endorsements/guarantees and derivatives transactions.

(3) Future Research & Development projects and corresponding budget：

According to the Company's annual target, we will accelerate the development of high value-added products. The key items are as follows：

Unit：NT$

R&D project	Current progress/results	Estimated completion period	Investment amount	Major factors for success
1. Development of water-based pre-painted steel sheets	1. Coating supplier has acquired key water-based raw materials and is adjusting the formulation. 2. Initially targeted for construction material applications. 3. Product specifications have been defined, and quality performance evaluations are ongoing.	Dec. ,2025	400,000	1. Technical control of water-based coating application. 2. Baking furnace configuration and exhaust emission management. 3. Stabilization of post-baking coating appearance. 4. Quality performance must meet construction material standards.
2. Development of new print-pattern pre-painted steel sheet (Deep Rock)	1. The deep rock pattern design continues the texture of traditional stone finishes. 2. Mass production technology for printed products is in place. 3. Ongoing evaluation of inline coating performance.	Dec. ,2025	450,000	1. Pattern design must present a three-dimensional texture. 2. Ink color matching technology. 3. Dual-roll printing process control to prevent ink bleeding and discoloration. 4. Quality performance must meet construction material standards.
3. Development of aesthetic and weather-resistant pre-painted steel sheets	1. Preliminary research on ultra-weather-resistant low-gloss coatings. 2. Target color selection based on commonly used shades by customers. 3. Quality specifications defined and evaluations in progress.	Dec. ,2025	400,000	1. Quality must meet weather resistance standards for outdoor construction materials. 2. Product must conform to formability requirements for common roofing and wall materials.
4. Development of fluorine-modified weather-resistant pre-painted steel sheets	1. Preliminary development of fluorine-modified coating resins. 2. Existing quality evaluations and exposure testing data are available. 3. Quality is estimated to meet construction material application standards.	Dec. ,2025	400,000	1. Coating control technology for fluorine-modified resins. 2. Limitations and stability of color shades. 3. Weather resistance must comply with specifications for outdoor building materials.

(4) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales：None

(5) Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales：The Company always pays attention to the possible impact of technological changes and industrial changes on the Company, and timely invest resources to cope with the increasing information security risks. The technological changes in 2024 and up to the date of publication of the annual report have no significant impact on the Company's financial business.

(6) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures：“Ethical business conduct” is one of the Company's five Management Philosophies. Therefore, the Company has been actively participating in various social public welfare activities, giving back to society, and fulfilling its corporate citizenship responsibilities.

(7) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans：None

(8) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans：None

(9) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration：The Company pays close attention at any time to the possible impact of concentration of purchases or sales on the Company. The main raw materials for its production are hot rolled coils, which mainly come from China Steel and Chung Hung Steel, the rest replaced by imports to avoid the risk of excessive concentration.

(10) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors or Shareholders with Shareholdings of over 10%：

On March 24, 2025, Toyota Tsusho Corporation, the major shareholder of the Company holding 11.43% of the shares, disposed of all its shares to the director, Yodogawa Steel Works Ltd. After the transfer, the shareholding ratio increased to 63.57%, and Yodogawa Steel Works Ltd. still the largest shareholder of the Company. As the management rights have not changed, there is no significant impact on the shareholders' equity of the Company.

(11) Effects of, Risks Relating to and Response to the Changes in Management Rights：None

(12) Litigation or Non-litigation Matters：None

(13) Risk management organization：

1). The Company's risk management is divided into three levels：

First level：Each business execution unit is responsible for the initial risk awareness within their scope of work, and must take appropriate improvement measures and report to their superiors. They serve as the direct unit for risk assessment and control.

Second level：The ESG Sustainability Development Executive Committee (including various functional committees) is chaired by the General Manager. The committee promotes corporate governance, group medium and long-term development plans, and the implementation of company ESG sustainable development issues, including but not limited to risk management. It is responsible for submitting annual plans and execution results to the "Sustainable Development Committee."

Third level：The Sustainable Development Committee is responsible for reviewing, tracking, and revising the company's sustainable development execution and effectiveness, and regularly reporting to the Board of Directors.

2). In order to establish a sound risk management mechanism, the Board of Directors has approved the establishment of the "Risk Management Policy and Procedures," which clearly stipulates the risk management policy, management organization structure and business, risk scope, risk management procedures, risk management reporting, and information disclosure, in order to properly supervise and control related risks.

(14) Other important risks, and mitigation measures being or to be taken：

Cybersecurity Risk Assessment and Analysis: In recent years, the focus of cybersecurity enhancement has shifted from equipment to personnel, as hackers exploit human vulnerabilities to deceive employees, resulting in corporate losses. Therefore, in addition to continuing investments in various protective equipment and software, the Company has also intensified the provision of information security education and training courses for employees. These courses are mandatory for all staff and include assessments. Furthermore, we regularly conduct "Email Social Engineering Drills" to enhance employee vigilance and cybersecurity awareness, ensuring the safety of the Company's critical assets.

G. Other important matters：None

VI. Special Items

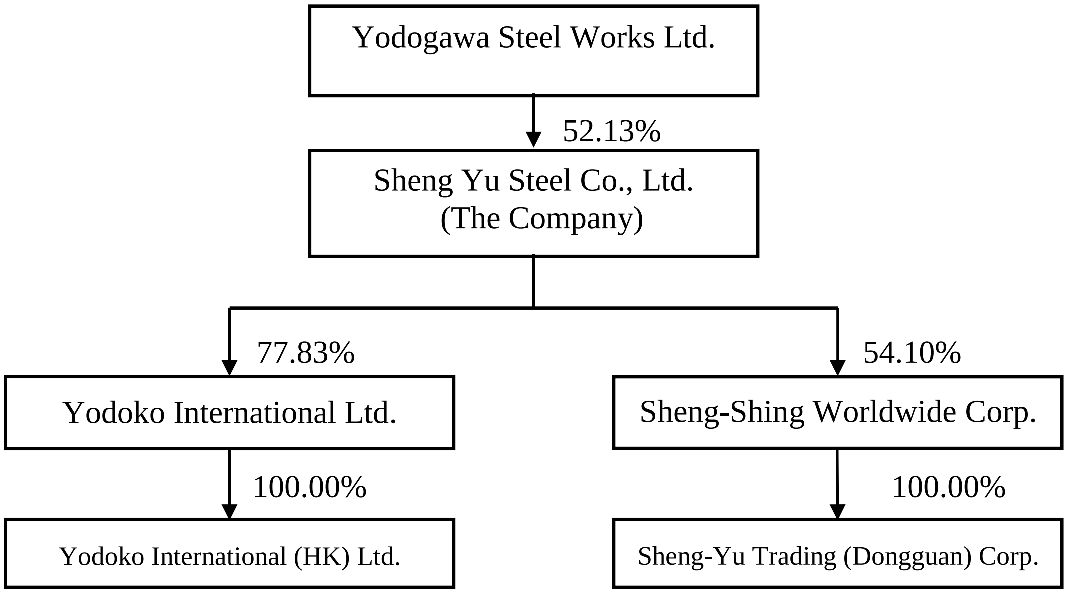
A. Information related to the company's associates：

(1) Overview of Associates

1). Consolidated Operating Report of Associates：

a. Organizational chart：

Date：December 31, 2024



b. Basic information of each affiliated company：

Date：December 31, 2024
Unit：NT$ thousands

Company Name	Date of Incorporation	Address	Paid-in Capital	Main businesses
Sheng Yu Steel Co., Ltd.	1973.05.19	No.11 ,Chung Lin Rd., Hsiao Kang, Kaohsiung, 81260 Taiwan, R.O.C.	3,211,800	Manufacturing, processing and selling of cold rolled, galvanized, and pre-painted steel coils.
Yodoko International Ltd.	1995.07.29	No. 55 Ta Yeh South Rd, Hsiao Kang Dist., Kaohsiung, 81260 Taiwan, R.O.C.	25,000	Manufactures and sells rolled steel for construction of buildings
Sheng-Shing Worldwide Corp.	2007.01.11	Office 1, 1st Floor, DEKK Complex, Plaisance, Mahé, Republic of Seychelles	163,675 (Note1)	Manufactures and sells galvanized steel coils
Yodoko International (HK) Ltd.	2002.09.20	Suite 2302, 23/F Great Eagle Centre,23 Harbour Road, Wanchai, Hong Kong	9,702 (Note2)	General investment
Sheng-Yu Trading (Dongguan) Corp	2014.07.16	Room 603/607/609(Maoye Building), No.15, Zhenxing East Fifth Cross St., Qishi Town, Dongguan City, Guangdong Province, China	98,205 (Note3)	Selling hardware, steels and import and export trading

Note1：Sheng-Shing Worldwide Corp.'s paid-in capital was USD5,000,000

Note2：Yodoko International (HK) Ltd. 's paid-in capital was HKD2,200,000

Note3：Sheng-Yu Trading (Dongguan) Corp 's paid-in capital was USD3,000,000

c. For companies presumed to have a relationship of control and subordination under Article 369-3 of the Law, the following particulars shall be disclosed：None

d. The industries that are covered by the affiliated companies, and their distribution of work if the businesses of affiliate companies are interconnected with others：

The industries that are covered by the affiliated companies：Steel industry, construction steel manufacturing, processing and trading, iron engineering contracting, general investment business.

Business relationship with other affiliated companies

Name of affiliated company	Business	Business relationship with other affiliated companies
Yodoko International Ltd.	Manufactures and sells rolled steel for construction of buildings	1. Investment of the Company 2. Purchasing steel coils products of the company, they are used as materials for construction of buildings after slitting, cutting and processing.
Yodoko International (HK) Ltd.	General investment	Investment of Yodoko International Ltd.
Sheng-Shing Worldwide Corp.	Manufactures and sells galvanized rolled steel	1. Investment of the Company 2. Purchasing galvanized steel coils of the company
Sheng-Yu Trading (Dongguan) Corp.	Selling hardware, steels and import and export trading	1. Investment of Sheng-Shing Worldwide Corp. 2. Purchasing galvanized steel coils of Sheng-Shing Worldwide Corp. and outsourcing processing and sale

e. The names of the directors, supervisors, and presidents of each affiliated enterprises, and the number of shares they hold or the amount of capital they contributed：

Date：December 31, 2024

Company Name	Title	Name or representative		Shareholding	
				Shares	%
Sheng Yu Steel Co., Ltd.	Chairman and CEO	Yodogawa Steel Works Ltd.	Representative：Koichi Tarumiya	167,446,855	52.1349%
	Director and President	Yodogawa Steel Works Ltd.	Representative：Shih-Chiang Hung	167,446,855	52.1349%
	Director	Yodogawa Steel Works Ltd.	Representative：Tung-Chih Lin	167,446,855	52.1349%
	Director	Yodogawa Steel Works Ltd.	Representative：Tetsuhiro Yamamoto	167,446,855	52.1349%
	Director	Toyota Tsusho Corporation	Representative：Hidekazu Sugahara	36,734,988	11.4375%
	Director	Yung Chi Paint & Varnish Mfg. Co., Ltd.	Representative：Te-Hsiung Chang	3,668,477	1.1422%
	Director	Fujiden International Corporation	Representative：Hideaki Arashima	3,370,195	1.0493%
	Independent director	Fang-Yih Hsu		0	0.0000%
	Independent director	Ying-Fang Huang		0	0.0000%
	Independent director	Simon C. S. Liu		0	0.0000%
	Independent director	Lian-Hwei Hsu		0	0.0000%
Yodoko International Ltd.	Chairman	Sheng Yu Steel Co., Ltd.	Representative：Koichi Tarumiya	1,945,750	77.8300%
	Director and President	Sheng Yu Steel Co., Ltd.	Representative：Tung-Chih Lin	1,945,750	77.8300%
	Director	Sheng Yu Steel Co., Ltd.	Representative：Shih-Chiang Hung	1,945,750	77.8300%
	Director	Sheng Yu Steel Co., Ltd.	Representative：Tsun-Hung Wang	1,945,750	77.8300%
	Director	Yodogawa Steel Works Ltd.	Representative：Tetsuhiro Yamamoto	200,000	8.0000%
	Director	Toyota Tsusho Corporation	Representative：Hidekazu Sugahara	100,000	4.0000%
	Director	Fujiden International Corporation	Representative：Hideaki Arashima	50,000	2.0000%
	Supervisor	Jing-Si Chen		0	0.0000%
Sheng-Shing Worldwide Corp.	Director	Tung-Chih Lin		0	0.0000%
	Director	Shih-Chiang Hung		0	0.0000%
	Director	Chih-Ping Hung		0	0.0000%
	Director	Ming-Hung Wu		0	0.0000%
	Director	Chen-Te Pan		0	0.0000%
	Director	Yi-Chen Chen		0	0.0000%
	Director	Chung-Jen Hung		0	0.0000%
Yodoko International (HK) Ltd.	Director	Koichi Tarumiya		0	0.0000%
Sheng-Yu Trading (Dongguan) Corp	Executive director and President	Sheng-Shing Worldwide Corp.	Representative：Tung-Chih Lin	Note	100.0000%

Note：The capital contribution was USD3,000,000

2). The overview of the operations of the associates：

Financial condition and operational results of each associates：

The overview of the operations of the associates

Date：December 31, 2024

Unit：NT$ thousands except earnings(loss) per share

Company name	Capital	Total assets	Total liabilities	Total Equity	Operating revenue	Operating income (loss)	Current profit (loss) (after tax)	Earnings per share (NT$) (after tax)
Sheng Yu Steel Co., Ltd.	3,211,800	11,203,045	991,327	10,211,718	13,045,267	586,966	581,233	1.81
Yodoko International Ltd.	25,000	273,948	115,917	158,031	396,727	18,493	14,224	5.69
Sheng-Shing Worldwide Corp.	163,675	136,641	52,923	83,718	35,647	(677)	12,114	2.42
Yodoko International (HK) Ltd.	9,702	22,027	0	22,027	0	0	(1,029)	(1.06)
Sheng-Yu Trading (Dongguan) Corp.	98,205	285,151	158,647	126,504	422,333	18,814	15,432	1.57

Note：Sheng-Shing Worldwide Corp.'s paid-in capital was USD5,000,000

Note：Yodoko International (HK) Ltd. 's paid-in capital was HKD2,200,000

Note：Sheng-Yu Trading (Dongguan) Corp 's paid-in capital wss USD3,000,000

(2) Consolidated financial statements of affiliated companies：No consolidated financial statements of related companies shall be prepared separately.

(3) Affiliation report：

1). The relationship between the subordinate company and the controlling company

Data date：December 31, 2024

Company	The reasons for the control	Details of shareholding and pledges			Directors , supervisors and managerial officers appointed to the subordinate company	
		Shareholding	%	Shares Pledged	Title	Name
Yodogawa Steel Works Ltd.	Holding more than Fifty percent	167,446,855	52.13%	0	Chairman and CEO	Koichi Tarumiya
					Director and President	Shih-Chiang Hung
					Director	Tung-Chih Lin
					Director	Tetsuhiro Yamamoto

2). The description of business transactions：

a. Purchase (sale) transactions of goods：

Unit：NT$ thousands;%

Transactions between controlling company				Transaction terms and conditions		Ordinary transaction terms and conditions		Difference Reason	Accounts Receivable or (Payable)		Overdue			Notes
Purchase (sale)	Amt.	% to Total	Gross profit on sales	Unit Price(NT$)	Payment Terms	Unit Price(NT$)	Payment Terms		Ending Balance	% to Total	Amt.	Action Taken	Amount of allowance for loss	
Purchase	-	-	-	Normal	T/T	Normal	L/C or T/T	None	-	-	-	-	-	None

Note 1：In case of advance collection and payment, the reasons, terms and conditions of the contract, amount and difference in the general transaction type shall be stated in the remarks field.

Note 2：If the listed subjects do not apply, they may be adjusted. If there is no subject listed due to industry characteristics, no entry is required.

b. Property transactions：None

c. Financing：None

d. Asset leasing：None

e. Other significant business transactions：

Under the terms of the technical service agreement entered into by the Company and YSW for providing technical assistance, the Company should calculate and pay semi-annually technical service fees to YSW. The payment service fee was NT$4,759 thousand in 2024.

3). Endorsements and guarantees：None

4). Other matters with a significant effect on finances and business.：None

5). Declaration on Affiliations and the opinion on the Declaration submitted by the CPA：

Please go to the Market Observation Post System for inquiries (URL: https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

B. Private placement of securities：None

C. Other required disclosures：None

VII. The situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report：None

Sheng Yu Steel Co., Ltd.

Declaration of the Internal Control System

Date：March 7, 2025

The Company hereby makes the following declaration on the result of the self-evaluation conducted based on the 2024 internal control system.

I. The Company is fully aware that establishing, implementing, and maintaining the internal control system is the duty of the Board of Directors and executives. The Company has established a system of internal control, and this system aims to provide reasonable assurance of the reliability of the reported effects and efficiency (including profit, performance, and security of the assets) and financial reports, and compliance with the relevant regulations.

II. There are inherent limitations to the internal control system, regardless of the efforts invested in the pursuit of perfection. An effective internal control system only offers reasonable assurance of the three goals stated in the above paragraph, and the effectiveness of this internal control system may change along with changes in the environment and circumstances. Nonetheless, the Company's internal control system is designed with a self-monitoring mechanism, which identifies flaws and prompts the Company to take immediate action.

III. The Company determines the design and effectiveness of the internal control system based on the "Principles for Establishment of an Internal Control System in a Public Company (hereafter refers to as "the Principles")." The items provided in the Principles categorize the internal control system into five major elements based on the process of management control：1. Control of the environment; 2. Risk assessment; 3. Operations of the control; 4. Information and communication; and 5. Monitoring. Each element contains several sub-items. For details, please refer to the text of the Principles.

IV. The Company has adopted the aforementioned internal control identification items to evaluate the design and effectiveness of its internal control system.

V. Based on the results of the evaluation mentioned in the above paragraph, the Company feels that the internal control system (including monitoring and management of the subsidiaries) implemented on December 31, 2024 (note 2) provides reasonable assurance of the achievement of the above goals, including the following content：the effectiveness of operations and achievement of the efficiency goal, reliability of the financial reports, and compliance with the regulations.

VI. This declaration will become part of the main text of the Company's annual report and prospectus, both of which will be made publicly available. Any false declaration or failure to disclose true and full information will be deemed a violation of Articles 20, 32, 171, and 174 of the Securities Trading Act.

VII. This declaration has been recognized by the Board of Directors on March 7, 2025. All eleven members of the board voted in favor to recognize the content of this declaration and none voiced an objection.

Sheng Yu Steel Co., Ltd.

Chairman：Koichi Tarumiya Signature

General Manager：Shih-Chiang Hung Signature

Note 1：When major flaws are found in the design and implementation of the Public Company Internal Control System in a report year, the flaws should be disclosed in the additional section after paragraph four of the Internal Control System Declaration, including a description of the major flaws and the Company's response strategies to improve conditions before the balance day.

Note 2：The date of this declaration is the "final day of a fiscal year".

SHENG YU STEEL CO., LTD.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 the Stand-alone and the Consolidated Financial Reports, The Business Report and The Proposal for Profit Distribution.
The Audit Committee has reviewed the aforementioned financial reports and documents, and concluded all information is presented fairly.
We hereby submit this report pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To：
2025 Annual Shareholders' Meeting

SHENG YU STEEL CO., LTD.
Convener of the Audit Committee

Ying-Fang Huang
March 7, 2025