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Chun Yuan Steel Industry Co., Ltd.

2024 Annual Report

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<https://www.cysco.com.tw>

Notice to readers :

This is an English translation of the annual report (Chinese version), prepared by CHUN YUAN STEEL INDUSTRY CO., LTD. (the “Company”). If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail. This translation is intended for reference only and nothing else , the company hereby disclaims any and all liabilities whatsoever for the translation. The Chinese version of the annual report shall govern any and all matters related to the interpretation of the subject matter stated herein.

I. Spokesperson/deputy spokesperson

Name: HUNG, SHIH-MIN / HSIEH, YU-HSIA

Title: President / Deputy Vice President

Tel.: (02)2501-8111

Email: jim@cysco.com.tw / anne@cysco.com.tw

II. Address and telephone of headquarter, plants, and business offices

Headquarter	6 and 7F., No.502, Fuxing N. Rd., Jhongshan Dist., Taipei City	Tel.: (02)2501-8111
Commercial Steel Xizhi Plant	No. 565, Sec. 3, Datong Rd., Xizhi Dist., New Taipei City	Tel.: (02)8648-6111
Commercial Steel Kaohsiung Plant	No.5, Shiquan Rd., Xiaogang Dist., Kaohsiung City	Tel.: (07)802-2187
Commercial Steel Tucheng Branch office	No.3, Ziyu St., Tucheng Dist, New Taipei City	Tel.: (02)2268-5209
Commercial Steel Taoyuan Branch office	No.299, Nanshang Rd., Guishan Dist., Taoyuan City	Tel.: (03)352-4363
Commercial Steel Xizhi Branch office	No. 565, Sec. 3, Datong Rd., Xizhi Dist., New Taipei City	Tel.: (02)8647-7096
Commercial Steel Hsinchu Branch office	No. 5, Ln. 374, Niupu S. Rd., Xiangshan Dist., Hsinchu City	Tel.: (03)538-5163
Commercial Steel Tainan Branch office	No. 329, Anxin 1st Rd., Anding Dist., Tainan City	Tel.: (06)593-5905
Commercial Steel Taichung Branch office	No. 20, Gongyequ 37th Rd., Xitun Dist., Taichung City	Tel.: (04)2350-3366
Electrical Steel Taichung Plant	No. 13, Gongyequ 25th Rd., Nantun Dist., Taichung City	Tel.: (04)2359-2111
Special Steel Tucheng Branch office	No.51, Rixin St., Tucheng Dist., New Taipei City	Tel.: (02)2262-2276
Special Steel Longtan Branch office	No. 236, Sec. Bade, Shengting Rd., Longtan Dist., Taoyuan City	Tel.: (03)480-4462
Special Steel Taichung Branch office	No. 501-1, Wuguang Rd., Wuri Dist., Taichung City	Tel.: (04)2338-4688
Special Steel Tainan Branch office	No. 329, Anxin 1st Rd., Anding Dist., Tainan City	Tel.: (06)593-5828
Special Steel Kaohsiung Branch office	No. 10, Yanhai 2nd Rd., Xiaogang Dist., Kaohsiung City	Tel.: (07)806-0888
Special Steel Strip Rolling Plant	No. 236, Sec. Bade, Shengting Rd., Longtan Dist., Taoyuan City	Tel.: (03)489-2131
Automated Storage System Plant	No. 236, Sec. Bade, Shengting Rd., Longtan Dist., Taoyuan City	Tel.: (03)489-2131
Steel Structure Longtan Plant	No. 236, Sec. Bade, Shengting Rd., Longtan Dist., Taoyuan City	Tel.: (03)489-2131
Steel Structure Kaohsiung Plant	No. 10, Yanhai 2nd Rd., Xiaogang Dist., Kaohsiung City	Tel.: (07)802-2187

III. Share transfer agent

Finance Department, Chun Yuan Steel Industry Co., Ltd.
Address: 4F., No. 502, Fuxing N. Rd., Jhongshan Dist., Taipei City
Tel.: (02)2501-8111 Website: <https://www.cysco.com.tw>

IV. Certifying CPAs for the financial reports of the most recent year:

Name: Wang Wu Chang CPA and Chen Kui Mei CPA
Accounting firm: Crowe (TW) CPAs
Address: 10F., No. 369, Fuxing N. Rd., Taipei City
Tel.: (02)8770-5181
Website: <https://www.crowe.com/tw>

V. Overseas securities exchange: None

VI. Company website: <https://www.cysco.com.tw>

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In 2024, global inflation gradually eased, and major economies began shifting from high interest rate policies toward rate cuts. However, China's economic performance fell short of expectations, and the worsening oversupply of steel led to a surge in low-priced exports, putting downward pressure on the global steel market. Weak demand for end-user products persisted worldwide, and manufacturing activities remained sluggish. Geopolitical tensions continued to affect the global economy, including the ongoing U.S.-China tech trade war, the Russia-Ukraine conflict, and the Israel-Hamas conflict—all of which significantly impacted global stability and economic growth.

Taiwan's exports in 2024 reached the second-highest level on record, mainly driven by the electronics and ICT sectors, which accounted for over 65% of total exports. Although the high-interest-rate vibe began to reverse and failed to effectively stimulate corporate investment. The steel market remained under pressure in 2024 due to the lack of recovery in the machinery and machine tool industries, which negatively impacted domestic steel demand and pricing. Nevertheless, the Company successfully leveraged demand in the steel structure engineering and automotive sectors. For 2024, the Company recorded consolidated domestic and international revenue of NT\$24.014 billion, and consolidated pre-tax net profit of NT\$1.387 billion, both reflecting growth compared to 2023.

Looking ahead to 2025, according to the forecast of the Directorate General of Budget, Accounting and Statistics, Taiwan's economic growth rate is expected to be 3.14%, a moderation from 4.59% in 2024, yet still indicative of steady growth. In addition, as global supply chains continue to adjust, Taiwan's semiconductor and high-tech industries are advancing and expanding into downstream applications, which is expected to drive growth in steel-related sectors such as machinery and equipment, robotics-related machine tools, AI drones, and AI vehicles. Furthermore, with the anticipated end of the Russia-Ukraine war and the emergence of substantial post-war business opportunities, coupled with stimulus measures launched by China, regional investment and consumption momentum are expected to rebound. These developments may revitalize the steel market, which has remained subdued over the past three years.

In terms of steel demand, as global economies recover steadily, demand for steel is projected to increase. According to the World Steel Association, global steel demand is expected to reach 1.7715 billion tons in 2025, reflecting an annual growth rate of 1.2%. Moreover, as inflationary pressures in Europe and the United States ease, a cycle of interest rate cuts is expected to begin, supporting improvements in corporate financing and infrastructure investment. With continued government efforts to stimulate domestic demand and the expansion of public infrastructure projects, the steel market in 2025 is projected to trend positively with an optimistic outlook.

In response to the Company's future development, the Company will continue to expand its market and strengthen its service speed and quality. The Company continues to invest:

- The Construction Business Division has built a new bridge and special components plant at the Longtan facility and continues to add and upgrade processing equipment;
- The Construction Business Division has also invested in five luffing jib tower cranes;
- The Direct Sales Business Division has invested in a new five-foot cold-rolled slitting machine;
- The Automatic Warehouse Business Division has invested in a new racking roll forming production line;
- The Special Steel Business Division has replaced outdated equipment with a new high-speed circular sawing machine.

Continuous investment, sustained growth, and the ongoing strengthening of Chun Yuan are shared goals among all Chun Yuan members. We sincerely thank our esteemed shareholders for your long-standing support. Moving forward, we will remain committed to our principles of integrity and prudent management, continue nurturing top talent, enhance corporate value, and generate maximum returns for our shareholders as a token of appreciation for your continued trust and support. We also look forward to your continued guidance and encouragement, just as you have always generously provided over the years.

Chairman CHENG, YE-MING

President HUNG, SHIH-MIN

I. Information on directors, supervisors, presidents, vice presidents, Deputy Vice Presidents, and managers of divisions and branch units:

(I) Information of directors and supervisors

February 28, 2025																		
Title	Nationality or place of registration	Name	Gender / Age	Date of election or inauguration	Date when first elected	Shareholding when elected	Current shareholding	Shareholding of spouses and underage children	Shareholding through others	Main experience/education background	Positions concurrently served in the Company and other companies	Other managerial officers, directors or supervisors to whom they are a spouse or relative within second degree of kinship	Remarks					
						Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Name	Relation				
Chairman	Republic of China	Cheng, Ye-Ming	Male 71	2022 6.23	Three years 3.30	1989 17,179,211	2.65%	17,179,211	2.65%	1,042,407	0.16%	14,045,000	2.17%	Ming Cheng University, Japan department of law	Director of Sinking Industries Co., Ltd.	Director Cheng, I-Hung	Brother	-
Director	Republic of China	Tsai, Hsi-Chi	Male 71	2022 6.23	Three years 3.30	1989 24,610,799	3.80%	24,035,799	3.71%	7,325,746	1.13%	0	0%	Sih Shin High School of Commerce and Industry	Director of Sinking Industries Co., Ltd.	Director Tsai, Hsi-Yu	Brother	-
Director	Republic of China	Wu, Mei-Ying	Female 61	2022 6.23	Three years 3.30	1989 12,780,790	1.97%	12,780,790	1.97%	30,000,000	4.63%	0	0%	National Chengchi University Business Administration	-	Director Lee, Wen-Lung	Spouse Lee, Wen-Fa	Brother-in-law
Director	Republic of China	Tsai, Hsi-Yu	Male 71	2022 6.23	Three years 4.29	2001 17,844,010	2.76%	17,844,010	2.76%	10,453,871	1.61%	0	0%	Hsing Wu College of Business	-	Director Tsai, Hsi-Chi	Brother	-
Director	Republic of China	Lee, Wen-Fa	Male 71	2022 6.23	Three years 3.30	1989 36,300,321	5.60%	36,300,321	5.60%	0	0%	0	0%	Nihon University Department of Economics	Director of Sinking Industries Co., Ltd.	Director Lee, Wen-Lung	Sister-in-Law Wu, Mei-Ying	Brother
Director	Republic of China	Cheng, I-Hung Note 1	Male 61	2022 6.23	Three years 6.19	2001 10,240,873	1.58%	10,240,873	1.58%	0	0%	20,728,751	3.20%	Aoyama Gakuin University, Japan	-	Chairman Cheng, Ye-Ming	Brother	-
Director	Republic of China	Tsai, Cheng-Ting	Male 51	2022 6.23	Three years 6.16	2016 7,148,202	1.10%	7,252,202	1.12%	0	0%	0	0%	City University of New York Baruch College Master of Science In Finance	Chairman of Sinking Industries Co., Ltd.	-	-	-
Director	Republic of China	Detaiyu Investment Industrial Limited	-	2022 6.23	Three years 6.23	2022 40,000	0.01%	40,000	0.01%	0	0%	0	0%	Hsing Wu College of Commerce Tourism Section	Director of Sinking Industries Co., Ltd.	-	-	-
Director	Republic of China	Representative: Lee, Wen-Lung	Male 71	2022 6.23	-	1989 30,000,000	4.63%	30,000,000	4.63%	12,780,790	1.97%	0	0%	Wu, Mei-Ying Lee, Wen-Fa	Director of Sinking Industries Co., Ltd.	Spouse Brother	Brother	-

Corporate Governance Report

Title	Nationality or place of registration	Name	Gender / Age	Date of election or inauguration	Term	Date when first elected	Shareholding percentage (%)	Shares	Current shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding through others	Shareholding of spouses and underage children	Shareholding of spouses and underage children	Main educational background	Positions concurrently served in the Company and other companies	Other managerial officers, directors, or supervisors to whom they are a spouse or relative within second degree of kinship	Remarks
Independent Director	Republic of China	Hsu, Li-Ming	Male 41 50	2022 6.23	Three years	2016 6.16	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	Accountant of RSM Taiwan	-	-
Independent Director	Republic of China	Tseng, Yung-Fu	Male 81 90	2022 6.23	Three years	2016 6.16	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	Independent Director etc. of Sinkang Industries Co., Ltd.	-	-
Independent Director	Republic of China	Liu, Huang-Chi	Male 51 60	2023 6.15	Three years	2023 6.15	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	Independent Director of Tankang University Master of Business Administration	-	-
Independent Director	Republic of China																		Independent Director of Mayer Steel Pipe Corporation	-	-
Independent Director	Republic of China																		Independent Director of Union Insurance Co., Ltd.	-	-
Independent Director	Republic of China																		Independent Director of Fungtai University	-	-
																			Vice Chairman of Products Corporation	-	-
																			Products Corporation	-	-
																			Vice Chairman of Long Bon International Co., Ltd.	-	-

[Note 1: Mr. Cheng, I-Hung, the former Director, passed away on May 24, 2024, and was thus naturally discharged from his position as Director of the Company.]

Major shareholders of juridical person shareholders

March 31, 2025

Name of corporate shareholder	Major shareholders of juridical person shareholders
Detaiyu Investment Industrial Limited	Li, Chi-Wei 100%

Information of directors**1. Information disclosure for professional qualification and experience of directors and independent directors' independence:**

March 31, 2025

Qualification Name	Professional qualification and experience Note 1	Independence status	Number of other public companies where they concurrently serve as independent director
Cheng, Ye-Ming	Having five years work experience in commerce and finance, and experience require by the Company's business	N/A	0
Tsai, Hsi-Chi	Having five years work experience in commerce and finance, and experience require by the Company's business		0
Wu, Mei-Ying	Having five years work experience in commerce and finance, and experience require by the Company's business		0
Tsai, Hsi-Yu	Having five years work experience in commerce and finance, and experience require by the Company's business		0
Lee, Wen-Fa	Having five years work experience in commerce and finance, and experience require by the Company's business		0
Cheng, I-Hung Note 2	Having five years work experience in commerce and finance, and experience require by the Company's business		0
Tsai, Cheng-Ting	Having five years work experience in commerce and finance, and experience require by the Company's business		0
Lee, Wen-Lung Note 3	Having five years work experience in commerce and finance, and experience require by the Company's business		0
Hsu, Li-Ming	Having five years work experience in finance and accounting, and passed a national examination and been awarded a certificate as an accountant.	The Company's independent director, and in the annual independent director qualification review during the year of election and during the term of office required by the competent authority, showing the conformity to the independence requirement, and meeting the requirement in Article 3 and 5 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	1
Tseng, Yung-Fu	Having five years work experience in commerce and law, and passed a national examination and been awarded a certificate as judge, public prosecutor, and attorney.		1
Liu, Huang-Chi	Having five years work experience in commerce, law and finance, and passed a national examination and been awarded a certificate as judge and attorney.		3

Note 1: During the current year up to the publication date of annual report, none of the director has any of the circumstances in the subparagraphs of Article 30 of the Company Act.

Note 2: Mr. Cheng, I-Hung, the former Director, passed away on May 24, 2024, and was thus naturally discharged from his position as Director of the Company.

Note 3: The corporate represented by Lee, Wen-Lung: Detaiyu Investment Industrial Limited

2. The board of directors' diversity and independence:**(1) The board of directors' diversity**

The Company has established a board diversity policy in accordance with the "Corporate Governance Best Practice Principles." The Company has established board diversity guidelines under the Corporate Governance Best Practice Principles, encompassing eight key competencies: operational judgment, accounting and financial analysis, business management, crisis response, industry knowledge, international market perspective, leadership, and decision-making. These capabilities contribute meaningfully to the Company's development and operations. In terms of board composition, there is at least one director with expertise in each of the following areas: law, finance, accounting, and industry knowledge. Currently, the board includes one female director. Since the current term of the board does not expire until June 2025, the proportion of female directors has not yet reached one-third. The Company plans to gradually increase female representation on the board, with one additional female director to be elected during the upcoming board re-election this year. Going forward, the Company will continue to increase the proportion of female directors step by step until it reaches one-third.

(2) The board of directors' independence

The Company's board comprises 11 directors, including 3 independent directors. None of the directors fall under the conditions specified in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act. For information on spousal or second-degree kinship relationships among board members, please refer to "(I) Information of Directors and Supervisors." In conclusion, the Board of Directors maintains a high level of independence.

(II) Information on presidents, vice presidents, Assistant Vice Presidents, and managers of divisions and branch units

February 28, 2025

Title	Nationality	Name	Gender	Date of election (inauguration)	Shareholding percentage (%)	Shares	Shareholding of spouses and underage children	Shareholding through others	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Main background experience/educational	Positions concurrently serving in other companies	Managerial officer who is a spouse or relative within the second degree of kinship	Remarks		
															Title	Name	Relation
President (concurrent Vice President)	Republic of China	Huang, Shih-Min	Male	Inaugurated on August 6, 2022	440,695	0.07%	0	0.00%	0	0%	0	0%	Feng Chia University	Director of Chun Yuan Construction Co., Ltd.	-	-	-
Vice President	Republic of China	Huang, Chun-Yung	Male	Inaugurated on July 3, 2019	50,390	0.01%	9,180	0.00%	0	0%	0	0%	Chien-Kuo Senior High School	None	-	-	-
Vice President	Republic of China	Chiang, Ming-Chi	Male	Inaugurated on January 1, 2024	2,220	0.00%	7,592	0.00%	0	0%	0	0%	Chung Yuan Christian University	None	-	-	-
Deputy Vice President	Republic of China	Ao, Kuo-yi	Male	Inaugurated on May 5, 2023	3,768	0.00%	0	0.00%	0	0%	0	0%	Chinese Culture University	None	-	-	-
Deputy Vice President	Republic of China	Chang, Chin-Yuan	Male	Inaugurated on January 1, 2024	0	0.00%	0	0.00%	0	0%	0	0%	National Cheng Kung University	None	-	-	-
Deputy Vice President (Concurrently serving as Finance officer and Corporate Governance Officer)	Republic of China	Hsieh, Yu-Hsia	Female	Inaugurated on January 1, 2024	0	0.00%	0	0.00%	0	0%	0	0%	National Taiwan University	Supervisor of Chun Shyang Shin Yeh Industry Co., Ltd.	-	-	-
Accounting Officer (Manager)	Republic of China	Lin, Yi-Chun	Female	Inaugurated on November 10, 2020	0	0.00%	0	0.00%	0	0%	0	0%	Shih Chien University	Supervisor of Chun Yuan Construction Co., Ltd.	-	-	-

II. Remunerations to directors, supervisors, presidents, and vice presidents in the recent year

(I) Remunerations to directors and independent directors

Title	Name	Remunerations to Directors			Remunerations from concurrently serving as employees			Sum of A, B, C, and D as percentage of net income after tax (%)	Sum of A, B, C, D, E, F, and G as percentage of net income after tax (%)
		Wages (A)	Severance pay and Pension (B)	Compensation for director (C)	Service expense (D)	Wages, bonuses, and special allowances, etc. (E)	Severance pay and pension (F)	Employee compensation (G)	
Chairman	Cheng, Ye-Ming								
Director	Tsai, Hsi-Chi								
Director	Wu, Mei-Ying								
Director	Tsai, Hsi-Yu								
Director	Lee, Wen-Fa	0	0	0	9,635,861	As left	2,795,000	As left	1.16%
Director	Cheng, I-Hung	0	0	0					10,566,525
								As left	
Director	Tsai, Cheng-Ting								
Director	Detainyo Investment Industrial Limited, represented by Lee, Wen-Lung								
Independent Director	Tseng, Yung-Fu								
Independent Director	Hsu, Li-Ming	0	0	0	3,920,409	As left	1,134,000	As left	0.39%
Independent Director	Liu, Huang-Chi								
Note 1: Mr. Cheng, I-Hung, the former Director, passed away on May 24, 2024, and was thus naturally discharged from his position as Director of the Company.									
1. Please state the remuneration policies, systems, standards and packages for independent directors, and the connection of the factors, such as responsibilities, risk and spent hours, with the amount of remuneration:									
2. The policy governing remunerations paid to the independent directors is specified in the Articles of Incorporation. The Board of Directors is authorized to determine it based on their engagement in and contributions to the corporate governance, and subject to the approval of the shareholders' meeting.									
2. Other than the remuneration disclosed in the above table, the remuneration received by any of the Company's directors by providing services (e.g., as an advisor other than employee of the parent/ all companies included in the financial statement/renovisees) in the most recent year: None.									

Unit: NTS

1. Please state the remuneration policies, systems, standards and packages for independent directors, and the connection of the factors, such as responsibilities, risk and spent hours, with the amount of remuneration:
2. The policy governing remunerations paid to the independent directors is specified in the Articles of Incorporation. The Board of Directors is authorized to determine it based on their engagement in and contributions to the corporate governance, and subject to the approval of the shareholders' meeting.
3. Other than the remuneration disclosed in the above table, the remuneration received by any of the Company's directors by providing services (e.g., as an advisor other than employee of the parent/ all companies included in the financial statement/renovisees) in the most recent year: None.

Ranges of the directors' remunerations

Unit: NT\$

Range of remunerations paid to each director of the Company	Name of Director		
	Sum of foregoing four items (A+B+C+D)	All companies included in the financial statements	Sum of foregoing seven items (A+B+C+D+E+F+G)
Below NT\$1,000,000	Cheng, I-Hung	Cheng, I-Hung	Cheng, I-Hung
1,000,000 (inclusive) to 2,000,000 (exclusive)	Cheng, Ye-Ming Tsai, Hsi-Chi; Wu, Mei-Ying Tsai, Hsi-Yu; Lee, Wen-Fa Tsai, Cheng-Ting; Tseng, Yung-Fu Hsu, Li-Ming; Liu, Huang-Chi Detaiyu Investment Industrial Limited, represented by Lee, Wen-Lung	Cheng, Ye-Ming Tsai, Hsi-Chi; Wu, Mei-Ying Tsai, Hsi-Yu; Lee, Wen-Fa Tsai, Cheng-Ting; Tseng, Yung-Fu Hsu, Li-Ming; Liu, Huang-Chi Detaiyu Investment Industrial Limited, represented by Lee, Wen-Lung	Tsai, Hsi-Chi; Tsai, Hsi-Yu Tsai, Cheng-Ting; Lee, Wen-Fa Wu, Mei-Ying; Hsu, Li-Ming Tseng, Yung-Fu; Liu, Huang-Chi Detaiyu Investment Industrial Limited, represented by Lee, Wen-Lung
2,000,000 (inclusive) to 3,500,000 (exclusive)			
3,500,000 (inclusive) to 5,000,000 (exclusive)			
5,000,000 (inclusive) to 10,000,000 (exclusive)			
10,000,000 (inclusive) to 15,000,000 (exclusive)			Cheng, Ye-Ming
15,000,000 (inclusive) to 30,000,000 (exclusive)			Cheng, Ye-Ming
30,000,000 (inclusive) to 50,000,000 (exclusive)			
50,000,000 (inclusive) to 100,000,000 (exclusive)			
Over 100,000,000	Total	11 persons	11 persons
			11 persons

(II) Remunerations to Presidents and Vice Presidents

Title	Name	Wages (A)		Severance pay and pension (B)		Bonuses and special allowances (C)		Employee compensation (D)		Sum of A, B, C, and D as percentage of net income after tax (%)	Remuneration from investees other than subsidiaries or from the parent company
		All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		
President (concurrent Vice President)	Hung, Shih-Min										
Vice President	Huang, Chun-Yung	5,460,280	As left	—	—	23,327,500	As left	201,979	—	1.30%	As left
Vice President	Chiang, Ming-Chi										308,483

Ranges of the President and Vice Presidents' Remunerations

Range of remunerations paid to each President and Vice President of the Company	Name of President and Vice President		The parent company and all investees
	The Company	The Company	
Below NT\$1,000,000			
1,000,000 (inclusive) to 2,000,000 (exclusive)			
2,000,000 (inclusive) to 3,500,000 (exclusive)			
3,500,000 (inclusive) to 5,000,000 (exclusive)		Huang, Chun-Yung	Huang, Chun-Yung
5,000,000 (inclusive) to 10,000,000 (exclusive)			
10,000,000 (inclusive) to 15,000,000 (exclusive)		Hung, Shih-Min, Chiang, Ming-Chi	Hung, Shih-Min, Chiang, Ming-Chi
15,000,000 (inclusive) to 30,000,000 (exclusive)			
30,000,000 (inclusive) to 50,000,000 (exclusive)			
50,000,000 (inclusive) to 100,000,000 (exclusive)			
Over 100,000,000			
	Total	3 persons	3 persons

(III) Managerial officers receiving employee remunerations and state of distribution

					February 28, 2025; Unit: NT\$
Title	Name	Share amount	Cash amount	Total	Sum as percentage of net income after tax (%)
President (concurrent Vice President)	Hung, Shih-Min				
Vice President	Huang, Chun-Yung				
Vice President	Chiang Ming-Chi				
Deputy Vice President	Ao, Kuo-yi				
Deputy Vice President	Chang, Chin-Yuan	0	410,391	410,391	0.02%
Finance Officer (Deputy Vice President) (Concurrently serving as Finance Officer and Corporate Governance Officer)	Hsieh, Yu-Hsia				
Accounting Officer (Manager)	Lin, Yi-Chun				

Managerial Officer

(IV) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by the Company and by each other company included in the consolidated financial statements during the most recent 2 fiscal years to directors, supervisors, president, and vice presidents, and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

		Unit: NT\$	
		All companies in the consolidated reports	
Year	Sum of remunerations as percentage of net income after tax (%)	The Company	
		Total amount of remunerations paid to directors, supervisors, presidents, and vice presidents	Sum as percentage of net income after tax (%)
2023	30,371,751	3,47%	30,371,751
2024	45,541,319	4.26%	45,541,319

Description

The policy governing remunerations paid to the directors is specified in the Articles of Incorporation. The Board of Directors is authorized to determine the remunerations of the chairman and the directors based on their participation in the operations of the Company and the value of their contributions while considering the usual level in the same industry, and is subject to the approval of the shareholders' meeting. The payment method of the president and vice presidents' remunerations is handled pursuant to the Company's standards.

III. Status of Corporate Governance:

(I) Operation of the Board of Directors

1. The Board held nine (A) meetings during the most recent year; the attendance of directors is summarized as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Chairman	Cheng, Ye-Ming	9	0	100%	—
Director	Tsai, Hsi-Chi	9	0	100%	—
Director	Wu, Mei-Ying	9	0	100%	—
Director	Tsai, Hsi-Yu	9	0	100%	—
Director	Lee, Wen-Fa	8	1	89%	—
Director	Cheng, I-Hung	2	1	67%	Discharged on 2024.05.24 (three attendance expected)
Director	Tsai, Cheng-Ting	9	0	100%	—
Representative of juridical person director	Detaiyu Investment Industrial Limited, represented by Lee, Wen-Lung	9	0	100%	—
Independent Director	Tseng, Yung-Fu	8	1	89%	—
Independent Director	Hsu, Li-Ming	9	0	100%	—
Independent Director	Liu, Huang-Chi	9	0	100%	—

Other items to be stated:

I. Where the operation of the Board of Directors meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all independent directors, and the Company's resolution of said opinions:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act:

In 2024, a total of nine Board meetings were convened up to the publication date of this annual report. For details of the resolutions, please refer to pages 36 - 37, section "(IX) Material resolutions of a shareholders meeting or a Board of Directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report." Among them:

Proposal 1 of the 6th Board Meeting in 2024: An increase in the investment budget for the Construction Division's bridge and special components plant expansion project was approved. All attending directors, including three independent directors, unanimously resolved to raise the budget from NT\$50,572,609 to NT\$346,961,857—comprising NT\$249,343,957 for plant construction and NT\$97,617,900 for equipment. The Company has acted in accordance with the Board's resolution.

Proposal 2 of the 6th Board Meeting in 2024: The contract for the aforementioned construction project was awarded to a related party, Chunyuan Construction Co. Directors associated with Chun Yuan Construction, including one independent director, recused themselves from voting due to a conflict of interest. The budget was revised per the Board's resolution, and the remaining two independent directors in attendance unanimously approved the resolution. The Company proceeded based on the independent directors' decision.

Apart from the above matters, all independent directors raised no objections and unanimously approved all other Board resolutions, including those specified under Article 14-3 of the Securities and Exchange Act.

(II) Other than the abovementioned matters, any resolution of the Board meeting to which a independent director has a dissenting or qualified opinion which is on record or stated in a written statement: None

II. Implementation of directors' recusals to proposals with personal interests; the name of director, proposal description, reason of recusal, and voting participation shall be specified:
 The directors are self-disciplined, and recuse themselves whenever proposals touch upon their personal interests. Among them: 6th meeting of the Board of Directors in 2024

1. Recused Directors: Chairman Cheng, Ye-Ming; Director Tsai, Hsi-Chi; Director Wu, Mei-Ying; Director Tsai, Hsi-Yu; Director Lee, Wen-Fa; Director Tsai, Cheng-Ting; Detaiyu Investment Industrial Limited (Corporate Representative: Lee, Wen-Lung); Independent Director Hsu, Li-Ming.
2. Proposal: The Construction Division's plant expansion project for bridges and special components is to be contracted to the related party, Chun Yuan Construction Co., Ltd.
3. Reason for recusal: The above-mentioned directors are either directors of Chun Yuan Construction Co., Ltd., spouses or relatives within the second degree of kinship to its directors, or independent directors of the corporate director Sinkang Industries Co., Ltd.
4. Voting participation: Except for the related directors who recused themselves due to conflicts of interest, the remaining two directors present reviewed the amended budget and unanimously approved the proposal in accordance with the Board's resolution.

III. TWSE or TPEx listed companies shall disclose the cycles and periods, scopes, methods, and descriptions of the self- (or peer) appraisal of the Board of Directors; and the implementation of the appraisal of the Board of Directors:
 The Company has completed the 2024 self-evaluation of directors, and the implementation of the evaluation is as follows.

IV. Objective of enhancing the Board's functions in the current and recent years (e.g., establishing the Audit Committee or enhancing information transparency) and the assessment of the implementation:
 The Company has completed the performance evaluation of the Board of Directors and functional committees for 2024, and the implementation of the evaluation is shown in the table below.

2. Implementation of Board of Directors Appraisal

Appraisal Cycle	Annually
Appraisal Period	From January 1, 2024 to December 31, 2024.
Appraisal Scope	Appraise the performance of the Board of Directors, directors, and functional committees (Audit Committee and Remuneration Committee included)
Appraisal Method	Conducted in the form of self-evaluation; the outcomes were reported at the 3rd meeting of the Board of Directors in 2025 as required, as the basis for review and improvement.
Appraisal Content	<ul style="list-style-type: none"> (I) The "Self-Assessment Questionnaire of the Board's Performance" is answered by the Chairman. The assessment includes five major aspects: participation in the operation of the Company, improvement of the quality of decision making of the Board of Directors, composition and structure of the Board of Directors, election of directors and continuing education, and the internal control, with a total of 26 questions. (II) The "Self-Assessment Questionnaire of the Board Member's Performance" is answered by each director. The six major aspects to be assessed include: grasp of the Company's objective and tasks, awareness of director's functions, participation in the operation of the Company, internal relationship and communication, specialty and continuing education of director, and internal control, with a total of 23 questions. (III) The "Self-Assessment Questionnaire of the Audit Committee's Performance" and the "Self-Assessment Questionnaire of the Remuneration Committee Performance" are answered by the chair of each functional committee. The five major aspects to be assessed include: participation in the operation of the Company, awareness of the duties of functional committees, improvement of the quality of decision making of functional committees, composition and member election of functional committees, and internal control, with a total of 22 and 18 questions, respectively.

(II) Operation of the Audit Committee or Engagement of Supervisors in the Board of Directors:

1. Operation of the Audit Committee:

◇ The Audit Committee held eight (A) meetings during the most recent year; the attendance of independent directors is summarized as follows:

Title	Name	Actual Attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Independent Director	Hsu, Li-Ming	8	0	100%	—
Independent Director	Tseng, Yung-Fu	7	1	88%	—
Independent Director	Liu, Huang-Chi	8	0	100%	—

Other items to be stated:

I. Where the operation of the Audit Committee meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, independent directors' dissent, qualified opinion, or material recommendations, resolution of the Audit Committee and the Company's handling of said resolution:

(I) Matters listed in Article 14-5 of the Securities and Exchange Act:
 The Audit Committee held 8 meetings in 2024. For the content of resolutions, the Audit Committee's resolutions, and the Company's handling of the Audit Committee's opinions, please refer to pages 38 - 39 "3. Key resolutions adopted by the Audit Committee."

(II) Aside from said matters, resolutions not passed by the Audit Committee but receiving the consent of two thirds of the Board of Directors: None

II. Implementation of independent directors' recusals to proposals with personal interests; the name of director, proposal description, reason of recusal, and voting participation shall be specified:
 The independent directors are self-disciplined, and recuse themselves whenever proposals touch upon their personal interests. Among them:
 5th meeting of the Audit Committee in 2024
 1. Directors recused: Independent Director HSU, LI-MING.
 2. Proposal: The Construction Division's plant expansion project for bridges and special components is to be contracted to the related party, Chun Yuan Construction Co., Ltd.
 3. Reasons for recusal: Independent Director Hsu, Li-Ming is an Corporate Director of Chun Yuan Construction (Sinkang).
 4. Voting participation: Except for Independent Director Hsu, Li-Ming recusing himself due to conflict of interest, the proposal was approved as proposed. However, the Company suggested to reduce the steel structure management fee by 2% and the water and electricity engineering management fee by 0% for this case.

III. Communication between independent directors and internal auditing officers as well as CPAs (including items discussed, means of communication and results, etc. regarding the Company's financial and business situation):
 Please refer to Page 13 "2. Communication between the independent directors and internal audit officers" and Page 14 "3. Communication between the independent directors and CPAs."

2. Communication between the independent directors and internal audit officers:

Frequency	Date	Subject	Conclusion
2024 Q1	2024.04.30	Audit items for the quarter	No advice nor comment
2024 Q2	2024.07.30	Audit items for the quarter	No advice nor comment
2024 Q3	2024.11.07	Audit items for the quarter	No advice nor comment
2024 Q4	2025.01.16	Audit items for the quarter	No advice nor comment

3. Communication between the independent directors and CPAs:

The Audit Committee consists of all independent directors. At least once per year, the CPAs report to the independent directors on the Company's financial position, the financial position of domestic/foreign subsidiaries, and overall operations, and audit the internal control. Shall there be any material adjustments or changes to laws or regulations that may impact the accounts, such matters will be fully communicated.

Since 2021, the meetings between the CPAs and independent directors, and between the CPAs and board members are held at least once per year, respectively.

Summary of communication between the independent directors and CPAs

Date of meeting	Nature of meeting	Attendees	Participants	Communication key points	Advice
2024. 03.14	Pre-meeting of the Board of Directors	CPA, Wang, Wu-Chang, Manager, Yu, Li-Hua, Chairman, Cheng, Ye-Ming; Independent directors: Hsu, Li-Ming; Tseng, Yung-Fu; Liu, Huang-Chi Director: Tsai, Hsi-Chi; Wu, Mei-Ying; Lee, Wen-Fa; Cheng, I-Hung; Tsai, Hsi-Yu; Tsai, Cheng-Ting Lee, Wen-Lung.	President, Hung, Shih-min, Assistant Vice President, Hsieh, Yu-Hsia, Manager, Lin, Yi-chun	<ol style="list-style-type: none"> Explanation of key audit matters (KAM) Type of audit opinions Materiality of the period Comparative analysis of the deviations between two periods Other communication matter 	None
2024. 08.08	Pre-meeting of the Board of Directors	CPA, Wang, Wu-Chang, Manager, Yu, Li-Hua, Chairman, Cheng, Ye-Ming; Independent directors: Hsu, Li-Ming; Tseng, Yung-Fu; Liu, Huang-Chi Director: Tsai, Hsi-Chi; Wu, Mei-Ying; Lee, Wen-Fa; Tsai, Hsi-Yu; Tsai, Cheng-Ting; Lee, Wen-Lung	President, Hung, Shih-min, Assistant Vice President, Hsieh, Yu-Hsia, Manager, Lin, Yi-chun	<ol style="list-style-type: none"> Explanation of key points in the review Type of review opinions Materiality of the period Comparative analysis of the deviations between two periods Other communication matter 	None
2024. 11.07	Audit Committee Pre-meeting	CPA, Wang, Wu-Chang, Manager, Yu, Li-Hua, Independent directors: Hsu, Li-Ming; Tseng, Yung-Fu; Liu, Huang-Chi	President, Hung, Shih-min, Assistant Vice President, Hsieh, Yu-Hsia, Manager, Lin, Yi-chun	<ol style="list-style-type: none"> Governing Body Roles and Responsibilities CPA Roles and Responsibilities Scope and time of annual audit Audit team Matters that may be highly concerned by auditors List of related parties and transactions with related parties Written statement from the management Independence of auditors 	None

4. Participation of supervisors in the Board of Directors: None.

(III) The operation of the corporate governance and any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance

Assessment Items			Implementation Status Summary description	Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No		
I. Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly?		V	To establish a good corporate governance system, the Board of Directors has given approval for establishing the "Principles of Corporate Governance Best Practice" on December 30, 2019. The Principles are disclosed on MOPS.	None.
II. Shareholding Structure & Shareholders' Rights (I) Does the Company have internal operation procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly? (II) Does the Company possess a list of major shareholders and the ultimate controlling parties of these major shareholders? (III) Has the Company built and executed a risk management system and firewall between the Company and its affiliates? (IV) Has the Company established internal rules prohibiting insider trading on undisclosed information?		V	<p>(I) The Company has assigned dedicated staff to answer questions from shareholders, and handle the related affairs.</p> <p>(II) The Company has good interactions with major shareholders, and can grasp the changes of shareholding at any time.</p> <p>(III) The Company and the affiliates are independent entities. The supervision of subsidiaries and management of transactions between related parties is specified in the internal control system and is put into actual practice.</p> <p>(IV) The Company has established "Internal Control for Preventing Insider Trading" regulations to prohibit insider trading on undisclosed information.</p>	None.

Assessment Items	Implementation Status		Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	
III. Composition and Responsibilities of the Board of Directors (1) Has the board of directors formulated the diversity policy, concrete management target, and implements such?	V	(1) The nomination and election of Board members is based on the company's Articles of Incorporation, by adopting a candidate nomination system. According to the business mode and development plans of the Company, the Board members should have diversified skills related to the steel industry, management, accounting, and finance, to ensure the diversity and independence of directors. All board members have extensive experience in related industries. There is one female director among the members; each of the other directors has a relevant professional background, specializing in operational judgement capabilities, accounting and financial analysis, operation and management, crisis management, industry knowledge, view of the international market, leadership, and decision-making. There are three independent directors among the ten directors to ensure the independence of the Board of Directors; each independent director has expertise and experience in accounting, law, management and financial analysis, as an implementation of diversification policies for the Board of Directors. The Company appreciates the composition of the expertise of the Board of Directors. The target share of law, finance, and accounting expertise is one-tenth or more; industrial know-how expertise is half or more. The Company has achieved all these targets. (Note 1) The Board of Directors has the necessary professional knowledge, skills and literacy to perform its duties. With diversified background and practical experience, it can continue to strengthen the Company's governance and operational synergies. The diversification policy of the Board of Directors is disclosed on the website.	(1) None.

Assessment Items	Implementation Status		Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance	
	Yes	No		
(II) Other than the Remuneration Committee and the Audit Committee required by law, does the Company voluntarily set up other functional committees?	V	V	(II) Other than the Remuneration Committee and the Audit Committee which are required by law, the Company has not yet established other functional committees. (III) Has the Company established a methodology for evaluating the performance of its Board of Directors, does it carry out evaluations on an annual basis and report the results of the performance evaluation to the Board of Directors, and use the results as reference for directors' remuneration and nomination for re-election? (IV) Does the Company regularly evaluate its external auditors' independence?	(II) The Company will set up other functional committees as necessary or required by laws and regulations. (III) The Company has formulated the performance evaluation measures and evaluation methods of the Board of Directors, and conducts internal performance evaluations on functional committees (Board of Directors, Audit Committee and Remuneration Committee) every year, and submits the performance evaluation results to the Board of Directors. The remuneration and the nomination for renewal are based on the performance evaluation results provided by the Finance Department.
(II) Other than the Remuneration Committee and the Audit Committee required by law, does the Company voluntarily set up other functional committees?	V	V	(IV) The Company's "Corporate Governance Best Practice Principles" was amended on December 20, 2023, and the conclusion of the assessment of the independence and suitability of the CPAs was sent to the Audit Committee and the Board of Directors on March 13, 2025 for discussion and approval. For the conclusion of the evaluation, please refer to the information of the CPA's fees in this annual report.	

Assessment Items			Implementation Status		Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Summary description		
IV. Does the TWSE/TPEX Listed Companies appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors' compliance with the law, handling matters related to Board meetings and shareholders' meetings according to the law, and recording minutes of Board meetings and shareholders' meetings)?	V		<p>(I) The Company has appointed competent and appropriate corporate governance personnel, and at the 6th meeting of the Board of Directors on December 23, 2020, it was approved to established the corporate governance officer (concurrently served by Hsieh, Yu-Hsia, the Assistant Vice President of Finance and Accounting Department) to serve concurrently and take charge of affairs related to corporate governance.</p> <p>(II) Regarding the annual key implementation of corporate governance and the continuing education of the corporate governance officer, the disclosure is made on the Company's website. Please refer to "the Company's website/Investor Section/Corporate Governance/Corporate Governance (https://www.cysco.com.tw/investorzone-71-119-page99)"</p>	None.	
V. Has the Company established a means of communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a stakeholder section on its Company website? Does the Company respond to stakeholders' questions on corporate social responsibilities?	V		The Company has appointed dedicated units and staff to communicate with different stakeholders. A stakeholder section is set up on the website. When needed, any stakeholder may contact the Company via telephone or email available in the section.	None.	In the future, the Company may commission a professional registrar for the shareholders' meeting affairs, to meet the requirements of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
VI. Has the Company appointed a professional registrar for its Shareholders' Meetings?	V		The shareholders' meetings are carried out by the Company itself, and all personnel in charge of shareholder affairs are qualified as required by law.		

Assessment Items			Implementation Status		Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	Summary description		
VII. Information Disclosure					
(I) Has the Company established a corporate website to disclose information regarding its financial, business and corporate governance?	V		(I) The Company has a website in place, and discloses information on the website for viewing by investors and the public.	(I) None.	
(II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference, etc.)?	V		(II) The Company's website has a English version; a dedicated unit is assigned to update and disclose the Company's information. Other than the spokesperson and deputy spokesperson system established for external communication, investor conferences are also convened as required by law	(II) None.	
(III) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadlines?	V		(III) The Company handles such pursuant to the regulatory requirements.	(III) The Company will report and announce the annual financial statements, the first, second, and third quarter financial statements as well as the operating status of each month as needed and required by the law	
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g., including but not limited to employee rights, employee care, 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 the purchasing of insurance for directors and supervisors by the Company)?	V		(I) The Company has organized regular corporate ethics trainings and promotion activities for new employees, as well as formulated relevant rewards and penalties for corporate ethics compliance in the employee reward and penalty system.	None.	
			(II) The key resolutions adopted by the Board of Directors are disclosed on the Company's website, and updated regularly.	(III) The Company has purchased liability insurance for directors.	
IX. The improvement status for the result of Corporate Governance Evaluation announced by the Taiwan Stock Exchange, as well as the prioritized enhancements for the matters and measures not yet improved (not required for companies not evaluated).					
The improvements made based on the results of the 10th Corporate Governance Evaluation (2023) published in April 2024 are as follows:					
1. Starting from 2024, the Board of Directors will refer to the audit quality index (AQI) to assess the independence and suitability of the CPAs, and disclose it in the annual report.					
2. Starting from 2024, the Company reports to the Board of Directors on the application and maintenance of intellectual property management, and discloses the implementation status on the Company's website.					
In the future, the Company will strengthen corporate social responsibility and corporate governance, by referring to the principles of corporate governance, to improve every aspect of the operations, maintain an effective mechanism of corporate governance, while implementing transparent information disclosure and promoting shareholders' interests.					

Note 1: Implementation of diversification policy for Board members

Name	Gender	Age	Professional background							
			Business administration	Economics	Finance	Marketing	Finance and accounting	Law		
		Professional skills								
		Decision-making skills		Leadership skills		View of international market		Industry knowledge		
		Risk management skills		Operation and management skills		Accounting and financial analysis skills		Operational judgement skills		
Cheng, Ye-Ming	Male	71 -Above	V	V	V	V	V	V	V	
Tsai, Hsi-Chi	Male	61 - 70	V	V	V	V	V	V	V	
Wu, Mei-Ying	Female	51 - 60	V	V	V	V	V	V	V	
Tsai, Hsi-Yu	Male	41 - 50	V	V	V	V	V	V	V	
Lee, Wen-Fa	Male		V	V	V	V	V	V	V	
Tsai, Cheng-Ting	Male		V	V	V	V	V	V	V	
Detaiyu Investment Industrial Limited, represented by Lee, Wen-Lung	Male		V	V	V	V	V	V	V	
Hsu, Li-Ming	Male		V			V			V	
Tseng, Yung-Fu	Male		V	V	V	V	V	V	V	
Liu, Huang-Chi	Male		V		V		V	V	V	

(IV) The composition, duties, and operation of the Remuneration Committee:**(1) Information about the Remuneration Committee Member**

Designation	Qualification Name	Professional qualification and experience	Independence status	Number of companies where they also serve as member in the Remuneration Committee
Independent Director	Hsu, Li-Ming	Having five years work experience in finance and accounting, and passed a national examination and been awarded a certificate as an accountant.	The Company's independent director, and in the annual independent director qualification review during the year of election and during the term of office required by the competent authority, showing the conformity to the independence requirement, and meeting the requirement in Article 3 and 5 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	1
Independent Director	Tseng, Yung-Fu	Having five years work experience in commerce and law, and passed a national examination and been awarded a certificate as judge, public prosecutor, and attorney.		1
Independent Director	Liu, Huang-Chi	Having five years work experience in commerce, law and finance, and passed a national examination and been awarded a certificate as judge and attorney.		3

(2) Operation of the Remuneration Committee:

1. There are three members of the Remuneration Committee in total.
2. The committee members' terms of offices, qualifications and attendance are as follows:
The 5th term: from July 1, 2022 to June 2025 (same as the term of the Board of Directors). In the most recent year, the Remuneration Committee convened two (A) meetings.

Title	Name	Actual Attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convenor	Hsu, Li-Ming	2	0	100%	—
Committee Member	Tseng, Yung-Fu	2	0	100%	—
Committee Member	Liu, Huang-Chi	2	0	100%	—

Other items to be stated:

- I. If the Board of Directors declines to adopt or modifies a recommendation of the Remuneration Committee, state the meeting date, term, contents of motions, resolution of the Board meeting, and the Company's handling of the opinions of the Remuneration Committee (e.g., the remuneration passed by the Board exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified); None.
- II. For the resolutions adopted by the Remuneration Committee to which a member has a dissenting or qualified opinion which is on record or stated in a written statement, state the meeting date, term, contents of motions, opinion of each member, and the treatment to such opinions: None.

(3) Subjects of the Remuneration Committee's discussions, resolutions and the Company's handling of the members' opinions

Remuneration Committee	Proposal content and follow-up	Resolution	The Company's handling of the members' opinions
5th meeting of the 5th term 2024.03.07	1. 2023 remunerations to directors 2. 2023 remunerations to managerial officers	All attending members unanimously approved proposals as they were, and submitted the proposals to the Board of Directors for approval.	Submitted the proposals to the Board of Directors, and approved by all attending directors unanimously
6th meeting of the 5th term 2024.11.07	1. Calculation of the 2024 year-end bonus 2. 2025 directors' service expenses and other fees 3. 2025 managerial officers' wages and incentives	All attending members unanimously approved proposals as they were, and submitted the proposals to the Board of Directors for approval.	Submitted the proposals to the Board of Directors, and approved by all attending directors unanimously

(4) Information of the Nomination Committee and its operation: None.

(V) Promotion of sustainable development, and variance from the Sustainable Development Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance:

Items to be promoted			Implementation	Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No		
I. Does the company establish an exclusively (or concurrently) dedicated unit to promote sustainable development have executives appointed by the board of directors to handle the promotion under the board of directors' supervision?	V		<p>The Company has a cross-department concurrent position sustainable report team, and promotes the implementation of the Company's annual sustainable operations and data collection through high-level authorization. Starting from 2024, the annual work targets and implementation plans will be reported to the Board of Directors.</p> <p>The Company will establish a dedicated (part-time) unit to promote corporate sustainability as needed and required by the law, and report the implementation status to the Board of Directors.</p>	<p>None.</p>
II. Does the Company follow the materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy	V		<p>The Company issues sustainability reports, and discloses the management and current status of sustainable development indicators such as corporate governance, ethical management, economic aspects, environmental aspects, and social aspects, while establishing related risk management policies.</p>	<p>None.</p>
III. Environmental Topics (I) Has the Company established an environmental management system designed in line with industry characteristics?	V		<p>The Company has passed ISO 14001 environmental management system verification (certificate expires on June 19, 2026; Special Steel Tucheng Branch office / Taichung Branch office, Steel Structure Longtan Plant and construction sites are not included in the scope of verification); through the PDCA management action steps, the effective environmental management system is implemented, including risk and opportunity assessment of environmental protection policies and environmental issues; the applicable environmental laws and regulations are the Waste Disposal Act, the Air Pollution Control Act and the Water Pollution Control Act.</p>	<p>None.</p>
(II) Does the Company dedicate in promoting energy utilization efficiency, and use renewable materials that have low impact to the environment.	V		<p>The Company has the following environmental, safety, and health policy:</p> <p>1. legal compliance; 2. full participation; 3. green consumption; 4. zero disaster; 5. continuous improvement; 6. well-rounded communications; 7. performance improvement; and 8. sustainable operation; of which, “green consumption” - None. recyclable steels are used for packaging materials.</p> <p>“Continuous improvement” - Replaced the dryer in the air compressor system with energy-saving model</p>	<p>None.</p>

Items to be promoted			Implementation	Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No		
(III) Has the Company assessed its potential risks and opportunities now and the future regarding climate change, and adopted related responding?	V		The Company has inventoried the greenhouse gas emission. Although the emission is not as controlled as the standard of the Ministry of Environment, the climate change still has the potential risk to the Company, such as the short delay of heavy rain and the warming caused by the climate change, which lead to the flooding and sintering of the plant. Measures taken include: in the lower-lying Xizhi Plant area, a water level warning system is used to activate the pumping station, to reduce the flooding probability of the plant; For high temperatures during summer, some plants use ventilation fans to enhance air circulation, and the roofs of the Longtan/ Tainan/ Kaohsiung/ Plants were installed or leased to energy companies for the installation of solar panels. It not only reduces the temperature of the facility but also alleviates physical discomfort among on-site personnel and enforces policies that conserve energy and reduce carbon emissions.	

Items to be promoted	Implementation		Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	
(IV) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the most recent two years, and set greenhouse gas reduction, water usage reduction and other waste management policies?	V		<p>In line with the global strategy for greenhouse gas reduction, the Company is committed to sustainable energy development goals that prioritize resource efficiency, energy conservation, and environmental protection. In accordance with the ISO 14001 Environmental Management System, the Company regularly tracks and compiles data on resource and energy consumption, which is disclosed in its Sustainability Report (the 2024 Sustainability Report will be published by August 2025). Each year, the Company evaluates the effectiveness of its resource and energy management using the PDCA (Plan-Do-Check-Act) cycle. The Company has obtained ISO 14001 certification (valid through June 19, 2026); however, this certification does not currently cover the Special Steel Tucheng and Taichung Branches, the Longtan Steel Structure Plant, or construction sites. Additionally, the Company is implementing the “Energy Conservation Targets and Implementation Plan for Energy Users from 2025 to 2028,” aiming to reduce greenhouse gas emissions by 1% annually. This initiative is coordinated by senior management and executed by cross-functional teams across departments.</p> <ol style="list-style-type: none"> 1. Greenhouse gas emission: Please refer to the table below - 1-1-1 for greenhouse gas inventory information. 2. Water consumption by each plant (site) 2023 - 86,384 (cubic meters); 2024 - 82,301 (cubic meters) 3. No hazardous industrial waste is produced; and the weight of general industrial waste in each plant (branch office): 2023 - 11,179 (tons); 2024 - 12,428 (tons)
IV. Social Topic (I) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	V		<p>The Company complies with relevant labor laws and regulations, to establish personnel management regulations and other related procedures for managing and protecting the legitimate rights of employees.</p>

Items to be promoted	Implementation		Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	
(II) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	V	<p>The Company is well aware that the sustainable development of the Company requires an employee welfare policy in addition to the growth of financial performance:</p> <ol style="list-style-type: none"> 1. Remunerations: The wages of new recruits are determined by measuring the supply and demand situation of the labor market, and the market level of wages, with the principle of being better to the basic salary stipulated by Taiwan's Labor Standards Act, while taking into account the job to be assigned, education, and relevant work experience, manpower demand in the market, and current wages of the same jobs or the same seniority. 2. Leave: The Company has set up the "Procedures for Applying for Leave by Employees," and all leave systems are based on the Labor Standards Act and related laws and regulations. 3. Benefits: The Company has established an employee welfare committee to handle various employee welfare related affairs, including departmental dinners, club activities, intellectual arts and cultural activities, parent-child activities, ball games, among other things. 4. Reflecting operation performance in the employees' remunerations: According to the Company's Articles of Incorporation, employees will be remunerated, and compensations and year-end bonuses will be distributed on the eve of the Mid-Autumn Festival and the Lunar New Year. 	

Items to be promoted	Implementation		Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	
(III) Does the Company provide employees with a safe and healthy work environment, with regular safety and health training?	V		<p>The Company has established and implemented the "Regulations Governing Occupational Health and Safety Management" to implement the ISO 45001 occupational health and safety management system (validation expires on June 19, 2026; Special Steel Tucheng Branch office and Taichung Branch office excluded) and the Taiwan Occupational Safety and Health Management System (TOSHMS, the effective certificate expires on June 18, 2026; the Longtan Plant's scale meets the regulations of "Regulations Governing Occupational Health and Safety Management" of MOL, the certification and passage were applied separately). Various regular environmental, safety and health education and trainings, as well as the employees' physical examinations are conducted, to ensure their safety and health.</p> <p>In 2024, except for the monthly voluntary inventory, the environmental, safety and health patrol inspection in plants and construction sites are enhanced, with 170 deficiency rectified; in addition, there were 9 employee's occupational disasters in 2024, with 9 victims (traffic accidents exclude), approximately accounting 1% of all employees. There was 1 fire accident, and no personnel injury or death.</p>
(IV) Has the Company established effective career development training plans?	V		<p>The Company has introduced a three-module system of function/training/performance, and implemented a comprehensive function-based talent development program through an efficient digitized model of the management framework. By taking talent as the core capital, the Company has developed a training system in line with TTQS.</p> <ol style="list-style-type: none"> 1. Inventory of professional functions and establishment of a learning map. 2. Training and cultivation of new recruits for their functions. 3. Elite talent management and succession program. 4. Establishment of a know-how map of metal materials.
(V) Do the Company's products and services comply with related regulations and international rules for customers' health and safety, privacy, sales, and labelling, and have policies to protect consumers' rights and consumer interest appeal procedures been established?	V		<p>The Company has implemented the ISO 9001 quality management system and obtained the examination certificate, to provide clients with high-quality products and services. It also has a rigorous procurement process, as well as a good client complaint channel and handling mechanism.</p>

Items to be promoted	Implementation		Variance from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance
	Yes	No	
(VI) Does the Company establish supplier management policies and request suppliers to comply with related environmental, occupational safety and health or labor rights standards, and their implementation status?	V	In 2023, the Company reviewed the Procedures for Procurement. We have now added a supplier management principles (disclosed on the Company's website) to require suppliers to comply with relevant specifications on issues such as environmental protection, occupational safety and health, or labor rights. In addition, supplier performance screenings and evaluations utilizing a supplier audit evaluation form are mandated by the policy.	None.
V. Does the Company refer to international reporting rules or guidelines to publish sustainability reports to disclose non-financial information of the Company? Has the said report acquired verification by a third-party certification unit or a statement of assurance?	V	The Company issued the first sustainability report in 2017, and the ninth edition will be released at the end of August, 2025. Since 2017, the Company had been using GRI 4 (Global Reporting Initiative) to prepare sustainability reports, and the standards advanced to GRI Standards (GRI Sustainability Reporting Standards) in 2018; however, Taiwan Stock Exchange issued a letter in September 2022, specifying that to cope with the updated of GRI in 2021, CYS shall update to the GRI 2021 version, and disclose sustainability-related indicators with the industrial materiality and concerned by investors. Currently, the sustainability report is issued every year as required by the competent authority. Although no external verification is conducted, internal audit verification is implemented by referring to the AA 1000 assurance standard.	None.
VI. If the Company has established its own sustainable development principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe its current practices and any deviations from the Best Practice Principles. The Company has been issuing its annual Sustainability Reports since 2017, in compliance with regulatory requirements. However, it has not established any additional sustainability principles beyond those outlined in the regulations. In the future, the Company will consider formulating its own principles as necessary, depending on actual business needs and evolving regulatory requirements.			
VII. Other important information to facilitate better understanding of the Company's promotion of sustainable development:			
			In 2024, the Company continued to implement the ISO 14001 Environmental Management System and the Taiwan Occupational Safety and Health Management System (TOSHMS), while periodically passing the verification of external institutions. Meanwhile, the Company held various environment, health and safety promotional education and trainings and health checkup for employees, to implement the environmental responsibility, and ensure the employees' health and safety. The Company also sponsored the community development associations and the events in the neighborhoods of the Plants (the Longtan Plant held the neighborhood friendship events with donations, such as NT\$30,000 event fees for Bade Community Development Association; NT\$6,000 for the De Long Elementary School's Graduation Ceremony; NT\$18,000 Mid-Autumn Festival celebration for Shengde Village), as the fulfillment of sustainable development responsibility. In addition, in accordance with the requirements of the competent authority, CSR reports have been issued since 2017, and the ninth issue (Sustainability Report 2023) will be issued at the end of August, 2025. Through continuous communication with stakeholders, it will help to implement and effectively understand corporate social responsibility operations.

Climate-Related Information of TWSE/TPEX Listed Company:**1. Implementation of Climate-Related Information**

Item	Implementation
<p>(1) Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p> <p>(2) Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p> <p>(3) Describe the financial impact of extreme weather events and transformative actions.</p> <p>(4) Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p> <p>(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.</p> <p>(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.</p> <p>(7) If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p> <p>(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.</p> <p>(9) Greenhouse gas inventory and assurance status, as well as reduction targets, strategies and concrete action plans (indicated in 1-1 and 1-2 separately).</p>	<p>(1) Pursuant to the plans of the Financial Supervisory Committee's "Sustainable Development Roadmap for TWSE and TPEx Listed Companies," forwarded by Taiwan Stock Exchange, the operations related to the climate risk are implemented as below:</p> <ul style="list-style-type: none"> ➤ The greenhouse gas inventory, and verification schedule of the parent company and the Group (including subsidiaries) are completed, and reported to the board of directors. Subsequently, the implementation progress will be reported on a quarterly basis to the board of directors for the purpose of control. ➤ The parent company completed the greenhouse gas inventory in 2024, and the verification will be completed in 2025. ➤ The subsidiary completed the greenhouse gas inventory in 2024. <p>(2) The Company conducts comprehensive risk assessment in accordance with the objectives of its business, the execution of its business strategy, and the routine operations of its business. The Company first assesses various risk factors and then formulates response strategies for the possible hazards. Subsequently, the Company regularly reviews and reassesses various risk factors to achieve monitoring and tracking control.</p> <p>(3) Please refer to the description in (2) above</p> <p>(4) Emergency response at CYS is governed by the "Natural Disaster Emergency Response Regulations." A natural disaster emergency response organization is established when a natural disaster is predicted (e.g. typhoons) to direct preparations.</p> <p>(5) The Company has not yet had relevant operations, and will plan and implement it in the future depending on actual needs and legal requirements.</p> <p>(6) Please refer to the description in (5) above</p> <p>(7) Please refer to the description in (5) above</p> <p>(8) Please refer to the description in (5) above</p> <p>(9) As of the publication date of the annual report, the Company is currently executing the 2024 greenhouse gas inventory. The results of the inventory will be disclosed in the "Sustainable Report" after third-party verification. The scope 1 and scope 2 data of 2024 is detailed in the table below.</p>

1-1 Greenhouse gas inventory and assurance status in the past two years

1-1-1 Greenhouse gas inventory information: emission volume (tons CO₂e), intensity (tons CO₂e/NT\$ million) and data coverage for the most recent two years.

(I) The Chun Yuan Group's inventory starting year is: The parent company's standalone company has started the inventory since 2021; the subsidiaries in the consolidated financial statements have started the inventory since 2024.

(II) Emissions in the past two years:

Type	Year	2023		2024	
		Emissions (tons of CO ₂ e)	Intensity (ton CO ₂ e/NT\$ million)	Emissions (tons of CO ₂ e)	Intensity (ton CO ₂ e/NT\$ million)
Chun Yuan Steel	Scope 1 (direct)	4,077.54			5,493.02
	Scope 2 (indirect)	8,594.49			8,626.98
	Subtotal:	12,672.04			14,120.00
Subsidiaries in the consolidated financial statements	Scope 1 (direct)		—		164.16
	Scope 2 (indirect)		Not executed yet		13,994.59
	Subtotal:				14,158.75
Total of scope 1 + 2 of the consolidated financial statements		12,672.04	0.5979		28,278.75
					1.1776

Note 1: The above-mentioned 2024 greenhouse gas emission is based on the voluntary survey data. It is expected that the BSI verification and verification statement will be obtained in May 2025, and the relevant data and information from the third-party verification statement will be published in the sustainability report.

Note 2: The Company's calculation of the intensity of the past years is based on the operating revenue of the consolidated statements. The calculated intensity is lower because the subsidiary greenhouse gas inventory has not been executed in 2023.

(III) Scope of data: Based on the compilation of the Business Control Act, including the direct emissions (Scope 1) and indirect emissions (Scope 2) between the Company and all subsidiaries in the consolidated financial statements.

1-1-2 Greenhouse gas assurance information: As of the date of publication of the annual report, the status of assurance in the last two years, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.

(I) In 2023, the external assurance unit - British Standards Institute (BSI) conducted the 2023 verification in 2024. The schedule was planned in accordance with the requirements of the competent authorities, and the relevant data after the BSI certification was obtained in May 2024, and will be disclosed in the sustainable report.

Assurance range	2023 Emissions (tons CO ₂ e)	
	Scope 1	Scope 2
Chun Yuan Steel	4,077.54	8,594.49
Total:		12,672.04
As a percentage of the aforementioned 1-1-1 disclosure		100.00%

(II) 2024: The external assurance unit - British Standards Institute (BSI) conducted the 2024 verification in 2025. The schedule was planned in accordance with the requirements of the competent authorities, and the relevant data after the BSI certification was obtained in 5/E 2025, and will be disclosed in the sustainable report.

1-2 Greenhouse gas reduction goals, strategies and concrete action plans

Base year and data of greenhouse gas reduction, reduction goals, strategies, and concrete action plans, and achievement of reduction goals.

➤ Baseline year for greenhouse gas reduction and reduction target

1. The parent company's 2024 greenhouse gas inventory data will be verified by BSI ^{note}. The subsidiary's first greenhouse gas self-inventory will also be completed in 2024. Therefore, 2024 is set as the baseline year in accordance with the regulations.

Note: The Company is expected to obtain the parent company's external verification statement in 5/E 2025, and the results of the verification will be published in the sustainability report.

Total volume of self-inspection of the Group - Category 1: 5,657.18 tons of CO₂e

Category 2: 22,621.57 tons of CO₂e

2. Reduction goals, strategies, and concrete action plans, and achievement of reduction goals:

The Group has set the strategic goal of reducing carbon by 3% over the next 3 years between 2025 and 2027, and will follow this goal to promote the Company's execution strategy of reducing carbon by 1% in the next year. The achievement will be disclosed in the annual report of the next year.

3. Greenhouse gas reduction strategies and concrete action plans:

Through the carbon management platform, the Group's emission information is systematically integrated, to grasp the information needed for carbon management. The Company also carries out comprehensive supervision of multiple greenhouse gas reduction plans, including purchasing energy-saving machines, building solar power generation systems, reducing greenhouse gas raw material sources, and assessing the use of low-carbon fuels/energy, to ensure that reduction meets the schedule, to actively reduce the impact of carbon emissions, and to improve operational competitiveness.

(VI) Fulfillment of Ethical Corporate Management, and variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance:

Assessment Items	Implementation Status		Variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance					
	Yes	No						
I. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures	V	The Company has not established any ethical management policies, but the current core culture is one of sincerity, confidence, diligence, and responsibility, and the Company must comply with the principles of ethical management: “Personnel Management Regulations”	The Company will, depending on the practical and regulatory requirements, establish ethical management policies approved by the Board of Directors, and expressively disclose the ethical management policies in regulations and external documents, in order to ensure that the Board of Directors and senior management actively fulfill each commitment. An assessment mechanism for unethical conduct risk is also established to analyze and assess business activities with higher unethical risks as specified in Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies,” or within other business scopes. A program to prevent unethical conduct will be established according to implement the related operational procedures, conduct guidelines, disciplinary actions, and the appeal system with periodical amendments, to meet the requirements of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.”					
(I) Does the company have a clear ethical corporate management policy approved by its Board of Directors, specified its ethical corporate management policies,measures, and the commitment of Board of Directors and the senior management on active implementation of such policies in its regulations and external documents?	V	Employees are required to be careful with their conduct, be cautious in their words and deeds, and not abuse their own positions for personal gain.	(II) Does the company have an assessment mechanism for the risk of unethical conduct; regularly analyze and evaluate business activities with a higher risk of unethical conduct within the business context; formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?	V	The procedures specify that corruption, theft or misappropriation of the Company’s funds, accepting bribes or commissions, or deliberately damaging the Company’s properties, will result in discharge or dismissal depending on the circumstances if allegation is proved true, to prevent corruption.	(III) Has the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and appealing procedures, and periodically reviews and revises such policies?	V	In addition, through the annual internal control self-assessment, all functions, plants and subsidiaries need to conduct self-examination on their operating items, including compliance with laws and regulations, and make timely adjustments to the design and implementation of the internal control system, and implement self-supervision mechanisms. Chun Yuan Steel’s external donations or sponsorships are also handled pursuant to relevant laws and regulations, as well as the Company’s internal regulations.
II. Implementing Ethical Management	V	(I) The Company conducts business with suppliers pursuant to contract provisions and government laws and regulations, but has not yet clearly established any term of ethical conduct.	(I) In the future, the Company will evaluate the ethical conduct history of its counterparties as needed and required by the law, and specify ethical conduct clauses in the commercial contracts to be entered.					

Assessment Items	Implementation Status		Variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance
	Yes	No	
(II) Has the Company set up a unit under the Board of Directors which is dedicated to promoting the corporate ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters and programs to prevent unethical conduct and monitor its implementation?	V		<p>(II) The Company has not yet set up a dedicated (concurrent) unit to promote corporate ethical management yet.</p> <p>(III) According to the "Corporate Governance Best-Practice Principles" of the Company, "Unless otherwise required by laws and regulations, the Company's managers shall not serve as managers of affiliated companies concurrently" and "any business transactions between the company and its affiliated enterprises should be conducted on the basis of fairness and reasonableness, with clearly defined pricing conditions and payment methods to prevent irregular transactions." Additionally, contact details for relevant parties are disclosed on the Company's official website.</p>
(III) Has the Company established policies to prevent conflicts of interests, provided appropriate communication and complaint channels and implemented such policies properly?	V		<p>(IV) The Company has an accounting system and internal control system in place. The accounting system is established pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers issued by the Financial Supervisory Committee, the Business Entity Accounting Act, and the Regulation on Business Entity Accounting Handling as well as other relevant laws and regulations, while taking into account the Company's operating policies, actual business development, and needs of management, in line with the processing of the information system, to fully facilitate the functions of accounting to assist corporate management, and improve the Company's operating efficiency, and seek to fairly present the financial position, operation results, and cash flows. For the accounting system and internal control system, not only the internal audit unit regularly assesses risks, makes audit plans, and performs related audits accordingly, but also special audits will be performed as needed, and the audit results are reported to the Board of Directors regularly. During the audit of 2024, the CPAs found no major non-compliance or suspected non-compliance with laws and regulations, and no related party transactions outside of business norms were found.</p>
(IV) To implement relevant policies on ethical conduct, has the Company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct risks by internal auditors, and have its ethical conduct program audited by internal auditors or CPAs periodically?	V		<p>(V) The Company teaches the core culture of sincerity, confidence, diligence, and responsibility in the "Orientation for New Recruits," as well as reiterates corporate governance, employee</p>
(V) Does the Company organize internal and external ethical conduct training programs on a regular basis?	V		(V) None.

Assessment Items	Implementation Status		Variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance
	Yes	No	
III. Implementation of Reporting Procedures (I) Has the Company established specific reporting and reward procedures, set up conveniently accessible reporting channels, and designated responsible individuals to handle reports received? (II) Has the Company established standard operating procedures for investigating the reports received, follow-up measures after investigations are completed, and ensuring such reports are handled in a confidential manner? (III) Does the Company adopt proper measures to prevent whistle-blowers from retaliation for their whistle-blowing?	V V V		ethics and other ethical norms internally from time to time.
IV. Enhanced Information Disclosure (I) Does the company disclose its ethical corporate management best practice principles as well as information about the implementation of such guidelines on its website and the Market Observation Post System ("MOPS")?		V	To fully and concretely reward and punish employees as they deserve, the Company has established the Personnel Deliberation Committee, to establish related regulations including the Charter of the Personnel Deliberation Committee, and provides fair and objective review based on the "Reward and Penalty Procedures for Employees." For any complaints filed by any employee, the members, attending staff and other related staff shall keep the deliberations fully confidential. None. without disclosing to any third party.
V. If the Company has established its own ethical corporate management best practice principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe any discrepancy between the policies and their implementation: The Company has not established the principles of ethical corporate management.			The Company will, depending on the practical and regulatory requirement, but disclosed on the Company's website that the core culture of the established the Ethical Corporate Management Best Practice Principles, and disclose the content and effect of promotion for the established Ethical Corporate Management Best Practice Principles on the official website and MOPS.
VI. Other important information to facilitate better understanding of the Company's ethical corporate management practices: (e.g., reviewing and amending the Company's corporate management best practice principles): None.			

(VIII) Implementation of the internal control system

1. Statement of Internal Control

Chun Yuan Steel Industry Co., Ltd.

Statement of Internal Control

Date: March 6, 2025

Based on the findings of the self-assessment, the Company states the following with regard to its internal control system during the year 2024:

- I. The Company is aware that the Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. The Company has already established this system. Its goal is to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond control. Nevertheless, the Company's internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
- III. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (the "Regulations" hereafter). The criteria for internal control adopted by the Regulations identify five key components of internal control according to the process of managerial control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component includes several items. For the said items, please refer to the Regulations.
- IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
- V. Based on the findings of such evaluation, the Company believes that, on December 31, 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
- VI. This statement is an integral part of the Company's Annual Report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement was passed by the Board of Directors in their meeting held on March 6, 2025, with none of the ten attending directors (proxies included) expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Chun Yuan Steel Industry Co., Ltd.

Chairman: Cheng, Ye-Ming

President: Hung, Shih-Min

- 2. Certified public accountants (CPAs) retained to conduct a special audit of the company's internal control systems: None.

(IX) Material resolutions of a shareholders meeting or a Board of Directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1. Key resolutions adopted by the 2024 general shareholders' meeting (June 13, 2024):
 - (1) Ratifying the 2023 Business Report and Financial Statements by voting:
Approved as proposed; the reports and statements are filed to the competent authorities for reference, reported, and announced, pursuant to the Company Act and other laws and regulations.
 - (2) Ratifying the proposal for distribution of 2023 profits by voting:
Approved as proposed (on June 13, 2024, the board of directors resolved that the base date of distribution was July 12, 2024, and the distribution date was August 2, 2024).
 - (3) The amendments to the "Articles of Incorporation" of the Company were approved as proposed and will take effect upon the resolution of the shareholders' meeting.
 - (4) The amendments to the "Rules of Procedure for Shareholders Meetings" of the Company were approved as proposed and will take effect upon the resolution of the shareholders' meeting

2. Key resolutions adopted by the Board of Directors:

Date	Proposal Content
March 7, 2024 (Thursday) 1st meeting of the Board of Directors in 2024	<ol style="list-style-type: none"> 1. Approved the 2023 proposal of the "Assessment for Effectiveness of Internal Control System" and the "Statement of Internal Control." 2. Approved the proposal to amend the "Articles of Incorporation." 3. Approved the amendments to the "Rules of Procedure for Shareholders Meetings." 4. Approved the amendments to the "Rules of Agenda for the Board Meeting." 5. Approved the amendments to the "Charter of the Audit Committee." 6. Approved the proposal to add the short-term comprehensive credit facility from Mega International Bank. 7. Approved the proposal to add the mid-term comprehensive credit facility from Bank Sinopac.
March 14, 2024 (Thursday) 2nd meeting of the Board of Directors in 2024	<ol style="list-style-type: none"> 1. Approved the recommendations from the first meeting of the Remuneration Committee in 2024. 2. Approved the 2023 settlement statements. 3. Approved the assessment of the independence of the assigned CPAs. 4. Approved the proposal for the 2023 employees and directors' remuneration distribution. 5. Approved the proposal of profit distribution for 2023. 6. Approved the affairs for convening 2024 general shareholders' meeting.
May 9, 2024 (Thursday) 3rd meeting of the Board of Directors in 2024	<ol style="list-style-type: none"> 1. Approved the proposal to replace the luffing tower crane of Construction Business Division 2. Approved the consolidated financial statements of Q1, 2024.
June 13, 2024 (Thursday) 4th meeting of the Board of Directors in 2024	<ol style="list-style-type: none"> 1. Approved the proposal to increase the foreign exchange and derivative financial product trading limit with Standard Chartered Bank. 2. Approved the motion to increase the foreign exchange and derivative financial product trading limit with Land Bank of Taiwan. 3. Approved the distribution schedule for 2024 cash dividends.
July 4, 2024 (Thursday) 5th meeting of the Board of Directors in 2024	<ol style="list-style-type: none"> 1. Approved the implementation of the 2023 Annual Report. 2. Approved the mid-term loan credit line for the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan."
August 8, 2024 (Wednesday) 6th meeting of the Board of Directors in 2024	<ol style="list-style-type: none"> 1. Approved the budget increase for the investment in expanding the bridge and special component plants in the Construction Business Division. 2. Approved the proposal to contract the expansion project of the bridge and special component plant to the related party, Chun Yuan Construction Co., Ltd. 3. Approved the consolidated financial statements for Q2, 2024.

Date	Proposal Content
September 25, 2024 (Wednesday) 7th meeting of the Board of Directors in 2024	<ol style="list-style-type: none"> Approved the purchase of luffing jib tower cranes proposed by the Construction Division. Approved the amendments to the Company's internal control system. Passed amendments to the "Procedures for halt and resumption applications" of the Company.
November 7, 2024 (Thursday) 8th meeting of the Board of Directors in 2024	<ol style="list-style-type: none"> Approved the consolidated financial statements for Q3, 2024. Approved the recommendations from the second meeting of the Remuneration Committee in 2024. Approved the proposal to amend the "Articles of Incorporation." Approved the arrangements for convening the 2025 First Extraordinary General Shareholders' Meeting.
December 19, 2024 (Friday) 9th meeting of the Board of Directors in 2024	<ol style="list-style-type: none"> Approved the amendments to the Company's internal control system - sustainable information management. Approved the "2025 Annual Audit Plan." Approved the motion for the Company to increase the limit of foreign exchange transactions and derivatives transactions with financial institutions. Approved the renewal and extension of the comprehensive credit line contract signed between the Company and financial institutions in 2025. Approved the proposal for the number of candidates to be re-elected at the 2025 Annual General Meeting.
January 9, 2025 (Thursday) 1st meeting of the Board of Directors in 2025	None.
September 12, 2025 (Wednesday) 2nd meeting of the Board of Directors in 2025	<ol style="list-style-type: none"> Approved the purchase of a portion of land (No. 620) adjacent to the factory of the Tucheng Branch, Special Steel Business Division.
March 6, 2025 (Thursday) 3rd meeting of the Board of Directors in 2025	<ol style="list-style-type: none"> Approved the recommendations from the first meeting of the Remuneration Committee in 2025. Approved the proposal to amend the "Articles of Incorporation." Approved the 2024 proposal of the "Assessment for Effectiveness of Internal Control System" and the "Statement of Internal Control." Approved the assessment of the independence of the assigned CPAs.
March 13, 2025 (Thursday) 4th meeting of the Board of Directors in 2025	<ol style="list-style-type: none"> Approved the 2024 settlement statements. Approved the list of directors (including independent directors) candidates nominated by the board of directors. Approved the proposal for the 2024 employees and directors' remuneration distribution. Approved the proposal of profit distribution for 2024. Approved the distribution schedule for 2025 cash dividends. Approved the affairs for convening 2025 general shareholders' meeting. Approved the organizational adjustment and appointment of managers. Approved the proposal to relieve the managerial officers appointed for the first time from the non-compete prohibition via a poll.

3. Key resolutions adopted by the Audit Committee

Date	Proposal Content
March 7, 2024 (Thursday) 1st meeting of the Audit Committee in 2024	<p>1. Approved the 2023 proposal of the “Assessment for Effectiveness of Internal Control System” and the “Statement of Internal Control.”</p> <p>2. Approved the amendments to the “Charter of the Audit Committee.”</p> <p>Resolution adopted by the Audit Committee: All members of the Audit Committee unanimously approved the proposal as it was without dissent.</p> <p>The Company’s treatment to the Audit Committee’s opinion: all attending directors unanimously approved the proposal as it was without dissent.</p>
March 14, 2024 (Thursday) 2nd meeting of the Audit Committee in 2024	<p>1. Approved the 2023 settlement statements.</p> <p>2. Approved the assessment of the independence of the assigned CPAs.</p> <p>Resolution adopted by the Audit Committee: All members of the Audit Committee unanimously approved the proposal as it was without dissent.</p> <p>The Company’s treatment to the Audit Committee’s opinion: all attending directors unanimously approved the proposal as it was without dissent.</p>
May 9, 2024 (Thursday) 3rd meeting of the Audit Committee in 2024	<p>1. Approved the proposal to replace the luffing tower crane of Construction Business Division</p> <p>2. Approved the consolidated financial statements of Q1, 2024.</p> <p>Resolution adopted by the Audit Committee: All members of the Audit Committee unanimously approved the proposal as it was without dissent.</p> <p>The Company’s handling of the Audit Committee’s opinions: Based on the resolution of the board of directors, the proposal unit shall be contacted by the real estate company for evaluation and then sent to the board of directors for discussion.</p>
July 4, 2024 (Thursday) 4th meeting of the Audit Committee in 2024	<p>1. Approved the budget increase for the investment in expanding the bridge and special component plants in the Construction Business Division.</p> <p>Resolution adopted by the Audit Committee: All members of the Audit Committee unanimously approved the proposal as it was without dissent.</p> <p>The Company’s treatment to the Audit Committee’s opinion: all attending directors unanimously approved the proposal as it was without dissent.</p>
August 8, 2024 (Thursday) 5th meeting of the Audit Committee in 2024	<p>1. Approved the budget increase for the investment in expanding the bridge and special component plants in the Construction Business Division.</p> <p>2. Approved the proposal to contract the expansion project of the bridge and special component plant to the related party, Chun Yuan Construction Co., Ltd.</p> <p>3. Approved the consolidated financial statements for Q2, 2024.</p> <p>Resolutions of the Audit Committee: Proposals 1, 3 – All members of the Audit Committee approved the proposals without dissent. Proposal 2 – Except for the relevant directors from Chun Yuan Construction who recused themselves due to a conflict of interest, the two remaining members approved the proposal as presented. However, the company recommended a 2% reduction in the steel structure management fee and a 0% reduction in the water and electricity/fire safety engineering management fee.</p> <p>The Company’s treatment to the Audit Committee’s opinion: all attending directors unanimously approved the proposal as it was without dissent.</p>
September 25, 2024 (Wednesday) 6th meeting of the Audit Committee in 2024	<p>1. Approved the purchase of luffing jib tower cranes proposed by the Construction Division.</p> <p>2. Approved the amendments to the Company’s internal control system.</p> <p>Resolution adopted by the Audit Committee: All members of the Audit Committee unanimously approved the proposal as it was without dissent.</p> <p>The Company’s treatment to the Audit Committee’s opinion: all attending directors unanimously approved the proposal as it was without dissent.</p>
November 7, 2024 (Thursday) 7th meeting of the Audit Committee in 2024	<p>1. Approved the consolidated financial statements for Q3, 2024.</p> <p>Resolution adopted by the Audit Committee: All members of the Audit Committee unanimously approved the proposal as it was without dissent.</p> <p>The Company’s treatment to the Audit Committee’s opinion: all attending directors unanimously approved the proposal as it was without dissent.</p>

Date	Proposal Content
December 19, 2024 (Thursday) 8th meeting of the Audit Committee in 2024	<p>1. Approved the amendments to the Company's internal control system - sustainable information management.</p> <p>Resolution adopted by the Audit Committee: All members of the Audit Committee unanimously approved the proposal as it was without dissent.</p> <p>The Company's treatment to the Audit Committee's opinion: all attending directors unanimously approved the proposal as it was without dissent.</p>
January 9, 2025 (Thursday) 1st meeting of the Audit Committee in 2025	<p>No resolution was reached.</p> <p>Resolutions of the Audit Committee: No resolution was reached.</p> <p>The Company's handling of the Audit Committee's opinions: None.</p>
September 12, 2025 (Wednesday) 2nd meeting of the Audit Committee in 2025	<p>1. Approved the proposal for the Company's "Land, Plant, and Office Rental from Cheng Chu De Yun Transportation Co., Ltd." and the subsequent planning.</p> <p>2. Approved the purchase of a portion of land (No. 620) adjacent to the factory of the Tucheng Branch, Special Steel Business Division.</p> <p>Resolutions of the Audit Committee: Proposal 1: The Audit Committee unanimously approved Proposal B, and the details will be submitted to the Board of Directors for discussion. Proposal 2: All members of the Audit Committee approved the proposal without dissent.</p> <p>The Company's handling of the Audit Committee's opinions: In accordance with the resolutions of the Audit Committee meeting.</p>
March 6, 2025 (Thursday) 3rd meeting of the Audit Committee in 2025	<p>1. Approved the 2024 proposal of the "Assessment for Effectiveness of Internal Control System" and the "Statement of Internal Control."</p> <p>2. Approved the assessment of the independence of the assigned CPAs.</p> <p>Resolution adopted by the Audit Committee: All members of the Audit Committee unanimously approved the proposal as it was without dissent.</p> <p>The Company's treatment to the Audit Committee's opinion: all attending directors unanimously approved the proposal as it was without dissent.</p>
March 13, 2025 (Thursday) 4th meeting of the Audit Committee in 2025	<p>1. Approved the 2024 settlement statements.</p> <p>Resolution adopted by the Audit Committee: All members of the Audit Committee unanimously approved the proposal as it was without dissent.</p> <p>The Company's treatment to the Audit Committee's opinion: all attending directors unanimously approved the proposal as it was without dissent.</p>

(X) During the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, directors or supervisors who have expressed dissenting opinions with respect to material resolutions passed by the Board of Directors, and said dissenting opinions have been recorded or prepared as written declarations: None.

IV. Information on CPA Professional Fees:

(I) The professional fees paid to the CPAs are as follows:

Unit: NT\$ thousand						
Name of Accounting Firm	Name of CPA	CPA's Audit Period	Audit Fee	Non-audit Fee (Note)	Total	Remarks
Crowe (TW) CPAs RSM	Wang, Wu-Chang	2024/01/01 - 12/31	4,563	158	4,721	—
	Chen, Kui-Mei	2024/01/01 - 12/31				

Note: Non-audit services - report printing fee, NT\$146,000, and travel expense, NT\$12,000.

(II) Replacement of independent auditing firm and reduction in audit fees paid during the year of replacement compared with the previous year: N/A.

(III) Reduction in audit fees by more than 10% compared with the previous year: N/A.

(IV) On March 13, 2025, the Audit Committee and the Board of Directors of the Company evaluated the independence and suitability of the CPAs, and with reference to the audit quality index (AQI) to confirm that the audit team's audit professionalism is consistent with the industry standard.

Assessment of the independence of the CPAs:

1. There is no direct or material indirect financial interest and improper interest with the Group.
2. Not a director, supervisor, manager, or person with significant influence of the Group in the past two years.
3. None of the CPAs and members of the audit service team hold the Group's shares.
4. No loan or guarantee with the Group.
5. There is no close business relationship with the Group or the Group's directors, supervisors and managers.
6. No contingent fees related to the Group's unaudited cases.
7. The term of office of the attesting CPA is not longer more than 7 years.
8. The Group or its directors, supervisors and managers have not received gifts or gifts of great value.
9. No commission related to business was received.
10. There is no potential employment relationship with the Group.

Assessment of the competence of the CPAs:

1. The Company shall provide financial statements and provide financial statements in compliance with the requirements of the competent authority.
2. The issued financial statements are in compliance with the latest laws, regulations and requirements of the competent authorities.
3. The interaction with the management personnel of the Group is frequent and recorded.
4. The progress and completion of key audit matters and the appropriate communication with the governing body and the recording of the audit.
5. The annual tax return is signed and reported before the date of the next year's income tax payment.
6. Assist the Group in tax planning.
7. Update the laws, regulations, and public statements, and the information required by the competent authorities periodically.
8. The members of the Audit Team are stable and serve the Group.
9. The Company actively responds to the questions raised by the Group.
10. Assist the Group in communicating and coordination with the relevant competent authorities of the government.

V. Information about replacement of CPAs:

(I) About the former CPA

Date of replacement	N/A		
Reason and explanation for replacement	N/A		
Specify whether the client or CPA terminates or rejects the appointment	Circumstances	Counterparty	Certified Public Accountant
Terminate the appointment voluntarily		N/A	
No longer accepts (continues) the appointment			
Issuance of the audit report opinions other than the audit report containing unqualified opinions in the most recent two years, and cause thereof	N/A		
Disagreement with the Company	Yes	Accounting principles or practices Disclosure of financial reports Scope or steps of audit Others	
	None	Description: N/A	
Other disclosures (To be disclosed under the subparagraphs 6.1(4) to (7) of Article 10 of the Standards)	None		

(II) About the successor CPA

Name of Accounting Firm	N/A
Name of CPA	N/A
Date of Appointment	N/A
Consultation about the accounting treatment or application of accounting principles to a specific transaction or the type of audit opinion that might be rendered prior to the formal engagement, and the consultation result	N/A
Written opinion from the successor CPA regarding the matters disagreed by the former CPA	N/A

(III) The former CPA's response to the items referred to in the subparagraphs 6(1) and 2(3) of Article 10 of the Standards: N/A

VI. Name of auditing firm or its affiliates at which the Company's chairman, president, or managers responsible for financial or accounting matters was an employee over the past year, their position and employment period: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

(I) Changes in equity of directors, supervisors, managers and major shareholders holding 10% or more stake:

Title	Name	2024		Current year up to March 31	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Cheng, Ye-Ming	0	0	0	0
Director	Wu, Mei-Ying	0	0	0	0
Director	Tsai, Hsi-Chi	(575,000)	0	0	0
Director	Tsai, Hsi-Yu	0	0	0	0
Director	Lee, Wen-Fa	0	0	0	0
Director	Cheng, I-Hung Note 1	0	0	—	—
Director	Detaiyu Investment Industrial Limited	0	0	0	0
Director	Tsai, Cheng-Ting	0	0	0	0
Independent Director	Tseng, Yung-Fu	0	0	0	0
Independent Director	Liu, Huang-Chi	0	0	0	0
Independent Director	Hsu, Li-Ming	0	0	0	0
President (Concurrently serving as Vice President)	Hung, Shih-Min	0	0	0	0
Vice President	Huang, Chun-Yung	0	0	0	0
Vice President	Chiang, Ming-Chi	0	0	0	0
Deputy Vice President	Chang, Chin-Yuan	0	0	0	0
Deputy Vice President	Ao, Kuo-yi	0	0	0	0
Deputy Vice President	Tsai, Teng-Wei Note 2	—	—	0	0
Deputy Vice President	Cheng, Yao-Ren Note 3	—	—	0	0
Deputy Vice President (Concurrently serving as Finance officer and Corporate Governance Officer)	Hsieh, Yu-Hsia	0	0	0	0
Accounting Officer (Manager)	Lin, Yi-Chun	0	0	0	0

Note 1: Discharged on May 24, 2024.

Note 2: Inaugurated on March 13, 2025.

Note 3: Inaugurated on March 13, 2025.

(II) Equity transfer information:

Name	Reason of Transfer	Date of Transaction	Counterparty of the Transaction	Relationship between the counterparty and the Company, directors, supervisors, managers and major shareholders holding more than 10% stake	Shares	Transaction price
Tsai, Hsi-Chi	Disposal (gifted)	2024.02.01	Tsai, Teng-Wei	Father and son	575,000	17.40

(III) Equity pledge information: None.

VIII. Relationship information, if among the top ten shareholders any one is a related party or a relative within the second degree of kinship of another:

Unit: shares, %
December 11, 2024

Name	Shareholding		Shareholding of spouses and underage children		Total shareholding through others		RELATED PARTIES, OR SPOUSAL RELATIONSHIP OR RELATIVES WITHIN SECOND DEGREE OF KINSHIP, AMONG TOP TEN SHAREHOLDERS, INCLUDING THEIR NAMES AND RELATIONSHIPS.		Remarks
	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Shares	Shareholding percentage (%)	Name	Relation	
Lee, Wen-Fa	36,300,321	5.60%	0	0.00%	0	0.00%	Lee, Wen-Lung Wu, Mei-Ying	Brother Sister-in-Law	
Lee, Wen-Lung	30,000,000	4.63%	12,780,790	1.97%	0	0.00%	Lee, Wen-Fa Wu, Mei-Ying	Brother Spouse	
Tsai, Hsi-Chi	24,035,799	3.71%	7,325,746	1.13%	0	0.00%	Anxi Investment Tsai, Hsi-Yu	Chairman Brother	
Amity New Co., Ltd.	20,728,751	3.20%	0	0.00%	0	0.00%	—	—	
Person in Charge: Cheng, Chieh-Wen							—	—	
Anxi Investment Co., Ltd.	18,887,007	2.92%	0	0.00%	0	0.00%	Tsai, Hsi-Chi Tsai, Hsi-Yu	Chairman Director	
Person in Charge: Tsai, Hsi-Chi							Tsai, Hsi-Yu	Brother	
Tsai, Hsi-Yu	17,844,010	2.76%	10,453,871	1.61%	0	0.00%	Anxi Investment Tsai, Hsi-Chi	Director Brother	
Cheng, Ye-Ming	17,179,211	2.65%	1,042,407	0.16%	14,045,000	2.17%	Cheng, Yao-Ren Chun, Ming-Yao Co., Ltd. etc.	Father and son Supervisor	
Chun, Ming-Yao Wenchuang Co., Ltd.	14,000,000	2.16%	0	0.00%	0	0.00%	Cheng, Ye-Ming	Supervisor	
Person in Charge: Cheng, Yao-Ren							Cheng, Ye-Ming	Father and son	
Wu, Mei-Ying	12,780,790	1.97%	30,000,000	4.63%	0	0.00%	Lee, Wen-Lung Lee, Wen-Fa	Spouse Brother-in-law	
Lee, Tai-An	11,442,420	1.77%	0	0.00%	0	0.00%	—	—	

IX. The total number of shares and total equity stake held in any single enterprise by the Company, its directors and supervisors, managerial officers, and any enterprise controlled either directly or indirectly by the Company:

Unit: shares; %
March 31, 2025

Reinvested Business	The Company's investment		Directors, supervisors, managerial officers and the investment in the business under direct or indirect control		Comprehensive investment	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio
Chun Yuan Construction Co., Ltd.	22,802,900	26.33%	14,877,979	17.18%	37,680,879	43.52%
Chun Yuan Investment (Singapore) Pte. Ltd.	48,423,650	100.00%	—	—	48,423,650	100.00%
Chun Shyang Shin Yeh Industry Co., Ltd.	6,856,000	48.97%	3,000	—	6,859,000	48.99%

Note: Investment under equity method of the Company

I. Capital and shares
(I) Source of share capital
1. Source of share capital

 Unit: thousand shares/NT\$ thousand
 February 28, 2025

Month/ Year	Issuance Price	Authorized share capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of share capital	Shares paid with properties other than cash	Others
2007.8	10	560,000	5,600,000	553,974	5,539,741	Capital increase from surplus	None	None
2008.8	10	700,000	7,000,000	576,133	5,761,330	Capital increase from surplus	None	None
2009.8	10	700,000	7,000,000	593,417	5,934,171	Capital increase from surplus	None	None
2011.8	10	700,000	7,000,000	634,956	6,349,563	Capital increase from surplus	None	None
2012.9	10	700,000	7,000,000	647,655	6,476,554	Capital increase from surplus	None	None

Note:

The capitalization of 2007 earnings was effective on July 18, 2007, Approval letter Jin-Guan-Zheng-Fa-Zi No. 0960037644

The capitalization of 2008 earnings was effective on July 11, 2008, Approval letter Jin-Guan-Zheng-Fa-Zi No. 0970034893

The capitalization of 2009 earnings was effective on July 15, 2009, Approval letter Jin-Guan-Zheng-Fa-Zi No. 0980035444

The capitalization of 2011 earnings was effective on July 14, 2011, Approval letter Jin-Guan-Zheng-Fa-Zi No. 1000032663

The capitalization of 2012 earnings was effective on July 6, 2012, Approval letter Jin-Guan-Zheng-Fa-Zi No. 1010030014

Unit: shares

Type of shares	Authorized share capital			Remarks
	Outstanding Shares	Unissued shares	Total	
Registered Common Shares	647,655,390	52,344,610	700,000,000	Listed Shares

2. Information Related to Shelf Registration: N/A.
(II) List of Major Shareholders

December 11, 2024

Name of major shareholder	Shares	No. of shares held	Shareholding Ratio
Lee, Wen-Fa		36,300,321	5.60%

(III) Dividend policy and Implementation:

1. Dividend policy set forth in the Articles of Incorporation:

The Company's industry is fully developed, with stable profitability and a robust financial structure. For many years, the Company has been committed to diversified and high value added steel products and investments in high technology industries, to expand operational foundations. When formulating the earnings appropriation, the Company's financial structure, shareholders' equity, and stable dividends are taken into account. Except for the funds needed, the actual distributed earnings shall be 50% or more of the distributable earnings, and the cash dividends shall be no less than 10% of the sum of cash and share dividends.

2. On March 13, 2025, the Board of Directors resolved to distribute cash dividends of NT\$1.30 per share.
3. Material change in dividend policy: None.

(IV) The effects of stock grants proposed at this shareholders' meeting on business performance and earnings per share: None.

(V) Employees and directors' remuneration:

1. Pursuant to the percentages or scopes of employees and directors' remunerations specified in the Articles of Incorporation:

The profit before tax, without including the remunerations to employees and directors, shall be distributed at the following percentages if a surplus is left after deducting the accumulated loss:

(1) Directors' remuneration: maximum 1%

(2) Employees' remuneration: 2%

2. Distribution of remunerations to employees and directors approved by the Board of Directors:

Share dividends		Cash dividend (NT\$/share)	Remuneration to employees (NT\$)	Remunerations to Directors (NT\$)	The estimated earnings per share after taking the distribution of remunerations to employees and directors into account (NT\$)
Out of earnings (NT\$/share)	Out of additional paid-in capital (NT\$/share)				
—	—	1.30	27,112,542	13,556,270	1.65

Note 1: The Board of Directors approved to distribute NT\$27,112,542 as the employees' remuneration (2%, fully in cash) and NT\$13,556,270 as the directors' remuneration (1%, fully in cash) for 2024. The amounts are identical to the employees and directors' remunerations recognized in the 2024 financial statement.

Note 2: The proposed amount of share remuneration distributed to employees: 0.

Note 3: The percentage of the proposed amount of share remuneration distributed to employees accounted in the net profit after tax and the total amount of the employees' remuneration: 0%

3. The earnings from the previous year to be distributed as the remunerations to employees, directors, and supervisors:

	2023			
	Actual distribution resolved by the shareholders' meeting	Intended distribution approved by the Board of Directors	Difference	Reasons for difference
I. Distribution				
1. Cash remunerations to employees	NTD 21,805 thousand	NTD 21,805 thousand	NTD 0	-
2. Share remunerations to employees				
(1) Shares	—	—	—	—
(2) Amount	—	—	—	—
(3) Percentage of the outstanding shares of the year	—	—	—	—
3. Remunerations to directors	NTD 10,903 thousand	NTD 10,903 thousand	NTD 0	-
II. Information about earnings per share (NT\$)				
1. Original earnings per share	NTD 1.35	NTD 1.35	NTD 0	—
2. Estimated earnings per share (Note)	NTD 1.35	NTD 1.35	NTD 0	—

Note: The shareholders' meeting approved to distribute NT\$21,805,492 as the employees' remuneration (2%, fully in cash) and NT\$10,902,745 as the directors' remuneration (1%, fully in cash) for 2023. The amounts are identical to the employees and directors' remunerations recognized in 2023 financial statement.

(VI) Status of a company repurchasing its own shares: None.

II. Issuance of corporate bonds: None.

III. Issuance of preference shares: None.

IV. Global depositary receipts: None.

V. Employee share subscription warrants: None.

VI. New restricted employee shares: None.

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

VIII. Implementation of the Company's capital allocation plans: The Company has no uncompleted public issue or private placement of securities, nor issues and placements that were completed in the most recent 3 years that have not yet fully yielded the planned benefits.

I. Description of business

(I) Scope of business

1. Description of business and proportion of business

Description of business	Proportion of business
Steel sheets	35.82%
Engineering service revenue	50.74%
Special steel strips	4.32%
Special steel products	2.90%
Electrical steel	4.32%
Storage systems	1.15%
Revenue from processing	0.18%
Angle steel	0.57%

2. New products/new technologies planned

In order to satisfy clients and operate sustainably, the Company pursues revenue growth and creating income based on a spirit of growth and client service. New development plans include:

- (1) Commercial Steel Division: Promoting the sale of imported steel materials; continuous development of materials for electric vehicles, home appliances, furniture, and elevator industries; ongoing factory energy-saving, ventilation improvement projects, and digitalization of production workflows.
- (2) Direct Sales Division: Expanding sales of China Steel Green Steel materials; developing materials for heavy electrical, floor decking, and electric vehicle projects; ongoing factory cutting equipment upgrades, enhancing processing capabilities, and optimizing production workflows.
- (3) Special Steel Belt Division: Developing high-value-added steel belt products and expanding sales to Southeast Asian export markets; introducing Japanese imported materials, expanding sales channels, and offering comprehensive and diversified high-quality products.
- (4) Special Steel Division: Importing and selling high-quality special steel materials; collaborating on the development of bearing components, motorcycle materials, and enhancing the industry value chain; focusing on deepening partnerships in the tool machinery, guide rail, and hand tool industries, while supplying high-quality, value-added products.
- (5) Electrical Steel Division: Developing self-adhesive coated silicon steel materials and high-speed motor projects; providing high-efficiency motor design services and new iron core molds, while actively pushing these products into the market.
- (6) Automatic Warehouse Division: Promoting new galvanized materials to replace baked paint processes, offering environmentally friendly green steel products; successfully developing new post-push rail systems and introducing them into market sales; ongoing development of new stacking cargo shelf modules and horizontal beam components to improve production efficiency and market competitiveness.
- (7) Construction Business Division: Research and development of steel structure welding automation technology; introducing high-power laser cutting equipment to enhance factory production efficiency; expanding large tower crane equipment to improve overall engineering lifting capacity.

(II) Overview of the industry

1. Review of the steel industry

Looking back at 2024, global economic growth slowed, and inflation eased. However, various pressures emerged, including a decline in household purchasing power, tightening of monetary policies, and increased geopolitical uncertainty, all of which contributed to a weakening manufacturing sector. Despite these challenges, the global steel industry demonstrated resilience and adaptability.

According to the World Steel Association (WSA), global crude steel production in 2024 reached 1.8826 billion tons, remaining stable compared to the previous year. When looking at regional and overall production figures, Asia saw a decrease of 2.7%, with China, Japan, and South Korea down by 1.7%, 3.4%, and 4.8%, respectively. On the other hand, India and Vietnam experienced increases of 6.2% and 15.1%, respectively, while Taiwan remained flat. In other regions, the European Union saw an increase of 9.8%, North America decreased by 3.1%, and the Commonwealth of Independent States declined by 1.3%.

Production volumes in the major steel-producing countries in 2024 Unit: million tons, %

Region	2023	2024	Percentage of the region	compared to 2023	Growth rate
27 EU countries	117.9	129.5	6.9%	11.6	9.8%
Other European countries	39.3	43.2	2.3%	3.9	9.9%
Commonwealth of Independent States	85.9	84.8	4.5%	-1.1	-1.3%
North Americas	109.3	105.9	5.6%	-3.4	-3.1%
South Americas	36.8	41.9	2.2%	5.1	13.9%
Africa	19.7	22.3	1.2%	2.6	13.2%
Middle East	44.2	54.1	2.9%	9.9	22.4%
Oceania	6.0	5.4	0.3%	-0.6	-10.0%
Asia	1,390.2	1,352.4	71.8%	-37.8	-2.7%
China	1,022.5	1,005.1	53.4%	-17.4	-1.7%
Taiwan	19.1	19.1	1.0%	0.0	0.0%
Japan	87.0	84.0	4.5%	-3.0	-3.4%
Korea	66.7	63.5	3.4%	-3.2	-4.8%
India	140.8	149.6	7.9%	8.8	6.2%
Thailand	5.0	4.9	0.3%	-0.1	-2.0%
Vietnam	19.2	22.1	1.2%	2.9	15.1%
Pakistan	5.3	4.1	0.2%	-1.2	-22.6%
Asia others	29.0	34.5	1.8%	5.5	19.0%
Other countries	39.6	42.5	2.3%	2.9	7.3%
Total of the steel-producing countries	1,897.9	1,882.6	100.0%	-15.3	-0.8%

The cost of steelmaking was volatile in 2024. At the beginning of the year, iron ore prices fell back to around US\$100 per tonne, primarily due to reduced production by steel mills in China, weak demand, and a decline in iron ore prices. However, as market demand rebounded, iron ore prices rose to above US\$110 per tonne by mid-year. Still, in September 2024, the price was down 31.2% compared to December 2023, mainly due to the impact of the real estate crisis in China, increased shipments by miners, and an oversupply situation. Overall, iron ore prices in 2024 faced significant challenges.

Price list of iron ore: 62% iron content

Unit: USD/ton, %

Item/Year	2023.12	2024.03	2024.06	2024.09	2024.12
Iron ore	136.37	100.10	106.51	93.83	103.61
Compared to last year (base)		-26.6%	-21.9%	-31.2%	-24.0%
Compared to last quarter		-26.6%	6.4%	-11.9%	10.4%

As for coking coal, its price trend in 2024 was influenced by multiple factors. At the start of the year, geopolitical instability and external uncertainties intensified, leading to a drop in coking coal prices during the first quarter. In the second quarter, due to weak demand, prices continued to decline. By September, the price fell to US\$186.89 per ton, a 42.7% decrease from December 2023, marking the lowest point of the year. Prices remained sluggish throughout the year, with a cumulative decline of 38.6%, reaching US\$200.15 per ton by the end of December.

Regarding quarterly price movements, the price of low-volatile coking coal from Australia dropped by 15.6% in the first quarter compared to the previous quarter. In the second quarter, the decline continued, with a 9.4% drop compared to the first quarter. In the third quarter, prices reached their lowest point, falling 42.7% compared to the end of the previous year. In the fourth quarter, prices showed a slight rebound, increasing by 7.1% from the previous quarter. Ultimately, the price decreased from US\$326.18 per ton in December 2023 to US\$200.15 per ton in December 2024, representing a 38.6% year-on-year decline.

This price fluctuation was driven by a combination of global economic conditions, energy policies, and geopolitical factors. The coking coal market displayed significant volatility, and due to global demand and supply adjustments, the market followed a downward trend throughout the year.

Australian coking coal prices

Unit: US\$/ton, %

Item/Year	2023.12	2024.03	2024.06	2024.09	2024.12
Australian coking coal	326.18	275.27	249.41	186.89	200.15
Compared to last year (base)		-15.6%	-23.5%	-42.7%	-38.6%
Compared to last quarter		-15.6%	-9.4%	-25.1%	7.1%

The steel market in 2024 was influenced by factors such as the instability of the global economic recovery, changes in interest rate policies across various countries, and fluctuations in raw material prices, resulting in weak market demand. According to China Steel's price listings, while half of the steel materials saw a price decline, the other half experienced a slight increase. Due to the uncertainties in the overall economic environment, steel prices showed a trend of fluctuation and stabilization. Taiwan's steel industry continued to face numerous challenges in 2024. The recovery of market demand is still expected to take time. Therefore, it is crucial to actively adjust strategies to respond to price fluctuations and the instability of market demand.

Wholesale price of China Steel and qoq comparison:

Unit: NT\$/ton, %

Type of steel	Period	Item	2023.12	2024.03	2024.06	2024.09	2024.12
Hot-rolled coil	Monthly wholesale price	General materials	26,490	27,590	27,890	27,290	27,290
		Increase/decrease from last period	1.9%	4.2%	1.1%	-2.2%	0.0%
	Quarterly Wholesale price	Automotive materials	31,860	32,360	32,360	33,160	32,360
		Increase/decrease from last period	1.6%	1.6%	0.0%	2.5%	-2.4%
		Medium carbon steel	29,040	29,540	29,540	29,540	28,540
		Increase/decrease from last period	0.0%	1.7%	0.0%	0.0%	-3.4%
Cold rolled coil	Monthly wholesale price	Tool steel	31,740	32,240	32,240	32,240	31,240
		Increase/decrease from last period	0.0%	1.6%	0.0%	0.0%	-3.1%
	Quarterly Wholesale price	General materials	28,830	29,930	30,230	29,730	29,730
		Increase/decrease from last period	1.8%	3.8%	1.0%	-1.7%	0.0%
		Automotive materials	34,640	35,140	35,140	35,940	35,140
		Increase/decrease from last period	1.5%	1.4%	0.0%	2.3%	-2.2%
Galvanized steel coils	Monthly wholesale price	Medium carbon steel	30,780	31,280	31,280	31,280	30,280
		Increase/decrease from last period	0.0%	1.6%	0.0%	0.0%	-3.2%
	Monthly wholesale price	Tool steel	36,380	36,880	36,880	36,880	35,880
		Increase/decrease from last period	0.0%	1.4%	0.0%	0.0%	-2.7%
		General materials	33,350	34,150	34,150	33,650	33,550
		Increase/decrease from last period	1.5%	2.4%	0.0%	-1.5%	-0.3%
Electrical steel coils	Monthly wholesale price	High-spec	37,390	37,890	37,890	37,390	37,090
		Increase/decrease from last period	1.4%	1.3%	0.0%	-1.3%	-0.8%
	Monthly wholesale price	Mid- and low spec	33,990	34,490	34,490	33,990	33,690
		Increase/decrease from last period	1.5%	1.5%	0.0%	-1.4%	-0.9%

In terms of imports and exports, Taiwan's trade surplus for 2024 was NT\$2.5866 trillion, an increase of NT\$49.2 billion compared to the trade surplus of NT\$2.5374 trillion in 2023. Exports reached NT\$15.2355 trillion, a 13.01% increase compared to NT\$13.452 trillion in 2023, while imports amounted to NT\$12.6489 trillion, a 15.57% increase compared to NT\$10.95 trillion in 2023. Both imports and exports showed positive growth, mainly driven by factors such as the stable growth of the global economy, the continued rise of high-performance computing and AI spurring new business opportunities, and the surge in demand during the traditional peak season at the end of the year. This led to 14 consecutive months of positive growth.

Value of Taiwanese imports/exports in the past five years					
Item/Year	2020	2021	2022	2023	2024
Export value	101,987	125,016	142,182	134,825	152,355
Import value	84,606	106,970	127,025	109,451	126,489

The export performance of Taiwan's steel industry was not outstanding, with exports falling and imports growing to NT\$116.9 billion. The export value of Taiwan's steel industry reached NT\$517.6 billion, a decrease of 2.84% compared to 2023. The import value amounted to NT\$400.7 billion, reflecting a decrease of 11.38% compared to 2023.

Value of Taiwanese steel industry imports/exports in the past five years					
Item/Year	2020	2021	2022	2023	2024
Export value	4,303	6,167	6,701	5,327	5,176
Import value	2,763	4,273	4,102	3,598	4,007

2. Links between the industry upstream, midstream, and downstream

Upstream:

The upstream raw materials of the steel industry are steel billets and stainless steel billets, both needing to be manufactured through steelmaking procedures. Steelmaking methods may be divided into blast furnace steelmaking and electric furnace steelmaking. The major raw materials for blast furnace steelmaking are iron ore and coking coal (also known as metallurgical media). The representative manufacturer is China Steel. The main raw material of electric furnace steelmaking is scrap steel. Because the raw materials and rate of energy self-sufficiency required for steelmaking are insufficient in Taiwan, scrap steel, crude steel and steel billets mostly rely on imports, so the development of domestic mid- and downstream industries is relatively limited.

Midstream:

Midstream products in the steel industry include carbon steel products such as hot- and cold-rolled steel coils, rebar, wire rods, and bar rods. In the stainless steel category, there are cold- and hot-rolled stainless steel coils, stainless steel rods and wires, and stainless steel profiles, as well as downstream processes like cutting, processing, and pipe manufacturing.

Downstream:

The steel industry is considered the foundation of industry, with a wide range of downstream applications. These include various metal products, machinery and equipment, transportation tools, molds, screws, nuts, steel wires, cables, and the various steel materials required for industrial facilities and construction projects, such as stainless steel pipe fittings, micro connectors, construction hardware, lock products, and more.

3. Competition

The relevant market of Taiwan's steel industry is a fully competitive market. Most steel types can be manufactured and produced by domestic steel mills, while other special steel can be imported by applying for approval and other methods. Various operators are unable to significantly differentiate themselves in terms of material acquisition. From the perspective of pricing and costs, suppliers have long held control over pricing, while downstream customers have good access to information about raw material prices. This puts pressure on intermediate vendors, compressing their profit margins from both ends, leaving them with almost no profitability and making their overall operating conditions quite challenging. Furthermore, Taiwan's domestic economy is small-scale, resembling a "shallow dish" market that is highly susceptible to fluctuations in the international market. This is especially true for the steel industry, which currently faces oversupply. Price-cutting competition is prevalent, making the market extremely competitive.

4. Future development trends

Looking ahead to 2025, although the Trump administration has announced successive tariff hikes, the global economy continues to grow, and the U.S. manufacturing sector shows signs of recovery. However, other global economies remain weak, and the recovery trend is uneven. Additionally, geopolitical risks continue to loom, and the rise in trade protectionism poses challenges, adversely affecting exports and corporate investments, and thus creating uncertainty for the economic outlook. The IMF projects global economic growth at 3.3% in 2025, with the U.S. expected to grow at 2.7%, the Eurozone at 1.0%, and China at 4.6%.

Country	Global	U.S.	China	Eurozone	Japan
IMF	3.3%	2.7%	4.6%	1.0%	1.1%

In Taiwan's overall economy, with the global economy steadily expanding, AI-related applications are accelerating their development. As a crucial part of the global supply chain, Taiwan possesses a complete and competitive industrial chain, which is expected to continue boosting export momentum. Additionally, the domestic employment market remains stable, which will help sustain domestic demand and investment growth. The Directorate-General of Budget, Accounting and Statistics (DGBAS) forecasts Taiwan's economic growth rate to be 3.14% in 2025.

In Taiwan's steel industry, the United States has imposed a 25% tariff on imported steel in 2025. The global issue of steel overcapacity remains unresolved. The Ministry of Economic Affairs (MOEA) also points out that global steel capacity is expected to significantly increase between 2025 and 2026, which could intensify supply pressure and deepen the economic challenges faced by the steel industry.

Regarding key steel-consuming industries, demand in non-China markets—such as India, Southeast Asia, Central and South America, and the Middle East and Africa—has grown in 2025, helping to offset the weak demand from China. India and other emerging economies have made notable contributions, and with both global demand rebounding and overcapacity persisting, Taiwan will need to carefully manage its operations. It should flexibly respond to global market changes, actively promote technological innovation, and expand market presence. In the construction industry, Taiwan's business climate index showed a rise to 102.46 in February 2025, an increase of 0.48 points from January's 101.98, signaling an upward trend.

Looking ahead, as the government advances towards global carbon reduction and increasing the share of low-carbon gas power generation, domestic energy companies, such as CPC Corporation and Formosa Petrochemical, have launched major projects like the “Advanced Gas-Combined Cycle Power Plant Turnkey Project” and the “Intercontinental LNG Storage Tank Construction Turnkey Project.” Additionally, the main construction of the MRT Xizhou Line will begin in March, which is expected to benefit domestic large-scale engineering firms. Therefore, the construction industry is expected to see positive growth in the next half of the year.

(III) Overview of technologies and research and development work

By implementing the concepts of “seeking innovation and change,” “expanding the future,” “collective efforts,” and “pursuing goals,” the Company accelerates corporate growth and sustainable operations. In addition to actively contacting and collaborating with well-known domestic and foreign research institutions and enterprises, it also integrates related resources within the Company. The R&D Technology Department assists R&D units under each division for the extension or development of products, for the series promotions of equipment and technologies, upgrading, and reengineering of the main equipment of the plants, and automation/labor-saving improvements of production equipment to enhance competitiveness. The Company's R&D innovation in the field of technology is mainly implemented through the promotion of "R&D projects" by business units to actively enhance innovation strength, maintain the development momentum of new technologies, and apply for patents for the results of technological development as the Company's intellectual property (there were a total of 9 patents at the end of 2024). Among them, the technical areas of patent application mainly include storage racking, motor electromagnetic steel sheet design, steel structure bridges and building construction methods. In addition, business, technical information, and trade secrets are protected against leakage in accordance with employee information security and employment contract provisions. The introduction of new technologies and equipment, and the improvement of existing production machines, processing technologies, and operating procedures in 2024 are all aimed at automation and labor-saving, in order to increase added value and increase efficiency and effectiveness. Here're Successful examples of improvements:

1. Steel Business Department, Xizhi Plant: Focuses on reducing labor in the cutting machine operations, streamlining the online quality inspection process, and optimizing the finished product shipping procedure. The plant continues to promote projects aimed at improving factory efficiency and providing a high-quality operational environment.
2. Direct Sales Business Division, Kaohsiung Plant: The hot-rolled leveling machine modification project has expanded its production capacity. In addition, labor-saving improvements to the cutting operations have been implemented. The plant has introduced a safety monitoring system, continues to develop materials for electric vehicle components, and is actively advancing various improvement projects to optimize production operations across the facility.
3. Rolling Mill, Special Belt Business Division: A 4HI rolling mill position monitoring system has been introduced to enhance production safety, ensure equipment stability, and boost productivity.
4. Special Steel Business Department: New ultra-hard circular saw machine has been installed to replace the old one to increase production efficiency and expand production capacity.

5. Silicon Steel Business Department, Taichung Plant: New measurement equipment has been introduced, and research on the production process of self-lubricating silicon steel materials is ongoing. In addition, the department is continuously innovating motor production technologies to enhance competitiveness.
6. Automatic Warehouse Department: A new modular design for the convex track system is under development. The design of cargo carriers continues to be optimized, and patent protection has been applied to enhance technological competitiveness.
7. Steel Structure Manufacturing Division, Construction Business Department: New CNC equipment and process optimization have been implemented. The addition of high-power laser cutting equipment and the development of automated welding technology for steel box inner partitions will improve the overall efficiency of steel structure processing and production, thus increasing production capacity.

2024 and up to the annual report publication date, the Company's research and development expenditures:

2024 January to December: : NT \$ 29.50 million

2025 January to March. : NT \$ 10.98 million

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

1. Short-term objectives

No matter how the economy fluctuates, the company will continue to monitor market and customer dynamics in order to remain flexible and responsive in a constantly changing business environment. The Company will focus on strengthening "customer management," "accounts management," and "inventory control." The goal is to maintain existing customers, acquire new ones, increase customer numbers and market share, and reduce excessive industry concentration. At the same time, the company will prudently manage materials, optimize invoicing, and shorten inventory turnover days.

In Taiwan, the business division will continue to assess the capabilities of various equipment, replacing old equipment with new ones based on actual needs, to fulfill its commitment to quality assurance for customers. For example, in 2024, investments were made to add an automatic beam production line at the Kaohsiung plant, a CNC door drilling machine at the structure plant, and a CNC flame cutting machine at the steel structure plant. These upgrades are aimed at building a competitive advantage over peers and achieving operational goals of revenue and profit. In Mainland China, the reinvestment division has fully integrated the sales networks in coastal regions, including South China, East China, and North China, to provide local customers with more direct and convenient services.

2. Long-term objectives

Chun Yuan Steel is one of the largest steel cutting and processing and distribution companies in Taiwan. Its processing mainly cover shearing, cutting, punching, rolling, welding, folding and assembling. The steel products include steel sheets, hot-rolled and cold-rolled steel, rolled, plated, electrical steel sheets, special steel strip/rod, and copper and aluminum alloys and other sheets. Services are provided to all industries, but mainly to the transportation industry, 3C and appliance industry, machinery industry, hardware furniture industry and steel structure engineering. The Company plays a key role in the steel industry chain. Facing the volatility of the steel industry, the concept of "talent cultivation" is implemented.

Every Chun Yuan employee always upholds an attitude of “sincerity, confidence, diligence, and responsibility,” and a working method of “seeking innovation and change, expanding the future, collective efforts, and pursuing goals,” to be cautious but expend their utmost effort, to fully implement the annual key tasks. Long-term business philosophy is “developing related industries around metals,” to continuously build competitive advantages over peers, and to pursue the corporate mission of “respecting, serving, and satisfying clients, while improving the quality of employees’ lives and maximizing shareholders’ equity.” The Company will realize its vision of becoming the “professional provider of metal material solutions.”

II. Analysis of the market and the production and marketing situation

(I) Market analysis

1. Major industries the Company sells products to

In the domestic steel demand industry, domestic car sales in 2024 totaled 457,000 units, down 4.0% from 476,000 units in 2023. Sales of domestically manufactured cars declined by 6.0%, with the market share decreasing by 1.1% to 51.8%. Sales of imported cars dropped by 1.8%, but their market share increased to 48.2%. Looking ahead to 2025, new car supply chain issues are gradually easing. Car manufacturers' accumulated orders were cleared in 2024. Although global economic uncertainties remain high, Hotai forecasts that the car market will maintain a total of around 450,000 units. Yulon predicts a 1.54% growth in the overall car market, increasing to 462,000 units.

In the machinery sector, Taiwan's machinery exports totaled US\$29.275 billion in 2024, down 0.6% from 2023. Despite the impacts of the US economic situation, the Russo-Ukrainian War, significant depreciation of the Japanese yen, and the low pricing of Chinese goods, the AI industry has boosted demand for semiconductor equipment, helping the machinery sector maintain its output value compared to last year. Looking forward to 2025, the Taiwan Machinery Association expects a slow recovery in overall exports, with the industry's performance potentially improving in the second half of the year. However, the outlook remains cautious and conservative, with a focus on developments in US policies, the Russo-Ukrainian War ceasefire agreements, and the pace of US interest rate cuts. Tariff policies could foster protectionism globally, which may curb investment demand and hinder the machinery industry's recovery.

In the construction sector, 2024 saw 350,000 housing transactions, an increase of 14.19% from 2023, reaching the highest level in 11 years. However, from January to February 2025, the number of housing transactions in the six metropolitan areas dropped by 25.1% compared to the same period last year, with only 29,824 units sold, indicating that the housing market's activity is still affected by mortgage policies and credit restrictions. Regarding domestic investment, the Directorate-General of Budget, Accounting, and Statistics (DGBAS) of Executive Yuan expects growth in export, consumption, and private investment in 2025. According to the Taiwan Institute of Economic Research's "Economic Momentum Survey" released in February, the housing market has slowed, affecting the order books of construction companies. However, frequent earthquakes have driven demand for house demolition and structural reinforcement projects. Additionally, companies are accelerating the construction of renewable water plants, waste treatment centers, and commercial green landscaping renovations, boosting demand for green environmental projects. As a result, the construction industry is expected to remain stable in the next half year.

Looking ahead to 2025, global economic risks remain high due to uncertainties in US economic and trade policies, geopolitical tensions, and increasing trade restrictions. However, the interest rate cuts in major economies are expected to boost terminal demand, and global trade is likely to experience steady growth. The IMF's latest forecast, released in January, raised the global economic growth rate for 2025 to 3.3%, an increase of 0.1% from 2024.

In Taiwan, the rapid rise of the AI industry has driven continued growth in private consumption, exports, and investment, as projected by the DGBAS in February. However, due to the high base period, Taiwan's revised economic growth rate for 2024 is 4.59%, and it is expected to slow to 3.14% in 2025. According to the "Current Economic Situation" report issued by the National Development Council in February, the potential risks of the global economy require special attention to:

(1) Geopolitical Conflict:

The conflict between the Middle East and Russia continues, affecting the oil supply chain and the price of commodity, which may lead to an increase in inflationary pressure and slow down the Central Bank's interest rate cut.

(2) Weakness of China's economy:

China is expanding its fiscal stimulus and monetary easing efforts while reiterating its commitment to the development of private enterprises. However, consumer confidence remains low, the real estate market continues to struggle, and the ongoing US-China tensions are likely to directly impact China's consumer market. These factors are raising concerns about economic and financial risks, which may dampen economic growth momentum.

(3) Uncertainty of U.S. economic and trading policies:

The timeline and intensity of the implementation of U.S. tariff policies remain highly uncertain, leading to increased global trade frictions and supply chain adjustment pressures. This is contributing to a decline in both business and consumer confidence. Furthermore, the U.S. tariff and tax reduction policies could again push inflation higher, slowing down the pace of interest rate cuts by the Federal Reserve, which could, in turn, suppress corporate investment.

(4) Uncertainty in monetary policies:

Although inflation pressures in major economies have moderated, core inflation remains persistent. This, coupled with continued global tensions, limits the flexibility of central banks' monetary policies. With global interest rates still relatively high, the sustainability of debt in countries with high sovereign debt is at risk, potentially exacerbating volatility in the financial markets.

2. Future demand-supply and growth of the market

(1) Steel sheets:

The major downstream steel industries include machinery, shipbuilding and steel structure industries. In the construction industry, according to the February economic survey of the Taiwan Institute of Economic Research, the demand for semiconductor construction and green energy construction has increased, and the capital expenditure of the factory has increased. However, due to the impact of the mortgage policy and credit control, the housing market has declined, and thus the relevant construction companies have declined orders. Therefore, the economy in the next half of the year will be viewed as a flat line.

(2) Hot-rolled coils:

Hot-rolled steel coils serve as the substrate for cold-rolled steel coils and hot-dip galvanized steel coils. Cold-rolled steel coils, in turn, are the materials for galvanized steel sheets such as electrical galvanized steel and electrical steel sheets. These steel products are widely used in industries such as transportation, machinery, hardware parts, piping, and construction. With versatile applications and strong global demand, they play a crucial role in various sectors. In the automotive industry for 2025, the government's phase-out of old vehicles in its final year is expected to boost domestic car sales. However, due to the impact of U.S. tariff policies and supply chain adjustments, the demand for hot-rolled steel coils is anticipated to remain steady. In the machinery sector, the demand for semiconductor equipment is expected to surge. While the overall industry is predicted to see moderate recovery, the pace and timing of the rebound will largely depend on international developments.

(3) Cold-rolled coils and clad steel:

Domestic cold-rolled coils are self-sufficient, supplying the base material of plated steel sheets, and they satisfy the demands of appliances, transportation, optoelectronics, construction, and hardware. Due to the outward production of domestic 3C and home appliances industries, the demand is not strong. It is mainly concentrated in China and emerging markets in Southeast Asia, but it still has to face the pressure of tariff competition from China's low-priced steel and the lack of trade agreements with Taiwan.

(4) Electrical steel sheets:

These are core materials used in various electrical energy conversion equipment, such as motors, transformers, and generators. Key downstream industries include transformers/stabilizers, fans, and motor manufacturing. However, industries such as ceiling fans, EI sheets, and motors have significantly shifted production to China and Southeast Asia, leading to a sharp decline in domestic demand. Additionally, the rise of Chinese steel mills, which are continuously improving in quality and offering lower prices, has intensified competition in both the local and Southeast Asian markets. Moreover, the stamping and assembly capabilities of midstream and downstream manufacturers in these regions are becoming increasingly sophisticated, which further disadvantages Taiwan's ability to secure export orders.

(5) Non-iron metals:

Aluminum alloy sheets are light with good heat dissipation. The material is widely used in PC and notebook housing, TFT-LCD backlight panel, keyboards heat sinks, and cell phone components. The domestic labor market remains stable, and the income effect from wage growth is driving consumer spending. Additionally, the rapid development of AI-end products is expected to lead to a surge in PC and notebook upgrades. In the automotive market, the adoption of aluminum alloy sheets is increasing due to lightweight design considerations. However, the high cost of aluminum alloys means they are mainly used in high-end vehicles. Domestic car manufacturers remain focused on price competition, so significant growth in demand is unlikely. Therefore, the expansion of domestic sales for this product still faces challenges.

Copper products primarily include brass sheets, red copper sheets, and phosphor bronze sheets, which are widely used in 3C products, hardware terminals, and connectors. Demand is stable, though it is significantly influenced by fluctuations in exchange rates and LME futures. Looking at long-term development trends, the growth of consumption in China, the rising demand in India, and the development of home and automotive electronics, as well as global electric vehicle growth, are expected to continue driving demand for copper products.

3. Positive and negative factors for future development, and the Company's response to such factors

Looking at the domestic and international steel markets, the favorable and unfavorable factors for the Company's future market development are as follows:

➤ Positive factors

- (1) The global economy is steadily recovering, and the National Development Council has pointed out that as major economies enter a cycle of interest rate cuts, terminal demand is expected to rise. With the booming demand for emerging technologies such as AI, traditional industries are also expected to gradually recover, boosting Taiwan's exports and production momentum. In addition, private investment is expanding capital expenditure due to the growth in semiconductor production and the transition to a net-zero economy. International companies are continuing to increase investment in Taiwan. The labor market remains stable, domestic consumption is solid, and inflation expectations are easing, all of which are expected to contribute to stable economic growth. Both domestic and international major institutions predict Taiwan's economic growth to range from 2.50% to 3.42% in 2025. In conclusion, the demand for downstream steel is expected to recover, and the overall market outlook for the steel industry is cautiously optimistic.
- (2) The Company sells to various industries, serves a wide range of clients, with diversified and quality offerings, and the production and processing technologies are deeply trusted by clients. The Company is able to instantly and completely grasp the market pulse and clients' needs. All divisions fully cooperate and support each other, offering one-stop procurement for clients, to maximize the value of the channels.

➤ Negative factors

- (1) China has gradually introduced economic stimulus measures, which have helped stabilize steel prices. The steel price differential is also expected to improve. However, China's domestic demand remains weak, the real estate market has limited prospects for recovery, and the growth in infrastructure investment is slowing down. Additionally, the U.S. tariff policies have impacted steel exports. China's overcapacity in steel production will directly affect the global steel price recovery.
- (2) Since President Trump took office, he has actively promoted trade protectionism, frequently imposing tariffs on countries like China, Canada, and Mexico. This has led to increased manufacturing costs, potentially driving up inflation, slowing down the Federal Reserve's interest rate cuts, or even leading to further rate hikes. This, in turn, could heighten global economic uncertainty and financial market volatility, suppressing business investment and expansion plans, which would hinder overall economic growth.
- (3) According to the manpower survey for the third quarter of 2024, published by Taiwan's Ministry of Labor in August 2024, the construction industry saw an increase of 3,691 workers compared to the second quarter. Of this increase, 62.69% is attributed to business expansion or diversification, while 10.27% is due to a long-term labor shortage. This indicates that human resource demand continues to put pressure on labor scheduling, costs, and project timelines in the construction industry.

➤ Responses

- (1) Leverage the long-term collaborative relationships with upstream steel mills, and in response to exchange rate trends, expand the acquisition of niche sources, to reduce material costs and serve long-term quality clients, to ensure revenue and profit.
- (2) The Company precisely understands the needs of clients, handles materials prudently, undertakes proper procurement, sales and inventory management, operates with the most appropriate inventory, and effectively reduces the demand for working capital.
- (3) Various cost-rationalization and cost-saving programs are implemented to strengthen competitiveness.
- (4) The Company maintains close integration with its overseas subsidiaries and is actively expanding its export customer base in Southeast Asia. These efforts aim to reduce over-reliance on specific industries—such as transportation—and markets like China, thereby mitigating the risks associated with operational volatility.
- (5) The Company is expanding new industries and new clients, and is making every effort to develop customized products, to meet clients' demands for materials.
- (6) The Company develops new products and new technologies, introduces new manufacturing processes and new equipment, and ensures that production and processing technologies and product quality continue to lead the industry.

(II) Usage and manufacturing processes of main products

Materials	Production process	Product name	Purpose
Hot-rolled coil	Cropping and flattening	Hot rolled steel sheets	Construction, machinery, and durable equipment
	Stripping	Hot rolled stripped coils	
	Stripping and rolling to form	Light shaped steel	
Cold rolled coil	Cropping and flattening	Cold-rolled steel sheet	Parts for common domestic tools and items, automotive components
	Stripping	Cold-rolled stripped coils	Automotive components, metal products, sports equipment
Enamel steel coils	Cropping, flattening, and stripping	Enamel steel sheets, enamel steel stripped coils	Colorful cookers, pots and cups, basins, bathtubs, and walls
Plated steel coils	Cropping and flattening	Plated steel sheets	Parts of appliances, automotive gas tanks, exhaust pipes, air conditioner and refrigerator parts
	Stripping	Plated steel stripped coils	
Thick plates	Cutting, welding, drilling, assembling	Welded H-shape steel	Steel construction, machinery, bridges, and other steel structures
		Welded H-shape honeycomb steel	
		Steel junction plates	
		Steel reinforced plates	
		Machinery parts	
		Steel construction	
Electrical steel sheets (coils)	Stripping, stamping	Motor cores, EI sheets	Motors, transformers, rectifiers
	Stripping	Electrical steel strips	
Special steel products	Sawing	Sheets, bars, round steel, square steel, and angle steel	Machines, cars, parts, molds
High-carbon steel coils	Stripping, cold rolling, annealing, and tempering	Cold rolled high-carbon steel stripped coils	Stationery supplies, springs, and tool parts
Steel Sheet parts	Forming, assembling, and installing	Logistics equipment	Storage and management of materials, tapes, and files
		Light-, mid-, and heavy-duty material racks	
		3D automated storage systems	

(III) Supply situation for major raw materials

Name	Major source	Supply situation
Steel sheets and coils	China Steel and Japan	Good
Steel sheets for construction	China Steel	Good

Overview of Business Operations

(IV) Data of clients accounting for 10 percent or more of the total procurement (sales) amount in either of the two most recent fiscal years

1. Major suppliers in the two most recent years

Unit: NT\$ thousand

Item	2024				2023				2025 up to the previous quarter			
	Name	Amount	Percentage of net amount of purchased goods for the whole year (%)	Relation to the issuer	Name	Amount	Percentage of net amount of purchased goods for the whole year (%)	Relation to the issuer	Name	Amount	Percentage of net amount of purchased goods for the current year up to the previous quarter (%)	Relation to the issuer
1	China Steel	6,417,667	47	None	China Steel	5,145,131	45	None	—	—	—	—
2	Toyota Tsusho (Taiwan) Co., Ltd.	2,417,116	18	None	Toyota Tsusho (Taiwan) Co., Ltd.	2,589,982	22	None	—	—	—	—
	Others	4,698,890	35		Others	3,815,952	33		—	—	—	—
	Net amount of purchases	13,533,673	100		Net amount of purchases	11,551,065	100		—	—	—	—

1. Reason of changes: Procurement plans were adjusted to adapt to the changes of the supply-demand situation and prices.

2. The publication date of the Company's annual report is March 31, 2025. Therefore, the latest financial statements audited, certified, or reviewed by the CPAs are the 2024 statements.

2. Major clients in the two most recent years

Unit: NT\$ thousand

Item	2024				2023				2025 up to the previous quarter			
	Name	Amount	Percentage of net amount of sold goods for the whole year (%)	Relation to the issuer	Name	Amount	Percentage of net amount of sold goods for the whole year (%)	Relation to the issuer	Name	Amount	Percentage of net amount of sold goods for the current year up to the previous quarter (%)	Relation to the issuer
1	Toyota Tsusho (Taiwan) Co., Ltd.	2,771,018	29	None	Toyota Tsusho (Taiwan) Co., Ltd.	2,930,786	29	None	—	—	—	—
	Others	6,755,853	71		Others	7,088,695	71		—	—	—	—
	Net Amount of sales	9,526,871	100		Net Amount of sales	10,019,481	100		—	—	—	—

1. Reason of changes: Clients adjusted their procurement plans to adapt to the changes of the supply-demand situation and prices.

2. The publication date of the Company's annual report is March 31, 2025. Therefore, the latest financial statements audited, certified, or reviewed by the CPAs are the 2024 statements.

III. Number of employees employed for the preceding two fiscal years, and during the current fiscal year up to the date of publication of the annual report

Year		2023	2024	As of March 31, 2025
Employees	Clerk	605	617	618
	Technician	493	474	472
	Total	1,098	1,091	1,090
Average age		42	43	43
Average years in service		14	14	14
Distribution of academic background	PhD	0%	0%	0%
	Master	8%	8%	8%
	Bachelor	57%	58%	58%
	Senior high school	28%	28%	28%
	Junior high school or under	6%	6%	6%

IV. Disbursements for environmental protection

For 2024 and up to the publication date of the annual report, the Company has not been penalized due to environmental pollution and thus no losses were suffered.

V. Labor-Management Relations

(I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-capital agreements and measures for preserving employees' rights and interests.

1. Labor-Management Committee

CYS upholds the principles of integrity and transparency in business. The notification procedure for major changes to operations is always followed in accordance with the Labor Standards Act and other regulations to ensure that employees receive proper notice. Employees can make suggestions to the company through regular meetings of the Employee Welfare Committee and Labor-Management Committee. Problems can also be reported through the grievance mechanism. 100% of all company employees are covered by Labor-Management Committee agreements. Labor and management each have 5 representatives at the Labor-Management Committee for engaging in a through exchange of opinions. The regular meeting is convened once every three months. The Topics related to labor rights and working conditions are discussed during the meeting and issues are always resolved through effective communication.

2. Retirement

Chun Yuan Steel has a sound financial system. It has established the "Employees Retirement Regulations" in accordance with the Labor Standards Act and the Labor Pension Act to make stable pension contributions. Chun Yuan Steel has also commissioned an actuary to provide actuaries and provide regular reports on pensions, and is sufficient to protect the rights of employees in claiming the pension in the future. Under the Labor Standards Act and Labor Pension Act, all employees that joined the company before June 30, 2005 (inclusive) retain their seniority under the old pension scheme. Employees will only accrue seniority under the new pension scheme if they choose to switch over to the new system. The old system pension is appropriated to the old pension reserve account at the Bank of Taiwan according to the monthly salary of each employee with the old system pension years; Under the new pension scheme, each worker makes a contribution equal to 6% of their monthly salary range into the employee's personal pension account. In addition to the standard 6% contribution from the employer, employees can also volunteer to make a contribution of between 0 ~ 6% to their personal pension account.

3. Welfare System

CYS knows that the sustainable development of the company not only requires financial growth but also more importantly, the selection and retention of employees. We have established a comprehensive welfare and cultivation system to protect the rights and benefits of all CYS employees so that they can grow with the company.

Insurance: Labor Insurance, National Health Insurance, Labor Pension, Employee and dependents group insurance (includes life insurance, accident insurance, medical insurance, cancer insurance), and Travel insurance is also provided for personnel on business trips/field assignments.	Economical: Wedding subsidy, child subsidy, educational subsidy, bereavement subsidy, Birthday cash gift, labor cash gift, Dragon boat and Mid-Autumn Festival cash gift, Lunar New Year cash gift, Hospitalization condolence payment, emergency assistance
Services: System (employee uniform, meal allowance, etc.), request/leave system (special leave/annual leave, paternity exam leave, family care leave, menstruation leave for female employees, parental leave for employees), employee health check	Development: Comprehensive education and training (new recruit training, grade-specific training, competency training), clear career progression paths
Bonuses: Employee compensation, Mid-Autumn Festival bonus, annual bonus, quarterly performance bonus	
Facilities: Employee cafeteria, dormitories (Longtan, Xizhi), and recreation rooms are provided to look after employees' health, safety, and spiritual development.	
Leisure: A variety of entertainment and leisure activities are offered to promote the physical and mental well-being of employees as well as work-life balance. (1) Clubs, arts and cultural activities; (3) Family trips for employees (2) Ball games; (4) Domestic and foreign travel subsidies	

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor-capital disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

VI. Cyber Security Management

(I) The cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:

1. The Company has established an cyber security risk management framework that includes the creation of a dedicated cyber security unit, the appointment of a chief cyber security officer, and specialized cyber security personnel, and regularly report on security matters to the board of directors. Additionally, the Company have completed the filing of cyber security personnel with the Taiwan Stock Exchange's reporting system for listed companies.
2. The Company has established a corporate cyber security policy, which contains relevant cyber security management regulations, and has been disclosed on the official website (<https://www.cysco.com.tw> → investor section → corporate governance→cyber security policy). The “Security Commitment Statement” are signed by all employees to ensure that all employees are fully aware of the Company's cyber security policies and regulations.
3. In addition to management, the Company's investment in cyber security in 2024 amounted to NT\$2,260,000, and a dedicated cyber security officer and one personnel were established, who hold a regular meeting on a monthly basis; in addition, the Company The Company has also become a member of the Taiwan CERT/CSIRT Alliance of TWCERT/CC (Taiwan Crisis Management and Coordination Center), and continues to receive and share relevant cyber security intelligence to strengthen the Company's cyber security.

(II) Losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken

During 2024 and up to the date of publication of the annual report, the Company has not had any major cyber security incident; provided that to reduce the probability of occurrence of information security incidents, the Company will continue to reinforce the information security framework, to ensure the security of the information and communication systems.

VII. Important contracts:

Date: March 31, 2025

Nature of contract	Counterparty	Commencement date and expiration date	Main Content	Restrictive terms
Joint venture agreement	Toyota Auto Body Co., Ltd.	Entered on May 7, 1997	<p>Name of Company: Chun Shyang Shin Yeh Industry Co., Ltd.</p> <p>Major business:</p> <p>Engaging in the manufacture, sale, lease and repair of automotive sheet metal parts, stamping parts, molds, jigs and inspection measuring tools.</p> <p>Location of Establishment: Taoyuan County, Taiwan Province (at that time).</p> <p>The capital is NT\$One Hundred Forty Million, and the Company owns 48.97%.</p> <p>There are five seats of directors and the Company occupies two.</p>	None

I. Financial position

(I) Comparative analysis of financial position

Unit: NT\$ thousand

Item	Year	2024	2023	Difference	
				Amount	%
Current assets		14,537,945	12,852,128	1,685,817	13.12
Property, plant and equipment		5,976,673	5,691,938	284,735	5.00
Intangible assets		3,718	3,670	48	1.31
Other assets		1,827,159	1,755,596	71,563	4.08
Total assets		22,345,495	20,303,332	2,042,163	10.06
Current liabilities		8,107,959	6,850,411	1,257,548	18.36
Non-current liabilities		1,589,599	1,392,203	197,396	14.18
Total liabilities		9,697,558	8,242,614	1,454,944	17.65
Share capital		6,476,554	6,476,554	—	—
Additional paid-in capital		177,964	177,636	328	0.18
Retained earnings		5,760,474	5,312,951	447,523	8.42
Other equities		(150,875)	(275,047)	124,172	45.15
Non-controlling interests		383,820	368,624	15,196	4.12
Total Equity		12,647,937	12,060,718	587,219	4.87

(II) Analysis and explanation of increase/decrease:

1. Other equity: because the exchange rate changed, the exchange differences arising from the translation of financial statements of foreign operations increased, and the gains from disposal of equity instruments measured at FVOCI resulted in an increase in other equity.

II. Financial performance

(I) Comparative analysis of financial performance

Unit: NT\$ thousand

Item	Year	2024	2023	Amount increased (decreased)	% of changes
Net operating revenue		24,014,291	21,194,638	2,819,653	13.30
Operating cost		21,945,625	19,430,316	2,515,309	12.95
Operating gross income		2,068,666	1,764,322	304,344	17.25
Operating expenses		866,456	836,419	30,037	3.59
Profit from operations		1,202,210	927,903	274,307	29.56
Non-operating income and expense		185,080	193,273	(8,193)	(4.24)
Profit before tax		1,387,290	1,121,176	266,114	23.74
Income tax expense		301,482	230,454	71,028	30.82
Current period net profit		1,085,808	890,722	195,086	21.90
Other comprehensive income recognized for the period		134,515	(14,630)	149,145	1,019.45
Total comprehensive income in the current period		1,220,323	876,092	344,231	39.29

(II) Analysis and explanation of increase/decrease:

1. The increase in operating income from 2023 was due to an increase in gross profit.
2. In summary, the profit before tax, income tax expense and net profit for the period increased from that of 2023.
3. The decrease in other comprehensive incomes of the current period relative to 2023 was due to the decrease in the exchange gains from the translation of the financial statements of foreign operating agencies.

III. Cash flow

(I) Analysis and explanation of the changes to cash flows in the most recent year:

Unit: NT\$ thousand

Cash balance at the beginning of 2024	Net cash flow from operating activities for the whole year	Net cash inflow for the whole year (Note)	Amount of remaining (shortage of) cash	Remedies for cash insufficiencies	
				Investment plan	Treasury plan
460,539	1,037,420	68,188	528,727	—	—

Note: Including the effects of exchange rate changes on the balance of cash held in foreign currencies

1. Net cash inflow from operating activities was NT\$1,037,420 thousand: mainly due to the decrease in receivables and inventories.
2. Net cash outflow from the investing activities was NT\$559,432 thousand: mainly because of the acquisition of property plant and equipment.
3. Net cash outflow expected from financing activates is NT\$450,317 thousand: mainly due to the distribution of cash dividends.

(II) Improvement plan for insufficient liquidity: N/A.

(III) Cash flow analysis for the next year

Unit: NT\$ thousand

Cash balance at the beginning of 2025	Net cash flow from operating activities for the whole year	Net cash inflow for the whole year	Amount of remaining (shortage of) cash	Remedies for cash insufficiencies	
				Investment plan	Treasury plan
528,727	740,000	(28,727)	500,000	—	—

1. Analysis of cash flow:

- (1) The estimated net cash inflow from operating activities of NT\$740,000 thousand: Mainly due to the evaluation of future operating changes and inventory adjustments.
- (2) The estimated net cash outflow from investing activities of NT\$1,000,000 thousand: This is mainly to support the capital expenditures for the construction of the Sanchong headquarters office building, factory buildings and the purchase of production equipment.
- (3) Net cash outflow from financing activities was NT\$231,273 thousand: mainly because of repayment to short-term borrowings.

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

(I) Allocation of major capital expenditures and sources of funds

Unit: NT\$ thousand

Project	Actual or expected sources of funds	Actual or expected completion date	Total amount required	Actual or expected fund allocation				
				2025	2026	2027	2028	2029
Replacement or addition of equipment that maintains current operations	Self-owned funds	Completed during each year	2,817,000	525,000	525,000	580,000	580,000	607,000

(II) Expected potential effects

1. Production and sales volume, value, and gross profit expected to grow

Unit: NT\$ thousand

Year	Item	Production (ton)	Sales volume (ton)	Sales value	Gross profit
2025	Replacement or addition of equipment that maintains current operations	13,067	11,181	525,000	31,500
2026	Replacement or addition of equipment that maintains current operations	13,067	11,181	525,000	31,500
2027	Replacement or addition of equipment that maintains current operations	14,443	12,356	580,000	34,800
2028	Replacement or addition of equipment that maintains current operations	14,443	12,356	580,000	34,800
2029	Replacement or addition of equipment that maintains current operations	15,108	12,927	607,000	36,420

2. Description of other effects (e.g., product quality, pollution prevention, cost reduction): None.

V. 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:

The reinvestment policy is mainly centered on a vision of “professional provider of metal material solutions,” seeking to improve investment profit to increase the shareholders’ equity. Looking back at 2024, inflation eased across major economies, prompting central banks to begin cutting interest rates. However, Donald Trump’s return to the White House marked a shift toward a more aggressive anti-China stance and isolationist policies compared to his previous term. This reignited global tariff tensions and raised concerns about a potential resurgence in inflation. Turning to China, the ongoing real estate downturn has severely undermined consumer confidence. Yet, export growth helped offset domestic market weaknesses. In the fourth quarter, the government announced a series of fiscal policies aimed at alleviating local debt issues and stabilizing the broader economy. Quarterly GDP growth rates stood at 5.3%, 4.7%, 4.6%, and 5.4%, resulting in a full-year growth of 5.0%, in line with the original target. Chun Yuan’s investee companies maintained stable operations despite sluggish steel demand. Customers adjusted inventories on a quarterly basis, and while overall market volume contracted and prices remained flat, the Company continued to actively meet client needs and deliver reasonable profitability. Looking ahead to 2025, Trump’s new wave of tariff policies is expected to heighten global trade conflicts and tariff-related threats. Geopolitical risks are on the rise, and the previously booming AI sector is now facing increasing regulatory and demand-related challenges. Amid this turbulent political and economic landscape, China’s government is maintaining its 5% GDP growth target. The IMF has revised its forecast upward to 4.6%, driven by optimism that ongoing fiscal stimulus will reinvigorate domestic demand. Additionally, the gradual recovery in demand for computer and communications products is expected to boost exports. However, the global trade war initiated by the new U.S. administration poses a potential threat to China’s export momentum. In response to this increasingly challenging business environment, the Company will proceed with caution, aiming to mitigate the impacts of political and economic instability. It will continue to monitor market trends and opportunities, provide timely support where needed, and ensure that its investee companies remain profitable.

VI. Risk analysis and assessment

(I) The effect upon the Company's profits and losses of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

1. Interest rate risks:

The net interest expense of 2023 was NT\$95,572 thousand, occupying 0.45% of the net revenue or 10.30% of net operating income. The net interest expense of 2024 was NT\$100,915 thousand, occupying 0.42% of the net revenue or 8.39% of net operating income.

In March 2024, the Central Bank of Taiwan raised interest rates by 0.125 percentage points. This decision was mainly driven by elevated inflation levels in recent years and concerns over a potential increase in domestic electricity tariffs, which could heighten inflation expectations. The rate hike was intended to help stabilize prices by curbing inflationary sentiment. Subsequently, interest rates were kept unchanged through December, reflecting a steady, gradual decline in domestic inflation. Despite potential downside risks in the global economy, Taiwan's economic growth in 2025 is expected to remain moderate, supported by resilient domestic demand. As such, the Central Bank has maintained its current policy rate.

Looking ahead to 2025, the global economic and inflation outlook faces several uncertainties. These include the highly unpredictable impact of the new Trump administration's policies, economic headwinds in China—both externally and internally—geopolitical tensions affecting prices and social stability, and rising concerns about the sustainability of government debt in major economies. All of these factors represent key variables that could influence the global economy in the year ahead. Central Bank Governor Yang Chin-Long noted that the current monetary stance remains moderate. However, should the Trump administration's new policies materialize, there may be an increased likelihood of tighter monetary policy. Future interest rate decisions will be based on actual data, global rate trends, and inflation dynamics.

Looking to the future, the Company anticipates a potential increase in financing needs due to rising working capital and capital expenditure requirements. This could lead to a higher interest burden. Nonetheless, the Company has long maintained strong relationships with its banking partners and continues to expand its short- and medium-term credit lines while securing favorable loan terms. As a result, the Company retains sufficient flexibility in managing interest rate risk and does not currently face any significant exposure in this regard.

The Company will continue to uphold its principles of prudence and sound financial management. It will carefully evaluate the cost of funds, potential returns, and associated risks to choose the most advantageous financing sources and capital deployment strategies. At the same time, it will stay informed on market interest rate trends and implement timely countermeasures to mitigate any adverse impact of interest rate fluctuations on profitability, all with the aim of maximizing shareholder value.

2. Exchange rate risks:

In 2023, the Company recorded a net foreign exchange gain of NT\$5,657 thousand, accounting for 0.02% of net revenue and 0.61% of net operating profit. In contrast, a net foreign exchange loss of NT\$906 thousand was recorded in 2024, representing 0.004% of net revenue and 0.08% of net operating profit. The primary reason for this loss was the impact of USD-denominated liabilities affected by fluctuations in the US dollar during 2024.

Looking back on 2024, the trajectory of inflation remained uncertain, prompting the US Federal Reserve to delay its interest rate cuts multiple times. As a result, the US dollar remained strong. Although the Fed began cutting rates in September, the resurgence of the so-called "Trump Trade" in financial markets reignited demand for the US dollar, which continued to appreciate. In this environment of US dollar strength, the New Taiwan Dollar (NTD), along with other Asian currencies, depreciated. Looking ahead to 2025, the exchange rate of the NTD against the USD will continue to be heavily influenced by US monetary policy. As the US economy gradually recovers, market expectations are leaning toward a potential interest rate hike by the Fed to address inflationary pressures. Should the Fed determine that economic growth is steady and inflation remains within a controllable range, further rate hikes could strengthen the US dollar, leading to continued depreciation of the NTD. The Company adopts a natural hedging strategy in the management of foreign exchange positions, to avoid the risk of exchange rate fluctuations for assets and liabilities resulting from the volatile exchange rate. In the future, the Company will still keep on tracking exchange rate trends, and by referring to relevant financial information, foreign exchange reports and international economic conditions, appropriate measures to avoid the risk of exchange rate fluctuations will be formulated.

3. Inflation risks:

According to the statistics of the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, the average CPI increased to 2.18% in 2024. Looking ahead to 2025, the world is under the shadow of trade war and geopolitical conflicts, and facing the pressure of international raw material price fluctuations and rising prices of domestic services. Although the base is high, the Directorate-General of Budget, Accounting and Statistics forecasts that the CPI growth in 2025 will still be 1.94%.

In the future, the Company will continue to monitor international raw material trends, changes in upstream steel mill wholesale prices, and downstream industry shipments, in order to rapidly respond to cost changes, while effectively managing the production and sales portfolio and inventory status.

(II) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

1. The Company focuses on its major business, and in the most recent year no high-risk investments or highly leveraged investments were made.
2. The counterparties disclosed in the consolidated financial statements for loaning of funds are those in need of short-term financing. The counterparties of loaning of funds are limited to the Company and the subsidiaries, and handled pursuant to each company's "Operation Procedures for Loaning of Funds to Others."
3. The counterparties disclosed in the consolidated financial statements for endorsement/guarantee are those in need of endorsement/guarantee due to business relationships or construction contracted, or the subsidiaries in need for business. Endorsement/guarantee is handled pursuant to each company's "Operation Procedures for Endorsement/Guarantee."
4. The Company conducts derivative transactions for avoiding the market risk resulting from exchange rate fluctuations of those net positions of assets/liabilities denominated in foreign currencies, rather than arbitrage or speculation. Such transactions are handled in accordance with the Company's "Procedures for Engagement in Derivative Product Transactions."

(III) Research and development projects to be carried out in the future and expenditures expected for research and development:

In response to the business unit's development needs, the Company has invested in the R&D of technology, including the research and development of the construction business division's steel structure automated welding, the introduction of automated cargo frames by the warehousing business division, the development and research of other new products and related materials such as electric vehicles, electric buses, servers, and new green environmental steel materials, the investment in the improvement of process and production capacity, including the modification and upgrade of steel coil (plate) cutting equipment, the digital application of equipment, the precision division and stamping equipment's advanced improvement, the expansion of the construction business division's tower equipment and the completion and commissioning of the new plant.

Key factors affecting the success of future R&D are the training and cultivation of talent and the budget input. R&D budget expected to be invested in 2025 is NT\$28.70 million.

(IV) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response: None.

(V) Impact of technology (including cyber security risks) and industry evolution on the Company's finance and business, and measures to be taken in response:

In response to the frequent occurrence of information attack incidents in traditional industries, the Company not only continues to strengthen the security protection of the corporate information communication environment, but also regularly reviews important equipment and data to ensure its "high availability", thereby reducing the impact of information security incidents on the Company's operations.

(Please refer to Page 65 - VI. Cyber Security Management)

(VI) Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response: None.

(VII) Expected benefits and possible risks associated with any mergers and acquisitions, and mitigation measures being or to be taken: None.

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

By expanding plants, capabilities for accepting orders and processing will increase, and thus profit improves.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

Other than Toyota Tsusho (Taiwan) Co., Ltd., the Company's top ten clients occupy less than 10% of the revenue for the whole year. However, Toyota Tsusho is a consolidated purchasing client, so many stamping suppliers are engaged to diversify materials, and thus there is no risk associated with any consolidation of sales. For the purchase of goods, the Company will continue to grasp the trends in the steel industry and purchase goods in an adequate and diversified manner.

(X) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding a stake greater than 10 percent in the Company is transferred or otherwise changes hands, and mitigation measures being or to be taken:
There were no significant transfers or changes in the equity of directors, supervisors, or major shareholders with more than 10% ownership interest in 2024.

(XI) Effect upon and risk to the Company associated with any change in controlling power, and mitigation measures being or to be taken: None.
There had no change in controlling power in 2024.

(XII) List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the president, any person with actual responsibility , any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

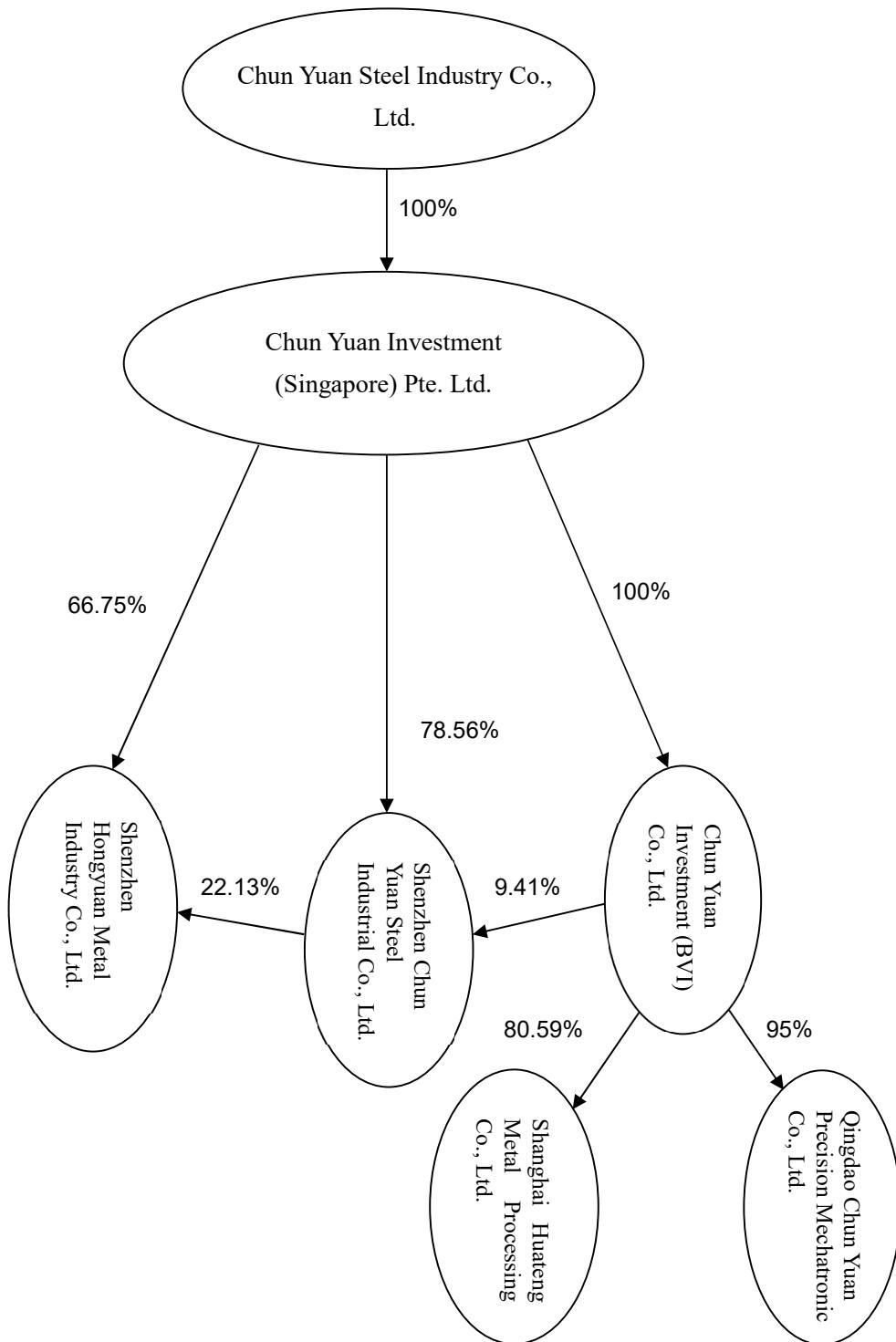
(XIII) Other important risks, and mitigation measures being or to be taken: None.

VII. Other important matters: None.

I. Information related to the affiliates

(I) Consolidated Business Report of Affiliates

1. Organization chart of affiliates (as of December 31, 2024)



2. Basic Information of Each Affiliate

December 31, 2024
Unit: NT\$

Name of Enterprise	Date of Foundation	Address	Paid-in capital	Major business or production
Chun Yuan Investment (Singapore) Pte. Ltd.	1993.01	6 Shenton Way #38-01OUE Downtown Singapore 068809	SGD 48,423,650	General investment.
Shenzhen Chun Yuan Steel Industrial Co., Ltd.	1994.03	No.12, Tongqing Road, Baolong Sub-District, Longgang District, Shenzhen	USD 21,245,000	Production of galvanized sheets, coated sheets, aluminum sheets, and other metal sheets.
Shanghai Huateng Metal Processing Co., Ltd.	1994.12	No. 1131, Yecheng Road, Jiading District, Shanghai	USD 24,800,000	Production and processing cold rolled electrical steel sheets, various metal materials, rotors, and stators
Chun Yuan Investment (BVI) Co., Ltd.	1999.12	Intershore Chambers, P.O. Box 4342, Road Town, Tortola, British Virgin Islands	USD 21,900,000	General investment.
Shenzhen Hongyuan Metal Industry Co., Ltd.	2002.07	No.12, Tongqing Road, Baolong Sub-District, Longgang District, Shenzhen	USD 4,680,000	Production of transformer parts, rotors, stators and other metal products made from the stamping of electrical steel coils.
Qingdao Chun Yuan Precision Mechatronic Co., Ltd.	2005.05	No. 199, Qianshan South Road, Qingdao Economic & Technical Development Zone	USD 18,000,000	New types of mechatronic components, fine blanking die and other related metal products.

3. Common shareholders for the companies with presumed relationship of control and subordination:
None.
4. The industries covered by the business operated by the all affiliates
 - (1) The major business of Chun Yuan Investment (Singapore) Pte. Ltd. is described as follows:
General investment.
 - (2) The major businesses of Shenzhen Chun Yuan Steel Industrial Co., Ltd. are as follows:
Production of galvanized sheets, coated sheets, aluminum sheets, and other metal sheets (hot/cold rolled steel sheets and lead/tin-plated sheets).
 - (3) The major businesses of Chun Yuan Investment (BVI) Co., Ltd. are as follows:
General investment.
 - (4) The major businesses of Shanghai Huateng Metal Processing Co., Ltd. are as follows:
Production and processing of cold rolled electrical steel sheets, various metal materials, parts and accessories, punched products, and technical development of related products.
 - (5) The major businesses of Shenzhen Hong Yuan Metal Industry Co., Ltd. are as follows:
Production of transformer parts, rotors, stators and other metal products made from the stamping of electrical steel coils.
 - (6) The major businesses of Qingdao Chun Yuan Precision Mechatronic Co., Ltd. are as follows:
New types of mechatronic components, fine blanking die and other related metal products.

5. Information of directors, supervisors, and president of each affiliate

(Base date: December 31, 2024; some foreign companies are shown in the invested amounts) Unit: shares, %

Name of Enterprise	Title	Name or Representative	Shareholding	
			Shares	Shareholding Ratio
Chun Yuan Investment (Singapore) Pte. Ltd.	Director	Cheng, Ye-Ming (Representative of Chun Yuan Steel Industry Co., Ltd)	48,423,650	100%
	Director	Tsai, Hsi-Chi (Representative of Chun Yuan Steel Industry Co., Ltd)		
	Director	YeoCheeHuan	0	0%
Chun Yuan Investment (BVI) Co., Ltd.	Director	Cheng, Ye-Ming (Representative of Chun Yuan Investment (Singapore) Pte. Ltd.)	21,900,000	100%
Shenzhen Chun Yuan Steel Industrial Co., Ltd.	Chairman concurrently served as President	Wu, Mon-feng (Representative of Chun Yuan Investment (Singapore) Pte. Ltd.)	USD 16,690,000	78.56%
	Director	Lee, Wen-Lung (Representative of Chun Yuan Investment (Singapore) Pte. Ltd.)		
	Director	Cheng, Chieh-Wen (Representative of Chun Yuan Investment (Singapore) Pte. Ltd.)		
	Director	Tsai, Hsi-Yu (Representative of Chun Yuan Investment (Singapore) Pte. Ltd.)		
	Director	Wang, Hsiang-Yong (Representative of Chun Yuan Investment (Singapore) Pte. Ltd.)		
	Director	Poon, Kenneth Ka Chai (Representative of HAK Holdings Limited)	USD 2,555,000	12.03%
	Director	Ao, Kuo-yi (Representative of Chun Yuan Investment (BVI) Co., Ltd.)	USD 2,000,000	9.41%
	Supervisor	Lin, Yi-chun (Representative of Chun Yuan Investment (Singapore) Pte. Ltd.)	USD 16,690,000	78.56%
	Supervisor	Hsieh, Yu-Hsia (Representative of Chun Yuan Investment (Singapore) Pte. Ltd.)		
	Supervisor	Zhao, Shi-qi (Representative of Chun Yuan Investment (Singapore) Pte. Ltd.)		
Shenzhen Hongyuan Metal Industry Co., Ltd.	Chairman concurrently served as President	Wu, Mon-feng (Representative of Shenzhen Chun Yuan Steel Industrial Co., Ltd)	USD 1,035,500	22.13%
	Director	Ao, Kuo-yi (Representative of Chun Yuan Investment (BVI) Co., Ltd.)		
	Director	Lee, Wen-Lung (Representative of Chun Yuan Investment (Singapore) Pte. Ltd.)	USD 3,123,800	66.75%
	Director	Tsai, Hsi-Yu (Representative of Chun Yuan Investment (Singapore) Pte. Ltd.)		
	Director	Cheng, Chieh-Wen (Representative of Chun Yuan Investment (Singapore) Pte. Ltd.)		
	Director	Liu, Yu-Chun (Representative of Chun Yuan Investment (Singapore) Pte. Ltd.)		
	Director	Poon, Kenneth Ka Chai (Representative of HAK Holdings Limited)	USD 520,700	11.12%
	Supervisor	Lin, Yi-chun (Representative of Chun Yuan Investment (Singapore) Pte. Ltd.) (Representative of Shenzhen Chun Yuan Steel Industrial Co., Ltd)	USD 4,159,300	88.88%

Special Items to Be Included

Name of Enterprise	Title	Name or Representative	Shareholding	
			Shares	Shareholding Ratio
Shanghai Huateng Metal Processing Co., Ltd.	Chairman	Wu, Mon-feng (Representative of Chun Yuan Investment (BVI) Co., Ltd.)	USD 19,986,725	80.59%
	Director	Lee, Wen-Lung (Representative of Chun Yuan Investment (BVI) Co., Ltd.)		
	Director	Tsai, Hsi-Chi (Representative of Chun Yuan Investment (BVI) Co., Ltd)		
	Director	Tsai, Chong-Han (Representative of Chun Yuan Investment (BVI) Co., Ltd.)		
	Director concurrently served as President	Kao, Chih-hung (Representative of Chun Yuan Investment (BVI) Co., Ltd.)		
	Director	Ao, Kuo-yi (Representative of Chun Yuan Investment (BVI) Co., Ltd.)		
	Director	Cheng, Yao-Ren (Representative of Chun Yuan Investment (BVI) Co., Ltd)		
	Director	Eiichi Tanaka (Representative of Marubeni-Itochu Steel Inc.)		USD 4,813,275 19.41%
	Director	Takeshi Chihara (Representative of Marubeni-Itochu Steel Inc.)		
	Supervisor	Lin, Yi-chun (Representative of Chun Yuan Investment (BVI) Co., Ltd)	USD 19,986,725	80.59%
Qingdao Chun Yuan Precision Mechatronic Co., Ltd.	Chairman	Wu, Mon-feng (Representative of Chun Yuan Investment (BVI) Co., Ltd.)	USD 17,100,000	95%
	Director	Tsai, Hsi-Chi (Representative of Chun Yuan Investment (BVI) Co., Ltd)		
	Director	Lee, Wen-Lung (Representative of Chun Yuan Investment (BVI) Co., Ltd)		
	Director	Tsai, Chong-Han (Representative of Chun Yuan Investment (BVI) Co., Ltd.)		
	Director	Cheng, Yao-Ren (Representative of Chun Yuan Investment (BVI) Co., Ltd)		
	Director concurrently served as President	Chang, Tsu-Yun (Representative of Chun Yuan Investment (BVI) Co., Ltd.)		
	Director	Takeshi Chihara (Representative of Marubeni-Itochu Steel Inc.)	USD 900,000	5%
	Supervisor	Lin, Yi-chun (Representative of Chun Yuan Investment (BVI) Co., Ltd)	USD 17,100,000	95%

6. Operation overview of each affiliate

Date of data: December 31, 2024; Unit: NT\$ thousand

Name of Enterprise	Paid-in capital	Total assets	Total liabilities	Net worth	Operating income	Operating Income	Current profit and loss (after tax)	Earnings per share (after tax)
Chun Yuan Investment (Singapore) Pte. Ltd.	967,317	2,485,254	275	2,484,979	0	(801)	107,768	NA
Shenzhen Chun Yuan Steel Industrial Co., Ltd.	651,398	838,155	54,186	783,969	451,074	(17,416)	4,653	NA
Chun Yuan Investment (BVI) Co., Ltd.	693,135	1,709,615	0	1,709,615	0	(205)	92,810	NA
Shanghai Huateng Metal Processing Co., Ltd.	799,583	1,405,519	240,073	1,165,446	1,989,827	81,231	58,437	NA
Shenzhen Hongyuan Metal Industry Co., Ltd.	153,036	422,955	196,160	226,795	732,885	27,196	16,336	NA
Qingdao Chun Yuan Precision Mechatronic Co., Ltd.	592,009	825,734	93,276	732,458	1,336,090	72,903	56,147	NA

Note 1: Exchange rate

Exchange rate for the balance sheet

Exchange rate for the statement of income

USD: NTD

32.74

32.12

RMB:USD

7.3573

7.2342

II. Private placement of securities during the most recent fiscal year and up to the date of publication of the annual report: None

III. Other matters that require additional description: None

IV. Any of the situations listed in article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which may materially affect shareholders' equity or securities prices, has occurred during the most recent fiscal year and up to the date of publication of the annual report: None.

Chun Yuan Steel Industry Co., Ltd.

Chairman CHENG, YE-MING

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