



CHC RESOURCES CORPORATION

2024 ANNUAL REPORT



CHC RESOURCES

Address: 22F, No. 88, Cheng Gong 2nd Rd., Qian Zhen,
Kaohsiung, 806698, Taiwan
Phone: 886-7-336-8377
FAX: 886-7-336-8433
<https://www.chc.com.tw>



Printed on March 31, 2025

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

CHC Annual Report is available at: <https://www.chc.com.tw/bd.html>

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

Spokesperson

Name: Ching-An Lin
Title: Vice President
Phone: 886-7-973-6663
E-mail Address: 124610@chc.com.tw

Address and Telephone Number of Head Office**Head Office :**

Address: 22F, No. 88, Cheng Gong 2nd Rd., Qian
Zhen, Kaohsiung, 806698, Taiwan
Phone: 886-7-336-8377

Factory :**CHC RESOURCES CORPORTION**

Address: No. 2, Chaosing Rd., Siaogang,
Kaohsiung, 812043, Taiwan
Phone: 886-7-802-0171

Lin-hai Plant

Address: No. 2, Youcheng Lane, Yanhai 3rd Rd.,
Siaogang, Kaohsiung, 812043, Taiwan
Phone: 886-7-872-0171

Yan-hai Plant

Address: No.36, Yanhai 3rd Rd., Xiaogang, Kaohsiung,
812043, Taiwan
Phone: 886-7-973-6099

Li-chang Plant

Address: No.1, Lichang St., Xiaogang, Kaohsiung,
812043, Taiwan
Phone: 886-7-973-6300

Li-chang Plant II

Address: No.2, Lichang St., Xiaogang, Kaohsiung,
812043, Taiwan
Phone: 886-7-973-6310

Yong-chun Plant

Address: No.4, Yongchun St., Xiaogang, Kaohsiung,
812050, Taiwan
Phone: 886-7-976-7166

Chang-tai Plant

Address: No.46, Changtai St., Xiaogang, Kaohsiung,
812050, Taiwan
Phone: 886-7-975-7966

Da-fa Plant

Address: No.11, Tiandan 2nd St., Daliao, Kaohsiung,
831134, Taiwan
Phone: 886-7-973-6045

Mao-lian Plant

Address: No.18, Huadong Rd., Daliao, Kaohsiung,
831134, Taiwan
Phone: 886-7-975-0300

Stock Transfer Agent

Name: KGI Securities Co., Ltd.
Address: 5F, No. 2, Sec. 1, Chong Qing S. Rd.,
Zhong Zheng, Taipei, 100502, Taiwan
Website: <https://www.kgi.com>
Phone: 886-2-2389-2999

Overseas Securities Exchange : None

Website: <https://www.chc.com.tw>

Deputy Spokesperson

Name: Hung-Shu Chung
Title: Vice President
Phone: 886-7-973-6627
E-mail Address: hschung@chc.com.tw

Branch and Factory**Branch Office : None****Chien-yeh Plant**

Address: No. 29, Jianye Rd., Daliao Dist.,
Kaohsiung, 831134, Taiwan
Phone: 886-7-973-6121

Yung-kuang Plant

Address: No. 1-1, Yongguang St., Xiaogang Dist.,
Kaohsiung, 812050, Taiwan
Phone: 886-7-973-6300

Da-ye South Plant

Address: No. 58, Daye S. Rd., Xiaogang Dist.,
Kaohsiung, 812050, Taiwan
Phone: 886-7-871-8698

Taichung grinding Plant / Nanti Plant

Address: No. 2, Nanti Rd., Longjing, Taichung, 434406,
Taiwan
Phone: 886-4-3704-7800 / 886-4-2639-0899

Chung-kang Plant

Address: No.62, Huangang Rd., Longjing, Taichung,
434445, Taiwan
Phone: 886-4-3707-3066

Chung-kang Plant II

Address: No.68, Huangang Rd., Longjing, Taichung,
434445, Taiwan
Phone: 886-4-3707-3066

Quan-xing plant

Address: No.8, Gongdong 3rd Rd., Heme, Changhu,
508003, Taiwan
Phone: 886-47-986-000

Chang-hua plant

Address: No.8-1, Gongdong 3rd Rd., Hemei, Changhua,
508003, Taiwan
Phone: 886-47-986-000

Miau-li plant

Address: No.6, Zhongxing St., Tongluo, Miaoli,
366005, Taiwan
Phone: 886-37-233-040

Financial Report Auditors

Auditors: Yu-Shiang Liu, Chao-Chun Wang
Accounting Firm: Deloitte & Touche Taipei Taiwan
Republic of China
Address: 3F, No. 88, Cheng Gong 2nd Rd., Qian
Zhen, Kaohsiung, 806698, Taiwan

Website: <https://www.deloitte.com.tw>

Phone: 886-7-530-1888

Table of Contents

Chapter I. Letter to Shareholders	4
Chapter II. Corporate Governance	9
I. Information on Directors and Management Team	9
II. Remuneration paid to Directors, President, and Vice Presidents	27
III. Implementation of Corporate Governance	33
IV. Information on CPA Fees	84
V. Replacement of Certified Public Accountants	85
VI. Information on the Company's Chairman, President or Managements Having Served in a CPA's Accounting Firm or Its Affiliated Companies in the Most Recent Year	85
VII. For the most recent year and as of the printing date of the annual report, Shareholders' equity transfer or changes in equity pledge by Directors or managers with over 10% shareholding of the Company	85
VIII. Information on spousal relationships or familial relationships within the second degree of kinship between the top 10 Shareholders	87
IX. Ownership of Shares in Affiliated Companies	88
Chapter III. Capital Overview	89
I. Capital and Shares	89
II. Issuance of corporate bonds, preferred shares, global depository receipts, and employee stock warrants, new restricted employee shares, any merger and acquisition activities (including mergers, acquisitions, and demergers), and the status of implementation of capital allocation plans	92
Chapter IV. Operational Highlights	93
I. Business Activities	93
II. Market, Production and Sales Overview	99
III. Employees	106
IV. Information on Environmental Protection Expenditure	107
V. Protection Measures for Working Environment and Employees' Personal Safety	111
VI. Labor Relations	116
VII. Information Security Management	119
VIII. Important Contracts	123
Chapter V. Review and Analysis of Financial Position and Financial Performance and Risk Issues	127
I. Financial position	127
II. Financial Performance	129

III.	Cash Flow-----	130
IV.	Effect of any major capital expenditures on financial operations during the most recent year-----	132
V.	Reinvestment policy in the most recent year, main reasons for profit or loss, improvement plan, and investment plan for the coming year-----	132
VI.	Risk item assessment-----	133
VII.	Other important matters-----	138
Chapter VI. Chapter VI Special Disclosures-----		139
I.	Information on Affiliated Companies-----	139
II.	Acquisition or disposal of the Company’s shares by subsidiaries in the most recent year and as of the date of publication of the annual report-----	139
III.	Other matters required to be specified-----	139
Chapter VII. Any event which significantly affects shareholders’ equity or share price pursuant to Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act-----		140

Chapter I. Letter to Shareholders

Dear Shareholders,

In 2024, the domestic public construction market remained stable. The Company increased the import of raw materials to enhance the production and sales volume of Ground Granulated Blast Furnace Slag (GGBFS) to meet customer demand. Despite facing adverse factors such as rising electricity prices, the Company has strengthened cost control and improved production processes, resulting in an EPS of NTD4.66, (a 38% increase compared to 2023). We hereby report the Company's 2024 Business Results, 2025 Business Plans and future company development strategies as follows:

I. Business Results of 2024

(I) Overview of Operations

1. Granulated Blast Furnace Slag (GBFS) Cement Business

In 2024, the domestic public construction market remained steady, supporting continued growth in concrete demand. At the same time, Taipower's coal restriction policy led to a sustained decrease in fly ash production, further driving demand for alternative construction materials such as GGBFS. To address the decline in domestic production of granulated blast-furnace slag by local steel mills, the Company is actively diversifying import sources to ensure a stable supply and meet customer demand. At the same time, we are improving overall operational efficiency and competitiveness through flexible production and sales strategies, along with stringent cost control measures.

2. Resource Reutilization Business

The Company's BOF slag, air-cooled blast furnace slag, and mineral fine aggregates are all classified as low-carbon, environmentally friendly products. These materials are primarily used in road construction, as raw materials for cement production, and in marine engineering projects. Additionally, our artificial fluorite is produced from calcium fluoride byproducts generated by the semiconductor industry and supplied to steel mills as a sustainable alternative to natural fluorite in steelmaking. This not only supports carbon emission reduction in the steel industry but also promotes circular economy opportunities. Looking ahead, driven by the global trend toward carbon reduction, the Company will continue to harness the carbon-reducing properties of its products to expand market applications and further enhance the value of the circular economy.

(II) Implementation of Business Plan and Profitability Analysis

Unit: Ton

Item		Actual Volume	Budget Volume	Difference	Achievement Rate (%)
Ground-Granulated Blast-Furnace Slag (GGBFS)	Production (Note)	3,334,059	3,297,394	36,665	101
	Sales	3,214,113	3,144,363	69,750	102
Fly Ash GGBFS	Production	57,761	55,752	2,009	104
	Sales	56,402	54,218	2,184	104
GBFS Cement	Production	142,953	125,154	17,799	114
	Sales	139,434	126,517	12,917	110
Special-Purpose Materials	Production	284,424	246,052	38,372	116
	Sales	287,899	248,855	39,044	116
Resource Reutilization Business	Production	3,152,428	3,125,568	26,860	101
	Sales	3,152,714	3,125,918	26,796	101

Note : Production volume includes the volume provided to produce other products for Actual volume: 292,537 tons, Budget volume: 260,695 tons.

Standalone Statements of Comprehensive Income

Unit: In thousands of NTD

Item	2024	2023	Increase (Decrease) in Amount	Percentage Change (%)
Operating revenue	11,889,377	11,084,744	804,633	7
Operating costs	10,109,167	9,703,986	405,181	4
Gross profit	1,780,210	1,380,758	399,452	29
Operating expenses	468,679	432,265	36,414	8
Profit from operations	1,311,531	948,493	363,038	38
Non-operating income and expenses	114,041	78,428	35,613	45
Profit before income tax	1,425,572	1,026,921	398,651	39
Net profit for the year	1,159,134	839,555	319,579	38
Other comprehensive income (loss) (net of income tax)	(58,319)	(59,364)	1,045	2
Total comprehensive income for the year	1,100,815	780,191	320,624	41

In 2024, operating gross profit and net income increased by 29% and 38%, respectively, compared to 2023, primarily due to improved profitability in the granulated blast-furnace slag cement business. The net amount of non-operating income and expenses increased by 45%, mainly due to a higher share of profit or loss of subsidiaries and associates accounted for using the equity method.

Consolidated Statements of Comprehensive Income

Unit: In thousands of NTD

Item	2024	2023	Increase (Decrease) in Amount	Percentage Change (%)
Operating revenue	13,290,553	12,394,902	895,651	7
Operating costs	11,293,607	10,838,732	454,875	4
Gross profit	1,996,946	1,556,170	440,776	28
Operating expense	522,123	481,898	40,225	8
Profit from operations	1,474,823	1,074,272	400,551	37
Non-operating income and expenses	(6,231)	(14,727)	8,496	58
Profit before income tax	1,468,592	1,059,545	409,047	39
Net profit for the year	1,183,189	858,013	325,176	38
Other comprehensive income (loss) (net of income tax)	(56,452)	(63,378)	6,926	11
Total comprehensive income for the year	1,126,737	794,635	332,102	42
Net profit attributable to				
Owners of the Corporation	1,159,134	839,555	319,579	38
Non-controlling interests	24,055	18,458	5,597	30
Total comprehensive income attributable to				
Owners of the Corporation	1,100,815	780,191	320,624	41
Non-controlling interests	25,922	14,444	11,478	79

In 2024, the gross profit increased by 28% and the net profit increased by 38% compared to 2023. The reasons for these differences are explained in the above analysis of the standalone statements of comprehensive income. Additionally, the net non-operating expenses decreased by 58%, primarily due to a reduction in financial costs.

(III) Research and Development

1. Research and development of low-carbon cementitious materials, including technology for low-carbon concrete and low-carbon products.
2. Develop low-carbon raw materials for steel production, including techniques for low-carbon iron ore recycling etc.
3. Develop innovative low-carbon materials, including technologies to enhance the reactivity of BOF slag powder and geopolymers technology.

II. Business Plan of 2025

(I) Management Principles

Innovative Business Thinking to Strengthen Market Advantage

Conduct R&D on low-carbon materials and reinforce cost control

Deepen Compliance Culture and Ensure Zero Workplace Accidents

Focus on Net-Zero Transformation and Promote Sustainable Development

(II) Sales Estimation

Unit: Ton

Item	Production Volume	Sales Volume
GGBFS	3,183,049 (Note)	3,010,250
Fly ash GGBFS	50,550	50,550
GBFS Cement	105,400	105,400
Special-Purpose Materials	293,800	293,800
Resource Reutilization Business	2,620,326	2,620,326

Note : Production volume includes the volume provided to produce for other products: 286,679 tons.

The production and sales volume above are the primary basis for preparing the operating budget for 2025. The budget was approved by the Board of Directors of the Company.

(III) Key Production and Sales Policy

Continue to upgrade the quality and improve customer satisfaction.

Create new values of resources and develop new products actively.

III. Future Development Strategies

(I) GBFS Cement Business

1. Develop production capacity, improve quality, strengthen customer service and build long-term relationships.
2. Reduce production costs and energy consumption, increase product competitiveness, and improve environmental friendliness.
3. Enhance production techniques and innovate new products.

(II) Resource Reutilization Business

1. Improve the quality and technology of products derived from resources to increase their value and broaden their range of applications.
2. Implement autonomous management and enhance sales control.
3. Leverage advantages of core expertise and low-carbon products, and develop diverse markets and business opportunities

IV. Effect of external competition, the legal environment, and the overall business environment

In recent years, the domestic economic environment has been closely tied to the supply and demand dynamics of GGBFS products. With the continued advancement of public construction projects and a stable private construction market, the demand for GGBFS has experienced strong growth. Additionally, in response to the government's coal restriction policy, domestic coal-fired units are gradually shutting down, leading to a decline in fly ash production. However, given the partial substitutability of GGBFS, market demand for this material has steadily increased.

The Company's operations must comply with both domestic and international regulations and remain attentive to the potential impact of policy changes on business development. To

ensure a balance between regulatory compliance and business expansion, the Company has engaged legal professionals to provide advisory services and conduct relevant regulatory assessments.

In the future, the Company will further strengthen cooperation with credible third-party organizations to jointly develop product application manuals and assist the public sector in establishing construction specifications, thereby enhancing market recognition and product competitiveness.

The Company complies with the 4Rs (Reduce, Reuse, Recovery, Recycle) principles of resource sustainability, ensuring that resources are continuously circulated throughout the economic production and consumption processes, thereby promoting environmental sustainability. With outstanding performance, the Company was awarded the Silver Award for "Outstanding Resource Recycling Enterprise" by the Ministry of Environment in 2024 and was also named one of the "Top 100 Carbon Competitiveness Companies" by Business Weekly. Looking ahead, beyond our current resource utilization practices, we will invest in the research and development of diverse application technologies to link various industry chains, creating greater opportunities for recycling and reuse. These efforts will help drive new momentum in our pursuit of environmental sustainability.

We would like to wish all beloved Shareholders good health and all the best.

Chairman Hung-Ta Lin



President I-Min Wu



Chapter II. Corporate Governance

I. Information on Directors and Management Team

(I) Information on Directors (1)

As of March 31, 2025

Title	Nationality	Name	Gender	Ages	Date of Appointment	Term	Date of Initial Appointment	Shareholding on Date of Appointment		Current Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Other Current Assignments/Positions	Spouse or Relative within the Second Degree of Relationship Holding A Position as Manager, Director or Supervisor			Remarks (Note 1)
								Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
								Chairman	Taiwan, R.O.C	China Steel Corporation	Male	64	2022.06.23	3 years	1991.04.30			49,289,597	19.83	49,289,597	
Taiwan, R.O.C	Representative: Hung-Ta Lin	2022.06.23	3 years	2020.06.01 (corporate representative reassigned)	0	0	0		0	0			0	0	0	0	0	Assistant Vice President of Production Division, China Steel Corporation Master of Materials Science and Engineering, University of Sheffield, UK	Note 2	None	None
Director	Taiwan, R.O.C	China Steel Corporation	Male	51	2022.06.23	3 years	1991.04.30	49,289,597	19.83	49,289,597	19.83	0	0	0	0	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Taiwan, R.O.C	Representative: I-Min Wu			2025.03.01	3 years	2025.03.01 (corporate representative reassigned)	0	0	0	0	0	0	0	0	0	0	General Manager of Environmental Protection Department, China Steel Corporation Master of Science in Environmental Technology, Centre for Environmental Policy, Imperial College London	Note 2	None	None
Director	Taiwan, R.O.C	China Steel Corporation	Male	53	2022.06.23	3 years	1991.04.30	49,289,597	19.83	49,289,597	19.83	0	0	0	0	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Taiwan, R.O.C	Representative: Chi-Lun Kao			2025.03.04	3 years	2025.03.04 (corporate representative reassigned)	0	0	0	0	0	0	0	0	0	0	General Superintendent of Steel Making Department, China Steel Corporation Bachelor of Material Science Engineering, National Tsing Hua University	Note 2	None	None
Director	Taiwan, R.O.C	China Steel Corporation	Male	64	2022.06.23	3 years	1991.04.30	49,289,597	19.83	49,289,597	19.83	0	0	0	0	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Taiwan, R.O.C	Representative: Chih-Hong Lin			2023.01.01	3 years	2023.01.01 (corporate representative reassigned)	0	0	0	0	0	0	0	0	0	0	General Manager of the Raw Material Handling & Implant Transportation Department, China Steel Corporation Bachelor of Electrical Engineering Technology, Taiwan Institute of Industrial Technology	Note 2	None	None

Title	Nationality	Name	Gender	Ages	Date of Appointment	Term	Date of Initial Appointment	Shareholding on Date of Appointment		Current Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Other Current Assignments/Positions	Spouse or Relative within the Second Degree of Relationship Holding A Position as Manager, Director or Supervisor			Remarks (Note 1)
								Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Director	Taiwan, R.O.C	TCC Group Holdings Co., Ltd.	Male	76	2022.06.23	3 years	1991.04.30	30,196,163	12.15	30,196,163	12.15	0	0	0	0	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Taiwan, R.O.C	Representative: Chien-Chiang Huang			2022.08.11	3 years	2022.08.11 (corporate representative reassigned)	0	0	0	0	0	0	0	0	0	0	Senior Vice President, TCC Group Holdings Co., Ltd. Bachelor of Transportation and Communication Management Science, National Cheng Kung University	Note 2	None	None
Director	Taiwan, R.O.C	TCC Group Holdings Co., Ltd.	Male	60	2022.06.23	3 years	1991.04.30	30,196,163	12.15	30,196,163	12.15	0	0	0	0	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Taiwan, R.O.C	Representative: Ming-Jen Yu			2025.03.26	3 years	2025.03.26 (corporate representative reassigned)	0	0	0	0	0	0	0	0	0	0	Chief Financial Officer, TCC Group Holdings Co., Ltd. MBA, Stern School of Business, New York University	Note 2	None	None
Director	Taiwan, R.O.C	China Steel Structure Co., Ltd.	Male	62	2022.06.23	3 years	2001.05.18	23,182,738	9.33	23,182,738	9.33	0	0	0	0	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Taiwan, R.O.C	Representative: Jui-Teng Chen			2023.12.01	3 years	2023.12.01 (corporate representative reassigned)	0	0	103	0	0	0	0	0	0	0	Chairman, China Steel Structure Co., Ltd. Master of Industrial Engineering and Management, National Chiao Tung University	Note 2	None	None
Director	Taiwan, R.O.C	Asia Cement Corporation	Male	61	2022.06.23	3 years	1991.04.30	22,801,185	9.17	22,801,185	9.17	0	0	0	0	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Taiwan, R.O.C	Representative: Chih-Hsien Chen			2022.06.23	3 years	2022.06.23	0	0	0	0	0	0	0	0	0	0	Chief Assistant General Superintendent, Hualien Plant, Asia Cement Corporation Masters, Chemical Engineering, Chung Yuan Christian University	Note 2	None	None
Director	Taiwan, R.O.C	Asia Cement Corporation	Male	57	2022.06.23	3 years	1991.04.30	22,801,185	9.17	22,801,185	9.17	0	0	0	0	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Taiwan, R.O.C	Representative: Chen-He Chung			2022.06.23	3 years	2017.12.01 (corporate representative reassigned)	0	0	0	0	0	0	0	0	0	0	Manager of the Domestic Sales Department, Asia Cement Corporation Masters, Da-Yeh University	Note 2	None	None
Director	Taiwan, R.O.C	Universal Cement Corporation	Male	40	2022.06.23	3 years	2001.05.18	17,020,254	6.85	17,020,254	6.85	0	0	0	0	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Taiwan, R.O.C	Representative: Zhi-Yuan Hou			2022.06.23	3 years	2011.01.03 (corporate representative reassigned)	0	0	0	0	0	0	0	0	0	0	Chief Operating Officer, Universal Cement Corporation Master of Arts in Regional Studies--East Asia (RSEA), Harvard University, USA	Note 2	None	None

Title	Nationality	Name	Gender	Ages	Date of Appointment	Term	Date of Initial Appointment	Shareholding on Date of Appointment		Current Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Other Current Assignments/Positions	Spouse or Relative within the Second Degree of Relationship Holding A Position as Manager, Director or Supervisor			Remarks (Note 1)
								Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Director	Taiwan, R.O.C	China Steel Chemical Corporation	Male	59	2022.06.23	3 years	2001.05.18	15,019,341	6.04	15,019,341	6.04	0	0	0	0	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Taiwan, R.O.C	Representative: Yi-Hung Chen			2022.06.23	3 years	2021.10.31 (corporate representative reassigned)	0	0	0	0	0	0	0	0	0	Vice President, China Steel Chemical Corporation Mechanical and Electro-Mechanical Engineering, National Sun Yat-sen University	Note 2	None	None	None
Director	Taiwan, R.O.C	Southeast Cement Corporation	Male	58	2022.06.23	3 years	2001.05.18	13,083,801	5.26	13,083,801	5.26	0	0	0	0	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Taiwan, R.O.C	Representative: Rong-Tzong Tang			2024.01.24	3 years	2024.01.24 (corporate representative reassigned)	0	0	0	0	0	0	0	0	Vice President of the Business Department, Southeast Cement Corporation Bachelor of Business Administration, Tunghai University	Note 2	None	None	None	None
Independent Director	Taiwan, R.O.C	Chun-Hsien Wang	Male	75	2022.06.23	3 years	2016.06.21	0	0	0	0	0	0	0	0	Independent Director, Fluxtek International Co. Department of Accountancy and Statistics, National Cheng Kung University	None 2	None	None	None	None
Independent Director	Taiwan, R.O.C	Chung-Chia Yang	Male	68	2022.06.23	3 years	2018.06.22	0	0	0	0	0	0	0	0	Emeritus Professor, Department of Harbor and River Engineering Ph.D., Northwestern University, USA	None	None	None	None	None
Independent Director	Taiwan, R.O.C	Fu-Tien Jeng	Male	79	2022.06.23	3 years	2019.06.21	0	0	0	0	0	0	0	0	Emeritus Professor, Graduate Institute of Environmental Engineering, National Taiwan University Ph.D. in Civil Engineering, National Taiwan University	None	None	None	None	None

Where the Chairman, President or person holds an equivalent position (the highest level management) of the Company are the same person, spouses, or relatives within the first degree of relationship.

Other Current Assignments/Positions:

Name	Other Current Assignments/Positions
Hung-Ta Lin	Chairman: CHC Resources Corporation Director: CHC Resources Vietnam Co., Ltd.
I-Min Wu	President: CHC Resources Corporation Chairman: Union Steel Development Corporation Director: Pao Good Industrial Co., Ltd., CHC Resources Vietnam Co., Ltd., Hsin Hsin Cement Enterprise Corporation Supervisor: Eminent III Venture Capital Corporation
Chi-Lun Kao	General Superintendent of Steelmaking Department, China Steel Corporation Chairman: China Steel Resources Corporation
Chih-Hong Lin	General Manager of the Raw Material Handling & Implant Transportation Department, China Steel Corporation
Chien-Chiang Huang	Senior Vice President, TCC Group Holdings Co., Ltd. Chairman: TCC Asset Management & Development Corporation, Feng Sheng Enterprise Company, TJ Transport Corporation, E.G.C. Cement Co., HOPING Industrial Port Co., TCC Fuzhou Cement Co., Ltd., TCC Fuzhou Yangyu Port Co., Ltd. Director: Taiwan Transport & Storage Co., Ltd., Taiwan Cement Engineering Corporation, Pan Asia(Engineers Constructors) Corporation, CR Classification Society, Ta-Ho Maritime Corporation, HO-PING Power Company, TCC Information Systems Co., TCC Shaoguan Cement Co., Limited, Chiefolk Company Limited, Hong Kong Cement Company Limited, Hong Kong Concrete Company Ltd, QUON HING Concrete Company Ltd., TCC International Holdings Ltd., Taiwan Cement (Dutch) Holdings B.V., TCC International Ltd., etc.
Ming-Jen Yu	Chief Financial Officer, TCC Group Holdings CO., LTD. Director: Feng Sheng Enterprise Company, Kuan-Ho Refractories Industry Corporation, Ho-Ping Renewable Energy Company Supervisor: TCC Investment Corporation, Union Cement Traders Inc., TCC Energy Storage Technology Corporation, Energy Helper TCC Corporation, TCC Sustainable Energy Investment Corporation, Tuo Shan Recycle Technology Company, TCC Green Energy Corporation, SHI-MEN Green Energy Corporation, Ta-Ho Maritime Corporation, Ho-Ping Power Company, HO-PING Renewable Energy Company
Jui-Teng Chen	Chairman: China Steel Structure Co., Ltd., NIKKEN & CSSC Metal Products Co., Ltd. Director: United Steel Engineering & Construction Corporation
Chih-Hsien Chen	Chief Assistant General Superintendent, Hualien Plant, Asia Cement Corporation Director: Ya Tung Ready Mixed Concrete Co., Ltd., Nan-Hwa Cement Corporation, Asia Engineering Enterprise Corporation, Everstrong Iron & Steel Foundry & Mfg. Co., Ya Li Transportation Corporation
Chen-He Chung	Manager of Domestic Sales Department, Asia Cement Corporation, President of Nan-Hwa Cement Corporation Director: Pao Good Industrial Co., Ltd., Ya Li Transportation Corporation, Fu Ming Transport Corporation, Ya Sing Ready-Mixed Concrete Co., Nan-Hwa Cement Corporation Supervisor: ChiaHui Power Co., Ltd., Pan Asia (Engineers Constructors) Corporation Supervisor: Chia Hui Power Co., Ltd.
Zhi-Yuan Hou	Chief Operating Officer: Universal Cement Corporation Managing Director: Universal Concrete Industrial Corporation Director: Universal Cement Corporation, Universal Investment Corporation, Tainan Concrete Industrial Corporation, Kaohsiung Harbor Transport Company, Huanchung Cement International Corporation, Lio Ho Machine Works Ltd., Grand Bills Finance Corporation, Tainan Spinning Co., Ltd., Nanatex Industry Co, Ltd., Prince Housing & Development Co., Times Square International Hotel Corporation, TECO Electric & Machinery Co., Ltd.
Yi-Hung Chen	Vice President: China Steel Chemical Corporation, President of Ever Wealthy International Corporation Supervisor: Transglory Investment Corporation, Changzhou China Steel Chemical New Materials Technology Co., Ltd.
Rong-Tzong Tang	Vice President of the Business Department, Southeast Cement Corporation Director: DongNi Construction Co.,Ltd., Tiancheng Concrete Industry Co., Ltd.
Chun-Hsien Wang	Independent Director: FLUXTEK International Corporation Compensation Committee: FLUXTEK International Corporation Sheng, Yu Steel Co., Ltd.

Major Shareholders of Institutional Shareholder:

Name of Institutional Shareholder	Major shareholders of legal shareholders (top ten shareholding ratios) and their shareholding ratios	Major shareholders of legal shareholders (top ten shareholding ratios) and their shareholding ratios
China Steel Corporation	Ministry of Economy (20%)	N/A
	Employee's Stock Ownership Trust of China Steel Corporation under the custody of Mega International Commercial Bank Co., Ltd. (2.54%)	N/A
	Transglory Investment Corporation (1.63%)	China Steel Express Corporation (48.28%), Chung Hung Steel Corporation (39.59%), China Steel Chemical Corporation (8.90%), United Steel Engineering & Construction Co.(3.23%)
	Chunghwa Post Co., Ltd. (1.20%)	Ministry of Transportation and Communications(MOTC) (100%)
	Labor Retirement Fund (Old-Age) (1.13%)	N/A
	Vanguard Total International Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (1.02%)	N/A
	Winning Investment Corporation (1.02%)	Gains Investment Corporation (49%), Maruichi Steel Tube Ltd. (28%), Transglory Investment Corporation (23%)
	Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (0.99%)	N/A
	Labor Pension Fund (0.98%)	N/A
Taiwan Life Insurance Co., Ltd. (0.81%)	CTBC Financial Holding Co., Ltd. (100%)	
China Steel Structure Co., Ltd.	China Steel Corporation (33.24%)	Ministry of Economy (20%), Employee's Stock Ownership Trust of China Steel Corporation under the custody of Mega International Commercial Bank Co., Ltd. (2.54%), Transglory Investment Corporation(1.63%), Chunghwa Post Co., Ltd. (1.20%), Labor Retirement Fund (Old-Age) (1.13%), Vanguard Total International Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (1.02%), Winning Investment Corporation (1.02%), Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (0.99%), Labor Pension Fund (0.98%), Taiwan Life Insurance Co., Ltd. (0.81%)
	You Juan Investment Co., Ltd. (12.27%)	Taiwan Mask Corporation (100%)
	Taiwan Mask Corporation (7.17%)	You Juan Investment Co., Ltd.(13.78%),Zhao-Yi Wu (4.02%), Taiwan Mask Corporation (2.91%), Hui-Zhen Wu-Lai (1.98%), Powerchip Investment Holding Corporation (1.61%),Li-Tun Chen (1.46%),Mei-Hui Li (0.89%),Vanguard Total International Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (0.82%),Cheng-Hsiang Chen (0.78%),Taiwan Life Insurance entrusted Investment Account (II) managed by CTBC Investments (0.78%)
	IHI Corporation (5.53%)	The Master Trust Bank of Japan, Ltd. (Holder Trust) (15%), Custody Bank of Japan, Ltd. (Holder Trust) (5.34%), State Street Bank And Trust Company (3.89%), JPMorgan Securities Japan Co.,Ltd. (3.42%), JP JPMSE LUX RE UBS AG London Branch EQ CO (2.76%), Mizuho Bank Retirement Benefit Trust Account reentrusted by Mizuho Trust and Banking Co., Ltd. to Custody Bank of Japan Ltd. (2.11%), BNYM AS AGT/CLTS NON TREATY JASDEC (2.05%), IHI Customer Stock Ownership Association (1.88%), Sumitomo Life Insurance Company (1.77%), IHI Employee Stock Ownership Association (1.77%)
	Berlin Co., Ltd. (4.52%)	Aon Co., Ltd. (18.09%), Hui-Hui Hsu (14.81%), Che-Wei Chen (11.12%), Yu-Fen Tai (5.82%), Shih-Fan Hsu (5.81%), Ying-Ju Hsu (5.24%), Che-Sheng Chen (3.77%), Shih-Chi Chen (3.5%), Shih-Yun Chen (3.27%), Wei-Hsuan Chen (3.12%)
	Yung Chi Paint & Varnish Mfg. Co., Ltd. (2.50%)	Yongying Investment Co., Ltd. (22.65%), Te-Hsiung Chang (7.56%), Citibank (Taiwan) Limited In Custody For Yuanta Securities (Hong Kong) Company Limited-Client Investment Account (7.51%), Te-Jen Chang (7.12%),Te-Sheng Chang

Name of Institutional Shareholder	Major shareholders of legal shareholders (top ten shareholding ratios) and their shareholding ratios	Major shareholders of legal shareholders (top ten shareholding ratios) and their shareholding ratios
China Steel Structure Co., Ltd.		(6.40%), Hsiang-Hui Huang(5.76%), Ping-Lin Kuo (4.45%), Sanxiangmin Company (2.16%), Tu Yu-Jen's Trust Account is entrusted to the custody of Chang Te-Ming (2.1%), Credit Suisse AG Hong Kong Branch Investment Account is entrusted to the custody of Standard Chartered Bank Main Branch (1.86%)
	Dragon Steel Corporation (2.11%)	China Steel Corporation(CSC) (100%)
	Great Grandeul Steel Co., Ltd. (1.95%)	C. Hao Corporation (47.24%), Yung-Cheng Kuo (15.36%), Chen-Kuei Yen (13.20%), Yu-Lun Kuo (13.10%), Chih-Hao Kuo (11.10%)
	Hui-Zhen Wu-Lai (2.19%), Zhao-Yi Wu (2.03%)	N/A
China Steel Chemical Corporation	China Steel Corporation (CSC) (29.04%)	Ministry of Economy (20%), Employee's Stock Ownership Trust of China Steel Corporation under the custody of Mega International Commercial Bank Co., Ltd. (2.54%), Transglory Investment Corporation(1.63%), Chunghwa Post Co., Ltd. (1.20%), Labor Retirement Fund (Old-Age) (1.13%), Vanguard Total International Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (1.02%), Winning Investment Corporation (1.02%), Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (0.99%), Labor Pension Fund (0.98%), Taiwan Life Insurance Co., Ltd. (0.81%)
	International CSRC Investment Holdings Co., Ltd. (4.96%)	TCC Group Holdings Co., Ltd. (15.59%), Chinatrust Investment Co., Ltd. (2.80%), Hsin-Chang Investment Co., Ltd. (2.23%), CS Development & Investment Co. (1.50%), JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Group's Vanguard Emerging Markets Stock Index Fund Investment Account (1.21%), JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds Investment Account (1.17%), Union Cement Traders, Inc. (1.16%), Citibank Taiwan as custodian of Norges Bank Investment Account (1.12%), TransGlobe Life Insurance Inc. (1.02%), Standard Chartered Bank as custodian of iShares Emerging Market ETF (0.91%)
	Fubon Life Insurance Co., Ltd. (3.93%)	Fubon Financial Holding Co., Ltd. (100%)
	Ever Wealthy International Corporation (2.01%)	China Steel Chemical Corporation (100%)
	C.C.T. Investment Co., Ltd. (1.46%)	Kaiqi Co., Ltd. (29.96%), Yude Co., Ltd. (17.92%), Zhide Co., Ltd. (16.74%), Zhifu Co., Ltd. (16.59%), Xintang Co., Ltd. (15.41%)
	KGI Life Insurance Co., Ltd. (1.10%)	China Development Financial Holding Co., Ltd. (100%)
	Hsin Yang Investment Co., Ltd. (1.01%)	Mu-Liang Chang (99.96%)
	Vanguard Total International Stock Index Fund Investment Account (0.96%)	N/A
	Chang Gung Medical Foundation (0.93%)	N/A
Dedicated account under the custody of Mega International Commercial Bank – China Steel Chemical Corporation (0.84%)	N/A	
TCC Group Holdings Co., Ltd.	Chia Hsin Cement Corporation (3.35%)	Tong Yang Chia Hsin International Co. (16.44%), Sung Ju Investment Co. (8.88%), Yung-Ping Chang (5.39%), TCC Group Holdings Co., Ltd. (3.54%), Ta-Ho Maritime Corporation (3.33%), Nutri Vita Inc. (2.23%), Foundation Chia Hsin Zhaofu Cultural Foundation (1.92%), International Chia Hsin Corporation (1.89%), Kuo-Hui Ku (1.74%), Chia Hsin Ready-Mixed Concrete Co. (1.70%)

Name of Institutional Shareholder	Major shareholders of legal shareholders (top ten shareholding ratios) and their shareholding ratios	Major shareholders of legal shareholders (top ten shareholding ratios) and their shareholding ratios
TCC Group Holdings Co., Ltd.	Chinatrust Investment Co., Ltd (2.74%)	Hengqiang Investment Co., Ltd. (23.38%), Fu Pin Investment Co., Ltd. (23.33%), TCC Group Holdings Co., Ltd. (9.36%), International CSRC Investment Holdings Co., Ltd. (4.48%), Xinchang Investment Corporation (3.45%), Ho ping Industrial Port Corporation (3.31%), Qiao Tai Investment Co., Ltd. (3.03%), Kung Ching International Development Co., Ltd. (2.97%), Chung Ho Spinning Co., Ltd. (2.31%), TA-HO Maritime Corporation (2.09%)
	Taishin International Bank, Custodian for Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (1.92%)	N/A
	Labor Retirement Fund (Old-Age) (1.90%)	N/A
	Chia Hsin International Co., Ltd. (1.63%)	Chia Hsin Cement Corporation (87.18%), Chia Hsin Cement Construction & Development Co. (10.41%), Jiamin Co. Ltd. (0.52%), Sung Ju Investment Co. (0.42%), Ju-Ping Chang (0.25%), Yung-Ping Chang (0.22%), Chung-Lien Chung (0.19%), International Chia Hsin Corporation (0.16%), An-Ping Chang (0.12%), Chien-Kuo Wang (0.11%)
	International CSRC Investment Holdings Co., Ltd. (1.59%)	TCC Group Holdings Co., Ltd. (15.59%), Chinatrust Investment Co., Ltd. (2.80%), Hsin-Chang Investment Co., Ltd. (2.23%), CS Development & Investment Co. (1.50%), JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Group's Vanguard Emerging Markets Stock Index Fund Investment Account (1.21%), JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds Investment Account (1.17%), Union Cement Traders, Inc. (1.16%), Citibank Taiwan as custodian of Norges Bank Investment Account (1.12%), TransGlobe Life Insurance Inc. (1.02%), Standard Chartered Bank as custodian of iShares Emerging Market ETF (0.91%)
	Heng Qiang Investment Co., Ltd. (1.57%)	Tien-I Hou (49.50%), Kung-Kai Ku (24.90%), Hsuan-Hui Ku (25.5995%), Fu Pin Investment Co., Ltd. (0.0005%)
	Taiwan Life Insurance Co., Ltd. (1.40%)	CTBC Financial Holding Co., Ltd. (100%)
	BankTaiwan Life Insurance - Government Employees & School Staffs Insurance (1.39%)	N/A
	Chunghwa Post Co., Ltd. (1.38%)	Ministry of Transportation and Communications(MOTC) (100%)
Asia Cement Corporation	Far Eastern New Century Corporation (21.16%)	Asia Cement Corporation (23.77%), Foundation Oriental Institute of Technology (4.81%), Taishin International Bank, Custodian for Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (4.38%), Medical Foundation Yuan-Chih Hsu Medical Foundation (3.61%), Foundation Yuan-Chih Hsu Memorial Foundation (3.42%), Yuanta/P-shares Taiwan Dividend Plus ETF (3.35%), Foundation Yuan Ze University (2.74%), Chunghwa Post Co., Ltd. (1.89%),Hsu-Tung Hsu (1.71%), Der Ching Investment Corporation (1.55%)
	Far Eastern Medical Foundation (5.15%)	You-Wei Xu (76.90%)(Deceased), Zong-Yan He (2.31%) (Deceased), Shu-Peng Wang (2.31%) (Deceased), Wei Yuan Xu (2.31%) (Deceased), Ying-Chong Huang (2.31%) (Deceased), Douglas Tong Hsu (2.31%), Ming-De Yang (2.31%) (Deceased), Xu-Shi Xu (2.31%), Jia-Yi Xi (2.31%), XuSong Xu (2.31%) (Deceased), Wei-San Yu (2.31%)

Name of Institutional Shareholder	Major shareholders of legal shareholders (top ten shareholding ratios) and their shareholding ratios	Major shareholders of legal shareholders (top ten shareholding ratios) and their shareholding ratios
Asia Cement Corporation	Special Account for Yuanta Borai Taiwan High Dividend Securities Investment Trust Fund Trusted in Cathay United Bank (4.56%)	N/A
	KGI Life Insurance Co., Ltd. (2.52%)	China Development Financial Holding Co., Ltd.(100%)
	Labor Pension Fund Committee of Far Eastern New Century Corporation (1.67%)	N/A
	Yuan Ding Investment Corporation (1.53%)	Far Eastern New Century Corporation (99.40%), Ta Chu Chemical Fiber Co., Ltd. (0.30%), An Ho Garment Co., Ltd. (0.30%)
	Far Eastern Department Stores Co. Ltd. (1.41%)	Far Eastern New Century Corporation (17.06%), Yuan Ding Investment Corporation (9.87%), Asia Cement Corporation (5.65%), Yuan Tone Investment Co., Ltd. (5.62%), Foundation Yuan Ze University (4.75%), Bank of Taiwan In Custody For Yuanta Taiwan High Dividend Low Volatility ETF Securities Investment Trust Fund (3%), Mega International Commercial Bank Treasury Department (2.44%), Employee Retirement Fund Management Committee of Far Eastern Department Stores Co. Ltd. (2.11%), Yu Yuan Investment Co.,Ltd. (2.06%), Tranquil Enterprise Ltd. (2.04%)
	Foundation Yuan Ze University (1.37%)	U-Ming Marine Transport Corporation (55.21%), Xu Yuan Zhi Medical Foundation (26.05%), Far Eastern New Century Corporation (5.52%), Fu-Ming Transport Corporation (5.25%), Xu Yuan Zhi Memorial Foundation (4.91%), Asia Cement Corporation (2.76%), Ju-Fang Xu (0.28%) (Deceased), You-Wei Xu (0.01 %) (Deceased), Zhao-Zhong Yu (0.01%) (Deceased)
	Chunghwa Post Co., Ltd. (1.35%)	Ministry of Transportation and Communications(MOTC) (100%)
	Yuan-Chih Hsu Memorial Foundation (1.24%)	You-Wei Xu (50%)(Deceased), Yi-Ju Xu (50%)
Universal Cement Corporation	Sheng Yuan Investment Co., Ltd. (10.32%)	Po-I Hou (99%) , Chin-Chien Hou-Su (0.38%), Chih-Sheng Hou (0.31%), Chih-Yuan Hou (0.31%)
	Yusheng Investment Co., Ltd. (10.29%)	Po-I Hou (91.10%), Chih-Sheng Hou (8.72%), Chin-Chien Hou-Su (0.18%)
	HSBC custodian Pictet investment accounts (4.90%)	N/A
	Bozhi Investment Co., Ltd. (4.27%)	Po-I Hou (50%), Chin-Chien Hou-Su (26.82%), Chih-Yuan Hou (23.18%)
	Standard Chartered custodian DBS Bank - 0600049662 (3.22%)	N/A
	T.H. Wu Foundation (1.79%)	N/A
	Long Yi-Chang Sand & Stone Co., Ltd. (1.72%)	Yao-Cheng Huang (9.98%), Chung-Sung Yang (4.71%)
	Po-I Hou (7.79%), Chin-Chieh Hou-Su (3.43%), Bo -Yu Hou (2.62%)	N/A
Southeast Cement Corporation	East Tree Investment Co., Ltd. (14.07%)	Min-Tuan Chen (64.45%), Mei-Yu Huang (13.80%), Baifu Investment (Stock) Company (8.93%), Kuan-Hua Chen (8.09%), I-Ching Chen (2.56%), I-Wen Chen (2.16%)
	TMMC Shipyard Co., Ltd. (8.62%)	Zhengtai Cement Factory Co., Ltd. (66.65%), Southeast Cement Corporation (31.01%), Southeast Industrial Construction Corporation (1.77%), East Tree Investment Co., Ltd. (0.02%)
	Evergreen Co., Ltd. (7.01%)	Su-Ying Chen (16.61%), Chun-Min Shao (4.07%)
	Fukang Cultural and Educational Foundation (6.79%)	N/A

Name of Institutional Shareholder	Major shareholders of legal shareholders (top ten shareholding ratios) and their shareholding ratios	Major shareholders of legal shareholders (top ten shareholding ratios) and their shareholding ratios
Southeast Cement Corporation	Baifu Investment Co., Ltd. (6.34%)	Min-Tuan Chen (48.48%), Kuan-Hua Chen (30.75%), Mei-Yu Huang (12.90%), East Tree Investment Co., Ltd. (2.68%), Yipin Resources Co., Ltd. (0.19%), I-Ching Chen (1.44%), I-Wen Chen (1.42%), Pin-Chen Chen (1.18%), I-Pei Yeh (0.77%), Pin Hsueh Chen (0.19%)
	Southeast Cultural and Educational Foundation (5.84%)	N/A
	Yueh-Ling Chen (4.66%)	N/A
	Ying-Chen Co., Ltd. (4.62%)	An Hong Capital Co., Ltd. (100%)
	Liang Hsun Enterprises Co., Ltd. (4.55%)	N/A
	Chen Zhaoshu Charity Foundation (4.35%)	N/A

Sources: Provided by the corporate shareholders of the Company.

Information on Directors (2)

(a) Disclosure of directors' professional qualification and independent directors' independence information:

Condition Name	Professional qualification requirements and experience	Independence criteria				Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		Whether the individual, his/her spouse, and relatives within the second degree of kinship are directors, supervisors or employees of the Company or its affiliated companies	Whether the individual, his/her spouse, and relatives within the second degree of kinship, etc. (or by nominee agreement) does not have over 1% of shareholding or was listed among the top ten natural person shareholders.	Whether or not he/she works as a director, supervisor or employee of a company with which the Company has a specific relationship	Whether the individual has provided the Company or its affiliates commerce, law, financial, or accounting services and obtained compensation within the last two years	
Hung-Ta Lin	<p>1. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.</p> <p>2. Served as senior supervisor in steel industry and had the work experience required for the Company's business.</p>	<p>No.</p> <p>Director of the Company, and CHC Resources Vietnam Co., Ltd.</p>	<p>Yes.</p> <p>Not more than 1% shareholding and not a natural person shareholder with top 10 shareholdings.</p>	Yes.	<p>Yes.</p> <p>Did not receive remuneration.</p>	0
I-Min Wu	<p>1. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.</p> <p>2. Served as senior supervisor in steel industry and had the work experience required for the Company's business.</p>	<p>No.</p> <p>1. Director of the Company, Union Steel Development Corporation, Pao Good Industrial Co., Ltd., and CHC Resources Vietnam Co., Ltd.</p> <p>2. The Company's General Manager.</p>	<p>Yes.</p> <p>Not more than 1% shareholding and not a natural person shareholder with top 10 shareholdings</p>	Yes.	<p>Yes.</p> <p>Did not receive remuneration.</p>	0
Chi-Lun Kao	<p>1. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.</p> <p>2. Served as senior supervisor in steel industry and had the work experience required for the Company's business.</p>	<p>No.</p> <p>The Company's director and the general superintendent of China Steel Corporation.</p>	<p>Yes.</p> <p>Not more than 1% shareholding and not a natural person shareholder with top 10 shareholdings</p>	No.	<p>Yes.</p> <p>Did not receive remuneration.</p>	0

Condition Name	Professional qualification requirements and experience	Independence criteria				Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		Whether the individual, his/her spouse, and relatives within the second degree of kinship are directors, supervisors or employees of the Company or its affiliated companies	Whether the individual, his/her spouse, and relatives within the second degree of kinship, etc. (or by nominee agreement) does not have over 1% of shareholding or was listed among the top ten natural person shareholders.	Whether or not he/she works as a director, supervisor or employee of a company with which the Company has a specific relationship	Whether the individual has provided the Company or its affiliates commerce, law, financial, or accounting services and obtained compensation within the last two years	
Chih-Hong Lin	1. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply. 2. Served as senior supervisor in steel industry and had the work experience required for the Company's business.	No. The Company's director and the office director of China Steel Corporation.	Yes. Not more than 1% shareholding and not a natural person shareholder with top 10 shareholdings	No. Office director of China Steel Corporation	Yes. Did not receive remuneration.	0
Chien-Chiang Huang	1. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply. 2. Served as senior supervisor in cement industry and had the work experience required for the Company's business.	No. The Company's director.	Yes. Not more than 1% shareholding and not a natural person shareholder with top 10 shareholdings	No. Senior Vice President of TCC Group Holdings Co., Ltd.	Yes. Did not receive remuneration.	0
Ming-Jen Yu	1. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply. 2. Served as senior supervisor in cement industry and had the work experience required for the Company's business.	No. The Company's director.	Yes. Not more than 1% shareholding and not a natural person shareholder with top 10 shareholdings	No. Chief Financial Officer of TCC Group Holdings Co., Ltd.	Yes. Did not receive remuneration.	0
Jui-Teng Chen	1. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply. 2. Served as senior supervisor in steel industry and had the work experience required for the Company's business.	No. The Company's director	Yes. Not more than 1% shareholding and not a natural person shareholder with top 10 shareholdings	No. Chairman of China Steel Structure Co.,Ltd.	Yes. Did not receive remuneration.	0

Condition Name	Professional qualification requirements and experience	Independence criteria				Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		Whether the individual, his/her spouse, and relatives within the second degree of kinship are directors, supervisors or employees of the Company or its affiliated companies	Whether the individual, his/her spouse, and relatives within the second degree of kinship, etc. (or by nominee agreement) does not have over 1% of shareholding or was listed among the top ten natural person shareholders.	Whether or not he/she works as a director, supervisor or employee of a company with which the Company has a specific relationship	Whether the individual has provided the Company or its affiliates commerce, law, financial, or accounting services and obtained compensation within the last two years	
Chih-Hsien Chen	1. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply. 2. Served as senior supervisor in cement industry and had the work experience required for the Company's business.	No. The Company's director.	Yes. Not more than 1% shareholding and not a natural person shareholder with top 10 shareholdings	No. Chief Assistant General Superintendent of Asia Cement Corporation	Yes. Did not receive remuneration.	0
Chen-He Chung	1. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply. 2. Served as senior supervisor in cement industry and had the work experience required for the Company's business.	No. The Company and Pao Good Industrial Co., Ltd.'s director.	Yes. Not more than 1% shareholding and not a natural person shareholder with top 10 shareholdings	No. Manager of Asia Cement Corporation	Yes. Did not receive remuneration.	0
Zhi-Yuan Hou	1. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply. 2. Served as senior supervisor in cement industry and had the work experience required for the Company's business.	No. The Company's director.	Yes. Not more than 1% shareholding and not a natural person shareholder with top 10 shareholdings	No. Director and Chief Operating Officer of Universal Cement Corporation	Yes. Did not receive remuneration.	0
Yi-Hung Chen	1. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply. 2. Served as senior supervisor in chemical industry and had the work experience required for the company's business.	No. The Company's director.	Yes. Not more than 1% shareholding and not a natural person shareholder with top 10 shareholdings	No. Vice president of China Steel Chemical Corporation	Yes. Did not receive remuneration.	0

Name	Condition	Independence criteria				Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		Whether the individual, his/her spouse, and relatives within the second degree of kinship are directors, supervisors or employees of the Company or its affiliated companies	Whether the individual, his/her spouse, and relatives within the second degree of kinship, etc. (or by nominee agreement) does not have over 1% of shareholding or was listed among the top ten natural person shareholders.	Whether or not he/she works as a director, supervisor or employee of a company with which the Company has a specific relationship	Whether the individual has provided the Company or its affiliates commerce, law, financial, or accounting services and obtained compensation within the last two years	
Rong-Tzong Tang	1. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply. 2. Served as senior supervisor in cement industry and had the work experience required for the Company's business.	No. The Company's director.	Yes. Not more than 1% shareholding and not a natural person shareholder with top 10 shareholdings	No. Vice President of Southeast Cement Co., Ltd.	Yes. Did not receive remuneration.	0
Chun-Hsien Wang	1. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply. 2. Former General Audit of Prince Housing & Development Co. and TSRC with accounting and finance profession.	All independent directors satisfied the following statement: 1. In compliance with Article 14-2 of the Securities and Exchange Act and Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies promulgated by Financial Supervisory Commission. 2. The individual (or by nominee agreement), his/her spouse and minor children does not have shareholdings of the Company. 3. The individual has not provided the Company or its affiliates commerce, law, financial, or accounting services and obtained compensation within the last two years.				1
Chung-Chia Yang	1. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply. 2. Former Professor of Dept. Harbor & River Engineering, National Taiwan Ocean University with concrete material and structure professions.					0
Fu-Tien Jeng	1. None of the circumstances in the subparagraphs of Article 30 of the Company Act apply. 2. Former Professor of Graduate Institute of Environmental Engineering, National Taiwan University with environmentally friendly profession.					0

(b) Diversity and Independence of Board of Directors:

i. Diversity of Board of Directors:

The overall composition of the Board shall be taken into consideration in the selection of the Company's directors. The composition of the Board shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the Board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

The diversity policy of the current members of the Company's Board of Directors and its implementation are as follows:

Core Diversity Element Name of Director	Composition							Industrial Experience			Professional competency						
	Gender	Nationality	Employed by the Company	Ages			Tenure of Independent Directors		Steel	Environmental Protection	Construction	Operation Management	Leadership and Decision Making	Industrial Knowledge	Finance and Accounting	Marketing	Technology
				< 50	51 ~ 65	> 65	3~6 yrs	6~9 yrs									
Chairman Hung-Ta Lin	Male	Taiwan, R.O.C.	✓	✓				✓			✓	✓	✓		✓		
Director I-Min Wu	Male	Taiwan, R.O.C.	✓	✓				✓	✓		✓	✓	✓		✓		
Director Chi-Lun Kao	Male	Taiwan, R.O.C.		✓				✓			✓	✓	✓				
Director Chih-Hong Lin	Male	Taiwan, R.O.C.		✓				✓			✓	✓	✓				
Director Chien-Chiang Huang	Male	Taiwan, R.O.C.			✓					✓	✓	✓	✓		✓		
Director Ming-Jen Yu	Male	Taiwan, R.O.C.		✓						✓	✓	✓	✓	✓	✓		
Director Jui-Teng Chen	Male	Taiwan, R.O.C.		✓				✓		✓	✓	✓	✓		✓		
Director Chih-Hsien Chen	Male	Taiwan, R.O.C.		✓						✓	✓	✓	✓		✓		

Core Diversity Element Name of Director	Composition							Industrial Experience			Professional competency						
	Gender	Nationality	Employed by the Company	Ages			Tenure of Independent Directors		Steel	Environmental Protection	Construction	Operation Management	Leadership and Decision Making	Industrial Knowledge	Finance and Accounting	Marketing	Technology
				< 50	51 ~ 65	> 65	3~6 yrs	6~9 yrs									
Director Chen-He Chung	Male	Taiwan, R.O.C.			√					√	√	√	√		√		
Director Zhi-Yuan Hou	Male	Taiwan, R.O.C.		√						√	√	√	√		√		
Director Rong-Tzong Tang	Male	Taiwan, R.O.C.			√					√	√	√	√		√		
Director Yi-Hung Chen	Male	Taiwan, R.O.C.			√			√			√	√	√		√		
Independent Director Chun-Hsien Wang	Male	Taiwan, R.O.C.				√		√			√	√	√	√			
Independent Director Chung-Chia Yang	Male	Taiwan, R.O.C.				√		√				√	√			√	
Independent Director Fu-Tien Jeng	Male	Taiwan, R.O.C.			√	√			√			√	√			√	

The 15 directors of the 12th Board of Directors of the Company (including 3 independent directors) all possess business judgment, leadership and decision-making, management, international market perspective, crisis management, and industry experience and expertise; among them, Hung-Ta Lin, I-Min Wu, Chi-Lun Kao, Chih-Hong Lin, and Jui-Teng Chen have experience in the steel industry; Chien-Chiang Huang, Ming-Jen Yu, Chih-Hsien Chen, Chen-He Chung, Zhi-Yuan Hou, and Rong-Tzong Tang have experience in the cement industry; Yi-Hung Chen has experience in the steel and chemistry industry; Chun-Hsien Wang and Ming-Jen Yu has expertise in financial accounting; Chung-Chia Yang, and Fu-Tien Jeng are university professors with teaching experience and industry knowledge.

The Company's independent directors whose terms of office do not exceed three consecutive terms, and all directors are all R.O.C. nationals, accounting for 20% of the Board, which composes of 3 independent directors, and 13%, who work concurrently as 2 employees. The age distribution of the Board members is 1 director aged under 50, 10 directors aged 51-65, 4 directors aged over 65. Currently, the proportion of female directors is less than one-third, as all directors nominated or appointed by the major shareholders are male. Plans have been made to gradually increase the number of female directors in the future.

The diversity orientation, complementarity and implementation of directors are planned in accordance with the relevant provisions of the Company's "Corporate Governance Best Practice Principles". In the future, the Board of Directors will continue to revise its diversity policy in accordance with its operation, business model and development needs, including but not limited to the two major standards of basic requirements and values, and professional knowledge and skills, to ensure that Board members should generally possess the knowledge, skills and qualities necessary to perform their duties.

ii. The Independence of the Board:

The 12th Board of Directors of the Company consists of 15 directors (including 3 independent directors), with 20% of independent directors. In accordance with Article 192-1 of the Company Act, the Company shall adopt a candidate nomination system for the election of directors and shall state the name, education and experience of the nominee. Independent directors and non-independent directors shall be nominated separately for appointment by the shareholders from the respective slates of candidates.

The nomination of the independent directors of the Company shall be handled with Article 5 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The Company shall announce the results of the preceding review together with the reasons for continuing to nominate the candidate as an independent director if he/she has served three consecutive terms as an independent director of the Company, and shall explain the preceding reasons to shareholders at the time of the shareholders' meeting.

The qualifications of independent directors of the Company shall comply with Articles 2, 3 and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

None of the 15 directors of the Company is subject to the provisions of Article 26-3, Paragraph 3 of the Securities and Exchange Act.

(II) Information Regarding Management Team

As of March 31, 2025

Title	Nationality	Name	Gender	On-board Date	Shares Held		Shares Held by Spouse & Minors		Shares Held in the name of others		Education and Selected Past Positions	Selected Current Positions at Other Companies	Managers Who Are Spouses or within Second-degree Relative of Consanguinity to Each Other			Remarks (Note 1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
President	Taiwan, R.O.C.	I-Min Wu	Male	2025.03.13	0	0	0	0	0	0	Master of Science in Environmental Technology, Centre for Environmental Policy, Imperial College London General Manager of Environmental Protection Department, China Steel Corporation	Chairman: Union Steel Development Corporation Director: Pao Good Industrial Co., Ltd., CHC Resources Vietnam Co., Ltd., Hsin Hsin Cement Enterprise Corporation Supervisor:Eminent III Venture Capital Corporation	None	None	None	None
Vice President	Taiwan, R.O.C.	Hung-Shu Chung	Male	2020.03.01	0	0	0	0	0	0	Department of Mechanical Engineering, Chung Yuan Christian University General Superintendent, CHC Resources Corporation	Chairman: CHC Resources Vietnam Co., Ltd. Director:Pao Good Industrial Co., Ltd.	None	None	None	None
Vice President, Chief Corporate Governance Officer,	Taiwan, R.O.C.	Ching-An Lin	Male	2024.10.31	0	0	0	0	0	0	MBA, Asian Institute of Technology, Thailand Assistant vice president, Administration Division	Supervisor:Gau Ruei Investment Corporation, Shin Mau Investment Corporation	None	None	None	None
Assistant vice president, GBFS Cement Division	Taiwan, R.O.C.	Tung-Yuan Chang	Male	2020.09.01	250	0	0	0	0	0	Master, Civil Engineering, National Chiao Tung University Sales Manager of CHC Resources Corporation	Chairman : Yu Cheng Lime Corporation	None	None	None	None
Assistant vice president, Resource Reutilization Commercial Division	Taiwan, R.O.C.	Chao-Kuei Huang	Male	2022.02.07	0	0	0	0	0	0	Master, Mechanical Engineering, Sun Yat-Sen University President of CHC Resources Vietnam Co., Ltd.	None	None	None	None	None

Title	Nationality	Name	Gender	On-board Date	Shares Held		Shares Held by Spouse & Minors		Shares Held in the name of others		Education and Selected Past Positions	Selected Current Positions at Other Companies	Managers Who Are Spouses or within Second-degree Relative of Consanguinity to Each Other			Remarks (Note 1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Assistant vice president, Resource Reutilization Production Division	Taiwan, R.O.C.	Chun-Chang Cheng	Male	2021.06.01	0	0	0	0	0	0	Master, Environmental Engineering, National Cheng Kung University Resource Business Manager of CHC Resources Corporation	None	None	None	None	None
Assistant vice president, Administration Division	Taiwan, R.O.C.	Shu-Nu Chu	Female	2024.10.31	33,006	0.01	0	0	0	0	Department of Accounting, Tamkang University Financial Manager	None	None	None	None	None
Chief, Research & Technology Division	Taiwan, R.O.C.	Teng-Ker Hsu	Male	2016.10.01	961	0	0	0	0	0	Master, Environmental Engineering, National Cheng Kung University Manager, CHC Resources Corporation	None	None	None	None	None
Chief, Auditor	Taiwan, R.O.C.	Yih-Tien Lu	Male	2023.01.01	0	0	0	0	0	0	Bachelor, Business Administration, Soochow University Vice Auditor, Audit Department, CSC	None	None	None	None	None
Accounting Supervisor	Taiwan, R.O.C.	Vivian, L.C. Cheng	Female	2020.07.02	0	0	414	0	0	0	Department of Accounting, Tunghai University Manager of Union Steel Development Corporation	None	None	None	None	None
Financial Manager	Taiwan, R.O.C.	Chun-Hsiung Shih	Male	2024.10.31	1,362	0	0	0	0	0	Master of Finance, Sun Yat-Sen University Administrator, Finance Department	None	None	None	None	None

Note:

- Where the Chairman, President or person holds an equivalent position (the highest level management) of the Company are the same person, spouses, or relatives within the first degree of relationship, a relevant explanation shall be given regarding the information on the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (including methods such as increasing the number of seats for Independent Directors and more than half of the Directors shall not hold a position as employees or managements).
- Employee share subscription warrants and new restricted employee shares held by executive managers: None.
- On March 1, 2025, President I-Min Wu assumed the roles of Vice President and Acting President, and on March 13, 2025, he was promoted to President.

II. Remuneration paid to Directors, President, and Vice Presidents

(I) Compensations Paid to Non-Independent Directors and Independent Directors

Unit: NTD thousands, as of December 31, 2024

Title	Name	Compensation Paid to Directors								Sum of A, B, C and D		Sum of A, B, C and D as A Percentage of Net Income (%)		Compensation Received by a Director Who is Also an Employee								Sum of A, B, C, D, E, F and G		Sum of A, B, C, D, E, F and G as A Percentage of Net Income		Compensation Paid to Directors by Non-consolidated Affiliates or Parent Company	
		Base Compensation (A)		Severance Pay and Pension(B)		Remuneration to Directors(C) (Note1)		Allowances (D)						Salary, Bonus and Allowance (E)		Severance Pay and Pension (F)		Remuneration to Employees (G)									
		The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	Cash	Stock	Cash	Stock	The Company	Consolidated Entities	The Company	Consolidated Entities		
Chairman	Hung-Ta Lin (Representative of China Steel Corporation)																										
Non-independent Director	China Steel Corporation																										
	TCC Group Holdings Co., Ltd.																										
	China Steel Structure Co.,Ltd.																										
	Asia Cement Corporation																										
	Universal Cement Corporation																										
	China Steel Chemical Corporation																										
	Southeast Cement Corporation																										
	Hsiang-Ya Huang (Note2) (Representative of China Steel Corporation)																										
	Shui-Sheng Hung (Note2) (Representative of China Steel Corporation)																										
	Chih-Hong Lin (Representative of China Steel Corporation)	0	0	0	0	9,534	9,534	1,716	1,782	11,250	11,316	0.97	0.98	12,833	12,914	300	300	1,060	0	1,060	0	25,443	25,590	2.20	2.21	10,123	
	Chien-Chiang Huang (Representative of TCC Group Holdings Co., Ltd.)																										
	Yin-Te Wu (Note3) (Representative of TCC Group Holdings Co., Ltd.)																										
Jui-Teng Chen (Representative of China Steel Structure Co.,Ltd.)																											
Chih-Hsien Chen (Representative of Asia Cement Corporation)																											
Chen-He Chung (Representative of Asia Cement Corporation)																											
Chang-Zhi Wu (Note4) (Representative of Southeast Cement Corporation)																											

Title	Name	Compensation Paid to Directors								Sum of A, B, C and D		Sum of A, B, C and D as A Percentage of Net Income (%)		Compensation Received by a Director Who is Also an Employee								Sum of A, B, C, D, E, F and G		Sum of A, B, C, D, E, F and G as A Percentage of Net Income		Compensation Paid to Directors by Non-consolidated Affiliates or Parent Company
		Base Compensation (A)		Severance Pay and Pension(B)		Remuneration to Directors(C) (Note1)		Allowances (D)						Salary, Bonus and Allowance (E)		Severance Pay and Pension (F)		Remuneration to Employees (G)								
		The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company		Consolidated Entities		The Company	Consolidated Entities	The Company	Consolidated Entities					
														Cash	Stock	Cash	Stock									
Non-independent Director	Zhi-Yuan Hou (Representative of Universal Cement Corporation)																									
	Yi-Hung Chen (Representative of China Steel Chemical Corporation)																									
	Rong-Tzong Tang (Note4) (Representative of Southeast Cement Corporation)																									
	Chang-Zhi Wu (Note4) (Representative of Southeast Cement Corporation)																									
Independent Director	Chun-Hsien Wang																									
	Fu-Tien Jeng	1,800	1,800	0	0	0	0	501	501	2,301	2,301	0.20	0.20	0	0	0	0	0	0	0	0	2,301	2,301	0.20	0.20	0
	Chung-Chia Yang																									

- Policies, system, standards and structure of compensation paid to Independent Directors and the correlation of such compensation with their responsibility, risks and time devoted to business:
 - The remuneration for Independent Directors is a fixed compensation. An Independent Director is entitled to a remuneration of NTD50,000 per month, the profit or loss of the Company does not affect the fixed compensation of Independent Directors.
 - Independent Directors shall participate in Board meetings, and the travel expenses shall be borne by the Company.
- In addition to the above disclosed table, the remuneration received for services rendered by directors of the Company in the most recent year (e.g., as consultants to non-employees of the parent company/financial reporting company/reinvestment business): None.

Note:

- Remuneration to Directors of the Company is fully received by juristic person directors.
- China Steel changed its legal representative on 2025.03.01 and 2025.03.04, with Hsiang-Ya Huang and Shui-Sheng Hung resigned, and I-Min Wu and Chi-Lun Kao took over.
- Taiwan Cement changed its legal representative on 2025.03.26, with Yin-Te Wu resigned, and Ming-Jen Yu took over
- TCC Group Holdings changed its legal representative on 2024.01.24, with Chang-Zhi Wu resigned, and Rong-Tzong Tang took over

Range of Compensation

Range of compensation paid to Directors of the Company	Directors' Name			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	Consolidated Entities	The Company	Parent Company and Affiliates
Under NTD1,000,000	China Steel Structure Co.,Ltd.,Universal Cement Corporation, China Steel Chemical Corporation, Southeast Cement Corporation,Hung-Ta Lin, Hsiang-Ya Huang, Chih-Hong Lin, Shui-Sheng Hung, Chien-Chiang Huang, Yin-Te Wu, Chih-Hsien Chen, Chen-He Chung, Jui-Teng Chen, Zhi-Yuan Hou, Yi-Hung Chen, Rong-Tzong Tang, Chang-Zhi Wu, Chun-Hsien Wang, Fu-Tien Jeng, Chung-Chia Yang	China Steel Structure Co.,Ltd.,Universal Cement Corporation, China Steel Chemical Corporation, Southeast Cement Corporation, Hung-Ta Lin, Hsiang-Ya Huang, Chih-Hong Lin, Shui-Sheng Hung, Chien-Chiang Huang, Yin-Te Wu,Chih-Hsien Chen, Chen-He Chung, Jui-Teng Chen, Zhi-Yuan Hou, Yi-Hung Chen, Rong-Tzong Tang, Chang-Zhi Wu, Chun-Hsien Wang, Fu-Tien Jeng, Chung-Chia Yang	China Steel Structure Co.,Ltd., Universal Cement Corporation, China Steel Chemical Corporation, Southeast Cement Corporation, Chih-Hong Lin, Shui-Sheng Hung, Chien-Chiang Huang, Yin-Te Wu, Chih-Hsien Chen, Chen-He Chung, Jui-Teng Chen, Zhi-Yuan Hou, Yi-Hung Chen, Rong-Tzong Tang, Chang-Zhi Wu, Chun-Hsien Wang, Fu-Tien Jeng, Chung-Chia Yang	China Steel Structure Co.,Ltd., Universal Cement Corporation, China Steel Chemical Corporation, Southeast Cement Corporation, Chien-Chiang Huang, Yin-Te Wu, Chih-Hsien Chen, Chen-He Chung, Zhi-Yuan Hou, Yi-Hung Chen, Rong-Tzong Tang, Chang-Zhi Wu, Chun-Hsien Wang, Fu-Tien Jeng, Chung-Chia Yang
NTD1,000,000 (inclusive) - NTD2,000,000 (not inclusive)	TCC Group Holdings Co., Ltd., Asia Cement Corporation	TCC Group Holdings Co., Ltd., Asia Cement Corporation	TCC Group Holdings Co., Ltd., Asia Cement Corporation	TCC Group Holdings Co., Ltd., Asia Cement Corporation
NTD2,000,000 (inclusive) - NTD3,500,000 (not inclusive)	China Steel Corporation	China Steel Corporation	China Steel Corporation	China Steel Corporation, Chih-Hong Lin, Shui-Sheng Hung, Jui-Teng Chen
NTD3,500,000 (inclusive) - NTD5,000,000 (not inclusive)	None	None	None	None
NTD5,000,000 (inclusive) - NTD10,000,000 (not inclusive)	None	None	Hung-Ta Lin, Hsiang-Ya Huang	Hung-Ta Lin, Hsiang-Ya Huang
NTD10,000,000 (inclusive) - NTD15,000,000 (not inclusive)	None	None	None	None
NTD15,000,000 (inclusive) - NTD30,000,000 (not inclusive)	None	None	None	None
NTD30,000,000 (inclusive) - NTD50,000,000 (not inclusive)	None	None	None	None
NTD50,000,000 (inclusive) - NTD100,000,000 (not inclusive)	None	None	None	None
NTD100,000,000 and above	None	None	None	None
Total	23	23	23	23

Compensation Paid to President and Vice Presidents

Unit: NTD thousands, as of December 31, 2024

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)		Remuneration to Employees (D)				Sum of A, B, C and D of Net Income (%)		Sum of A, B, C and D as A Percentage of Net Income (%)		Compensation Paid by Non-consolidated Affiliates or Parent Company	
		The Company	Consolidated Entities	The Company	Consolidated Entities	The Company	Consolidated Entities	The Company		Consolidated Entities		The Company	Consolidated Entities	The Company	Consolidated Entities		
								Cash	Stock	Cash	Stock						
President	Hsiang-Ya Huang																
Vice President	Kuo-Yuan Chen (Note 2)	8,396	8,396	453	453	9,090	9,189	3,153	0	3,153	0	21,092	21,191	1.82	1.83	0	
	Hung-Shu Chung																
	Kuan-Nan Lin (Note 2)																
	Chun-Yu Wang (Note 2)																
	Ching-An Lin (Note 1)																

Note:

- The compensation for the President and the Vice President is calculated solely based on the remuneration received during their tenure in 2024. The Vice President, Ching-An Lin, was promoted to the position on October 31, 2024.
- Vice President Kuo-Yuan Chen will retire upon reaching retirement age on October 31, 2024; Vice President Kuan-Nan Lin will return to China Steel Corporation on July 1, 2024; Vice President Chun-Yu Wang will assume the position of Vice President on July 1, 2024.

Range of Compensation

Range of compensation paid to Presidents and Vice Presidents of the Company	Name of President and Vice President	
	The Company	Parent Company and Affiliates
Under NTD1,000,000	Ching-An Lin	Ching-An Lin
NTD1,000,000 (inclusive) - NTD2,000,000 (not inclusive)	None	None
NTD2,000,000 (inclusive) - NTD3,500,000 (not inclusive)	Kuan-Nan Lin, Chun-Yu Wang	Kuan-Nan Lin, Chun-Yu Wang
NTD3,500,000 (inclusive) - NTD5,000,000 (not inclusive)	Kuo-Yuan Chen, Hung-Shu Chung,	Kuo-Yuan Chen, Hung-Shu Chung,
NTD5,000,000 (inclusive) - NTD10,000,000 (not inclusive)	Hsiang-Ya Huang	Hsiang-Ya Huang
NTD10,000,000 (inclusive) - NTD15,000,000 (not inclusive)	None	None
NTD15,000,000 (inclusive) - NTD30,000,000 (not inclusive)	None	None
NTD30,000,000 (inclusive) - NTD50,000,000 (not inclusive)	None	None
NTD50,000,000 (inclusive) - NTD100,000,000 (not inclusive)	None	None
NTD100,000,000 and above	None	None
Total	6	6

(III) Employee Remuneration Distributed to Managerial Personnel and Distribution Situation

As of December 31, 2024, Unit: NTD thousands

	Title	Name	Amount of Stock	Amount of Cash	Total	Total Amount as a Percentage of Net Income (%)	
Managerial Personnel	President	Hsiang-Ya Huang	0	7,158	7,158	0.62	
	Vice President						Kuo-Yuan Chen
							Hung-Shu Chung
							Kuan-Nan Lin
							Chun-Yu Wang
	Vice President, Chief Corporate Governance Officer	Ching-An Lin					
	Assistant vice president, GBFS Cement Division	Tung-Yuan Chang					
	Assistant vice president, Resource Reutilization Commercial Division	Chao-Kuei Huang					
	Assistant vice president, Resource Reutilization Production Division	Chun-Chang Cheng					
	Assistant vice president, Administration Division	Shu-Nu Chu					
	Chief, Auditor	Yih-Tien Lu					
	Chief, Research & Technology Division	Teng-Ker Hsu					
Accounting Supervisor	Vivian, L.C. Cheng						
Financial Manager	Chun-Hsiung Shih						

(IV) Analysis on proportion of compensation paid to Directors, President and Vice Presidents of the Company to net income in the most recent two years; description of policies, standards and portfolios of compensation payments; procedures for determining compensation and correlation of such compensation with business performance and future risks

Title	2024		2023	
	Percentage of the total remuneration paid to Directors, President, and Vice Presidents of the Company on net profit after tax (%)		Percentage of the total remuneration paid to Directors, President, and Vice Presidents of the Company on net profit after tax (%)	
	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report
Director	3.63	3.65	4.89	4.91
President and Vice President				

Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

1. **Directors:** According to the requirements under Article 17 of the Company's Articles of Association, the traffic expense of Directors, compensation of Independent Directors, and salaries of the Chairman shall be determined by the Board of Directors with reference to the standards within relevant industries and of listed companies. The distribution ratio of remuneration paid to the Company's Directors is based on the requirements under Article 30 of the Company's Articles of Association; when the Company recorded profits in any given year, the Board of Directors shall appropriate no more than 1% as the remuneration for Directors. The results of the Director's performance evaluation stated in Article 9 under the Company's "Rules for Performance Evaluation of the Board of Directors" (excluding Independent Directors) shall serve as the references for determining the allocation of Directors' remuneration. The Company had completed the Directors' performance evaluation for 2024 and established its Principles for the Allocation of Directors' Remuneration according to the "Rules for Performance Evaluation of the Board of Directors." The Company will distribute Directors' remuneration according to the allocation principles subsequently.
2. **Chairman and managerial officers section:** The evaluation of the Chairman, President, and Vice President of the company is based on their position responsibilities, and linked to the overall performance of the company. The indicators for evaluation are explained in the table below, and at the end of the year, they serve as the basis for annual salary adjustments, bonuses, and employee compensation, based on actual achievements. Relevant performance appraisal and remuneration rationality must be reviewed by the Remuneration Committee and the Board of Directors, and reviewed in a timely manner according to the actual operating conditions and changes in laws and regulations, in order to seek a balance between the Company's sustainable operation and risk control.

Evaluation Indicator Items	Evaluation Indicator Content
Financial Indicators	Depending on the position of the managerial officers, Evaluation Indicators such as revenue, pre-tax earnings, or operating profit are used.
Effectiveness of Strategy and Action Plan Execution	Annual Action Plan Approved by the Board of Directors
ESG Performance	The evaluation dimensions include: (I) Environment (e.g. energy management and GHG emissions management) (II) Social (e.g. supplier and contractor management, social welfare, and community relations) (III) Governance (e.g. corporate governance and information security management)
Occupational Safety and Health Management	Comprehensive assessment is conducted based on the type of occupational accidents (if any), penalties, and efforts to promote occupational safety and environmental protection.
Other	For example: corporate governance and corporate image, leadership and communication coordination, internal management and corporate image.

III. Implementation of Corporate Governance

At present, the Board of the Company has 15 Directors, including 12 Non-Independent Director and 3 Independent Directors. The Board meeting shall be convened once every quarter. The Board meeting is primarily responsible for reviewing and discussing significant business and financial decisions, formulation of significant rules, and the engagement or dismissal of managers and CPAs of the Company.

The Company has its Internal Auditor Office in place that subordinates to the Board of Directors. The Auditor is primarily responsible for evaluating and assisting the Company and subsidiaries in improving the design and operations of various internal control systems, ensuring projects, organizational and supervising procedures may effectively achieve the Company's goal, ensuring the effective implementation of internal control systems, and assisting the Board and management in duly performing their duties.

(I) Operation of the Board of Directors

The board of directors is held 8 times (A) from January 2024 to March 2025, with the attendance of directors as follows:

Title	Name	Attendance in Person	Attendance in Person(B)	Attendance by Proxy(A)	Percentage of Attendance in Person (%) (B/A)	Remarks
Chairman	Hung-Ta Lin	China Steel Corporation	8	0	100	
Chairman	I-Min Wu	China Steel Corporation	1	0	100	Succeeded on March 1, 2025
Director	Hsiang-Ya Huang	China Steel Corporation	7	0	100	Dismissed on March 1, 2025
Director	Chih-Hong Lin	China Steel Corporation	7	1	88	
Director	Chi-Lun Kao	China Steel Corporation	0	1	0	Succeeded on March 4, 2025
Director	Shui-Sheng Hung	China Steel Corporation	7	0	100	Dismissed on March 4, 2025
Director	Chien-Chiang Huang	TCC Group Holdings Co., Ltd.	5	3	63	
Director	Yin-Te Wu	TCC Group Holdings Co., Ltd.	7	1	88	Dismissed on March 26, 2025
Director	Jui-Teng Chen	China Steel Structure Co.,Ltd.	8	0	100	
Director	Chih-Hsien Chen	Asia Cement Corporation	8	0	100	
Director	Chen-He Chung	Asia Cement Corporation	7	1	88	
Director	Zhi-Yuan Hou	Universal Cement Corporation	6	2	75	
Director	Yi-Hung Chen	China Steel Chemical Corporation	7	1	88	
Director	Rong-Tzong Tang	Southeast Cement Corporation	7	1	88	Succeeded on January 24, 2024
Independent Director	Chun-Hsien Wang		8	0	100	

Title	Name	Attendance in Person	Attendance in Person(B)	Attendance by Proxy(A)	Percentage of Attendance in Person (%) (B/A)	Remarks
Independent Director	Chung-Chia Yang		8	0	100	
Independent Director	Fu-Tien Jeng		6	2	75	

Other matters to be noted:

- If any of the following applies to the operation of Board of Directors, the date and session of the Board Meeting, the content of proposals, Independent Directors' opinions, and the Company's actions in response to Independent Directors' opinions shall be stated:
 - Items listed in Article 14-3 of the Securities and Exchange Act: Please refer to section 1. (1) "Other matters to be noted" in the "Operation of Audit Committee" on Page 37 to 39 of this annual report.
 - In addition to the preceding matter, other resolutions of the Board Meetings on which Independent Directors have dissenting opinions or qualified opinions, and that are documented or issued through written statements: None.
- Recusal of Directors due to conflict of interests (the name of the Directors, the content of the proposals, reasons for recusal, and participation in voting shall be stated):

The Director recused oneself from the discussion and voting according to the conflict to interest's requirements as the Director or the corporate it represented is an interested party in the following proposal:

Date of Meeting	Session	Proposal	Name of the Abstaining Director	Reason for Recusal
2024.05.03	12th Meeting of the 12th Session	Proposal for the Performance Evaluation Results of the Chairman and Management for 2023	Hung-Ta Lin, Hsiang-Ya Huang	Related to its own interests
		Donation to CSC Group Education Foundation as its operating funds	Hung-Ta Lin, Hsiang-Ya Huang, Chih-Hong Lin, Shui-Sheng Hung, Jui-Teng Chen, Yi-Hung Chen	The corporate represented by the Director is the related party to the counterparty of the donation
2024.12.27	16th Meeting of the 12th Session	Proposal for the salary adjustment of the Chairman, President and Vice President	Hung-Ta Lin, Hsiang-Ya Huang	Related to its own interests
2025.02.26	17th Meeting of the 12th Session	Proposal for the Performance Evaluation Criteria and Standards for the Chairman and Management for 2025	Hung-Ta Lin, Hsiang-Ya Huang	Related to its own interests
2025.03.13	18th Meeting of the 12th Session	President Appointment	I-Min Wu	Related to its own interests

3. The information of self-evaluation (or peer evaluation) of the Board of Directors:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Perform Once A Year.	2024.01.01 ~ 2024.12.31 (Note)	Board of Directors, individual Directors, and functional committees (the Audit Committee, the Remuneration Committee and the Sustainable Development Committee)	Internal evaluation of the Board of Directors and self-evaluation of Board members	Internal evaluation of the Board of Directors: Participation in the operation of the Company; improvement of the quality of the Board' decision-making; composition and structure of the Board; election and continuing education of the Directors; and internal control. Self-evaluation of Board members: Alignment of the goals and missions of the Company; awareness of the duties of a Director; level of participation in the operation of the Company; management of internal relationship and communication; the Director's professionalism and continuing education; and internal control.
Perform Every 3 Year.	2023.01.01 ~ 2024.12.31	Board and Functional Committees	Commissioned the Taipei Foundation Of Finance to evaluate	Safeguarding shareholder rights, strengthening the structure and operation of the Board of Directors, level of participation in company operations, improving the quality of Board decision-making, increasing information transparency, internal control, promoting sustainable development, and other evaluative considerations.

Note:

The performance evaluation of the Board of Directors (including functional committees) for 2024 covered a total of 5 categories, with 20 self-evaluation indicators each with a full score of 5 points. The above-mentioned evaluation results were reported in the 17th meeting of the 12th session of the Board of Directors on February 26, 2025. The evaluation results are summarized as follows:

- (1) Results of the Board of Directors' performance self-evaluation: The total average score of the questionnaire is 96.73 points; the total average score of the indicators is 4.84 points.
 - (2) Results of the Directors' performance self-evaluation: The total average score of the questionnaire is 97.87 points; the total average score of the indicators is 4.89 points.
 - (3) Results of the Audit Committee's performance self-evaluation: The total average score of the questionnaire is 98.33 points; the total average score of the indicators is 4.92 points.
 - (4) Results of the Remuneration Committee's performance self-evaluation: The total average score of the questionnaire is 99.33 points; the total average score of the indicators is 4.97 points.
 - (5) Results of the Sustainable Development Committee's performance self-evaluation: The total average score of the questionnaire is 98.60 points; the total average score of the indicators is 4.93 points.
4. Evaluation of targets for the strengthening of the functions of the Board of Directors (such as the formulation of the Audit Committee and improvement of information transparency) and execution during the current and the most recent years:
- (1) The Company has its Regulations Governing Procedure for Board Meetings in place as the basis for Board meetings' operations.
 - (2) The Company periodically or a periodically announces significant financial and business information of the Company according to laws and regulations.
 - (3) The Company established its Remuneration Committee. The Remuneration Committee formulates and regularly reviews and evaluates the rationale of the remuneration policy, system, standard and structure for Directors and managers, and submits its recommendations to the Board meeting for discussion.
 - (4) The Company established its Audit Committee. The Audit Committee is responsible for the audit on the effectiveness of the internal control system and other significant matters stipulated by the Company or the competent authority, and it shall submit its recommendations to the Board meeting for discussion.
 - (5) Establish a Sustainable Development Committee to promote work related to sustainable development, strengthen sustainable governance, and submit its recommendations for discussion by the Board of Directors.

5. For every Board meeting, does the Company has at least one Independent Director attend in person: Yes

	11th Meeting of the 12th Session (2024.02.26)	12th Meeting of the 12th Session (2024.05.03)	13th Meeting of the 12th Session (2024.06.26)	14th Meeting of the 12th Session (2024.08.02)	15th Meeting of the 12th Session (2024.10.29)	16th Meeting of the 12th Session (2024.12.27)	17th Meeting of the 12th Session (2025.02.26)	18th Meeting of the 12th Session (2025.03.13)
Chun-Hsien Wang	◎	◎	◎	◎	◎	◎	◎	◎
Chung-Chia Yang	◎	◎	◎	◎	◎	◎	◎	◎
Fu-Tien Jeng	◎		◎	◎		◎	◎	◎

(II) Operations of the Audit Committee:

The Company's Audit Committee comprises three Independent Directors. The purpose of the Audit Committee is to assist the Board of Directors in supervising the quality and integrity in respect of the implementation of relevant accounting, auditing and financial reporting procedures, and control over finance executed by the Company. The Audit Committee had held six meetings from January 2024 to March 2025; the matters discussed primarily include:

1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. Matters in which a director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. The offering, issuance, or private placement of equity-type securities.
8. The hiring or dismissal of a certified public accountant, or their compensation.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual financial reports.
11. Other material matters as may be required by this Corporation or by the competent authority.

The key works are compiled as follow:

1. Review of Financial Report

The Audit Committee had reviewed the 2024 Business Report, the standalone financial reports and consolidated financial reports, and the surplus distribution proposal, and submitted for the Board's approval. After being certified the CPAs, the Audit Committee issued the review report and submitted at the 2025 Shareholders' Meeting for ratification. The above-mentioned business report, financial reports, and surplus distribution proposal have been reviewed and approved to be correct by the Audit Committee.

2. Evaluation of the Effectiveness of the Internal Control System

The Audit Committee had evaluated the effectiveness of the internal control system (including control measures for finance, operations, risk management, information

security, outsourcing, and legal compliance), and reviewed the regular reports of the Company's audit department, CPA, and management, including risk management and legal compliance. The Audit Committee considers that the Company's risk management and internal control systems are effective, and the Company had adopted necessary control mechanisms to supervise and correct default behaviors.

3. Appointment of CPAs

To ensure the independence of the CPAs, the Audit Committee had conducted an evaluation on the independence, professionalism, and competency of the CPAs and assessed items including whether the CPAs and the Company are related parties to each other, have business dealings, or financial interests. Deliberated on February 26, 2024 to approve certified public accountants all meet the independence criteria standard.

The Company held a total of six meetings (A), where the 12th sessions of the Audit Committee under the Board of Directors from January 2024 to March 2025, the attendance and presence of Independent Directors are as follow:

Title	Name	Attendance in Person	Attendance by Proxy	Percentage of Attendance in Person (%)	Remarks
Independent Director	Chun-Hsien Wang	6	0	100	None
Independent Director	Chung-Chia Yang	6	0	100	None
Independent Director	Fu-Tien Jeng	4	2	67	None

Other matters to be noted:

- In the event that the Audit Committee operates under any of the following circumstances, it shall state the date and session of the Audit Committee meeting, the content of the motion, the content of the objections, reservations or material recommendations of the independent directors, the results of the Audit Committee resolution, and the Company's handling of the Audit Committee's opinion.

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

Date and Session	Proposal	Resolution of the Board of Directors / Independent Directors' Opinions and Handling the Opinions	Resolution of the Audit Committee / Independent Directors' Opinions or Major Suggestions
2024.02.26 The 11th meeting of the 12th Board of Directors	2023 annual business report, individual financial report and consolidated financial report	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2024.02.26 The 9th meeting of the Audit Committee of the 12th Board of Directors	2023 annual surplus distribution	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
	2023 Annual Internal Control System Statement	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None

Date and Session	Proposal	Resolution of the Board of Directors / Independent Directors' Opinions and Handling the Opinions	Resolution of the Audit Committee / Independent Directors' Opinions or Major Suggestions
	2024 Annual Financial Statement Certified Public Accountant Independence and Suitability Evaluation	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
	Investment Proposal for the Conversion of the Taichung Grinding Plant from Coal to Natural Gas	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2024.05.03 The 12th meeting of the 12th Board of Directors	The 1st quarter of 2024 consolidated financial report	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2024.05.03 The 10th meeting of the Audit Committee of the 12th Board of Directors	Amendment to Regulations Governing Procedure for Board of Directors Meetings	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
	Amendment to Audit Committee Charter	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
	Investment Plan for the Expansion of Production Lines at the Kaohsiung Grinding Plant	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present Recommendations: Independent Director Chung-Chia Yang suggested that certain work items should be able to proceed simultaneously in order to accelerate the implementation progress.
	Disposal of Coal-Fired System at Kaohsiung Grinding Plant A	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
	Donations to the CSC Group Education Foundation	Except for six Directors, including Hung-Ta Lin, Hsiang-Ya Huang, Shui-Sheng Hung, Chih-Hong Lin, Jui-Teng Chen and Yi-Hung Chen, have recused themselves due to the conflict of interests, the proposal was passed by the consents of all attending Directors upon the inquiry of the Chairperson. None	Unanimously approved by all the Committee members Present None
2024.08.02 The 14th meeting of the 12th Board of Directors	The 2nd quarter of 2024 consolidated financial report	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2024.08.02 The 11th meeting of the Audit Committee of the 12th Board of Directors	Revise the Risk Management Policies and Procedures	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None

Date and Session	Proposal	Resolution of the Board of Directors / Independent Directors' Opinions and Handling the Opinions	Resolution of the Audit Committee / Independent Directors' Opinions or Major Suggestions
2024.10.29 The 15th meeting of the 12th Board of Directors	The 3rd quarter of 2024 consolidated financial report	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2024.10.29 The 12th meeting of the Audit Committee of the 12th Board of Directors	Revise the company's Internal Control System	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2024.12.27 The 16th meeting of the 12th Board of Directors	2025 audit plan	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2024.12.27 The 13th meeting of the Audit Committee of the 12th Board of Directors	Adjustment of Public Expenses for Certified Public Accountants	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
	Additional Budget for the Improvement of Wastewater Facilities at the Kaohsiung Plant	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2025.02.26 The 17th meeting of the 12th Board of Directors	2024 annual business report, individual financial report and consolidated financial report	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2025.02.26 The 14th meeting of the Audit Committee of the 12th Board of Directors	2024 annual surplus distribution	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
	2024 Internal Control System Statement	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
	2024 Annual Financial Statement Certified Public Accountant Independence and Suitability Evaluation	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None

(2) Except for the aforementioned matters, other resolutions which were not being approved by the Audit Committee but resolved by more than two-thirds of all the Directors: None.

2. Recusal of Independent Directors due to conflict of interests (the name of the Independent Directors, the content of the proposals, reasons for recusal, and participation in voting shall be stated): None.
3. Communication between the Independent Directors, Chief Auditor, and CPA (significant matters, methods, and results of communication regarding the corporate finance and business conditions shall be included).

- (1) The Chief Auditor of the Company reports the audit results to the members of the Audit Committee per month, and who would also instantly report to the members of the Audit Committee for any special occasion. There is no special occasion mentioned above during 2024.

The Audit Committee of the Company maintains satisfactory communication with its Chief Auditor. The interaction between internal audit and independent directors in 2024 is as follows:

Board of Directors Date, period	Proposal content	Independent directors' opinions	Handling the opinions of independent directors
2024.02.26	Internal audit report	No opinion	N/A
The 11th meeting of the 12th Board of Directors	2023 Annual Internal Control System Statement	Approved	N/A
2024.05.03	Internal audit report	No opinion	N/A
The 12th meeting of the 12th Board of Directors			
2024.08.02	Internal audit report	No opinion	N/A
The 14th meeting of the 12th Board of Directors			
2024.10.29	Internal audit report	No opinion	N/A
The 15th meeting of the 12th Board of Directors			
2024.12.27	Internal audit report	No opinion	N/A
The 16th meeting of the 12th Board of Directors	Formulation of 2025 Annual Audit Plan	Approved	N/A
Audit Committee Date, period	Proposal content	Independent directors' opinions	Handling the opinions of independent directors
2024.02.26	2023 Annual Internal Control System Statement	Approved	N/A
The 9th meeting of the 12th Audit Committee			
2024.12.27	Formulation of 2025 Annual Audit Plan	Approved	N/A
The 13th meeting of the 12th Audit Committee			
Other meetings Date, period	Discussion Points	Independent directors' opinions	Handling the opinions of independent directors
2024.05.03 Independent Directors and Audit Communication Meeting (Attendees: Independent Directors Chun-Hsien Wang, Chung-Chia Yang, and Fu-Tien Jeng; Chief Auditor Yi-Tien Lu; Auditor Chih-Min Wang)	Handling Methods for Recurring Audit Deficiencies	If the “Current Status and Areas for Improvement” identified in the audit report involve a recurrence of previously noted deficiencies, this should be specifically stated to remind the audited unit to implement corrective actions effectively.	Handled in accordance with the opinions from the independent directors

Other meetings Date, period	Discussion Points	Independent directors' opinions	Handling the opinions of independent directors
2024.12.16 Independent Directors and Audit Communication Meeting (Attendees: Independent Directors Chun-Hsien Wang, Chung-Chia Yang, and Fu-Tien Jeng; Chief Auditor Yi-Tien Lu; Auditor Chih-Min Wang)	Cultivating a Sustainable Development Corporate Culture	The Audit Office should assist the Company in shaping a corporate culture of sustainable development that is beyond the bounds of legal requirements.	Handled in accordance with the opinions from the independent directors
	Management of Sustainable Information	In 2025, the Audit Office should include the management of sustainability information as part of the audit items.	
	Follow-up on Audit Recommendations for Improvement	The Audit Office must confirm whether the audit recommendations for the audited unit have been effectively implemented during subsequent reviews.	
	Self-initiated Improvements by the Audited Unit	During the audit process, the Audit Office should proactively understand the circumstances of the audited unit's self-initiated Improvements efforts.	
	Analysis of Audit Deficiency Types	The Audit Office should analyze the types of deficiencies identified in past audits.	

- (2) The CPAs of the Company provide periodical reports regarding the audit or review on annual financial statements and other matters for communication required by relevant laws and regulations, and the CPAs would also instantly report to the members of the Audit Committee for any special occasion. There is no special occasion mentioned above during 2024.

The Audit Committee of the Company maintains satisfactory communication with its CPAs. The interaction between certified public accountants and independent directors in 2024 is as follows:

Board of Directors Date, period	Proposal content	Independent directors' opinions	Handling the opinions of independent directors
2024.02.26 The 11th meeting of the 12th Board of Directors	Discussion and communication of 2023 annual business report, individual financial report and consolidated financial report	No opinion, Approved	N/A
2024.05.03 The 12th meeting of the 12th Board of Directors	Discussion and communication related to the consolidated financial report for the 1st quarter of 2024	No opinion, Approved	N/A
2024.08.02 The 14th meeting of the 12th Board of Directors	Discussion and communication related to the consolidated financial report for the 2nd quarter of 2024	No opinion, Approved	N/A
2024.10.29 The 15th meeting of the 12th Board of Directors	Discussion and communication related to the consolidated financial report for the 3rd of 2024	No opinion, Approved	N/A

Other meetings Date, period	Discussion Points	Independent directors' opinions	Handling the opinions of independent directors
2024.02.26 Communication meeting between independent directors and accountants (Attendees: Independent Directors Chun-Hsien Wang, Chung-Chia Yang, and Fu-Tien Jeng; Auditor Yu-Hsiang Liu)	The discussion primarily focused on the audit methods for the financial statements for 2023, significant risks and key audit matters, the independence of auditors, the carbon fee charging mechanism, and the preparation and reporting of sustainability reports.	No opinion	N/A
2024.12.16 Communication meeting between independent directors and accountants (Attendees: Independent Directors Chun-Hsien Wang, Chung-Chia Yang, and Fu-Tien Jeng; Auditor Yu-Hsiang Liu)	The discussion primarily focused on the audit approach for the 2024 financial statements, significant risks and key audit matters, auditor independence and Audit Quality Indicators (AQIs), the quality management system of the accounting firm, and the IFRS Sustainability Disclosure Standards.	No opinion	N/A

(III) Implementation of corporate governance, its deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such deviations

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	√		The Company has established its "Corporate Governance Best Practice Principle," which follows the following principles: I. Protect the rights and interests of shareholders. II. Strengthen the powers of the Board of Directors. III. Respect the rights and interests of stakeholders. IV. Enhance information transparency.	No significant difference
II. Shareholding Structure and Shareholders' Rights				
(I) Has the Company formulated internal operating procedures to handle shareholders' recommendations, questions, disputes, and litigations, and implemented these measures accordingly?	√		(I) Where any Shareholder reflects to the Company regarding any recommendation or dispute related to stock affairs, the Company has delegated personnel and agency for stock affairs to handle matters of Shareholders' recommendations, doubts, disputes, and litigations.	No significant difference
(II) Does the Company process the list of its major shareholders and the beneficial owners of these major shareholders?	√		(II) The Company has a list of substantial Shareholders who actually control the Company at all times, and the stock affairs agency, KGI Securities Co., Ltd., is in the Company's assistances.	No significant difference
(III) Has the Company established and executed risk management and firewall system between the Company and its affiliated companies?	√		(III) The Company has established regulations for providing loans, endorsements/guarantees to and having business dealings with its affiliates to manage risks seriously. The Company has a delegated department in place to manage the investment business. The department regularly monitors the operating and financial conditions of the invested companies and is responsible for work related to communication and coordination.	No significant difference
(IV) Has the Company formulated internal regulations to prohibit insider trading?	√		(IV) The Company has established rules, including the "Codes of Ethical Conduct for Directors", "Codes of Ethical Conduct for Executives", "Guidelines for the Recusal of Practitioners Due to Conflicts of Interest", and the "Procedures for Handling Material Inside Information", that forbid internal parties of the Company to trade securities by utilizing undisclosed information on the market.	No significant difference

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
III. Composition and Responsibilities of the Board of Directors (I) Whether the Board of Directors has formulated a diversity policy, specific management objectives and implemented them?	√		(I) According to Paragraph 2, Article 20 of the "Corporate Governance Best Practice Principle" of the Company, the composition of the Board of Directors shall be determined by taking diversity into consideration. Directors concurrently serving as the Company's officers shall not exceed one-third of the total number of the Board members, and an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs shall be formulated and include, without being limited to, the following two general standards: 1. Basic requirements and values: Gender, age, nationality, and culture. 2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience The composition of the Board members shall have the knowledge, skills, and experience necessary to perform their duties. The Board of Directors shall possess the following abilities: 1. Ability to make operational judgments. 2. Ability to perform accounting and financial analysis. 3. Ability to conduct management administration. 4. Ability to conduct crisis management. 5. Knowledge of the industry. 6. An international market perspective. 7. Ability to lead. 8. Ability to make policy decisions. The 12th session of the Company's Board of Directors comprises of 15 Directors (including 3 Independent Directors), who possess expertise in operating management, leading and decision-making, industrial knowledge, and finances and accounting. The	No significant difference

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(II) Other than the remuneration committee and audit committee required by the law, has the Company voluntarily established other functional committees?	√		composition of our board of directors already covers diverse aspects. We plan to increase the number of female board members in the next board election, with a target of at least 1 female. Currently, the achievement rate is 0%. For the implementation regarding the diversity policy of Board members, please see Page 22 to 24 of this annual report. (II) The Company has established its Remuneration Committee and Audit Committee according to the law. On August 2, 2024, the Board of Directors approved the establishment of the "Sustainable Development Committee" as a functional committee of the Board of Directors to promote and oversee corporate governance, risk management, and the Company's ESG initiatives, thereby implementing the concept of sustainable business operations.	No significant difference
(III) Has the Company formulated rules and methods for evaluating the performance of the Board of Directors, implemented such evaluations every year and reported the results of performance evaluation to the Board of Directors; moreover, taken it as reference in compensation and denomination of individual directors?	√		(III) The Company has established its "Rules for Performance Evaluation of the Board of Directors", and reported the evaluation result to the Board of Directors.	No significant difference
(IV) Does the Company regularly evaluate the independence of CPAs?	√		(IV) The Company requested the CPAs to provide the "declaration of independence" and submitted the relevant assessment results to the Board of Directors for discussion on February 26, 2024. For the assessment of the independence and suitability of the CPAs, please refer to the note on page 49 to 50 of this annual report.	No significant difference
IV. Does the TWSE/TPEX listed company have an adequate number of corporate governance personnel with appropriate qualifications and appoint a company secretary in charge of corporate governance affairs (including but not limited to furnishing information required	√		The position of Chief of Corporate Governance is to be held by Ching-An Lin, the Vice President. The main duties of this position are to handle matters related to Board meetings and Shareholders' Meetings and prepare meeting minutes, to assist Directors in on-boarding and continuous training, to provide Directors with the information required for business execution,	No significant difference

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
for business execution by directors and supervisors, assisting directors and supervisors with legal compliance, handling matters related to Board Meetings and Shareholders' Meetings, and producing minutes of Board Meetings and Shareholders' meetings)?			and to assist Directors in legal compliance as well as other matters stipulated in the Articles of Incorporation or contracts. The training for Chief of Corporate Governance please see page 78 of this annual report. The Chief of Corporate Governance is responsible for supervising the corporate governance of the Company. The execution of relevant corporate governance matters is handled by delegated departments according to their respective duties and responsibilities. This includes the Planning Department, which is responsible for contacting Directors, holding Board meetings according to the law, assisting Directors in legal compliance and prepare meeting minutes for the Board meetings; and the Finance Department, which is responsible for providing Directors with the information required for business execution, holding Shareholders' Meetings according to the law, and preparing meeting minutes for the Shareholders' Meetings.	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder's section on corporate website and adequately respond to stakeholders' inquiries on material corporate social responsibility (CSR) issues?	√		Our company has established a smooth communication channel with all stakeholders, and reported the communications with the stakeholders to the Board of Directors on August 2, 2024: Shareholders: 1. The shareholders' general meeting, held in the second quarter of each year, adopts a case-by-case voting system. Electronic voting is implemented to enable investors to fully participate. The results are announced on the Public Information Observation Station and the Company's website. 2. An online version and a printed version of the annual shareholder meeting report are issued each year. 3. Regularly update the information on the Company's website and the Public Information Observation Station. 4. We will address shareholders' inquiries on an as-needed basis, either by phone or in writing. 5. Scheduled visits, telephone conferences, video conferences, and receptions are organized for both domestic and foreign corporate shareholders, along with regular investor conference.	No significant difference

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>Employees: Labor-management meetings, departmental communication seminars, employee welfare committee meetings, and occupational health and safety committee meetings are held regularly.</p> <p>Customers:</p> <ol style="list-style-type: none"> 1. The Company adopts methods of customer satisfaction survey (every year), quality guarantee, market survey, and periodic/aperiodic visits to acquire customers' feedback. 2. The Company strengthened its technical services, proactively responds to customers' demands, and provides products with stable quality. 3. The Company developed new innovative products and new businesses to provide quality and comprehensive services for customers. <p>In addition, the Company's website (https://www.chc.com.tw/) has special zones for stakeholders and CSR, which helps the Company to understand issues concerned by stakeholders and allows the Company to make certain responses. The Company also refers to feedback and opinions from all parties as the basis for our continual improvements.</p>	
VI. Does the Company commission a professional stock transfer agent to handle shareholders' meetings related affairs?	√		The Company engaged KGI Securities Co., Ltd. for its Shareholders' Meeting affairs.	No significant difference
VII. Information Disclosure				
(I) Has the Company established a website to disclose information on financials, business and corporate governance?	√		(I) The Company has "Investor Relationship" and "Corporate Governance" zones on its website to sufficiently disclose its financial businesses and corporate governance information.	No significant difference.
(II) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)?	√		(II) The Company has its English website in place, designates personnel to be responsible for the collection and disclosure of corporate information, implements the spokesperson system, and places slide from the investor conferences on the Company's website. The Company also establishes a public information online report system according to the requirements under the "Guidelines for Online Filing of Public Information by Public Companies."	No significant difference.

Assessment Item	Status of Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(III) Does the Company announce and file its annual financial report within two months after the end of the fiscal year, and announce and file its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?	√		(III) The Company announces and files its 2024 annual financial report within two months after the end of the fiscal year. The financial reports for the first, second and third quarters, as well as the operating status for each month were announced before the specified deadline.	No significant difference.
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, continuing education for directors and supervisors, implementation of risk Management policies and risk measurement standards, implementation of customer policies, and purchase of liability insurance for directors and supervisors)?	√		Related information is summarized as follows.	No significant difference

For employees' interests and employee caring:

Employees are critical assets to enterprises. The Company has always attached great attention to talent cultivation and development, and it spares no effort in safeguarding employees' interests, planning employees' welfare, cultivating employee's professional competencies, and establishing a quality working environment of safety and hygiene.

The Company attaches great importance to labor relations. In order to maintain smooth communication channels between the employer and employees, regulate fair and reasonable labor conditions, ensure compliance by both the employer and employees, and develop stable and harmonious labor relations, the Company and the union of CHC Resources Corporation completed the signing of the first group agreement on January 6, 2022. The agreement applies to all employees, setting a milestone for labor harmony and the handling of labor affairs.

For investor relationships:

Investors may make use of the Company's website to learn information regarding the Company's finances, businesses and corporate governance, and may further utilize the special line for the spokesperson and e-mails to understand the Company's operating overview and express their opinions. In addition, the Company has designated personnel responsible for handling Shareholders' recommendations.

For supplier relationships:

The Company deals with suppliers based on the principle of "mutual respect and free of prejudice," and strictly prohibits relevant procurement personnel from accepting gifts and entertainments provided by suppliers. Besides, the Company implements the supplier evaluation system that refers to the delivery quality, level of cooperation, and performance of environmental safety and hygiene as an important basis for price inquiry or renewal in the future.

For stakeholders' interests:

According to the business scope of each department, the Company maintains good communication channels with different stakeholders, and distributes questionnaires every year to get opinions of stakeholders. The Company has also issued the Sustainability Report, which includes the status of communication with the stakeholders and the handling in the report. It also analyzes and formulates management policies for major issues of concern to stakeholders. The Company's communication status with stakeholders has been reported in the Board of Directors meeting on August 2, 2024. A Stakeholders Section has been set up on the Company's website to respond to issues of concern to stakeholders.

For the execution of risk management policy and risk measuring standards:

The Company established “Risk Management Policies and Procedures” to evaluate the operation risk, finance risk, hazard risk, asset security risk, compliance risk and other risks on November 5, 2020. On August 2, 2024, the Board of Directors approved the assistance of the Sustainable Development Committee in executing its risk management responsibilities to establish a sound risk management mechanism.

Such risk management procedures include risk identification, risk measurement, risk response, risk monitoring and risk report. The CSR Management Committee measures and monitors the quality of risk management, and submits risk reports to the Board of Directors on regular basis. The Company also establishes stringent control measures and purchases related insurance policies to reasonably control the overall operating risks of the Company.

For the execution of customer policies:

The Company makes recommendations to customers for adjusting the product combination or adopting customized products according to the engineering requirements of the customers and provides professional customer services. In addition, the Company conducts customer satisfaction surveys on an annual basis to continuously improve its product and service quality based on the survey results.

For the purchase of liability insurance for Directors:

The Company had purchased liability insurance for its Directors and submitted the report to the Board meeting on August 2, 2024 according to the Company's Corporate Governance Best Practice Principle.

For further education of the Company's Directors, please see pages 79 to 80 of this annual report.

IX. Improvements made in the most recent year in response to the results of Corporate Governance Evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved:

(I) Description of the improvement for the 2024 corporate governance evaluation:

No. 2.14: Does the Company have any Functional Committees, such as the Nominating Committee, Risk Management Committee, or Sustainable Development Committee, in addition to the Statutory Committees? These committees should have at least three members, with a majority of independent directors. Additionally, there should be at least one member with the necessary expertise for the committee's responsibilities, and can disclose the composition, responsibilities, and operations of these committees.

On August 2, 2024, the Company established a Sustainable Development Committee, which consists of five members, including three independent directors and two directors. The Committee will hold one meeting in 2024 to discuss the risk management report and the setting of short, medium, and long-term goals for ESG promotion.

No. 3.20: Has the Company been invited to hold at least two corporate briefings (on its own) and disclosed at least two complete meeting video links, with a gap of at least three months between the first and last corporate briefings of the evaluated year?

The Company held corporate investor conferences on July 18 and November 22, 2024.

(II) Priority improvements and measures proposed for items not yet improved are described as follow:

No. I2.6: Does the Company's Board of Directors include at least one director of a different gender? Plan to introduce one female director during the board re-election in 2025.

Note: The CPA's independence evaluation was conducted at the Board meeting on February 26, 2024. The item of evaluation is detailed in the table below:

Item of Evaluation	Evaluation Results	Compliance with Independence
1. Does the CPAs have a direct or indirect significant relationship of financial interests with the Company.	No	Yes
2. Does the CPA have a business relationship with the Company that affects its independence.	No	Yes
3. Do the CPA and the members of its audit team hold positions as a Director, manager, or other positions with significant effects on the audit work of the Company at present or in the past two years.	No	Yes
4. Did the CPA provide any non-audit service item to the Company that may directly affect the audit work.	No	Yes
5. Has the CPA served as an agent for the stock or other securities issued by the Company.	No	Yes
6. Does the CPA hold the position of the Company's defender or coordinate on behalf of the Company regarding conflicts with other third parties.	No	Yes
7. Is the CPA a lineal relative by blood, a lineal relative by marriage, or a relative within the second degree of kinship of the Company's Director or manager.	No	Yes
8. Has the CPA accepted any gift or present with a significant value from the Company.	No	Yes

The Audit Committee of the Company assesses the suitability of the CPAs annually and requests the CPAs to provide the "Audit Quality Indicators (AQIs)" for evaluation.

With reference to the AQI information to confirm that the number of training hours and the turnover rate of the accountants and the firm are better than the average level of the industry. In addition, in the past three years, the firm has also been continuously introducing cloud-based audit platforms and tools, applying digital technology, expanding audit support centers, and enhancing project management to improve audit quality. The results of the most recent annual assessment were discussed and approved by the Audit Committee on February 26, 2024 and reported to the Board of Directors for approval of the assessment of the independence and suitability of the accountants.

(IV) When having the Remuneration Committee in place, the Company shall disclose its composition, duties, and operations

In accordance with Article 14-6, Paragraph 1 of the Securities and Exchange Act and the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange", the Company resolved to establish a Remuneration Committee at the 8th Meeting of the 8th Board of Directors held on December 29, 2011.

In accordance with Article 2 of the "Remuneration Committee Chapter" of the Company, the members of the Remuneration Committee shall be appointed by the Board of Directors with resolution and shall consist of three members for the same term as the terms of office for Board of Directors. Currently, it is the 12th Board of Directors' Remuneration Committee, and the term of office of the members is from Jun. 23, 2022 to Jun. 22, 2025.

1. Information on Remuneration Committee

Title	Criteria	Professional qualification requirements and experience	Independence criteria	Number of Other Public Companies in Which the Member Concurrently Serves as a Remuneration Committee Member
	Name			
Independent Director	Chun-Hsien Wang	Former General Audit of Prince Housing & Development Co. and TSRC with accounting and finance profession.	1. The individual, his/her spouse, and relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliated companies. 2. The individual, spouse, or relatives of second-degree kinship, (or by nominee agreement) does not have shareholdings of the Company. 3. Not a director, supervisor or employee of a company with which the Company has a specific relationship. 4. The individual has not provided the Company or its affiliates commerce, law, financial, or accounting services and obtained compensation within the last two years.	2
Independent Director	Chung-Chia Yang	Former Professor of Dept. Harbor & River Engineering, National Taiwan Ocean University with concrete material and structure professions.	1. The individual, his/her spouse, and relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliated companies. 2. The individual, spouse, or relatives of second-degree kinship, (or by nominee agreement) does not have shareholdings of the Company.	0

Title	Criteria	Professional qualification requirements and experience	Independence criteria	Number of Other Public Companies in Which the Member Concurrently Serves as a Remuneration Committee Member
	Name			
			3. Not a director, supervisor or employee of a company with which the Company has a specific relationship. 4. The individual has not provided the Company or its affiliates commerce, law, financial, or accounting services and obtained compensation within the last two years.	
Independent Director	Fu-Tien Jeng	Former Professor of Graduate Institute of Environmental Engineering, National Taiwan University with environmentally-friendly profession.	1. The individual, his/her spouse, and relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliated companies. 2. The individual, spouse, or relatives of second-degree kinship, (or by nominee agreement) does not have shareholdings of the Company. 3. Not a director, supervisor or employee of a company with which the Company has a specific relationship. 4. The individual has not provided the Company or its affiliates commerce, law, financial, or accounting services and obtained compensation within the last two years.	0

2. Operation of Remuneration Committee

(1) The Remuneration Committee of the Company is composed of three members.

(2) Term of office for members of the 12th session: From June 23, 2022 to June 22, 2025.

The Remuneration Committee held four meetings (A) during 2024; the attendance members are as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Percentage of Attendance in Person (%) (B/A)	Remarks
Convener	Chun-Hsien Wang	4	0	100%	Succeeded on July 4, 2016
Committee Members	Chung-Chia Yang	4	0	100%	Succeeded on February 2, 2018
	Fu-Tien Jeng	3	1	75%	Succeeded on October 18, 2018

Other matters to be noted:

I. If the Board of Directors does not adopt or amend the recommendations made by the Remuneration Committee, the date, session, the content of proposals, resolutions of the Board Meeting and the Company's action in response to opinions from the Remuneration Committee shall be specified (if the remuneration approved by the Board of Directors is better than that recommended by the Remuneration Committee, the discrepancies and related reasons shall be specified): None.

II. If any member of the Remuneration Committee has dissenting opinion or qualified opinion on the resolutions of the Remuneration Committee, where such opinions are documented or issued through written statements, the date, session, the content of proposals, all the members' opinions of the meeting of the Remuneration Committee, and the action in response to these opinions shall be specified: None.

(3) Annual operation:

Remuneration Committee Meeting Date and Session	Resolution	Resolutions of the Remuneration Committee	Handling of opinions from the committee members	The Board of Directors decline to adopt, or modify recommendations of the remuneration committee
2024.02.26 7th Meeting of the 12th Session	<ol style="list-style-type: none"> 1. Proposal for 2023 Compensation distribution of Directors. 2. Proposal for salary standard of President Hsiang-Ya Huang proposed for approval. 3. To formulate the Company's President and Vice President 2024 annual performance evaluation items. 	The members of the Remuneration Committee unanimously approved all the resolutions	N/A	None
2024.05.03 8th Meeting of the 12th Session	<ol style="list-style-type: none"> 1. 2023 performance evaluation results of the Chairman and President and Vice President. 2. Proposal for 2023 year-end bonus distribution of the President and Vice President. 3. Proposal for 2023 incentives distribution of the President and Vice President. 	The members of the Remuneration Committee unanimously approved all the resolutions	N/A	None
2024.08.02 9th Meeting of the 12th Session	<ol style="list-style-type: none"> 1. Proposal for Adjustment of Meal Allowances for the Chairman, President, and Vice President for Review. 2. Proposal for salary standard of Vice President Chun-Yu Wang, proposed for approval. 3. Proposal for 2023 remuneration distribution of the Chairman, President and Vice President. 	The members of the Remuneration Committee unanimously approved all the resolutions	N/A	None
2024.11.27 10th Meeting of the 12th Session	<ol style="list-style-type: none"> 1. Proposal for the salary adjustment of the Chairman, President and Vice President. 2. Proposal for salary standard of Vice President Ching-An Lin, proposed for approval. 3. To formulate the Company's Vice President 2024 annual performance evaluation items. 	The members of the Remuneration Committee unanimously approved all the resolutions	N/A	None

(V) Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Promotion item	Implementation status			Deviations from the Corporate Sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
I. Whether the company has established a governance framework to promote sustainable development and set up a dedicated (concurrent) unit to promote sustainable development initiatives handled by senior management with the delegation from the Board of Directors, and supervised by the Board of Directors?	√		<p>To fulfill its corporate social responsibility and implement the concept of sustainable development, the Company established the Corporate Social Responsibility Committee in 2009 and renamed it as the Corporation Sustainable Development Committee in 2021. On August 2, 2024, the Board of Directors approved the establishment of the "Sustainable Development Committee" as a functional committee of the Board. Its responsibilities are as follows:</p> <ol style="list-style-type: none"> 1. To formulate, promote, and strengthen the Company's sustainable development policies, annual plans, and strategies. 2. Review, track, and revise the implementation and effectiveness of sustainable development. 3. Supervise the disclosure of sustainability information and review the sustainability report. 4. Execution and supervision of risk management related matters. 5. Supervise the execution of the Company's sustainable development code of conduct and other sustainability-related tasks as resolved by the Board of Directors. <p>The committee is composed of five directors, three of whom are independent directors with professional backgrounds in environmental protection, construction, and financial accounting. The other two are the Chairman and the President of the Company. The committee shall convene at least once a year. In 2024, one meeting was held to discuss the 2024 Risk Management Report and the establishment of short, medium, and long-term goals for ESG promotion, as well as the execution results of the short-term goals. The committee reported to the Board of Directors on December 27, 2024.</p> <p>The committee has established the Corporate Governance and Risk Management Team, the Sustainable Environment Team, and the Social Welfare Team, which are responsible for promoting work related to sustainable development. The President serves as the convener and appoints the Vice President or the Corporate Governance Officer to lead each team.</p>	No significant difference

Promotion item	Implementation status			Deviations from the Corporate Sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
II. Has the Company conducted risk assessment on environmental, social and corporate governance issues related to corporate operations and formulated relevant risk management policies or strategies based on materiality principle? (The materiality principle refers to the environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders.)	√		The core team of the Company's Sustainable Development Committee identifies and confirms material topics according to the impact of each issue on the Company's operations with reference to the Company's sustainable development policies, international standards and regulations, issues of concern to domestic benchmark enterprises and issues of concern to the industry. Based on this, risk assessment is carried out, and the assessment boundary is mainly based on the Company. The 2024 Risk Management Report was proposed for 2024 risk identification and response actions, approved by the Sustainable Development Committee on December 16, 2024, submitted to the Board of Directors on December 27, 2024. Please refer to page 64 to 66 of this annual report for details.	No significant difference
III. Environmental Issues (I) Has the Company established an appropriate environmental management system based on the characteristics of its industry?	√		(I) i. In accordance with ISO 14001, we conduct annual internal audits of environmental management and third-party audits of management measures, and conduct regular regulatory reviews of relevant environmental laws and regulations to confirm that all operational processes comply with the regulations. ii. Since the introduction of our environmental management system, we have been checking the environmental impact of all activities and operations by identifying environmental aspects. In 2024, our environmental management system ISO 14001:2015 was audited by British Standards Institute, Taiwan Branch externally with successful third-party verification on December 26, 2024 to maintain the effectiveness of the system. Our environmental management system is well established. We have passed and obtained many international standards such as ISO 9001, ISO 14001, ISO 14064-1, ISO 14067 (product carbon footprint verification), ISO 50001, BS 8001, TCFD and other international standards.	No significant difference
(II) Is the Company committed to improving resource utilization efficiency and to the use of renewable materials with low environmental impact?	√		(II) i. Since its establishment, the Company has been committed to the production of energy-saving and carbon-reducing green building materials, making products such as slag powder and blast-furnace slag cement environmentally friendly green building materials, thereby reducing the	No significant difference

Promotion item	Implementation status			Deviations from the Corporate Sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
(III) Has the Company evaluated the current and future potential risks and opportunities of climate change, and adopted countermeasures?	√		<p>environmental impact.</p> <p>ii. We continued to operate the ISO 50001 energy management system to improve energy management performance and energy use efficiency.</p> <p>iii. In 2024, we invested approximately NTD16,000,000 in process improvement, and replaced equipment etc., reduced electricity consumption by more than 625,000 kWh/year and reduced 308,750 kg (CO_{2e}) emissions. (The data for 2024 is based on the carbon emission coefficients for electricity as announced by the Energy Administration for 2023.) Description as follows:</p> <p>(1) The Kaohsiung Grinding Plant A has replaced the N09 high-pressure motor, enhancing the operational efficiency of the motor and achieving an annual electricity savings of over 200,000 kWh.</p> <p>(2) The Kaohsiung Grinding Plant B has replaced the main motor of the fourth grinding line, enhancing motor operational efficiency and achieving an annual electricity savings of over 400,000 kWh.</p> <p>(3) The Taichung Grinding Plant had upgraded the 2000 KVA transformer to enhance energy efficiency, resulting in an annual electricity savings of over 25,000 kWh.</p> <p>(III) The Company accessed its risks and opportunities of climate change in accordance with the TCFD proposal framework, and disclosed such information in the Sustainability Report. In December 2021, the Climate Change Response Task Force was established. In response to the reorganization of the Sustainable Development Committee's regulations, the Sustainable Environment Team will take over related operations starting in August 2024 to continuously plan and utilize the TCFD framework. Through cross-departmental discussions, we conducted an inventory of the risks and opportunities associated with climate change, established our own climate risk identification process, and planned countermeasures for climate related to all issues. The original Climate Change Response Task Force convened its sixth meeting on May 8, 2024; the Sustainable Environment Team held its first meeting on November 6, 2024, continuing to implement continual adjustments and revisions.</p>	No significant difference

Promotion item	Implementation status			Deviations from the Corporate Sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof															
	Yes	No	Summary																
(IV) Has the Company collected statistics of emissions of GHG, the usage of water, and the total weight of waste in the past two years; and formulated, GHG reduction, water saving, and other waste management policies?	√		<p>(IV)</p> <p>i. GHG emission statistics and management policies:</p> <p>(1) GHG emissions during the most recent 2 years: (The information for scope 1, 2, and 3 covers all plants in Taiwan; however, subsidiary is not included)</p> <p style="text-align: right;">Unit: 10,000-ton CO₂e/year</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Scope 1</th> <th>Scope 2</th> <th>Unit product emissions (kgCO₂e/ton slag powder)</th> <th>Scope 3 (Note)</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>6.8</td> <td>6.7</td> <td>43.15</td> <td>29.2</td> </tr> <tr> <td>2024</td> <td>5.9</td> <td>6.8</td> <td>38.87</td> <td>31.1</td> </tr> </tbody> </table> <p>Note: Scope 3 of disclosures includes 3.1 emissions generated from upstream transportation and goods distribution (including the transportation of raw materials used in production, fuel transportation, and outsourced transportation within the organization); 3.2 emissions generated from downstream transportation and goods distribution (including the transportation of products to the customer); 4.1 emissions originating from the procurement of goods (including the procurement of electricity, fuel, raw materials, and water).</p> <p>(2) Management policy: Reduction was approximately 5.43% in 2024 compared to the previous year. The production volume of Ground-Granulated Blast-Furnace Slag(GGBFS) increased by approximately 3.89% as compared with the previous year, the product emission per unit decreased by 4.28(kg CO₂e/ton GGBFS) and the emission intensity decreased by approximately 9.92%. The project for converting coal to natural gas at the Kaohsiung Grinding Plant has received approval for the modification of the fixed pollution source operating permit from the Kaohsiung City Environmental Protection Bureau as of October 2023. Starting in 2024, the Kaohsiung Grinding Plant will exclusively use natural gas as fuel, resulting in a reduction of approximately 7,311 tons of carbon dioxide emissions compared to 2023. In response to climate change and to promote the sustainable operation of the Company, the Company signed the “Corporate renewable Power Purchase Agreement (CPPA)” in October 2022, and renewable energy (solar power) were</p>	Year	Scope 1	Scope 2	Unit product emissions (kgCO ₂ e/ton slag powder)	Scope 3 (Note)	2023	6.8	6.7	43.15	29.2	2024	5.9	6.8	38.87	31.1	No significant difference
Year	Scope 1	Scope 2	Unit product emissions (kgCO ₂ e/ton slag powder)	Scope 3 (Note)															
2023	6.8	6.7	43.15	29.2															
2024	5.9	6.8	38.87	31.1															

Promotion item	Implementation status			Deviations from the Corporate Sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof									
	Yes	No	Summary										
			<p>purchased since March 2023, the renewable energy and certificates with a total of 2,669,124 kWh (2,670 RECs) were purchased in 2024. In addition, the Company will continue to strengthen the energy saving and carbon reduction of the manufacturing process, carry out comprehensive renewal of old energy consuming equipment, and enhance the energy saving and efficiency of equipment.</p> <p>(3) Verification situation: The Company has been performing GHG inventory and has contracted a third-party verification agency accredited by the Ministry of Environment to obtain verification reports and verification declarations. All of our plants in Taiwan have been inspected in March 28, 2025 and third-party verified by ISO 14064-1 for 2024 in scope 1, 2 and 3.</p> <p>ii. Water consumption statistics and management policies:</p> <p>(1) Our company has been committed to water recycling for many years, and all plants (sites) and stations use tap water. In response to the deterioration of air quality in 2024, measures for emergency prevention and control will be implemented, which will increase the frequency of dust suppression and watering at raw material storage sites. Consequently, this will lead to an increase in the consumption of tap water. The total water consumption for the last 2 years is shown in the table below:</p> <p style="text-align: right;">Unit: million liter</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Water consumption</th> <th>Water-saving percentage (%)</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>223</td> <td>1</td> </tr> <tr> <td>2024</td> <td>240</td> <td>-</td> </tr> </tbody> </table> <p>(2) The main uses are cooling water for process equipment and dust sprinkling on roads and stockyards, all of which are recycled. 92.28 million liters of waste are recycled at each plant (site) and station, while rainwater is recycled at the Kaohsiung and Taichung Grinding Plants, estimated at 11,491 cubic meters per year, Total water recycled accounted for approximately 30.20% of tap water consumption in 2024.</p>	Year	Water consumption	Water-saving percentage (%)	2023	223	1	2024	240	-	
Year	Water consumption	Water-saving percentage (%)											
2023	223	1											
2024	240	-											

Promotion item	Implementation status			Deviations from the Corporate Sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof												
	Yes	No	Summary													
			iii. Waste product statistics and management policies: (1) Waste production information in the last two years: <div style="text-align: right;">Unit: tons</div> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Hazardous wastes</th> <th>Non-hazardous wastes</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>6.27</td> <td>39,323.21</td> <td>39,329.48</td> </tr> <tr> <td>2024</td> <td>4.35</td> <td>41,050.69</td> <td>41,055.04</td> </tr> </tbody> </table> <p>Note: Da-fa Plant due to the characteristics of the raw materials and the requirements of laboratory testing operations, a very small amount of hazardous waste (0.01%) was produced.</p> (2) To achieve sustainable resource reuse, our Company's waste treatment principle gives priority to in-plant reuse to reduce the amount of raw materials, followed by reuse and recycle, and finally incineration or contracted treatment.	Year	Hazardous wastes	Non-hazardous wastes	Total	2023	6.27	39,323.21	39,329.48	2024	4.35	41,050.69	41,055.04	
Year	Hazardous wastes	Non-hazardous wastes	Total													
2023	6.27	39,323.21	39,329.48													
2024	4.35	41,050.69	41,055.04													
IV. Social Issues																
(I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	√		(I) The Company strictly complies with the regulations of all jurisdictions in which it operates, and supports and adheres to the principles and spirit outlined in international human rights conventions such as the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The Company has established a "Human Rights Policy" and a "Diversity, Equity, and Inclusion (DEI) Workplace Statement," and regularly conducts human rights risk assessments. Risk mitigation and impact remediation measures are developed in response to the identified human rights risks.	No significant difference												
(II) Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, rest and annual leave, and other benefits), and appropriately reflected the operating performance or achievements in the employee remuneration?	√		(II) The main items of the Company's remuneration include basic salary, food allowance, year-end bonus, production and sales surplus bonus, etc., and pay for labor and health insurance and reserve pension (including 6% allocated by the new system) according to law. The employee's performance evaluation is combined with the Company's operating performance, annual strategies and action plans. The individual evaluation results are used as the basis for salary adjustment and bonus issuance.	No significant difference												

Promotion item	Implementation status			Deviations from the Corporate Sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
(III) Does the Company provide a safe and healthy work environment and regularly offer safety and health training to its employees?	√		<p>In order to provide favorable working conditions and meet the needs of employee benefits, a total of 19 people from both employers and employees formed the CHC Resources Employee Welfare Committee. Employee benefits include agency credit loan for employees, welfare committee group insurance (including dependents), four-festivity welfare payment, maternity subsidy, children's education scholarship, emergency relief and travel subsidy and contracted merchants, etc.</p> <p>(III) To enhance the Company's risk management capability, ensure the performance of security management and reduce occupational hazards, the Company continues to maintain the operation of the occupational safety and health management system and has successfully converted the relevant system certification to ISO 45001, in order to apply the occupational safety and health management system framework and strive to meet the international advanced safety and health standards, and is committed to providing and maintaining a working environment that meets the legal requirements and to continuously improve to eliminate any potential hazards that may cause harm to life and property.</p> <p>The Company did not experience any incidents of disabling injuries in 2024. Statistics show that there were also no work-related injuries involving company employees or contractors. In the event that such incidents occur, the Company will conduct investigations, cause analyses, and follow-up improvements in accordance with the "Incident Handling and Investigation Procedures".</p> <p>The company did not experience any fire accidents in 2024. The company regularly conducts emergency response drills for self-defense fire brigades in accordance with fire regulations. We also invite instructors from the fire department to conduct training courses to enhance the fire knowledge and response capabilities of our colleagues. At the same time, the fire safety facilities within the plant are regularly inspected and maintained. Additionally, an annual inspection and reporting are conducted in accordance with fire safety regulations. Furthermore, the locations and quantities of flammable materials within the plant are clearly marked on the plant layout diagram, as required by the fire safety authority. This layout</p>	No significant difference

Promotion item	Implementation status			Deviations from the Corporate Sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof									
	Yes	No	Summary										
(IV) Has the Company established effective career development training programs for its employees?	√		<p>diagram is placed in the security office to facilitate its use in the event of an emergency.</p> <p>The following table shows the training and promotion of work safety in the past two years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Education Training Person-Time</th> <th>Education Training Person-Hour</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>1,589</td> <td>4,816</td> </tr> <tr> <td>2024</td> <td>2,056</td> <td>4,276</td> </tr> </tbody> </table> <p>The company has been implementing regular health checkups and special health checkups every year superior than the requirements of the laws and regulations. We also held various health seminars regularly to strengthen employees' concept and awareness of health. In 2024, we will continue to conduct regular health examinations for employees and health seminars covering topics such as prevention of hazards from dust exposure, weight loss, shingles, and interpretation of health examination data.</p>	Year	Education Training Person-Time	Education Training Person-Hour	2023	1,589	4,816	2024	2,056	4,276	No significant difference
Year	Education Training Person-Time	Education Training Person-Hour											
2023	1,589	4,816											
2024	2,056	4,276											
(V) Does the Company comply with relevant laws and international standards in health, safety, and privacy of consumers as well as marketing and labeling of its products and services, and establish consumer protection policies and appeals procedures?	√		<p>(IV) According to the different ability development needs of new recruits, professionals, supervisors (including reserve supervisors) and all employees, the company sets up training plans every year.</p> <p>(V) Our company's products and services are mainly for domestic sales, in compliance with CNS national standards, and strictly controlled for quality by a quality control unit that is certified by the national-level laboratory TAF and takes into account internationally recognized standards such as ASTM.</p> <p>Each responsible unit conducts regular compliance audits and internal inspections, and cooperates in revising and adhering to the latest relevant government regulations. The Company website has established a service hotline and service email to accept customer complaints. Additionally, the sales department proactively seeks to understand customer product usage and assists in handling customer complaint cases, with the aim of safeguarding customer rights. The Company has also established a "Customer Service and Satisfaction Survey Procedure" and conducts annual customer questionnaire surveys to understand customer needs, issues, and complaints. Additionally, the Company analyzes the survey results and</p>	No significant difference									

Promotion item	Implementation status			Deviations from the Corporate Sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
(VI) Has the Company established supplier management policies, requesting suppliers to comply with relevant regulations on issues regarding environmental protection, occupational safety and hygiene, or labor rights, and disclosed the implementation?	√		<p>follows up on the handling of these matters.</p> <p>A "Customer Feedback and Complaint Handling Procedure" has been established, initiated by the Business Department, which collaborates with relevant units to process customer feedback and complaints according to the established procedures. The results of significant issues are reported and reviewed during the ISO Quality Management System Management Review Meeting, serving as a reference for improvement suggestions and measures. In 2024, we visited or hosted over 400 clients, conducted or participated in more than 8 seminars or observation meetings, and hold over 20 marketing service provider or distributor meetings.</p> <p>(VI) The company has established a supplier management policy, and its implementation is detailed in Chapter 5 of the Sustainability Report. The company added the required columns to evaluate whether a supplier had any significant prior event that affected environmental protection/labor condition/human rights/society in the survey table before conducting any dealing with the supplier. The company further requested all long-term contracted supply chain vendor to sign the "Supply Chain Vendor CSR Commitment" and established the standard term of "where a supply chain vendor violates CSR and causes significant effects on environmental protection, labor conditions, human rights, and society, the Company may terminate or cancel the contract at any time" in all contracts.</p>	No significant difference
V. Has the Company adopted internationally recognized standards or guidelines to prepare non-financial reports such as the Sustainability Report? Has the Company obtained a third-party assurance or verification for such reports?	√		<p>The Company's 2023 Sustainability Report published in 2024 was prepared in accordance with the 2021 GRI Sustainability Reporting Standards published by the Global Reporting Initiative (GRI) and the Taiwan Stock Exchange's "Guidelines for Listed Companies to Prepare and File Sustainability Reports." It has been certified by the British Standards Institution (BSI) and is in compliance with the requirements of the GRI Standards and the spirit of AA1000AS v3 Type 1. An independent assurance statement has been issued. Published after being approved by the Board of Directors of the Company on August 2, 2024.</p>	No significant difference
<p>VI. If the Company has established its own sustainable development principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe the implementation and any deviations from the Principles: The Company has established the "Sustainable Development Practice Guidelines" in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and has disclosed them on the Market Observation Post System and the Company website. The practical implementation is in compliance with the Company's "Sustainable Development Practice Guidelines."</p>				

Promotion item	Implementation status			Deviations from the Corporate Sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
VII. Other material information helpful to understanding the promotion of sustainable development initiatives:				
1. Environmental Protection:				
<p>So far, the Company had successively passed the ISO 14001 environmental management system verification, ISO 14064 Part I and Part II GHGs specification with guidance and verification, and continued to make improvements to prevent any factors that may lead to environmental pollution. The Company managed to effectively reduce the emissions of air pollutants through proactive improvements in manufacturing procedures, energy-saving, and pollution prevention measures. To monitor the carbon footprint of products and provide stakeholders with relevant references for energy conservation and carbon reduction, the Company passed six product PAS 2050 carbon footprint verifications as early as 2010. In 2014, based on the international standard ISO/TS-14067, the Company re-evaluated the carbon footprint of eight products comprising thirteen items and obtained certification through third-party verification. To continuously strengthen the carbon footprint management mechanism and product labeling, and to actively participate in the low-carbon transformation of the entire industry chain, in 2022, the Company again conducted a carbon footprint assessment in accordance with the international standard ISO 14067:2018 and the Ministry of the Environment's guidelines for product carbon footprint management. This assessment was carried out through the independent third-party verification organization BSI across 16 manufacturing sites nationwide, including Kaohsiung Plant, Taichung Plant, Changhua Plant, and Miaoli Plant. All sites were mobilized to execute the assessment, which included the granulated blast-furnace slags, air-cooled blast furnace slag/BOF slags, resource recovery, and calcium fluoride sludge physical treatment services, covering 14 categories of 19 product carbon footprints and one waste treatment service carbon label. The Company obtained third-party verification certificates to comprehensively understand the carbon emissions of processes and products at each plant, serving as a direction for continuous improvement. At the same time, we actively provide product carbon footprint information to the Department of Environment's Product Carbon Footprint Information Network's emission factor database. Through a comprehensive review mechanism, this information is incorporated into Taiwan's basic raw material carbon footprint database, offering reference and application for the industry and stakeholders. To effectively manage energy usage and improve energy efficiency, as well as to enhance the Company's commitment to environmental sustainability, the Company took the lead in implementing the European EN 16001 Energy Management System in March 2010, and completed system certification in July, becoming the first company in Taiwan to obtain ISO 50001 certification, continuously contributing to environmental protection efforts.</p>				
2. Community Participation:				
<p>In order to interact well with the community, the Company not only joins the Lin-hai and Da-fa Industrial Zone Associations and participates in various activities held by the manufacturers in the zone, but also continues to support the greening, maintenance and cleaning certain part of roads around the factory area.</p> <p>In order to promote environmental sustainability and help improve the quality of education for school children, the Company has collaborated with the Kaohsiung Public Library Siaogang Branch since 2010 to donate magazines related to "Environmental Education" annually, and established an "Environmental Education Section" on the second floor of the hall, planning for different environmental education themes every two years. Environmental education promotion lectures are held frequently to invite neighboring elementary school children, teachers and residents to participate. The Company receives a Certificate of Appreciation from the Kaohsiung Public Library every year, affirming and encouraging the Company's efforts to operate the environmental education section for a long time. In addition to setting up a special area for environmental education, the company also assists nearby elementary schools in organizing student learning support programs and conducts community care activities for residents around the factory area.</p>				
3. Consumers' Rights:				
<p>Since its establishment, our company has been committed to developing products with low hydration heat, excellent water tightness, acid and alkali resistance, and high durability. We produce blast-furnace slag powder, blast-furnace slag cement, and cementitious additives, aiming to provide customers with the required products while enhancing engineering quality, reducing customer costs, conserving energy, and reducing carbon emissions, contributing to the protection of the global environment.</p> <p>To provide convenient and simple services, we set up our E-commerce information system, including inquiries for order and quantity balances, shipment date/departure number/time/quantity, and account statements, for customers to easily keep abreast of their incoming materials and engineering progress. Furthermore, the Company continues to promote the ERP system installation to improve the efficiency of operating flows.</p> <p>We provide diverse products and packaging to our customers to satisfy their demands for convenience and cost-saving. Different from other competitors, we also attend to demands of environmental protection, energy-saving and carbon-reducing, and green building materials. The Company makes recommendations to customers for adjusting the product combination or adopting customized products according to different engineering requirements to achieve a win-win situation for both parties.</p> <p>Except for product opinions from customers, the Company also conducts customers' satisfaction survey on a yearly basis, and reports the survey results to the management and</p>				

Promotion item	Implementation status			Deviations from the Corporate Sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
			<p>relevant units at the management review meeting, so as to understand the Company's level of performance within the industry and customers' level of satisfaction, gaining the opportunities to further improve our products and services. The Company aims to accord our corporate strategies with customers' requirements to further conform to the trend of market developments.</p> <p>Through feedback from and interactions with customers, relevant units strived for seeking improvement methods and plans and establish objectives and solutions for management with positive and responsible attitudes, so as to constantly enhance customers' satisfaction by means of continual improvements.</p> <p>4. Human Rights: The company strictly observe to the regulations of each operating location globally, and supports and complies with the principles and spirit outlined in the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, as well as other international human rights conventions. We treat employees and contractors with dignity and respect, and we strive to eliminate violation or infringement of human rights. To implement the Company's human rights policy, regular human rights risk assessments are conducted, and mitigation and remedial measures are proposed for identified human rights risks. Improvements are discussed and continuously monitored to effectively control and reduce human rights risks, thereby achieving management objectives. No human rights violations or discrimination incidents occurred among the employees hired in 2023.</p> <p>5. Safety and Hygiene: The Company introduced the Safety and Hygiene Voluntary Protection System promulgated by the Council of Labor Affairs in 2000 and passed the certification of OHSAS 18001 in 2004; we execute our safety and hygiene management work with systematic structures. To further improve our risk control capacity, ensure the performance of safety and hygiene management, and reduce occupational injury, the Company introduced CNS15506 according to the TOSHMS Guidelines in 2008, received initial certification in 2009, and passed the CNS15506 certification again in 2014. In July 2013, the scope of application of the newly amended Occupational Safety and Health Act had expanded from designated industries to all industries. In response to the new requirements derived from the amendment to laws and the impacts of law amendments on the occupational safety of our business units, the Company sped up the progress of setting up proper systems for all units and realized works of occupational safety and hygiene to deeply plant the culture of safety and hygiene with an objective of "damage prevention. At the same time, in response to the conversion of the International Occupational Health and Safety Management Systems, the Company also obtained the ISO 45001 and CNS 45001 conversion certification in 2019.</p> <p>6. Public Policy Participation: To increase the domestic application of GGBFS in public construction, the Company contributed to the Public Construction Commission, Executive Yuan, to prepare and publish the "Blast Furnace Slag Cement Concrete Handbook for Public Construction " in 2001 to promote the subsequent Taipei metro construction, Kaohsiung metro construction, high-speed rail, highway, Taipei 101 building, Kaohsiung 85 Sky Tower, Kaohsiung CSC Group building, Kaohsiung main stadium for the World Games, Light Rail (Phase II in Kaohsiung), Elevated and Underground Rail (Chiayi, Tainan Metro), and other significant public constructions, as well as the use of Granulated Blast-Furnace Slag and Blast-Furnace Slag Cement in indicative constructions.</p> <p>The Company is also actively involved in the updating and promotion of the Green Building Materials Explanation and Evaluation Manual. In 2024, we participated in the communication conference for the 2024 edition of the Green Building Materials Explanation and Evaluation Manual (Draft), organized by the Ministry of the Interior's National Center for Research on Earthquake Engineering. The Company actively engaged in discussions regarding the category of recycled green building materials and provided suggestions for revisions. Additionally, it participated in a meeting convened by the Public Construction Commission regarding the revision of Chapter 03050 of the Construction Guidelines, which pertains to limestone cement and mineral admixtures, offering recommendations for revisions related to hydraulic mixed cement to ensure that construction methods in the industry, government, and academia remain up to date.</p> <p>Participating in the events organized by the Kaohsiung City Government, such as the "2024 Smart City Expo" and "422 Earth Day Environmental HERO, Carbon Zero," we are promoting the application of basic oxygen furnace slag in line with the global trend of achieving net-zero carbon emissions by 2050. Through these events, we aim to raise public awareness of the environmental benefits of basic oxygen furnace slag as a carbon-reducing and eco-friendly recyclable material.</p> <p>7. On December 27, 2024, the 12th Board of Directors held its 16th meeting to report on the establishment of short, medium, and long-term goals for ESG promotion. On February 26, 2025, the 12th Board of Directors held its 17th meeting to report on the execution results of the short-term ESG goals (2024).</p>	

Risk Management Report

The Company categorizes risks into operational, financial, hazard, information security, and compliance types, and further classifies them under the economic/governance, environmental, and social dimensions. The major risks and corresponding responses for 2024 are as follows:

Aspect	Risk Type	Risk Identification	Countermeasures
Economic/ Governance	Operational Risk	Market Risk	<ul style="list-style-type: none"> ● Enhance processing procedures and develop new products based on customer practical needs. ● Continuously track and collect customer needs, and hold regular meetings to discuss improvements. Monitor client business activities closely and strategically discontinue relationships with underperforming clients.
		Production Risk	<ul style="list-style-type: none"> ● By utilizing the capacity allocation methods of the Taichung Plant, Kaohsiung Plant, and subcontractors, we meet customer demands. ● When the fuel suppliers are unable to provide natural gas in a timely manner, alternative fuel will be immediately utilized for production, and the relevant authorities will be notified. ● Regularly inspect production equipment to ensure that the manufacturing processes operate in compliance with established standards. ● The Quality Control Unit conducts periodic sampling inspections of raw materials to ensure compliance with incoming material specifications. ● Adjust the maintenance schedule to prevent production during the rainy season or periods of heavy rainfall.
		Supply Chain Risk	<ul style="list-style-type: none"> ● Adjust production operations based on the supply of raw materials, maintaining flexibility in accordance with customer contract terms to meet market demand. ● Continuously inspect the slag storage area and implement a rolling plan for land use in the storage area. ● Increase the number of raw material suppliers to avoid concerns regarding insufficient supply from a single vendor. ● Coordinate business operations to maintain a balance between production and sales.
		Carbon Emission Risk	<ul style="list-style-type: none"> ● Conduct a greenhouse gas inventory and third-party verification, and develop a carbon reduction plan. ● In alignment with the government's goal of achieving net-zero emissions by 2050, we are actively promoting a low-carbon transition and continuously planning for the conversion to low-carbon fuels: gradually shifting from coal to natural gas to reduce carbon emissions from fuels. ● Continuously implement the energy management system to enhance energy utilization efficiency: update high-voltage motors with low energy conversion efficiency, and replace them with variable frequency air compressors and variable frequency air conditioning units. ● Continue to purchase renewable energy and certificates (solar photovoltaic) to reduce greenhouse gas emissions.
		Technical Risk	<ul style="list-style-type: none"> ● Visit research institutions and testing organizations to explore methods for industrial waste testing and exchange new technologies, while also observing and learning about testing equipment to enhance the company's testing capabilities and responsiveness. ● Conducted a client meeting to communicate product quality and perform testing comparisons, in order to prevent issues

Aspect	Risk Type	Risk Identification	Countermeasures
			<p>arising from discrepancies in testing.</p> <ul style="list-style-type: none"> ● Review the standard testing methods announced by the Ministry of Environment to ensure that the testing procedures are up to date. ● By participating in seminars and exchange visits to understand new trends in equipment, processes, and technology, the Company aims to enhance its production and technical capabilities.
	Information Security Risk	Cyber Risk	<ul style="list-style-type: none"> ● Conduct regular social engineering email tests and provide guidance and improvement proposals for non-compliant employees. ● Effectively utilize the log management system to consolidate records from firewall and other cybersecurity devices, and promptly issue alerts to notify network management personnel in the event of anomalies. ● Update the firmware of firewalls across all facilities to enhance cybersecurity defenses. ● Regularly monitor whether employees' computer operating systems and virus definitions are updated to the latest version. ● Having managed detection and response (MDR) in place for important servers and computers used by personnel with access to confidential or sensitive data to avoid intrusion.
		Host Equipment Risk	<ul style="list-style-type: none"> ● Effectively utilize the asset management system to properly control USB flash storage devices and maintain access records. ● Formulating SOPs for disaster recovery exercises, periodic backup plans, and a remote backup mechanism for important hosts within the Company, as well as implementing annual disaster recovery exercises once a year to ensure that we are prepared to fully restore data. ● Implementation of a database server backup system ensures that in the event of a primary server failure, the secondary server can promptly take over, thereby minimizing the potential for operational disruptions.
	Compliance Risk	Regulatory Violation Risk	<ul style="list-style-type: none"> ● Enhancing legal compliance awareness among responsible staff members to ensure that they carry out the relevant operations in compliance with the self-management plan. ● Important contracts are reviewed by the Legal Department and, if necessary, consulted on with legal advisors. ● Complete three legal seminars. ● Conduct regular regulatory audits to ensure compliance with legal requirements. ● Invite experts to conduct a seminar on environmental safety and health. ● Implement an environmental quality inspection program and hold relevant regulatory briefing sessions in a timely manner.
Environment	Hazard Risk	Environmental Risk	<ul style="list-style-type: none"> ● Regular maintenance of wastewater treatment facilities is essential to continuously enhance the recycling and reuse of wastewater, thereby making full use of water resources. ● Implement the emergency response mechanism for poor air quality. ● Establish environmental protection facilities in accordance with air pollution regulations to meet legal requirements. ● Conduct multiple supplier briefings, requesting upstream production units to enhance classification and reduce the volume of derived waste entering the facility. ● Allocate resources for improvement projects to mitigate environmental risks.

Aspect	Risk Type	Risk Identification	Countermeasures
Society	Hazard Risk	Occupational Safety Risk	<ul style="list-style-type: none"> ● Implement hazard communication and preventive measures training before daily operations. ● Regular awareness campaign of disaster prevention and related matters for confined spaces. ● Establish a special operation permit application system for compliance purposes. ● Prior to the commencement of work, a briefing on the implementation of operational content will be conducted to review the SJP and risk assessment. ● Every six months, a testing company is commissioned to conduct on-site environmental monitoring. ● New employees will undergo training related to the Environmental, Health, and Safety Management System, and relevant safety and health education seminars will be held regularly. ● Implement measures to prevent unlawful infringements in the workplace and conduct employee care seminars.

Climate-Related Information

1. Execution of Climate-Related Information

Item	Implementation status
(1) The oversight and management of climate-related risks and opportunities by the Board of Directors and management.	<ul style="list-style-type: none"> ① Establish a Corporate Sustainable Development Committee to monitor climate change risks from a sustainable development perspective and formulate appropriate responses. Report relevant issues to the Board of Directors at least twice a year. ② In response to climate change, measures such as green energy, environmental protection, and energy conservation were discussed and reported to the Board of Directors. On August 2, 2024, the Board of Directors was briefed on the mid-year performance of the ESG short-term goals (2024); on December 27, 2024, the Board was briefed on the formulation of short-, medium-, and long-term ESG goals; and on February 26, 2025, the Board was briefed on the performance results of the ESG short-term goals (2024). ③ Established the Sustainable Environment Task Force to discuss various climate change risks and develop measures to reduce the transformation and physical risks to the company caused by climate change. The Group aims to seize opportunities related to climate change and integrate strategies for reducing GHG emissions and adapting to climate change across all divisions.
(2) Describe how identified climate risks and opportunities affect the business, strategy, and finances of the enterprise in the short, medium, and long term.	<ul style="list-style-type: none"> ① Short-term Impact (1-3 years): <ul style="list-style-type: none"> A. Business: In response to abnormal events such as extreme weather or natural disasters, there may be production disruptions, supply chain interruptions, and logistics issues that create short-term challenges to business operations. B. Strategy: Implement emergency measures and adjust business operations to strengthen risk management and contingency plans to ensure smooth business operations. C. Financial: Unexpected weather events can lead to additional cost increases, including repair of damaged equipment, emergency procurement of resources, and other contingency measures, affecting short-term financial conditions. ② Medium-term impact (3-5 years): <ul style="list-style-type: none"> A. Business: Continued climate change may lead to changes in the overall sales market, affecting product supply and market demand. Depending on the situation, convene business meetings to adjust the business model in response to these changes. B. Strategy: Medium-term risks require a more comprehensive strategic response, which may include adjusting product portfolios, expanding market scope, or investing in new technologies to lessen the impact of climate change. C. Financial: Long-term investments may be required to improve climate resilience, resulting in increased capital expenditures and impacting financial position. ③ Long-term impact (5 years or more): <ul style="list-style-type: none"> A. Business: Climate change will profoundly alter market structures and customer demands. In addition to ongoing climate adaptation efforts, we will evaluate appropriate transformations to become a more sustainable enterprise. B. Strategy: Long-term strategies must take into account the global impact of climate change and the differences between industries. It may also require international cooperation, the development of new products and services, and active participation in the carbon market. C. Financial: Climate change could have a profound impact on the Company's value, and investors and stakeholders may place greater emphasis on climate risk management and sustainable development performance.
(3) Describe the impact of extreme weather events and transition actions on finances.	<ul style="list-style-type: none"> ① Impact of Extreme Weather Events: <ul style="list-style-type: none"> A. Asset Loss: Extreme weather events such as hurricanes, floods or droughts can result in the loss of fixed assets, including production facilities, equipment and raw materials. This will directly impact the Company's asset value and financial condition. B. Rising Insurance Costs: Frequent extreme weather events may lead to an increase in corporate insurance costs. The insurance budget could face impacts from the rising costs associated with insuring against extreme weather risks.

Item	Implementation status																												
	<p>C. Production Disruption Cost: Extreme weather events can cause production disruptions that directly impact a company's revenue and profitability. Emergency response measures to deal with production disruptions may also increase costs.</p> <p>② Impact of Climate Transition Action:</p> <p>A. New Technology and Infrastructure Investment: Achieving the 2050 net-zero goal will require investment in new technologies, climate-friendly infrastructure, and low/zero-carbon fuels. The capital expenditure will have an impact and may lead to short-term financial pressure.</p> <p>B. Regulatory Compliance Costs: The Climate Change Response Act includes a net-zero target for 2050, and carbon fees will be imposed starting in 2025. The government continues to push for stricter environmental regulations. In order to comply with these regulations, the company will incur additional compliance costs.</p>																												
(4)The process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	<p>① The Risk Management Unit of the Sustainable Development Committee - Corporate Governance and Risk Management Team oversees all risk management matters. When identifying risks, it is important to analyze the operating environment, including various business and operational activities, and manage the risks qualitatively or quantitatively. When inventorying and identifying potential sources of risk, relevant responsible units should consider external and internal environmental factors for evaluation.</p> <p>② Define the short, medium, and long-term time intervals for climate-related risks and opportunities, with 0-2 years defined as short-term and 2-10 years defined as medium to long-term. Conduct climate risk and opportunity assessments based on these time frames. Re-identify and assess climate risks and opportunities every 3 years. The types of climate risks include transformation risks and physical risks, which are further categorized as political and regulatory, technological, market, reputational, and immediate versus long-term. Opportunities are classified into categories such as resource efficiency, energy sources, products and services, market, and organizational resilience. The participating units identify potential risks (9 in total) and opportunities (7 in total) stemming from the Company's operational transformation and physical risks due to climate change through internal investigation and evaluation. Following this, a risk and opportunity matrix is constructed, taking into account three factors: business relevance, vulnerability (risk response/opportunity preparedness), and impact/contribution. Potential financial impact exceeds NTD10 million per year or more, and relevant measures should be prioritized.</p>																												
(5)If scenario analysis is used to assess resilience to climate change risks, the context, parameters, assumptions, analysis factors and key financial implications should be explained.	<p>① The Science-based Target Setting Tool version 1.2.1, a context analysis tool published by the Science Based Targets Initiative (SBTi), was used to assess future emissions. The scenario used was ETP 2017 B2DS (Beyond two-degree scenario as defined in the IEA Energy Technology Perspectives) and the assessment was performed for the cement industry.</p> <p>② In the simulated B2DS scenario, CHC resource emissions from 2030 to 2050 are projected to be as follows:</p> <table border="1" data-bbox="752 1002 1955 1145"> <thead> <tr> <th>Annual</th> <th>2020</th> <th>2025</th> <th>2030</th> <th>2035</th> <th>2040</th> <th>2050</th> </tr> </thead> <tbody> <tr> <td>Scope 1 emissions (t CO₂)</td> <td>74,778</td> <td>72,406</td> <td>62,115</td> <td>51,413</td> <td>39,738</td> <td>19,846</td> </tr> <tr> <td>Scope 2 emissions (t CO₂)</td> <td>71,191</td> <td>59,208</td> <td>43,667</td> <td>28,819</td> <td>17,369</td> <td>1,215</td> </tr> <tr> <td>Total emissions (t CO₂)</td> <td>145,969</td> <td>131,614</td> <td>105,782</td> <td>80,232</td> <td>57,107</td> <td>21,061</td> </tr> </tbody> </table> <p>③ To assess the financial impact of the above-mentioned emissions, the emissions in category 1 were estimated using the report issued by the high level commission on carbon pricing in 2017 (to be consistent with the core objective of limiting global warming to below 2 degrees Celsius as outlined in the Paris Agreement, the carbon price between 2020 and 2030 is estimated to be between \$40 and \$80 per ton of carbon emissions; after 2030, the carbon price is estimated to be between \$50 and \$100 per ton of carbon emissions, using the intermediate values for calculation). The two categories are calculated based on the electricity purchase rate for solar power generation facilities in 2022 (calculated at a maximum price of NTD5.8952 per kilowatt-hour) and the electricity purchase rate for renewable energy generation facilities (excluding solar power) in 2022 (calculated at a fixed offshore wind purchase rate of NTD4.5024 per kilowatt-hour for 20 years).</p> <p>④ The cost reduction is calculated on an annual basis using a linear method, taking into account the carbon price and the cost of renewable energy.</p>	Annual	2020	2025	2030	2035	2040	2050	Scope 1 emissions (t CO ₂)	74,778	72,406	62,115	51,413	39,738	19,846	Scope 2 emissions (t CO ₂)	71,191	59,208	43,667	28,819	17,369	1,215	Total emissions (t CO ₂)	145,969	131,614	105,782	80,232	57,107	21,061
Annual	2020	2025	2030	2035	2040	2050																							
Scope 1 emissions (t CO ₂)	74,778	72,406	62,115	51,413	39,738	19,846																							
Scope 2 emissions (t CO ₂)	71,191	59,208	43,667	28,819	17,369	1,215																							
Total emissions (t CO ₂)	145,969	131,614	105,782	80,232	57,107	21,061																							

Item	Implementation status																								
	<div style="text-align: right;">Unit: NTD10,000</div> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="810 225 1288 260">Annual</th> <th data-bbox="1288 225 1456 260">2020-2030</th> <th data-bbox="1456 225 1646 260">2020-2040</th> <th data-bbox="1646 225 1836 260">2020-2050</th> <th data-bbox="1836 225 2027 260">2020-2050</th> </tr> </thead> <tbody> <tr> <td data-bbox="810 260 1288 295">Scope 1 - Cost reduction</td> <td data-bbox="1288 260 1456 295">12,536</td> <td data-bbox="1456 260 1646 295">40,228</td> <td data-bbox="1646 260 1836 295">112,397</td> <td data-bbox="1836 260 2027 295">112,397</td> </tr> <tr> <td data-bbox="810 295 1288 330">Scope 2 - Cost reduction - Solar energy</td> <td data-bbox="1288 295 1456 330">175,330</td> <td data-bbox="1456 295 1646 330">654,531</td> <td data-bbox="1646 295 1836 330">1,256,208</td> <td data-bbox="1836 295 2027 330">1,256,208</td> </tr> <tr> <td data-bbox="810 330 1288 365">Scope 2 - Coast reduction - Offshore wind power</td> <td data-bbox="1288 330 1456 365">133,906</td> <td data-bbox="1456 330 1646 365">499,891</td> <td data-bbox="1646 330 1836 365">959,416</td> <td data-bbox="1836 330 2027 365">959,416</td> </tr> </tbody> </table>					Annual	2020-2030	2020-2040	2020-2050	2020-2050	Scope 1 - Cost reduction	12,536	40,228	112,397	112,397	Scope 2 - Cost reduction - Solar energy	175,330	654,531	1,256,208	1,256,208	Scope 2 - Coast reduction - Offshore wind power	133,906	499,891	959,416	959,416
Annual	2020-2030	2020-2040	2020-2050	2020-2050																					
Scope 1 - Cost reduction	12,536	40,228	112,397	112,397																					
Scope 2 - Cost reduction - Solar energy	175,330	654,531	1,256,208	1,256,208																					
Scope 2 - Coast reduction - Offshore wind power	133,906	499,891	959,416	959,416																					
(6) If there is a transition plan for managing climate-related risks, please explain the content of the plan and the indicators and targets used to identify and manage physical and transition risks.	<p>① Converting to low-carbon fuel to reduce carbon emissions: The grinding plant will be converted to low-carbon fuel. By 2025, GHG emissions will be reduced by 15% compared to the base year of 2018. By 2030, emissions will be reduced by 25% compared to the base year.</p> <p>② Purchase renewable energy and certificates: Beginning in 2023, purchase 2.03 million kWh or more; beginning in 2030, purchase 3 million kWh or more.</p> <p>③ We are developing new products in response to changes in market demand: we are continuously strengthening research and development of green and low-carbon products to increase the ratio of sales to research and development costs.</p>																								
(7) If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.	No internal carbon pricing is currently being used. In response to the carbon fee payment for 2025, an estimated monthly carbon fee has been calculated and recorded since 2025. Currently, the estimate is based on NTD300 / per ton of CO ₂ e.																								
(8) If climate-related targets are set, explain the activities covered, the scope of GHG emissions, the planning schedule, and annual progress. If carbon offsets or renewable energy certificates are being used (to meet the relevant targets, the source and quantity of carbon offsets or renewable energy certificates should be explained).	<p>① 2050 Net Zero Pathway Planning:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="674 708 887 778">Schedule</th> <th data-bbox="887 708 1305 778">GHG emissions (Scope 1 + Scope 2)</th> <th data-bbox="1305 708 2033 778">Action measures/Specific action plan</th> </tr> </thead> <tbody> <tr> <td data-bbox="674 778 887 810">Base Year (2018)</td> <td data-bbox="887 778 1305 810">142,501 tons of CO₂e</td> <td data-bbox="1305 778 2033 810">The GHG inventory and third-party verification began in 2007.</td> </tr> <tr> <td data-bbox="674 810 887 911">2025</td> <td data-bbox="887 810 1305 911">A reduction of 15% compared to the base year</td> <td data-bbox="1305 810 2033 911">Replacement of Fuel at the Kaohsiung Grinding Plant Purchase of Renewable Energy (Total Electricity Consumption 1%) Upgrade Equipment</td> </tr> <tr> <td data-bbox="674 911 887 1011">2030</td> <td data-bbox="887 911 1305 1011">A reduction of 25% compared to the base year</td> <td data-bbox="1305 911 2033 1011">Replacement of Fuel at the Taichung Grinding Plant Purchase of Renewable Energy (Total Electricity Consumption 2%) Deepening Energy Efficiency Enhancement Smart Analysis and Control</td> </tr> <tr> <td data-bbox="674 1011 887 1112">2050</td> <td data-bbox="887 1011 1305 1112">Carbon Neutrality as the Goal</td> <td data-bbox="1305 1011 2033 1112">Carbon Capture Utilization and Storage Decarbonization of Fuel (Hydrogen Energy/Biomass Energy) In line with the government's use of 100% carbon-free electricity</td> </tr> </tbody> </table> <p>② In 2024, the Kaohsiung Grinding Plant will completely transition its fuel to natural gas, resulting in a reduction of approximately 5,684 tons of GHG emissions. In addition, a total of 2,669,124 kWh (2,670 RECs) of renewable electricity and certificates were purchased. The Company also actively implemented energy-saving and carbon-reducing measures in its processes and upgraded outdated energy-consuming equipment. These efforts have resulted in a reduction of approximately 1,627 tons of GHG emissions.</p> <p>③ In 2024, GHG emissions were 127,325 tons of CO₂e, which represents a decrease of about 10.65% compared to the base year (2018).:-</p>					Schedule	GHG emissions (Scope 1 + Scope 2)	Action measures/Specific action plan	Base Year (2018)	142,501 tons of CO ₂ e	The GHG inventory and third-party verification began in 2007.	2025	A reduction of 15% compared to the base year	Replacement of Fuel at the Kaohsiung Grinding Plant Purchase of Renewable Energy (Total Electricity Consumption 1%) Upgrade Equipment	2030	A reduction of 25% compared to the base year	Replacement of Fuel at the Taichung Grinding Plant Purchase of Renewable Energy (Total Electricity Consumption 2%) Deepening Energy Efficiency Enhancement Smart Analysis and Control	2050	Carbon Neutrality as the Goal	Carbon Capture Utilization and Storage Decarbonization of Fuel (Hydrogen Energy/Biomass Energy) In line with the government's use of 100% carbon-free electricity					
Schedule	GHG emissions (Scope 1 + Scope 2)	Action measures/Specific action plan																							
Base Year (2018)	142,501 tons of CO ₂ e	The GHG inventory and third-party verification began in 2007.																							
2025	A reduction of 15% compared to the base year	Replacement of Fuel at the Kaohsiung Grinding Plant Purchase of Renewable Energy (Total Electricity Consumption 1%) Upgrade Equipment																							
2030	A reduction of 25% compared to the base year	Replacement of Fuel at the Taichung Grinding Plant Purchase of Renewable Energy (Total Electricity Consumption 2%) Deepening Energy Efficiency Enhancement Smart Analysis and Control																							
2050	Carbon Neutrality as the Goal	Carbon Capture Utilization and Storage Decarbonization of Fuel (Hydrogen Energy/Biomass Energy) In line with the government's use of 100% carbon-free electricity																							
(9) Inventory and confirmation of GHG emissions, reduction targets, strategies, and specific action plans.	<p>① The external verification of the 2023 CHC Resources GHG inventory was completed by a third-party independent organization (BSI) on March 20, 2024.</p> <p>② The external verification of the 2024 CHC Resources GHG inventory was completed by a third-party independent organization (BSI) on March 28, 2025.</p> <p>③ The details of the weight reduction goals, strategies, and specific action plans are explained in the implementation status described in item 8.</p>																								

2. Company GHG Inventory and Verification Status in the Past Two Years

(1) GHG Inventory Information

Emission volume, intensity, and data coverage of GHGs in the past two years:

Annual	GHG emissions (Scope 1 + 2)(metric tons CO₂e)	Intensity (metric tons CO₂e/million dollars)	Scope of Data
2023	134,636	12.15	Covering all plant areas in Taiwan
2024	127,325	10.71	Covering all plant areas in Taiwan

(2) GHG Assurance Information

Explanation of the situation for the last two fiscal years as of the date of printing of the annual report, including the scope of the assurance, the assurance provider, the assurance criteria and the assurance report.

- ① In 2023, our Company reported total GHG emissions (Scope 1 + Scope 2) of 134,636 metric tons of CO₂e, representing 100% of total emissions. The emissions were verified by an accredited third-party verifier, BSI, according to the ISO 14064-3 standard, and their opinion is considered reliable.
- ② In 2024, our Company reported total GHG emissions (Scope 1 + Scope 2) of 127,325 metric tons of CO₂e, (representing 100% of total emissions). The emissions were verified by an accredited third-party verifier, BSI, according to the ISO 14064-3 standard, and their opinion is considered reliable.
- ③ The relevant assurance (third party verification) information will also be disclosed in the sustainability report/MOPS company website.

(VI) Implementation of Ethical Corporate Management, deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
I. Formulation of Ethical Corporate Management Policies and Programs				
(I) Has the Company formulated ethical corporate management policies approved by the Board of Directors and 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?	√		(I) 1. The rules of the Company's "Ethical Corporate Management Best Practice Principles" and "Procedures and Guidelines for Ethical Corporate Management" were submitted to the Board meeting for approval, and the Company has preventive requirements for unethical behaviors in place. 2. The Auditor continues to track the improvement progress after proposing the improvement recommendations for approval. After completing the improvement measure for each audit item in due course, the results are reported to the Board of Directors and Independent Directors for review in accordance with the requirements, which is an important mechanism for the Board of Directors to supervise the implementation of the Company's ethical corporate management policy.	No Significant Difference
(II) Has the Company established a risk assessment mechanism against unethical behavior, periodically analyzed and assessed operating activities with higher risk of unethical behavior within its business scope, and established prevention programs accordingly which at least include precautions against behaviors stipulated in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE /TPEX Listed Companies?	√		(II) 1. The Company established its "Guidelines for Handling Gifts, Social Engagements, and Lobbying" to implement the quality corporate culture, safeguard its corporate image, and provide a reference for practitioners for handling gifts, social engagements, and lobbying. 2. The Company established the "Guidelines for Public Relations Expenses," all expenses and fees incurred to the practitioners of the Company due to social engagements, gifts, presents for marriage, funeral, festive events, and celebrations, and other required entertainments shall be subject to the Guidelines. 3. The Company has the Regulations for Practitioners' Ethics, Code of Ethics for Directors or Executives, Guidelines for Recusals for Conflicts of Interests, and other regulations in place. 4. The Company has passed the TIPS intellectual property management verification and established relevant management measures and procedures to strengthen the protection of intellectual property rights.	No Significant Difference

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(III) Has the Company specified operating procedures, guidelines for conduct, disciplinary and appeal system in its programs to prevent unethical behavior, implemented them accordingly and regularly reviewed those programs?	√		(III) The Company established its " Ethical Corporate Management Best Practice Principles "and "Procedures and Guidelines for Ethical Corporate Management", and regularly review and amend the abovementioned regulations. Upholding the business philosophies of integrity, transparency, and responsibility, the Company formulated ethical-based operating policies and established healthy corporate governance and risk control systems to create an operating environment for sustainable development.	No Significant Difference
II. Implementation of Ethical Corporate Management (I) Does the Company evaluate the ethical records of counterparties and specify ethical conduct clauses in business contracts?	√		(I) According to the regulations for evaluating contractors, our company assesses the integrity records of business partners in order to strengthen the management of contractors. Additionally, the contract signed with the contractors includes a clause on integrity operation policy, and any violation of this policy may result in termination or cancellation of the contract. Furthermore, there are provisions for dealing with contractors who violate the principle of good faith. If a vendor is found to have any of the following circumstances, the Purchasing Department may request the approval of the President to permanently refuse any future transactions: 1. The contractor refuses to pay the contract cancellation penalty without any justifiable reason. 2. The contractor violated the contract and caused significant losses to the Company. 3. The contractor refused to accept the performance dispute mediation and directly initiated litigation. 4. The contractor is verified through investigation to have engaged in illegal conduct such as manipulation or collusion. 5. The contractor is verified through investigation to have provided gifts, bribery, commission, or other illegal benefits to employees of the Company. 6. The contractor refused to take responsibility after a significant environmental safety and hygiene event occurred at the Company's plant during the period of contract performance.	No Significant Difference

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(II) Does the Company establish an exclusively dedicated unit under the Board of Directors to oversee ethical corporate management and report its ethical corporate management policies, programs to prevent unethical behavior, and the supervision of implementation of those policies to the Board of Directors regularly (at least once a year)?	√		(II) The Administration Division is responsible for the formulation of the Company's relevant requirements. All units comply with relevant requirements to ensure the full implementation of its ethical operating policies. Also, the Company monitors the execution and tracks improvements through the internal audit systems and project audits. The Audit Office has conducted an examination of the integrity of business operations and compliance with regulations as required. On October 29, 2024, the Administration Division reported to the Board of Directors on the operation and implementation of the Company's integrity management for 2024. Please see Page 76 to 77 in the Annual Report. The responsibilities of units subordinate to the Administration Division are as follow: 1. Human Resources & General Affairs Department: (1) To plan the internal organization, structure, and allocation of responsibilities and set up check-and-balance mechanisms for mutual supervision of the business activities within the business scope, which are possibly at a higher risk for unethical conduct. (2) To organize and coordinate promotions for ethical policies. 2. Planning Department: (1) To help include ethical and moral values into the Company's operating principles. (2) To respond to the legal system and establish the Procedures and Guidelines for Ethical Corporate Management. (3) To formulate and maintain relevant internal rules of the Company, such as the Code of Ethics for Directors, the Code of Ethics for Executives, and the Code of Ethics for Practitioners.	No Significant Difference
(III) Does the Company formulate policies to prevent conflict of interests, provide appropriate reporting channels, and implement it accordingly?	√		(III) The Company has formulated its policies on preventing conflicts of interests, provided proper channels for representation, and realized the execution: 1. The Company formulated its "Code of Ethics for Directors" and "the Code of Ethics for Executives". Furthermore, the Company's "Guidelines for Practitioners' Recusals for Conflicts of Interests" also explicitly stated regulations for employees' behaviors. 2. For channels of representation, please refer to relevant requirements	No Significant Difference

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(IV) Has the Company established effective accounting and internal control systems for ethical corporate management, developed relevant audit plans based on the results of risk assessment of unethical behavior, and audited the status of compliance with the programs to prevent unethical behavior by the internal audit unit or a CPA?	√		<p>under the Company's Regulations for Processing Complaints and Regulations for Processing Reports of Illegal and Unethical Conducts.</p> <p>3. In 2024, neither the company nor its subsidiaries received any internal or external grievances regarding violations of conflict of interest avoidance.</p> <p>(IV)</p> <p>1. Accounting system: The system is formulated based on the Regulations Governing the Preparation of Financial Reports, Regulation on Business Entity Accounting Handling, and other relevant laws and regulations, with reference to the Company's operating policies, actual business, and actual requirements for development and management, so as to improve the Company's operation efficiency and provide fair representation to its financial conditions, operating results, and cash flows.</p> <p>2. Internal control system: (1). The Company established the Internal Control System Provisions as the basis for all relevant units and personnel to implement the internal control system. (2) The self-assessment is performed in October every year; all units and subsidiaries shall conduct the self-assessment of their own business according to the "Self-assessment Form " and submit to the Internal Audit Office for review.</p> <p>3. Internal auditor: (1) The Company has the Internal Audit Office, subordinated to the Board of Directors, and a chief auditor and an auditor in place to manage the Company's audit operations. (2) To assist the Board of Directors and managers in inspecting and reviewing the internal control system and the deficiency of ethical conducts, measuring operating efficacy and efficiency, and providing improvement recommendations and establishing relevant audit plans in due course, to ensure the internal control system shall be effectively implemented on a continuing basis and serve as the basis for reviewing and modifying the internal control system shall be effectively implemented and reviewed and</p>	No Significant Difference

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(V) Does the Company regularly hold internal and external trainings on ethical corporate management?	√		<p>modified.</p> <p>(3) The Company has formulated the crucial items of the department performances included the deficiencies of the internal control system and the improvements of unmoral events found by the internal auditor.</p> <p>(V)</p> <ol style="list-style-type: none"> 1. In 2024, a company-wide training session was held to promote ethical corporate management, with a total of 109 participants. 2. In 2024, the onboarding training for new employees included promotion of the ethical corporate management, with 18 participants. 3. In May 2024, ethical corporate management case studies and company regulations were presented at the monthly managers' meeting, with 27 participants. 	No Significant Difference
<p>III. Implementation of Whistleblowing System</p> <p>(I) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?</p> <p>(II) Does the Company establish standard operating procedures for investigating cases reported, follow-up measures to be adopted after investigation, and related confidentiality mechanisms?</p>	√		<p>(I) The Company has established specific "Measures for Handling Cases of Reporting Illegal and Violation of Integrity", and the official website specifies the reporting channel, dedicated acceptance unit (Internal Audit Office) and complete reporting and handling procedures, and establish an independent appeal mailbox and hotline.</p> <p>(II) The standard operating procedures of investigation, the follow-up measures to be taken after completion of the investigation and the relevant confidentiality mechanism of the Company's "Measures for Handling Cases of Reporting Illegal and Violation of Integrity" are as follows:</p> <ol style="list-style-type: none"> 1. The case will be handled by the Internal Audit Office. After clarifying the purpose and investigating the specific evidence, fill out the report registration form or projec and submit it to the Chairman. 2. After investigation by the Internal Audit Office, if major violations are found or the Company is under the risk of major damage, a report should be made and submit it to the Chairman, and the Independent Directors should be notified in writing. 3. The Internal Audit Office shall keep the identity of the whistle-blower and the content of reported cases confidential and verify them through independent channels to protect the rights and interests of whistleblowers and stakeholders. 	<p>No Significant Difference</p> <p>No Significant Difference</p>
(III) Does the Company adopt measures to protect whistleblowers?	√		(III) Both the company and subsidiaries are committed to maintaining absolute confidentiality regarding the identity of whistleblowers, in order to protect	No Significant Difference

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			them from any improper disposal resulting from legitimate whistleblowing. In cases where the reported incidents are found to be true after investigation, appropriate rewards may be given to the whistleblowers, depending on the severity of the appeal.	
IV. Strengthening Information Disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on corporate website and MOPS?	√		Regarding the "Corporate Governance" part on the Company's website (https://www.chc.com.tw) and MOPS, we disclosed relevant information of our ethical operations, including the "Code of Ethics" and "Ethical Corporate Management Best Practice Principles" under "Corporate Governance." To perfect the Company's management of ethical operations, our internal units are responsible for performing ethical operations, and the Auditor shall monitor the execution and regularly report the results to the Board of Directors.	No Significant Difference
V. If the Company has formulated its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe the implementation and its discrepancies with the Principles: The Company has established its Ethical Corporate Management Best Practice Principles and Procedures and Guidelines for Ethical Corporate Management, and its operations have no material discrepancy from the established Principles.				
VI. Other important information to facilitate a better understanding of the Company's ethical corporate management practices (e.g. reviews and amends its Ethical Corporate Management Best Practice Principles). 1. The Company explicitly declares its concept of ethical operations in its company profile and CSR reports. 2. The Company periodically reviews and Sustainability Report, modifies or formulates regulations related to ethical operations to accord with actual operations. 3. The Company's promoting operation and implementation of integrity management in 2024.				

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
Promotion method	Remarks			
Advocacy education			All levels of management promote the Company's ethical management philosophy and emphasize the importance of ethical conduct through various internal meetings. Any form of personal gain or fraud is strictly prohibited. The main activities are as follows: 1. In 2024, a company-wide training session was held to promote ethical corporate management, with a total of 109 participants. 2. In 2024, the onboarding training for new employees included promotion of the ethical corporate management, with 18 participants. 3. In May 2024, ethical corporate management case studies and company regulations were presented at the monthly managers' meeting, with 27 participants.	
Formulation of rules and regulations			1. In order to foster a corporate culture that prioritizes ethical management, we have developed the Ethical Corporate Management Best Practice Principles, as well as the Procedures and Guidelines for Ethical Corporate Management in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. 2. The Company has established Work Rules and Regulations for Rewards and Punishments for Employees to govern employee behavior. Employees who breach these regulations will be subject to disciplinary action based on the specific circumstances. 3. To guide the behavior of practitioners in accordance with ethical standards, comply with laws and regulations, and prevent illegal conduct, it is strictly prohibited to engage in collusion, accept bribes, or commit fraud in the course of their duties. In addition to the "Code of Ethics for Employees," guidelines have been established for the "Guidelines for Employees' Recusal Due to Conflict of Interests," the "Code of Ethical Conduct for Executives," and the "Code of Ethical Conduct for Directors." 4. The Guidelines for Handling Gifts, Social Engagements, and Lobbying have been developed to provide employees with a framework for dealing with situations involving the receipt of gifts, invitations to banquets or entertainment, or requests for influence peddling. 5. The Regulations for Processing Complaints have been developed to establish a formal channel for lodging complaints, safeguarding the rights and interests of employees.	
Interest avoidance principle			The Codes of Ethical Conduct for Directors have been established to strictly enforce the principles of conflict-of-interest recusal and anti-corruption. The Regulations Governing Procedure for Board of Directors Meetings further stipulate that when a board proposal involves a matter requiring recusal as defined in the code, the director must voluntarily abstain from both discussion and voting, and may not act as a proxy to vote on behalf of other directors. The Company has established the Code of Ethics for Executives, the Code of Ethics for Employees, and the Guidelines for Employees' Recusal Due to Conflict of Interests. These policies aim to clearly govern employees' recusal from conflicts of interest and outline the corresponding disciplinary actions.	
Supplier and contractor management			The "Procedures for Contractor Selection" has been formulated, so that the supplier or contractor will be refused to transact permanently in the worst situation if the supplier or contractor has illegal acts such as manipulating monopoly, colluding bids, giving gifts, bribery, commissions or other illegal benefits to the company's personnel who constitutes violation of the major integrity principle.	
Reporting of illegal and breach of integrity behavior			To implement the Company's Code of Integrity Management and establish internal and external reporting and handling procedures, the "Regulations for Handling Reports of Illegal and Unethical Conduct" have been formulated. The auditing unit is designated as the responsible entity for receiving reports, creating a smooth, confidential, and independent reporting channel to uphold the core values of the Company's integrity management and to implement corporate governance.	

(VII) Other Important Information to Facilitate a Better Understanding of the Implementation of Corporate Governance at the Company

1. Related certifications obtained from the competent authorities by personnel associated with the transparency of financial information:

- (1) CIA certificate: 2 persons
- (2) CPA certificate: 4 persons
- (3) Other certificates: ISO 27001 Information Security Management System(ISMS) Auditor/ Lead Auditor 2 person

2. Managers' participation in continuing education related corporate governance:

Name	Title	Date of Continuing Education		Institution of Continuing Education	Program Name	Hour of Class
		From	To			
Hung-Ta Lin	Chairman	2024.08.20	2024.08.20	Taiwan Investor Relations Institute	Management of Trade Secrets and Information Security Practices and Legal Risk	3
		2024.09.30	2024.09.30	Taiwan Stock Exchange	Strengthening the Taiwan Capital Market Summit	3
Hsiang-Ya Huang	President	2024.07.03	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
		2024.11.05	2024.11.05	Taiwan Investor Relations Institute	Carbon Connections – Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3
Yih-Tien Lu	Chief Auditor	2024.04.22	2024.04.22	The Institute of Internal Auditors-Chinese Taiwan	Key Considerations and Impacts of IFRS S1/S2 on Internal Control and Internal Audit	6
		2024.10.21	2024.10.21	The Institute of Internal Auditors-Chinese Taiwan	How to Adjust Internal Control Systems to Comply with New ESG Regulations	6
		2024.11.05	2024.11.05	The Institute of Internal Auditors-Chinese Taiwan	Analysis of the "Sustainable Information Disclosure Policy" and Key Discussion on Internal Control and Internal Audit	6
Ching-An Lin	Chief Corporate Governance Officer	2024.05.16	2024.05.17	Securities and Futures Institute (SFI) Taiwan	Sustainable Disclosure Practice Workshop for Publicly Listed Companies and Sustainable Development Promotion Conference	9
		2024.07.03	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	3
Vivian, L.C. Cheng	Accounting Supervisor	2024.07.18	2024.07.19	National Cheng Kung University	Continuing Professional Development Courses for Accounting Supervisors	12

3. Directors' continuing education:

Title	Name	Date of Assumption of Duty	Date of Training		Organizer	Course Title	Training Hours	Whether Continuing Education Meets the Requirements
			From	to				
Director	Hung-Ta Lin	2022.06.23	2024.08.20	2024.08.20	Taiwan Investor Relations Institute	Management of Trade Secrets and Information Security Practices and Legal Risk	3	Yes
			2024.09.30	2024.09.30	Taiwan Stock Exchange	Strengthening the Taiwan Capital Market Summit	3	Yes
Director	Hsiang-Ya Huang	2022.06.23	2024.07.03	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes
			2024.11.05	2024.11.05	Taiwan Investor Relations Institute	Carbon Connections – Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3	Yes
Director	Shui-Sheng Hung	2023.11.21	2024.07.03	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes
			2024.08.20	2024.08.20	Taiwan Investor Relations Institute	Management of Trade Secrets and Information Security Practices and Legal Risk	3	Yes
			2024.11.05	2024.11.05	Taiwan Investor Relations Institute	Carbon Connections – Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3	Yes
Director	Chih-Hong Lin	2023.01.01	2024.07.03	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes
			2024.11.05	2024.11.05	Taiwan Investor Relations Institute	Carbon Connections – Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3	Yes
Director	Chien-Chiang Huang	2022.08.11	2024.10.30	2024.10.30	Taiwan Institute for Sustainable Energy	Sustainable Financial Disclosure	3	Yes
			2024.10.30	2024.10.30	Taiwan Institute for Sustainable Energy	Taiwan's Challenging Path to Achieving Net Zero and Just Transition in Various Sectors	3	Yes
			2024.12.24	2024.12.24	Taiwan Corporate Governance Association	Discussion on Trends in Enterprise Risk Management and Organizational Resilience	3	Yes
Director	Yin-Te Wu	2022.06.23	2024.07.03	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes
Director	Chih-Hsien Chen	2022.06.23	2024.07.03	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes
Director	Chen-He Chung	2022.06.23	2024.07.03	2024.07.03	Taiwan Academy of Banking and Finance	Corporate Governance Forum - The Era of Carbon Pricing and Corporate ESG Actions	3	Yes
			2024.11.29	2024.11.29	Securities and Futures Institute (SFI) Taiwan	2024 Annual Internal Insider Equity Trading Legal Compliance Promotion Seminar	3	Yes

Title	Name	Date of Assumption of Duty	Date of Training		Organizer	Course Title	Training Hours	Whether Continuing Education Meets the Requirements
			From	to				
Director	Zhi-Yuan Hou	2022.06.23	2024.05.08	2024.05.08	Taiwan Corporate Governance Association	ESG-related legal issues for consideration by the Board of Directors	3	Yes
			2024.08.05	2024.08.05	Taiwan Corporate Governance Association	Trends in the Development of Sustainability Reports	3	Yes
Director	Rong-Tzong Tang	2024.01.24	2024.07.03	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes
			2024.08.20	2024.08.20	Taiwan Investor Relations Institute	Management of Trade Secrets and Information Security Practices and Legal Risk	3	Yes
			2024.09.06	2024.09.06	Securities and Futures Institute (SFI) Taiwan	2024 Insider Trading Prevention Promotion Meeting	3	Yes
Director	Jui-Teng Chen	2023.12.01	2024.08.20	2024.08.20	Taiwan Investor Relations Institute	Management of Trade Secrets and Information Security Practices and Legal Risk	3	Yes
			2024.11.05	2024.11.05	Taiwan Investor Relations Institute	Carbon Connections – Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3	Yes
Director	Yi-Hung Chen	2022.06.23	2024.07.03	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes
			2024.11.05	2024.11.05	Taiwan Investor Relations Institute	Carbon Connections – Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3	Yes
Independent Director	Chun-Hsien Wang	2022.06.23	2024.05.17	2024.05.17	Securities and Futures Institute (SFI) Taiwan	Sustainable Development Promotion Meeting	3	Yes
			2024.05.22	2024.05.22	Taiwan Corporate Governance Association	Trends and Vision for Building a Green Ecological System -- Business and Prospects of the Carbon Exchange	1	Yes
			2024.07.03	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes
			2024.07.30	2024.07.30	Taiwan Corporate Governance Association	Vision and Trends of ESG Evaluation	1	Yes
			2024.09.30	2024.09.30	Taiwan Corporate Governance Association	Establishing a Cross-Sector Collaboration Platform for Sustainable Governance	3	Yes
			2024.12.19	2024.12.19	Taiwan Corporate Governance Association	Activating Asia: Trends in Corporate Governance	1	Yes
Independent Director	Chung-Chia Yang	2022.06.23	2024.07.03	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes
Independent Director	Fu-Tien Jeng	2022.06.23	2024.07.03	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	Yes

4. Formulation and promotion of Procedures for Handling Material Inside Information:
- (1) The company has formulated the procedures for handling material internal information on November 7, 2019, and the second amendment was made on October 29, 2024.
 - (2) In accordance with Article 20 of the Company's Internal Material Information Processing Procedures and Article 9 of the Management Regulations for Preventing Insider Trading, the Company shall conduct awareness training regarding the aforementioned procedures, regulations, and related laws at least once a year for directors, managers, and employees. Education and advocacy should be provided in a timely manner to newly appointed directors, managers, and employees. The implementation status of the handling of material internal information and prevention of insider trading in 2024 is as follows:
 - ① On August 2, 2024, the Board of Directors provided guidance to the directors, and the newly appointed directors received educational training upon assuming their positions. The course content included regulatory objects of prohibited insider trading, the scope of internal material information was promoted to the Directors at the Board of Directors meeting, and the Directors were reminded not to trade their shares during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report.
 - ② On July 18, 2024, a briefing was conducted for second level managers and above. From September 05 to 24, 2024, a total of 109 employees were briefed during staff education and training. From March 1 to November 1, 2024, a total of 17 employees were briefed during new employee education and training. The course content included: the scope of material internal information, causes of insider trading, and case studies on the prevention of insider trading.

(VIII) Status of Internal Control System

1. Statement on Internal Control System:

CHC Resources Corporation Statement Internal Control System

Date: February 26, 2025

According to the results of our self-evaluation, the Company shall make the following statements on our internal control system in 2024:

- I. The Company's Board of Directors and management are responsible for establishing, implementing, and maintaining adequate internal control system. The objectives of this system are to provide reasonable assurance over the effectiveness and efficiency of 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 constraints. No matter how comprehensive its design may be, an effective internal control system is only capable of providing adequate assurance for achieving the abovementioned objectives. In addition, the effectiveness of the internal control system may change with the environment and under different situations. Nevertheless, the Company's internal control systems contain self-monitoring mechanisms, thereby allowing the Company to take 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" (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component includes several items. Refer to the Regulations for more information on the abovementioned items.
- 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, as of 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. The Statement shall become the main content 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. The Statement was passed by the Board of Directors on February 26, 2025, with none of the fifteen attending directors expressing dissenting opinions, and the remainder all approved the content of this Statement.

CHC Resources Corporation

Chairman Hung-Ta Lin



President Hsiang-Ya Huang



2. Any CPA commissioned to conduct a project review of the internal control system shall disclose the CPA's audit report: None

(IX) Significant Resolutions Adopted by the Shareholders' Meeting and the Board of Directors in the Most Recent Year up to the Publication Date of this Annual Report

1. Material resolutions of the 2024 Annual Shareholders' Meeting and the execution
 - (1) To approve the Company's 2023 Business Report and Financial Statements: Approved by a majority vote.
 - (2) To approve the Company's 2023 Surplus Distribution Proposal: Approved by a majority vote and duly executed. The ex-dividend date is determined to be July 22, 2024 and the cash bonus distribution date is determined to be August 2, 2024 (allocating a cash bonus of NTD3 per share).
2. Key resolutions of the Board of Directors
 - (1) Material resolutions at the 11th meeting of the 12th session of the Board of Directors (February 26, 2024):
 - ① Approved the 2023 Financial Statements (Business Report, Financial Reports, and Surplus Distribution), which will be submitted to the 2024 Shareholders' meeting for ratification.
 - ② For 2023, the consolidated operating revenue amounted to NTD12,400 million, net profit after tax amounted to NTD858 million, and the earnings per share after tax amounted to NTD3.38. It is proposed to make a distribution of Shareholders' cash bonuses of NTD3 per share.
 - ③ A proved matter related to the convening of 2024 Annual Shareholders' Meeting; the time of the Shareholders' meeting was set at 09:00 AM on June 25, 2024.
 - ④ Approved the CPAs' independence evaluation for 2024 Financial Statements.
 - (2) Material resolutions at the 12th meeting of the 12th session of the Board of Directors (May 3, 2024):
 - ① Approved 2024 Q1 Consolidated Financial Report to Board of Directors.
 - ② Approved the donation case of NTD500,000 to CSC Group Education Statements.
 - ③ Approved the Investment Plan for the Expansion of Production Lines at the Kaohsiung Grinding Plant.
 - (3) Material resolutions at the 13th meeting of the 12th session of the Board of Directors (June 25, 2024): None
 - (4) Material resolutions at the 14th meeting of the 12th session of the Board of Directors (August 2, 2024):

Approved 2024 Q2 Consolidated Financial Report to Board of Directors.
 - (5) Material resolutions at the 15th meeting of the 12th session of the Board of Directors (October 29, 2024):

Approved 2024 Q3 Consolidated Financial Report to Board of Directors.
 - (6) Material resolutions at the 16th meeting of the 12th session of the Board of Directors (December 27, 2024): None
 - (7) Material resolutions at the 17th meeting of the 12th session of the Board of Directors (February 26, 2025):

- ① Approved the 2024 Financial Statements (Business Report, Financial Reports, and Surplus Distribution), which will be submitted to the 2025 Shareholders' meeting for ratification.
- ② For 2024, the consolidated operating revenue amounted to NTD13,300 million, net profit after tax amounted to NTD1,183 million, and the earnings per share after tax amounted to NTD4.66. It is proposed to make a distribution of Shareholders' cash bonuses of NTD4 per share.
- ③ A proved matter related to the convening of 2025 Annual Shareholders' Meeting; the time of the Shareholders' meeting was set at 09:00 AM on June 25, 2025.
- ④ Approved the CPAs' independence evaluation for 2025 Financial Statements.

(X) Dissenting Opinions or Qualified Opinions on Resolutions Passed by the Board of Directors Which Are Made by Directors and are Documented or Issued through Written Statements, in the Most Recent Year up to the Publication Date of This Annual Report: None

IV. Information on CPA Fees

(I) Information on CPA Fees

Unit: NTD thousands

Name of Accounting Firm	Name of CPA	Audit Period	Audit Fees	Non-Audit Fees					Total Fees
				System Design	Business Registration	Human Resources	Others	Subtotal	
Deloitte & Touche Taipei Taiwan Republic of China	Yu-Shiang Liu, Chao-Chun Wang	2024.01.01~ 2024.12.31	5,280	0	0	0	1,360	1,360	6,640
Remark	Tax certification: NTD285 thousand, direct deduction methods of business tax audit fees from Business Tax: NTD50 thousand, preparation of a transfer pricing report: NTD605 thousand, Execution procedures: NTD220 thousand, Non-supervisory Salary Disclosure Review NTD50 thousand and Reimbursed expenses: NTD150 thousand.								

(II) Where the accounting firm of CPA was replaced, and the audit fee in the year when the replacement was made were less than that in the previous year before replacement, the amount of audit fee paid before and after the replacement and reasons for paying this amount shall be disclosed: Not applicable.

(III) Where the audit fee paid for the year was more than 10% less than that of the previous year, the sum, proportion, and cause of the reduction shall be disclosed: Not applicable.

V. Replacement of Certified Public Accountants:

(I) Regarding the Former CPA

Replacement Date	Approved by the Board of Directors on February 23, 2023		
Replacement Reasons and Explanations	The original CPAs of the Company were Chao-Chun Wang and Chen-Li Chen from Deloitte Taiwan. Due to internal transfer at Deloitte Taiwan, the CPAs of the Company were changed to Yu-Shiang Liu and Chao-Chun Wang, beginning the first quarter of 2023.		
Describe whether the Company Terminated or the CPA Did Not Accept the Appointment	Parties		The Company
	Status	CPA	
	Termination of appointment	Not applicable	
	No longer accepted (continued) appointment		
Other Issues (Except for Unqualified Issues) in the Audit Reports within the Last Two Years	Not applicable		
Differences with the Company	Yes		Accounting principles or practices
			Disclosure of Financial Statements
			Audit scope or steps
			Others
	None		
	Remarks	Not applicable	
Other Disclosed Matters	None		

(II) Regarding the Successor CPA

Name of Accounting Firm	Deloitte Taiwan
Name of CPA	Yu-Shiang Liu, Chao-Chun Wang
Date of Appointment	Approved by the Board of Directors on February 23, 2023
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	Not applicable
Successor CPA's written opinion of disagreement toward the former CPA.	Not applicable

(III) The reply letter from the former CPA regarding matters specified in Item 1 and Item 2-3, Subparagraph 6, Article 10 of Regulations Governing Information to be Published in Annual Reports of Public Companies: None.

VI. Information on the Company's Chairman, President or Managements Having Served in a CPA's Accounting Firm or Its Affiliated Companies in the Most Recent Year: None.

VII. For the most recent year and as of the printing date of the annual report, Shareholders' equity transfers or changes in equity pledge by Directors or managers with over 10% shareholding of the Company

(I) Changes in equity of directors, managements and major shareholders

Unit: shares

Title	Name	Change in Equity in 2024		As of March 31, 2025		Remark
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	
Director /major shareholders	China Steel Corporation	0	0	0	0	None
	Representative: Hung-Ta Lin	0	0	0	0	None
	Representative: Hsiang-Ya Huang	0	0	Not applicable	Not applicable	Dismissed on March 1, 2025
	Representative: I-Min Wu	Not applicable	Not applicable	0	0	Newly appointed on March 1, 2025
	Representative: Chih-Hong Lin	0	0	0	0	None
	Representative: Shui-Sheng Hung	0	0	Not applicable	Not applicable	Dismissed on March 4, 2025
	Representative: Chi-Lun Kao	Not applicable	Not applicable	0	0	Newly appointed on March 4, 2025
Director /major shareholders	TCC Group Holdings Co., Ltd.	0	0	0	0	None
	Representative: Chien-Chiang Huang	0	0	0	0	None
	Representative: Yin-Te Wu	0	0	Not applicable	Not applicable	Dismissed on March 26, 2025
	Representative: Ming-Jen Yu	Not applicable	Not applicable	0	0	Newly appointed on March 26, 2025
Director	China Steel Structure Co., Ltd.	0	0	0	0	None
	Representative: Jui-Teng Chen	0	0	0	0	None
Director	Asia Cement Corporation	0	0	0	0	None
	Representative: Chih-Hsien Chen	0	0	0	0	None
	Representative: Chen-He Chung	0	0	0	0	None
Director	Universal Cement Corporation	0	0	0	0	None
	Representative: Zhi-Yuan Hou	0	0	0	0	None
Director	China Steel Chemical Corporation	0	0	0	0	None
	Representative: Yi-Hung Chen	0	0	0	0	None
Director	Southeast Cement Corporation	0	0	0	0	None
	Representative: Rong-Tzong Tang	0	0	0	0	None
Independent Director	Chun-Hsien Wang	0	0	0	0	None
Independent Director	Fu-Tien Jeng	0	0	0	0	None
Independent Director	Chung-Chia Yang	0	0	0	0	None
Manager	Hsiang-Ya Huang	0	0	Not applicable	Not applicable	Dismissed on March 1, 2025
Manager	I-Min Wu	Not applicable	Not applicable	0	0	Newly appointed on March 1, 2025
Manager	Ching-An Lin	0	0	0	0	None
Manager	Hung-Shu Chung	0	0	0	0	None
Manager	Kuo-Yuan Chen	0	0	Not applicable	Not applicable	Dismissed on October 31, 2024
Manager	Kuan-Nan Lin	0	0	Not applicable	Not applicable	Dismissed on July 1, 2024
Manager	Chun-Yu Wang	0	0	Not applicable	Not applicable	Newly appointed on July 1, 2024 Dismissed on March 1, 2025
Manager	Tung-Yuan Chang	-250	0	0	0	None
Manager	Chun-Chang Cheng	0	0	0	0	None
Manager	Chao-Kuei Huang	0	0	0	0	None
Manager	Shu-Nu Chu	0	0	0	0	None
Manager	Teng-Ker Hsu	0	0	0	0	None
Manager	Yih-Tien Lu	0	0	0	0	None
Manager	Vivian, L.C. Cheng	0	0	0	0	None
Manager	Chun-Hsiung Shih	0	0	0	0	Newly appointed on October 31, 2024

(II) Information on the counterparty of equity transfer being is a related party: None.

(III) Information on the counterparty of equity pledge being is a related party: None.

VIII. Information on spousal relationships or familial relationships within the second degree of kinship between the top 10 Shareholders

As of December 31, 2024, Unit: Shares; %

Name	Current Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within the Second Degree of Relationship		Remark
	Shares	%	Shares	%	Shares	%	Title (or Name)	Relationship	
China Steel Corporation	49,289,597	19.83	Not applicable	Not applicable	0	0	None	None	None
Representative of China Steel Corporation: Chien-Chih Hwang	0	0	0	0	0	0	None	None	None
TCC Group Holdings Co., Ltd.	30,196,163	12.15	Not applicable	Not applicable	0	0	None	None	None
Representative of TCC Group Holdings Co., Ltd.: An-Ping Chang	0	0	0	0	0	0	None	None	None
China Steel Structure Co.,Ltd.	23,182,738	9.33	Not applicable	Not applicable	0	0	China Steel Corporation	Parent Company/ Subsidiary	None
Representative of China Steel Structure Co.,Ltd.: Jui-Teng Chen	103	0	0	0	0	0	None	None	None
Asia Cement Corporation	22,801,185	9.17	Not applicable	Not applicable	0	0	None	None	None
Representative of Asia Cement Corporation: Douglas Tong Hsu	0	0	0	0	0	0	None	None	None
Universal Cement Corporation	17,020,254	6.85	Not applicable	Not applicable	0	0	None	None	None
Representative of Universal Cement Corporation: Bozhi Investment Co., Ltd.	0	0	0	0	0	0	None	None	None
China Steel Chemical Corporation	15,019,341	6.04	Not applicable	Not applicable	0	0	China Steel Corporation	Parent Company/ Subsidiary	None
Representative of China Steel Chemical Corporation: Hwang, Chien-Chih	0	0	0	0	0	0	None	None	None
Southeast Cement Corporation	13,083,801	5.26	Not applicable	Not applicable	0	0	None	None	None
Representative of Southeast Cement Corporation: M.T. Chen	0	0	0	0	0	0	None	None	None
Employee's Stock Trust of CHC Resources Corporation under the custody of Mega International Commercial Bank Co.	6,696,307	2.69	Not applicable	Not applicable	0	0	None	None	None
Der Ching Investment Corporation	4,812,514	1.94	Not applicable	Not applicable	0	0	Asia Cement Corporation	Parent Company/ Subsidiary	None
Representative of Der Ching Investment Corporation: Peter Chen	0	0	0	0	0	0	None	None	None
Chia Hsin Cement Corporation	4,285,694	1.72	Not applicable	Not applicable	0	0	None	None	None
Representative of Chia Hsin Cement Corporation: Kang-Lung Chang	0	0	0	0	0	0	Representative of TCC Group Holdings Co., Ltd.: An-Ping Chang	Uncle and nephew	None

IX. Ownership of Shares in Affiliated Companies

As of December 31, 2024, Unit: Shares; %

Affiliated Companies	Ownership by the Company		Ownership by Directors, Supervisors, Managers, and Directly/ Indirectly Controlled Entities		Total Ownership	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Union Steel Development Corporation	4,668,333	93	0	0	4,668,333	93
Pao Good Industrial Co., Ltd..	5,408,550	51	0	0	5,408,550	51
Yu Cheng Lime Corporation	108,000	90	0	0	108,000	90
CHC Resources Vietnam Co., Ltd. (Note)	Not applicable	85	Not applicable	0	Not applicable	85
Eminent III Venture Capital Corporation	3,000,000	2	16,000,000	8	19,000,000	10
Himag Magnetic Corporation	716,938	2	30,949,509	77	31,666,447	79
Pro-Ascentek Investment Corporation	3,000,000	3	10,000,000	8	13,000,000	11
Sheng Lih Dar Investment Corporation	960,000	40	0	0	960,000	40
Jiing-Cherng-Fa Investment Corporation	920,000	40	0	0	920,000	40
Gau Ruei Investment Corporation	1,046,500	35	1,196,000	40	2,242,500	75
Shin Mau Investment Corporation	897,000	30	0	0	897,000	30
Ding Da Investment Corporation	1,196,000	40	0	0	1,196,000	40
Feng Shehg Enterprise Company	932,053	2	27,260,611	45	28,192,664	47
Hsin Hsin Cement Enterprise Corporation	9,298,583	10	28,658,729	31	37,957,312	41

Note: CHC Resources Vietnam Co., Ltd. is in the form of a limited company, and the amount invested by the Company was USD21,250,000

Chapter III. Capital Overview

I. Capital and Shares

(I) Sources of Share Capital

Unit: NTD thousands ; Shares

Year / Month	Issue Price	Authorized Share Capital		Paid-In Capital		Remarks		
		Number of Shares (thousand shares)	Amount (NTD thousands)	Number of Shares (thousand shares)	Amount (NTD thousands)	Source of Share Capital	Capital Increase by Assets Other than Cash	Others
1991.05	10	81,000,000	810,000	40,502,000	405,020	The established capital of 40,502,000 shares.	None	None
1992.06	10	81,000,000	810,000	81,000,000	810,000	Capital increase of 40,498,000 shares by cash	None	None
1997.07	10	110,000,000	1,100,000	89,100,000	891,000	Capital increase of 8,100,000 shares by retained earnings	None	None
1998.06	10	110,000,000	1,100,000	99,792,000	997,920	Capital increase of 10,692,000 shares by retained earnings	None	None
1998.07	12	110,000,000	1,100,000	101,792,000	1,017,920	Capital increase of 2,000,000 shares by cash	None	None
1999.07	10	126,000,000	1,260,000	114,007,040	1,140,070	Capital increase of 12,215,040 shares by retained earnings	None	None
2000.07	10	156,000,000	1,560,000	119,822,550	1,198,226	Capital increase of 5,815,510 shares by retained earnings	None	None
2001.04	10	250,000,000	2,500,000	186,320,420	1,863,204	Capital increase of 66,497,870 shares from conversion of shares by Union Steel Cement Corporation	None	None
2001.11	10	250,000,000	2,500,000	194,291,859	1,942,919	Capital increase of 7,971,439 shares by retained earnings	None	None
2005.09	10	250,000,000	2,500,000	203,024,977	2,030,250	Capital increase of 8,733,118 shares by retained earnings	None	None
2006.09	10	250,000,000	2,500,000	210,509,987	2,105,100	Capital increase of 7,485,010 shares by retained earnings	None	None
2007.09	10	250,000,000	2,500,000	218,111,321	2,181,113	Capital increase of 7,601,334 shares by retained earnings	None	None
2008.08	10	250,000,000	2,500,000	225,945,789	2,259,457	Capital increase of 7,834,468 shares by retained earnings	None	None
2018.08	10	250,000,000	2,500,000	248,540,368	2,485,404	Capital increase of 22,594,579 shares by retained earnings	None	None
2019.03	10	300,000,000	3,000,000	248,540,368	2,485,404	Authorized Share Capital increase of 50,000,000 shares	None	None

Information on the shelf registration system: None.

Type of Shares

Unit: Share

As of March 31, 2025

Type of Shares	Authorized Share Capital			Remarks
	Outstanding Shares (Note)	Unissued Shares	Total	
Common shares	248,540,368	51,459,632	300,000,000	Listed stock

(II) List of Substantial Shareholders and Shareholders with Top 10 Shareholdings

As of December 31, 2024

Major Shareholders	Shares	Number of Shares Held	Shareholding Percentage
China Steel Corporation		49,289,597	19.83
TCC Group Holdings Co., Ltd.		30,196,163	12.15
China Steel Structure Corporation		23,182,738	9.33
Asia Cement Corporation		22,801,185	9.17
Universal Cement Corporation		17,020,254	6.85
China Steel Chemical Corporation		15,019,341	6.04
Southeast Cement Corporation		13,083,801	5.26
Employee's Stock Trust of CHC Resources Corporation under the custody of Mega International Commercial Bank Corporation		6,696,307	2.69
Der Ching Investment Corporation		4,812,514	1.94
Chia Hsin Cement Corporation		4,285,694	1.72

(III) Dividend Policy and Implementation

1. Dividend Policy

Shall there be earnings after the final annual account, the Company shall pay taxes and make up for the accumulated losses according to the law, and appropriate 10% as the statutory surplus reserve. However, where the statutory surplus reserve has reached the amount of its paid-up capital, the appropriation shall no longer be made. The remaining earnings shall be used in the appropriation or the reversal of the special surplus reserve subject to the Company's business requirements or according to the requirements of laws and regulations. Where there are still remaining balances, plus the undistributed earnings of last year as earnings available for distribution. The Board shall prepare the earning distribution proposal and submit to the Shareholders' Meeting for the resolution of dividend distribution or reservation.

As the Company operates in an ever-changing business environment and is in the stable growth stage during its life cycle, the Board would consider the stability of dividends when formulating the earning distribution proposal, taking into account the Company's future capital requirement and long-term financial planning. Except for the capital requirement, the actual earnings distributed each year shall be no less than 50% of the earnings available for distribution, and the Shareholders' cash bonuses shall be no less than 50% of the Shareholders' bonuses.

2. Distribution of dividend proposed in the current shareholders' meeting
According to the requirements under Article 30-1 of the Articles of Association, the Company intends to distribute a Shareholders' bonuses of NTD994,161,472 (a distribution of NTD4 per share). The undistributed earnings after the distribution shall be NTD995,483,053.
3. Dividends policy for the next three years
The industry where the Company operates is in the stable growth stage during its life cycle. Based on the dividends policy stated in the Articles of Association, except for capital requirements, the actual earnings distributed per year in the next three years shall not be lower than 50% of the earnings available for distribution for the year, and the cash bonus for Shareholders may not be less than 50% of the Shareholders' bonuses.

(IV) Impact on Business Performance and EPS Due to Stock Dividend Distribution Proposed in the Current Shareholders' Meeting: Not applicable.

(V) Remuneration of Employees and Directors

1. Percentage or range of remuneration to employees and directors as stipulated in the Company's Articles of Incorporation:
According to the requirements under Article 30 of the Articles of Association of the Company: If there is profit in any given year, the Board shall set aside no less than 0.1% as the remuneration for employees, and no more than 1% as the remuneration for Directors under the resolution of the Board meeting; the distribution target for remuneration for employees include employees of its affiliates who satisfied certain conditions. However, if the company has accumulated losses, the amount shall be set aside to cover the deficit, and then distributed to employees and directors in accordance with the aforementioned percentage.
The Board shall resolve on the distribution proposal of employees' remuneration and Directors' remuneration and report at the Annual Shareholders' Meeting.
2. Basis for estimating the amount of employee and director remuneration, and accounting treatment for discrepancies between the actual and estimated distributed amount for the period:
The Company appropriates the remunerations for employees and Directors based on the rate of no less than 0.1% and no more than 1%, respectively, of its net profit before tax before deducting the remuneration distributed to employees and Directors for the year, and the distribution was made upon the decision of the Board meeting. Remuneration for employees and Directors 2024 is estimated based on such principle. Where there is any significant change in the distribution amount determined by the Board before the date of the annual individual financial report is approved for publishing, the original annual expense shall be adjusted according to such change. Where there is any change after the date of the annual individual financial report is approved for publishing, process the same as a change in accounting estimation, adjust and recognize in the following year.

3. Information on any approval by the Board of Directors of distribution of compensation:
- (1) The Board of the Company approved the employees' remuneration and Directors' remuneration for 2024 on 26 February 2025:
 Employees' remuneration: NTD47,672,001.
 Directors' remuneration: NTD9,534,400.
 The employees' remuneration and Directors' remuneration above are distributed in cash. There were no differences between the actual amount recognized and the expenses recognized for 2024.
- (2) The amount of the employee's remuneration distributed in stocks, and the percentage accounted for against the sum of the net profit after tax stated only in the individual financial report or separate financial report for the current period and total employees' remuneration: Not applicable.
4. Actual Distribution of remuneration to employees and Directors for the previous year:

Unit: NTD

	Actual Distribution in 2024	Amount Recognized in 2023	Difference	Reason	Disposal
Remuneration for Employees	36,940,815	36,940,815	0	None	N.A.
Remuneration for Directors	7,388,163	7,388,163	0	None	N.A.

(VI) Buyback of the Treasury Shares : None.

II. Issuance of Corporate Bonds, Issuance of Preferred Shares, Issuance of Global Depository Receipts, Issuance of Employee Stock Warrants, New Restricted Employee Shares, Issuance of New Shares for Merger or Acquisition of Other Companies, Implementation of Capital Allocation Plan : None.

Chapter IV. Operational Highlights

I. Business Activities

(I) Business Scope

1. Major Scope of Business

The Company:

- (1) Manufacturing, processing, OEM, and trading of products related to slag application.
- (2) Manufacturing, processing, OEM, trading, and import/export of Blast Furnace Slag Powder.
- (3) Mixing, manufacturing, processing, OEM, trading, and import/export of Blast Furnace Slag Cement and various types of cement (excluding the production of Portland cement and clinker).
- (4) Customer contracts for quality sampling tests of cement products and concrete products.
- (5) Steel scrap business.
- (6) Recycling and reuse of calcium fluoride sludge from the electronic industry.

Subsidiaries:

- (1) Union Steel Development Corporation - Production and sales of iron powder; OEM and sales of refractory; Trade and labor dispatch.
- (2) Pao Good Industrial Co., Ltd. - Trading of fly ash; production and sales of dry-mix mortar, and trade business.
- (3) Yu Cheng Lime Corporation - Property lease and raw materials tally collaborative work.
- (4) CHC Resources Vietnam Co., Ltd. - Sales of Granulated Blast Furnace Slag; production and sales of slag powder.

2. Revenue Breakdown

Item	2024		2023	
	% of the Sales		% of the Sales	
	Standalone Financial Report	Consolidated Financial Report	Standalone Financial Report	Consolidated Financial Report
Ground-Granulated Blast-Furnace Slag (GGBFS)	41.6	41.0	38.8	38.8
Fly Ash GGBFS	0.7	0.6	0.6	0.6
GBFS Cement	3.2	2.9	3.3	3.0
Special-Purpose Materials	5.9	5.2	5.2	4.6
Resource Reutilization Business	46.4	41.5	49.8	44.6
Other	2.2	8.8	2.3	8.4
Total	100	100	100	100

3. Current Products and Services of the Company
 - (1) Ground-Granulated Blast-Furnace Slag, Fly Ash GGBFS, GBFS Cement, and Special-Purpose Materials.
 - (2) Sales and promotion of air-cooled basic oxygen furnace slag (BOF slag) and air-cooled blast furnace slag.
 - (3) Promotion of recycling mineral fine aggregate (fine calcareous aggregate) and desulphurization slag aggregate.
 - (4) Recycling and reuse of calcium fluoride sludge from the electronic industry.
4. New Products and Services Planned for Development
 - (1) Research and promotion of Low-Carbon Mixed Cement
 - (2) Promotion for the use of BOF slag aggregate for AC in public constructions and improvements in stability of products.
 - (3) Improving recycling technology for steel slags.
 - (4) The Utilization of BOF Slags in Raw Meal.
 - (5) Refractory recycling.

(II) Industry Overview

1. Current situation and development of the industry

(1) Blast Furnace Slag Powder and Blast Furnace Slag Cement products

The development of the blast furnace slag industry has a long history in advanced countries such as Europe, the US, and Japan. The industry's major product is Blast Furnace Slag Powder, which is made through grinding Granulated Blast Furnace Slags (GBFS) from integrated steel plant. On average, a ton of molten iron (cast iron) can produce approximately 250 to 350 kilograms of Granulated Blast Furnace Slags (GBFS). Domestically, China Steel Corporation and Dragon Steel Corporation Produce Capacity approximately 4,000,000 to 4,500,000 tons of Granulated Blast Furnace Slag (GBFS) per year (with production in 2024 approximating 3,810 thousand tons), and the annual demand in the market approximately ranges from 6,500 thousand to 7,800 thousand tons; the insufficient parts are mostly imported from Japan, South Korea, Mainland China, Vietnam, Malaysia, Indonesia, and other countries.

Blast-furnace slag cement and blast-furnace slag powder are both environmentally friendly products encouraged for use by the government. The former has even obtained certification as a recycling green building material. The carbon emission coefficient for each metric ton of bulk blast-furnace slag powder (excluding transportation) is approximately 60kg CO_{2e}/mt, while that of Portland cement is about 900 kg CO_{2e}/mt (as cited from Carbon Footprint Information platform of the Ministry of Environment for cement emissions). When blast-furnace slag powder effectively replaces Portland cement, it can reduce carbon dioxide emissions by approximately 840 kg CO_{2e}/mt per metric ton, demonstrating significant carbon reduction benefits.

(2) BOF Slag Product

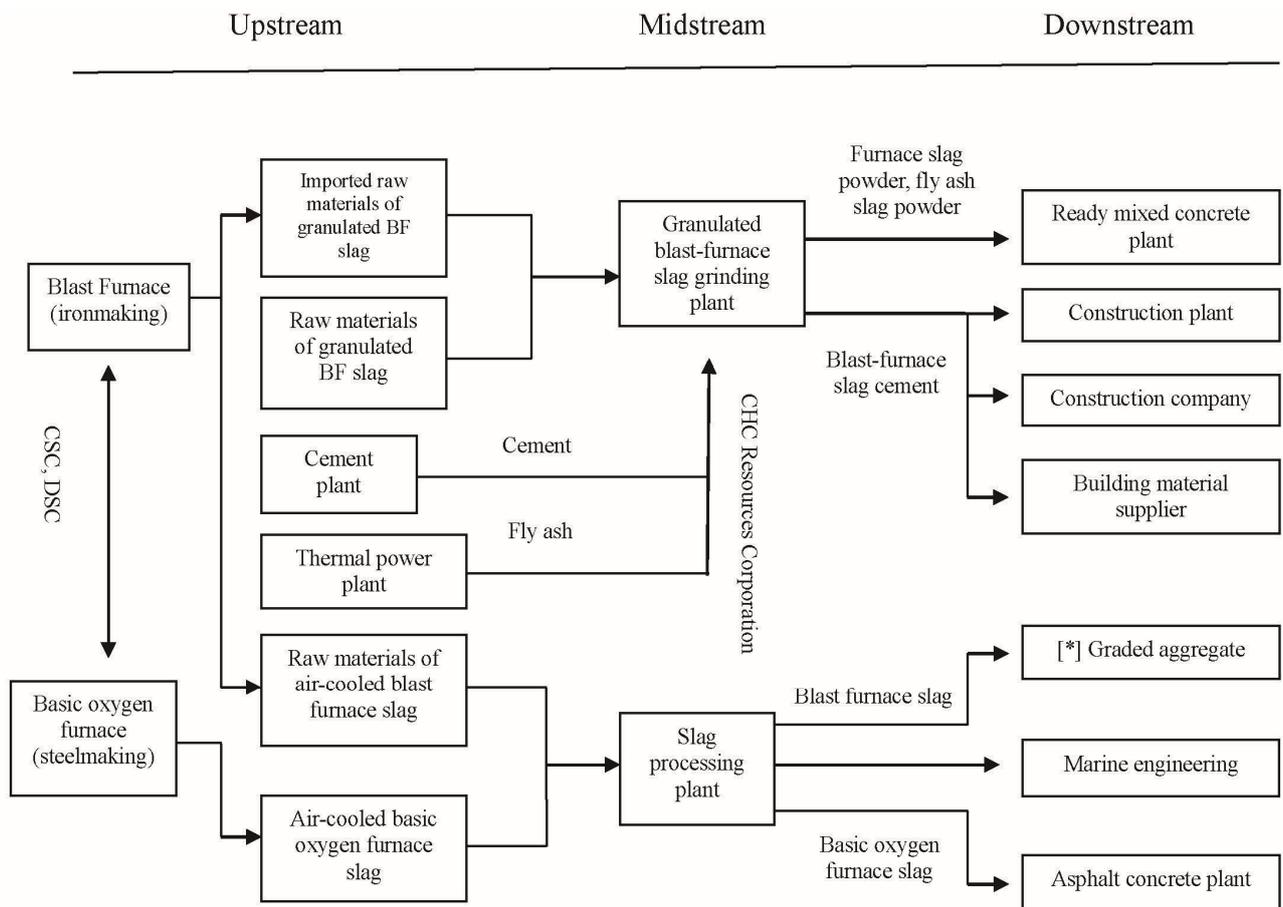
BOF slag is a byproduct during the steelmaking process. The government strives to protect the natural environment, actively facilitates resource recycling, and reduce the environmental impact. Since 2017, the company supported the Public Construction Commission to implement the policy of “Circular Economy”. Its aim is to trial the usage of BOF slag aggregate products in public construction, and promote its usage. From 2018 to 2019, the municipal government of Kaohsiung City widely used BOF slag aggregates in road improvement projects in the downtown area, and in SMA improvement construction for heavy-load roads in the industrial area. The use of asphalt pavement aggregates has yielded fruitful results in the-road maintenance construction projects organized by the Southern Engineering Department of Construction and Planning Agency, and the General Administration of Roads. At present, the municipal government of Tainan City, Pingtung County Government and other authorities would also use the BOF slag aggregates in the public road improvement construction under their jurisdiction, in line with their prospective annual road plan. In the future, the Company will continue to offer stable supply of BOF slag used in AC pavement of public construction. In addition, the Company will also actively expand the use of BOF slag as marine construction material and cement raw material, so as to maximize the effectiveness of BOF slag product in the value chain of recycling economy.

(3) Mineral fine aggregate (fine calcareous aggregate) and desulphurization slag aggregate products

The desulphurization slag is a by-product of steelmaking manufacturing procedures. Through the dry screening & crushing procedure and the wet ball milling/dehydration procedures imported from abroad, the recycled volume of magnetized materials within desulphurization slags may be maximized, and the non-magnetized materials may be used to produce mineral fine aggregate (fine calcareous aggregate) and desulphurization slag aggregate products. The chemical properties of the mineral fine aggregate (fine calcareous aggregate) products may substitute limestones within raw materials of cement; therefore, it is an advantage for the cement industry to reduce the mining of natural resources and CO₂ emissions.

2. Relationship between the upstream, midstream, and downstream sectors of the industry

The connection between the upstream, midstream, and downstream slag industry is as shown in the figure below. Upstream includes granulated blast furnace slags (GBFS) and air-cooled blast furnace slags from ironmaking by using the blast furnace from integrated steel plant, and air-cooled BOF slags from the converter steelmaking. The granulated blast furnace slag grinding plant and slag processing plant are the midstream. After processing by the Company, products related to slag powder may be used as construction materials. BOF slags may be used in asphalt concrete (AC) construction, raw meal, and marine engineering. Mineral fine aggregate (fine calcareous aggregate) may be used as raw materials for cement. The Company fully maximized the capacity for recycling by-products of steelmaking/ironmaking to contribute to environmental protection.



3. Development trend and competition of products

(1) Product development trends :

The blast furnace slag industry's major products are Blast Furnace Slag Powder from grinding Granulated Blast Furnace Slags (GBFS), Blast Furnace Slag Cement, or Fly Ash Slag Powder made by mixing with general Portland cement or fly ash. The primary targets of sales are the pre-mixed concrete industry, construction plants, construction companies, building materials suppliers, and the public construction sector.

(2) Product competition :

The development of the blast furnace slag industry in Taiwan has over 30 years of history. Currently, there are a total of 11 companies producing blast furnace slag powder in Taiwan, with an aggregate production capacity throughout the year is over 10,000 thousand tons. In 2024, Affected by the low-price steel competition from China, including CSC and Dragon Steel. The production of granulated blast-furnace slag (GBFS) raw materials reached 3.81 million tons, showing a slight decrease from 3.83 million tons in 2023; however, the decline has not further intensified. In 2024, the overall market for ground granulated blast-furnace slag is expected to benefit from ongoing construction of technology plants across various regions. Moreover, factors such as the decommissioning of power plant units, winter maintenance shutdowns leading to fly ash shortages, and increased demand for higher-strength concrete are

expected to drive significant demand for slag powder from ready-mix concrete and specialty material producers. As a result, imports of granulated blast-furnace slag (GBFS) will still be necessary to meet the demand shortfall. The Company strives to seek import sources to meet customer demands in order to ensure the overall stability of the industry.

In April 2024, the Company will implement moderate price adjustments to help offset the impact of rising electricity costs on the production of ground granulated blast-furnace slag. Beginning in the second half of 2024, the government will strengthen measures to curb housing prices in an effort to cool the construction market. However, bolstered by public infrastructure projects and the development of technology factories, the Company has achieved improved operational performance compared to the previous year. Overall market demand exceeds supply, with limited product supply and peer competition maintaining market equilibrium.

The economic recovery in mainland China has been slow, and domestic demand has remained weak for a prolonged period. Steel mills are dumping low-cost granulated blast-furnace slag (GBFS) on the international market, which has affected the prices of international granulated blast-furnace slag (GBFS) raw materials. In addition, shipping costs have fluctuated unpredictably. In addition, environmental issues such as carbon reduction targets and the imposition of carbon levies continue to evolve, resulting in increased operating costs for companies. It is essential to remain vigilant and adaptable to future market impacts and business competitiveness.

(III) Technology and Research & Development Overview

The R&D expenses of the Company and its subsidiaries for 2024 and as of March 31, 2025 were NTD25,810 thousand and NTD6,678 thousand, respectively

1. The Company continues to improve the quality of blast furnace slag powder and blast furnace slag cement to achieve the purpose of high-value utilization of regenerated resources.
2. The Company constantly seeks technical innovation in the resource field. Currently, the Company has obtained and maintained a total of 23 domestic and foreign patented technologies as of March 31, 2025.
3. The resource usage specification for using BOF slag in materials for road bases.
4. The estimated R&D expenses to be invested by the Company and its subsidiaries for the next three years are approximately NTD82,965 thousand dollars, and the primary projects are :
 - (1) Improving recycling technology for steel slags: To enhance the BOF slag resource value, we continue to research and develop by referencing diverse domestic and international directions (including technological development and outcome verification), such as asphalt concrete (AC), steam aging, marine engineering and steel slag fine powder, etc., to increase the utilization of BOF slag. Additionally, in response to the government's goal of achieving carbon neutrality in the industry by

2050, we will initiate early research and development of carbon neutrality technologies, including the recovery of iron particles and furnace steel slag for steel smelting process, reduce the carbon footprint associated with purchased iron ore, and initiate early-stage technical evaluation on the use of basic oxygen furnace (BOF) slag for carbon adsorption.

- (2) The Utilization of BOF Slags in Raw Meal: BOF slags are rich in CaO and Fe₂O₃, allowing them to replace iron or calcium in cement's raw meal. In January 2019, the Company launched a scheme to promote the use of BOF slag in cement's raw meal and completed the formulation of the User's Manual for the Utilization of BOF Slags in Raw Meal in July 2019. The Manual underwent the third-party review organized by the Industrial Development Bureau, it received official approval and officially released in January 2020. A total of 67,950 tons of BOF slag were used in cement plants as an effective substitute for cement raw materials in cement plants in 2024 to save energy and reduce carbon emissions. Additionally, the Company continuously improved the quality by optimizing the processes in response to the expansion of production capacity.
- (3) Refractory recycling: Continuing to cooperate with relevant units of China Steel Corporation to classify used refractory materials as refractory raw materials and reusable products to enhance the value of used refractory materials.

(IV) Short-Term and Long-Term Business Development Plans

1. Short-term business development plans

- (1) The Company's H1, IS(MS), and IS(WR) blast furnace slag cement received the recycled Green Building Material mark certificate from the Ministry of the Interior on June 17, 2014, which was the initial issuance of such certificate. Therefore, the Company intends to continue expanding its supply of materials for domestic engineering constructions. Furthermore, the Company has been actively participating in the overseas market development, promoting medium-fine slag powder, improving the quality and competitiveness of slag powder, advocating for Adoption of Customized, Differentiated Blast-Furnace Slag Cement Products in Construction Project and engaging in the expansion of its special material business, to improve the sales and exert the efficiency of its production capacity.
- (2) The BOF slag will be used mainly in the application of AC aggregate products in maritime engineering in the short term, supplemented by the stabilization of basic oxygen furnace slags through specific manufacturing procedures to explore more applications.
- (3) In addition to catering to the requirement of recycling of magnetic steel slags from steelmaking process, the Company will develop deep a processing line of magnetic material, and expand the source of magnetic raw material, in order to further enhance the profit.

2. Long-term business development plans

- (1) The business development of the Company primarily aims at effectively reusing, recycling and selling the by-products, regenerated resources and solid business wastes produced by the CSC Group.
- (2) The Company continues to develop the usage and added values of resource reutilization for steelmaking by-products such as BOF slags, and proactively develop other business opportunities within the recycling industry for making profits.
- (3) Corresponding to the global trend of building and construction sustainable development, and in response to the green building and green construction policies promoted by the government, the Company assisted in the implementation of green construction regulations and worked with the industrial and academic sectors to jointly procure downstream customers (pre-mix concrete plants, construction plants, construction companies, and building material suppliers) to use the Company's green building material products, such as Blast Furnace Slag Powder and Blast Furnace Slag Cement, with the "Green Mark" and "Green Building Materials Mark".
- (4) In response to the international trend towards energy conservation and carbon reduction, as well as the increasing emphasis and demands of key customers on supplier management, we have obtained certifications for energy saving, product carbon footprint, and greenhouse gas inventory. We provide high-quality products that meet both governmental and customer environmental requirements, and that contribute to energy conservation and carbon reduction. By creating and providing additional value for our customers, we aim to strengthen our customer base and enhance the competitiveness of our products.
- (5) In response to customer needs and market product application trends, the Company is expanding production lines and increasing capacity, developing and offering a diverse range of products to strengthen its competitiveness with customers, further understanding the context of market products, and creating product niches.
- (6) In response to the trends in raw material supply and changes in quality, we will enhance product quality monitoring and response measures to maintain a stable level of quality.

II. Market, Production and Sales Overview

(I) Market analysis

1. The Taichung Grinding Plant formally began its phase I mass production in 2009, and the Taipei Port Branch was included for transfer and dispatching in 2014. In addition, after the completion of phase II expansion of the Taichung Grinding Plant in December 2015. A complete production and logistics system has been established to ensure customer needs can be met consistently.
2. Supply, demand, and growth in the future market
 - (1) Blast Furnace Slag Powder and Blast Furnace Slag Cement

At present, the application of blast furnace slag powder is common in the private construction industry, and public construction and civil engineering. Considering costs and quality, pre-mix concrete plants became increasingly dependent on blast furnace slag powder and fly ash. In terms of large-scale projects, various counties and cities are actively engaged in transportation infrastructure projects such as social public housing, roads, metro systems (Taipei/Taoyuan/Kaohsiung), light rail, elevated railways, and underground construction. Other projects include the Taiwan Power Company's LNG natural gas storage tanks, Taoyuan Aerotropolis, the Asia Silicon Valley Innovation and Research Center, fishing ports, and the construction or expansion of high-tech industrial plants, and the indoor storage facilities for Dragon Steel and CSC raw materials. To strive for our target, the Company spared no effort in cooperating with the government's public construction budgets and privately invested constructions in 2024 with respect to small-scale constructions to develop premium customers. In recent years, the strong promotion of CO₂ reduction worldwide, and the inclusion of CO₂ reduction as an item for environmental protection assessment has been facilitating the popularization of blast furnace slag cement. For the market layout in the future, the Company will primarily focus on the continual expansion of materials supply for significant public constructions and the development of special material markets to facilitate the use of its production capacity and growth of sales. Since the publishing of the "Blast Furnace Slag Manual for Public Concrete Construction" by the Public Construction Commission, Executive Yuan, in November 2001, it has been providing assistance in promoting the use of blast furnace slag powder in public constructions.

(2) Industrial by-product precision processing industry and development prospects

Through years of foreign and domestic data collection, research, and experiments, the Company has made a breakthrough regarding the technical development of industrial by-products. The products developed have multiple usages. In the future, the Company will properly adjust our product profile according to market requirements and manage to expand into markets with economic values. Such technical developments render long-term interests for the Company.

3. Favorable and unfavorable factors of competitive niches and development prospects

(1) Competitive niches

- ① Realize product segregation through developing suitable products focusing on different usages in accordance with customers' demands.
- ② Implement manufacturing procedure management and equipment maintenance to effectively improve production capacity and reduce costs.
- ③ Pay attention to quality control to achieve stable product quality.
- ④ Reinforce customer services to satisfy customers' demands.
- ⑤ The Company has distribution center in Northern, Central, and Southern regions, providing relatively higher flexibility for material supply as

compared to other companies within the industry.

- ⑥ Respond to the government's environmental protection regulations, the upgrade of equipment to use natural gas is intended to reduce greenhouse gas and nitrogen oxide emissions, and continue reducing power and fuel consumption to minimize pollution.

(2) Favorable Factors

- ① Blast furnace slag powder has been used in engineering constructions in the long run, and construction company had gained comprehensive knowledge regarding its performance, such as subsequent strength ductility, reducing the heat of hydration, improving compactness of concrete, suppressing effects of alkali-aggregate reaction on concrete, and concrete durability.
- ② The Company's products are in line with economic efficiency: Regarding the cost of pre-mix concrete, our products may reduce costs and improve quality.
- ③ Product and service specialization: Market segregation is favorable for attracting customers requiring special usages. Except for standardized products such as blast furnace slag powder and blast furnace slag cement, the Company has been proactively developing specialized or customized products exclusively designed that are more efficient and practical for customers.
- ④ Long-term stable raw material supply: The Company is a subsidiary invested by China Steel Corporation and has long-term cooperation with China Steel Corporation and Dragon Steel Corporation, and the involving parties have executed long-term material supply contracts. In 2018, Formosa Ha Tinh Steel Corporation had newly joined as our new collaborative partner. Therefore, there is no risk regarding the insufficiency of our major raw materials - granulated blast furnace slags (GBFS). Also, the Company's plant for slag recycling is adjoining to China Steel Corporation and Dragon Steel Corporation, providing better transport conditions, which is beneficial for the long-term operation and development of the Company.
- ⑤ The Company's overall quality precedes our competitors, and we are the leading brand in the market. The Company successively received the ISO 9001, ISO 14001, ISO 45001, ISO 17025 (TAF certification for national laboratories), EGS Corporate sustainable management certification, recycled green building material mark, and the Green Mark certification. BS 8001 Circular Economy Standard was verified on Mar. 9, 2022. Furthermore, the Company focuses on its R&D, and the Company is the first among its competitors to set up the R&D unit, which received the product's CNS Mark from the Bureau of Standards, Metrology and Inspection and was

recognized by the Taiwan Accreditation Foundation's laboratory for registration. The Company also received the 20th National Quality Award on 12 April 2010.

- ⑥ The distribution center at Taipei Port had formally commenced its operation and sales in June 2014, which helped stabilize the Company's supply of slag powder in the Northern region, shortening the transport distance of customer's delivery-taking in the Northern region.
- ⑦ Three of the Company's products (including Blast Furnace Slag Cement) received the recycled Green Building Material certificate from the Ministry of the Interior, which is beneficial for product segregation from competitors and business promotion.
- ⑧ In response to the environmental protection policies related to energy-saving and carbon reduction promulgated by the government, the Company became the first to complete the carbon footprint certification for multiple packaged products such as Blast Furnace Slag Powder, Fly Ash Slag Powder, and Blast Furnace Slag Cement within the industry, passed the water footprint verification, purchased green power, assisted in the requirements and application of public constructions or constructions invested by private enterprises.

(3) Unfavorable factors

- ① It is easy for potential domestic competitors to enter the market.
- ② If the supply and demand in the international market reverses and the importer peers import granulated blast-furnace slag raw materials at low cost for domestic grinding (even with cement) and sell at low prices, or if the domestic demand shrinks, the competitiveness of the Company's products will be affected.
- ③ Whether the raw materials can be supplied consistently is greatly affected by the economic cycle of the steel market. Besides, an annual contract is often used in ordering imported raw materials. If there is a shortage of domestic raw materials, it will be more difficult to find them in a timely manner. For example, due to the sluggish global steel market and the still strong domestic concrete demand in the second half of 2022, the granulated blast-furnace slag was in serious shortage. Therefore, we should actively look for imported material sources.

4. Response measures

- (1) Product diversification: Extend into products related to the construction industry; the items for business expansion include high-fineness Blast Furnace Slag Powder, Type I, Type II, and Type V Blast Furnace Slag Cement, Fly Ash Slag Powder, sacked Blast Furnace Slag Cement, and Special-Purpose Materials.
- (2) Improve quality and strive for market segregation: Based on customers' demands

for products, provide premium quality, adhere to the spirits of ISO 9001 Quality management system, ISO 14001 Environmental management system, ISO 45001 Occupational safety and health management system, ISO 14064 Greenhouse gas emission verification system, ISO 50001 Energy management system, ISO17025 Laboratory quality management system, CNS Standard mark and other certifications, ESG Corporate sustainable management, and the National Quality Award, and continue to reinforce our core competitiveness of professional technologies and fine services to improve customers' satisfaction.

- (3) Promote the results of certification regarding the carbon footprint of the Company's products and the energy-saving and carbon reduction system, so that consumers may understand the supply chain system of the Company's products and our products' contribution regarding the greenhouse effect issue.
- (4) We will keep a close watch on market demand information and changes in the steel market, and adjust production, sales, inventory, and procurement strategies accordingly. We will also improve the dispatch of raw materials and finished products to the central and northern part of Taiwan to consistently meet the needs of the construction market.

(II) Key applications and manufacturing process for major products analysis

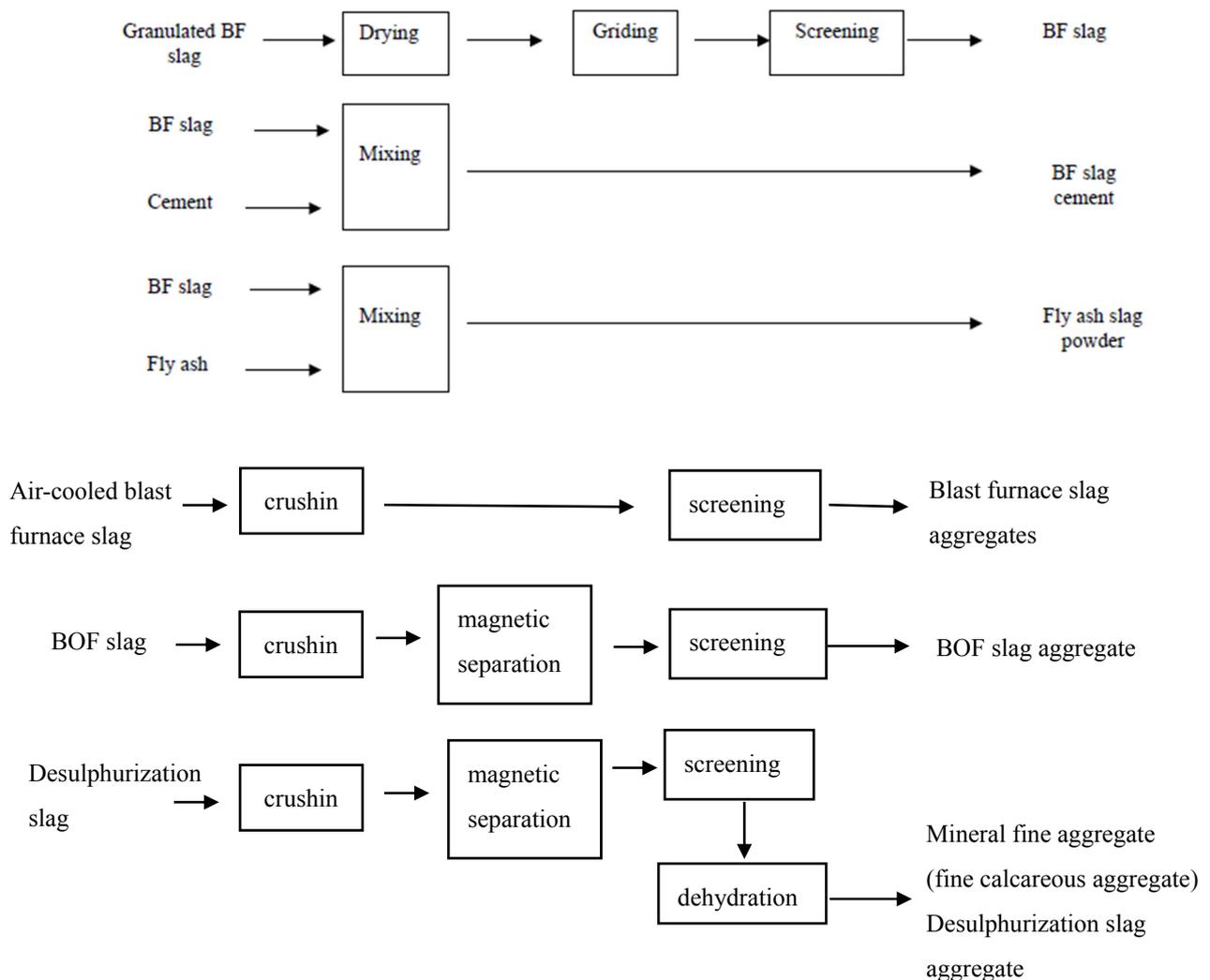
1、Key applications of major products

Major products or services items		Major applications and functions
Blast Furnace Slag Cement and Blast Furnace Slag Powder production	Ground-Granulated Blast-Furnace Slag (GGBFS)	1. Maritime engineering for harbors and underground structures 2. Civil and hydraulic engineering 3. Road and bridge construction 4. High rise building construction 5. Other special concrete
	Fly Ash GGBFS	
	GBFS Cement	
	New Type of Sacked Blast Furnace Slag Cement	
	Special-Purpose Materials and Wall Tiles Adhesives	
Air-cooled blast furnace slag processing and recycling	Blast furnace slag aggregates for concrete	1. Aggregates for roads 2. Concrete aggregates 3. Raw meal 4. Track engineering base materials
	Blast furnace slag aggregates for roads	
Basic oxygen furnace slag processing and recycling	BOF slag aggregate, BOF slags fine aggregate	1. Asphalt concrete aggregates 2. Temper Road Material 3. Raw materials for Steelmaking procedure 4. Marine engineering materials 5. Raw materials for cement production

Major products or services items		Major applications and functions
		6. Concrete pavers, Permeable pavers and other cement products
Desulphurization slag processing and recycling	Mineral fine aggregate (fine calcareous aggregate) and desulphurization slag aggregate	1. Raw materials for cement production 2. Auxiliary materials for CLSM 3. Raw materials for Ironmaking procedure

2、 Manufacturing process of major products

Manufacturing Processes of Primary Products



(III) Supply of Major Raw Materials

1. The Company's primary raw material is granulated blast furnace slag.
2. The major suppliers are China Steel Corporation, Dragon Steel Corporation and Formosa Ha Tinh Steel Corporation, the supply is stable.

(IV) Name of customers accounted for at least 10% of the purchase (sales) in either of the two most recent years and the respective amount and percentage of their purchase (sales)

1. Information of major suppliers in either of the two most recent years

Consolidated Financial Statements

Unit: NTD thousands

Item	2024				2023			
	Name	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer	Name	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer
1	China Steel Corporation	830,780	20	Related Party	China Steel Corporation	728,324	19	Related Party
2	Formosa Ha Tinh Steel Corporation	472,660	11	Related Party	Formosa Ha Tinh Steel Corporation	497,873	13	Related Party
3	Dragon Steel Corporation	397,195	9	Related Party	Chung Hung Steel Corporation	378,118	10	Related Party
4	Chung Hung Steel Corporation	307,210	7	Related Party	Dragon Steel Corporation	331,464	9	Related Party
5	Others	2,178,588	53		Others	1,897,575	49	
	Net purchases	4,186,433	100		Net purchases	3,833,354	100	

Standalone Financial Statements

Unit: NTD thousands

Item	2024				2023			
	Name	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer	Name	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer
1	China Steel Corporation	830,780	22	Related Party	China Steel Corporation	728,324	21	Related Party
2	Dragon Steel Corporation	397,195	11	Related Party	Chung Hung Steel Corporation	378,118	11	Related Party
3	Chung Hung Steel Corporation	307,210	8	Related Party	Dragon Steel Corporation	331,464	10	Related Party
4	Others	2,169,617	59		Others	1,961,703	58	
	Net purchases	3,704,802	100		Net purchases	3,399,609	100	

2. Information of major customers in either of the two most recent years

Item	2024				2023			
	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship with the issuer	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship with the issuer
1	China Steel Corporation	2,863,796	22	Related Party	China Steel Corporation	3,150,046	25	Related Party
2	Dragon Steel Corporation	1,570,170	12	Related Party	Dragon Steel Corporation	1,453,824	12	Related Party
3	Others	8,856,587	66		Others	7,791,032	63	
	Net sales	13,290,553	100		Net sales	12,394,902	100	

Standalone Financial Statements

Unit: NTD thousands

Item	2024				2023			
	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship with the issuer	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship with the issuer
1	China Steel Corporation	2,796,583	24	Related Party	China Steel Corporation	3,072,783	28	Related Party
2	Dragon Steel Corporation	1,532,707	13	Related Party	Dragon Steel Corporation	1,400,136	13	Related Party
3	Others	7,560,087	63		Others	6,611,825	59	
	Net sales	11,889,377	100		Net sales	11,084,744	100	

III. Employees

Information on the employees of CHC Resources and subsidiaries) Date: March 31, 2025

Year		End of 2024	End of 2023	2025.03.31
Number of Employees		604	604	600
Average Age		41.75	41.10	41.67
Average Years of Service		10.95	10.57	10.96
Distribution of Academic Qualifications (%)	PhD	0.50%	0.66%	0.50%
	Master's degree	19.54%	18.87%	19.50%
	Bachelor's degree	58.27%	53.81%	58.66%
	High school	20.03%	24.01%	19.67%
	Below high school	1.66%	2.65%	1.67%

Information on employees of CHC Resources

Date: March 31, 2025

Year		End of 2024	End of 2023	2025.03.31
Number of Employees		291	291	290
Average Age		47.13	47.02	46.86
Average Years of Service		16.41	16.19	16.22
Distribution of Academic Qualifications (%)	PhD	1.03%	1.37%	1.03%
	Master's degree	35.40%	35.05%	35.18%
	Bachelor's degree	52.23%	51.90%	52.41%
	High school	11.34%	11.68%	11.38%
	Below high school	0.00%	0.00%	0.00%

IV. Information on Environmental Protection Expenditure**(I) Losses caused by pollution in the most recent year up to the publication date of this annual report**

Company	2024		As of March 31,2025
	CHC Resources		CHC Resources
Date of Punishment (Date of violation)	2024.02.16 (2023.12.27)	2024.02.16 (2024.01.02)	2025.03.17 (2024.10.15)
Punishment Letter No.	No. 30-113-020004 from Environmental Protection Bureau,Kaohsiung City Government	No. 30-113-020003 from Environmental Protection Bureau,Kaohsiung City Government	No. 30-114-020002 from Environmental Protection Bureau,Kaohsiung City Government
Regulations Violated	Article 18 of the Water Pollution Control Act and Article 4 、 Paragraph 1 Article 12 of the Water Pollution Control Measures and Test Reporting Management Regulations	Article 18 of the Water Pollution Control Act and Article 4 of the Water Pollution Control Measures and Test Reporting Management Regulations	Paragraph 1 Article 18 of the Water Pollution Control Act
Content of Regulations Violated	At the Kaohsiung plant, the switches for the chemical dosing machine, blower, and discharge pump in the wastewater treatment facilities for certain processes are shown to be in a stopped state, and the sulfuric acid dosing tank is empty. Additionally, the water pollution prevention plan does not account for the vehicle washing platform and sedimentation tank, and a dedicated cumulative flow meter for incoming water has not been installed.	The content of the Lin-hai plant's water pollution prevention and control measures plan does not include the wastewater collection sump for the underground tunnel of granulated blast-furnace slag (GBFS) feed. The status of the sedimentation tank and pH adjustment tank is inconsistent with the content of the water pollution prevention and control measures plan. In 2022, the amount of recycled water used in pollution prevention and control equipment exceeded the approved quantity in the water pollution prevention and control measures plan.	Water is flowing inside the North Gate manhole of the Company's Kaohsiung plant and overflowing along the internal piping.

Company	2024		As of March 31,2025
	CHC Resources		CHC Resources
Content of Punishment	1. Fine of NTD10,500 2. 2-hour learning course of environmental protection	1. Fine of NTD10,000 2. 1-hour learning course of environmental protection	1. Fine of NTD2,520,000 2. 4-hour learning course of environmental protection
Date of Punishment (Date of violation)	2024.07.15 (2024.03.29)	2024.07.22 (2024.06.21)	2025.03.17 (2024.10.15)
Punishment Letter No.	No. 30-113-070014 from Environmental Protection Bureau,Kaohsiung City Government	No. 40-113-070035 from Environmental Protection Bureau,Kaohsiung City Government	No. 30-114-030004 from Environmental Protection Bureau,Kaohsiung City Government
Regulations Violated	Article 18 of the Water Pollution Control Act	Article 36, Paragraph 1 of the Waste Disposal Act Article 6, Paragraph 1, Subparagraph 4, and Article 10, Paragraph 1, Subparagraph 1 of the Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste	Article 18 of the Water Pollution Control Act
Content of Regulations Violated	The Kaohsiung plant's partial pipeline usage, pipeline flow direction and effluent pH levels were not operated in accordance with the approved water pollution control plan	In Qishan District, the waste storage area and slag removal facilities are not clearly marked with the name of the waste, and there are no facilities or measures to prevent rainwater or surface water from entering	The chemical dosing machine in the material yard of Kaohsiung Plant C is stopped.
Content of Punishment	1. Fine of NTD12,500 2. 2-hour learning course of environmental protection	1. Fine of NTD18,000 2. 2-hour learning course of environmental protection	1. Fine of NTD30,000 2. 2-hour learning course of environmental protection
Date of Punishment (Date of violation)	2024.10.07 (2024.07.02)	2024.11.15 (2024.09.20)	None
Punishment Letter No.	No. 30-113-100002 from Environmental Protection Bureau, Kaohsiung City Government	No. 20-113-110046 from Environmental Protection Bureau,Kaohsiung City Government	None
Regulations Violated	Article 18 of the Water Pollution Control Act Article 4 of the Water Pollution Control Measures and Test Reporting Management Regulations	Article 20, Section 1 of the Air Pollution Control Act	None
Content of Regulations Violated	The water quality temperature of the drainage ditch in front of the emergency discharge outlet at the Lin-hai plant, the pH level of the underground sump water, and the cumulative flow measurement of the drainage pipe have not been managed in accordance with the approved water pollution prevention and control measures plan	The concentration of particulate pollutants discharged from the Lin-hai plant has exceeded the emission standards set forth in the Standards for Air Pollutant Emission from Stationary Pollution Sources	None
Content of Punishment	1. Fine of NTD12,500 2. 2-hour learning course of environmental protection	1. Fine of NTD600,000 2. 2-hour learning course of environmental protection	None

Company	2024		As of March 31,2025
	CHC Resources		CHC Resources
Date of Punishment (Date of violation)	2024.12.20 (2024.10.15)	None	None
Punishment Letter No.	No. 30-113-120009 from Environmental Protection Bureau, Kaohsiung City Government	None	None
Regulations Violated	Article 18 of the Water Pollution Control Act	None	None
Content of Regulations Violated	The pH values of the sedimentation pond and pH adjustment pond at the Lin-hai plant, the accumulated water meter readings for the car wash platform and the pH measurements of the rainwater drainage system were not operated in accordance with the approved water pollution prevention and control plan	None	None
Content of Punishment	1. Fine of NTD22,500 2. 2-hour learning course of environmental protection	None	None
Company	2024		As of March 31,2025
	Pao Good Industrial		Pao Good Industrial
Date of Punishment (Date of violation)	2024.11.05 (2024.07.12)		None
Punishment Letter No.	40-113-110007		None
Regulations Violated	Article 31, Paragraph 1, Item 2 of the Waste Disposal Act		None
Content of Regulations Violated	The Changhua Sales Office engages in the wholesale and retail business of coal ash (R-1106). Although no processing or manufacturing activities are involved, the material is still classified as "business waste." From August 2023 to May 2024, the receipt of coal ash (R-1106) during recycling operations was not reported through the required online transmission system in accordance with applicable regulations.		None
Content of Punishment	1. Fine of NTD6,000 2. 1-hour learning course of environmental protection		None

Except for those listed in the above table, the Company and other subsidiaries had not been punished due to pollution in 2024 and as of the printing date of the annual report.

Countermeasure

1. Improvements proposed

(1) Improvement plans

- ① Kaohsiung Plant submitted a revision to the Water Pollution Prevention and Control Measures Plan.
- ② An independent, dedicated cumulative flow meter has been installed at the inlet of the wastewater treatment plant at the Kaohsiung plant.

- ③ The flow meters and circuit breakers at the Kaohsiung plant have all been removed.
 - ④ Following an inspection at the Kaohsiung plant, it was determined that the problem was caused by equipment malfunction. During this period, ongoing maintenance and monitoring was carried out to assess whether the equipment was functioning properly. Subsequently, enhanced daily inspections were implemented to ensure that the equipment was operating normally.
 - ⑤ The Kaohsiung plant has strengthened awareness efforts, reminding personnel to restore the power supply after replacing the car wash platform spray nozzles.
 - ⑥ The Kaohsiung plant has sealed the gap adjacent to the manhole to address and prevent any potential concerns.
 - ⑦ The main motor of the first-line grinding machine at the Kaohsiung plant has been replaced to improve operational efficiency and reduce energy consumption.
 - ⑧ Lin-hai plant submitted a revision to the Water Pollution Prevention and Control Measures Plan.
 - ⑨ The overload protection for the water pump motor at the Lin-hai plant has been reset and daily inspections are being carried out to ensure that the water pump motor is functioning properly.
 - ⑩ The Lin-hai Plant is upgrading its water management facilities by converting the car wash platform to operate independently, effectively resolving the issue of exceeding the approved water usage limit.
 - ⑪ The Lin-hai plant has upgraded the insulation of the hot air ducts on fourth line to reduce energy consumption.
 - ⑫ The Lin-hai plant has replaced the large windmill motor to enhance motor efficiency and reduce energy consumption.
 - ⑬ The Ta-fa plant has installed new dust suppression facilities to improve environmental protection and minimize concerns related to dust dispersion.
 - ⑭ The Pao Good Changhua Sales Office will provide environmental training for its personnel to strengthen their environmental competencies.
- (2) Estimated environmental protection expenses for the next three years
- ①NTD31.94 million for improvements in pollution control.
 - ②NTD7.35 million for improvements in energy consumption.
- (3) Effects after the improvements
- ①Effects on net profit: No significant effect.
 - ②Effects on competitive status:
 - i. Enhance corporate social image
 - ii. Solve environmental problems, maintain a good working environment, and ensure a healthy working environment for employees
2. Parts with no response measures taken
- (1) Reasons for not taking response measures: None.
 - (2) Status of pollution: None.
 - (3) Possible losses and amount of compensation: None.

V. Protection Measures for Working Environment and Employees' Personal Safety

The Company has established a safe, reasonable, and healthy working environment. The protection of employees' life safety is the occupational safety management principle of the Company. Based on the existing policy of prevention in advance, the following measures are adopted :

(I) Safety management

1. **Operating environment monitoring:** In accordance with the requirements of laws and regulations, and to understand the working environment of employees, the Company engages a qualified monitoring institution for an operating environment monitoring semi-annually; the primary items include noise, dust, CO₂, illuminance, and specific chemical substances, organic solvent, etc.
2. **Contractor management**

To effectively improve concepts of environmental safety and health for all contractors and minimize the occurrence of accidents, the Company utilizes the fines arising from defaults of contractors by way of exclusive fund for exclusive purposes in proposals of environmental safety and health and energy to contractors, subsidies to contractors for consolation money regarding events of injuries due to business purposes, safety and health education training and seminar funds, the requirements of purchasing relevant items for promoting or executing environmental safety and health and energy affairs, incentives for participating in or assisting the Company in the promotion of environmental safety and health and energy works, and other relevant incentives and events for utilization approved by the President, so as to improve the education level concerning environmental safety and health for contractors and reinforce their concepts for environmental safety and health.

Except for relevant hazard notice provided by the authorized unit, the Industrial Safety & Hygiene Office shall organize a general safety and health educational training of one hour for any contractor who is required to enter the workplace of the Company before entering the plant for work, and the contractor shall be able to enter the plant subject to the passing of a test.

In addition, in order to align the mindsets of contractors and the Company and reinforce the cohesion therein, contractors are invited to participate in all educational training or events related to environmental protection and health organized by the Company. By the end of the year, employers of all resident contractors are invited to make exchanges regarding occupational safety with the Company's management, carry out reviews on past events, and communicate. It is hoped that the Company may communicate its opinions with our long-term working partners through such opportunities. Except for improving the consensus for occupational safety, reinforcing the occupational culture of and enhancing associations between both parties are further expected.

To improve the understanding of resident contractors regarding the new act, accord to the requirements of the new occupational safety act, and safeguard the health of contractors' employees, the Company caused personnel related to all contractors to participate in the tutorial provided by the "Labor Health Service Center.," Occupational Safety and Health Administration, and duly implement "Protection Measures for Labors' Physical and Mental Health," such as conducting regular operating environment monitoring, and physical and health inspection with general and normal items, implementing "Measures for Preventing Diseases and Health Management" relevant to abnormal workloads, and establishing a "Hearing Conservation Program."

Since December 2017, to improve the implementation of contractors regarding self-managed events for occupational safety and health and ensure employees' life safety and health, the Company established the "Contractor Occupational Safety and Health Committee" (the "Contractor Safety Committee"). A total of 29 contractors, with an aggregate of 600 employees) in the Kaohsiung region have joined the Committee. The Committee formally commenced its operations in January 2018, and provides positive assistance in improving occupational safety literacy and awareness of contractors and employees.

After operation for one and a half year, the Company's contractor security committee called for the contractors in Taichung area to join the committee in June 2019. In 2020, we organized "Health Family" with 17 contractors from the central and southern Taiwan and served as the Core Business for the "Health Family". For this, we received the Certificate of Appreciation from the South Health Center of the Occupational Safety and Health Administration on December 16, 2022 and November 20, 2023.

In an effort to enhance the occupational safety capabilities of our contractors and provide a channel for mutual assistance, our Company, as the core unit, has joined the "Kaohsiung City Labor Bureau Safety and Health Family Plan" in collaboration with our cooperative manufacturers' safety committee. The plan was initiated on February 20, 2023, and we invited the Kaohsiung City Labor Bureau to explain the contents of the Safety and Health Family Plan. Furthermore, on April 28, 2023, we received the Safety and Health Family flag from the Labor Inspection Office of the Labor Bureau.

3. Personnel life management

Hazards precognition before work: When conduction hazard notification before the commence of daily work, the Company implements the danger precognition of "Zero-Incident," observes mental conditions of employees, and adjusts their work accordingly.

Sobriety test control: To realize the objective of "no alcohol at work," the

Company has "breathalyzers" at the security offices at its plants and stations. The sobriety test shall be performed for all personnel participating in high-risk constructions and engineering constructions upon entering the plant. Also, random sobriety tests are conducted for resident personnel; where test results exceed the control standard, such personnel may not enter the plant, and fines and demerits would be imposed on the contractor.

Speed limit control: Large vehicles enter/exit the Company's plants frequently. To care for personnel and vehicle safety of our plants, the Company strictly implements the requirements of driving speed limit of 30km/hr for the roads of our plants, and the driving speed may not exceed 20km/hr for particular areas. A periodical speed monitoring at unfixed spots is also adopted and have recorded satisfactory results.

4. Safety and health inspection

To eliminate unsafe factors, except for requiring all units to establish their "self-inspection plan" and implements "self-inspection" on a yearly basis, the Company also stated the frequency of on-site inspection for supervisors and personnel on different hierarchy in its annual management plan and implemented management by wandering around regarding safety and health. The items include senior executive inspection/junior executive inspection/person in charge of the workplace/occupational safety personnel/plant safety personnel/management representative and safety and health committee inspection. The deficiencies observed shall be set out in the "Environmental Safety and Health and Energy On-site Inspection and Observation Report" and issue the "Environmental Safety and Health Anomaly Treatment and Correction Record," and include it into ISO control and confirm its continual improvement results.

5. Promote the "Zero Incident - Danger Precognition" activity

The Company promotes zero incident activity. Cognition training is initially adopted, then all units and resident contractors shall assign seed personnel to learn the concepts of zero-incident. The danger precognition activity related to zero-incident shall be performed before the commencement of daily works starting from the operators on the front-line, so as to realize the daily danger precognition and healthcare.

(II) Hygiene management

1. Health management

The Company established its "Health Information Management Platform" to include employees' physical/health inspection into the health management system and implement E-management for health. Employees may browse their own health inspection records online.

The Company had executed the doctors' basic occupational health services

contracts with Kaohsiung Medical University Chung-Ho Memorial Hospital and Tungs' Taichung Metro Harbor Hospital, respectively, for providing services of health consultancy and health lectures for the Company's Kaohsiung Plant and Taichung Plant.

According to the new regulations on occupational safety, we established the "Protection Measures for Labors' Physical and Mental Health" including "Hearing Conservation Program", "Ergonomic Hazard Prevention Program", "Procedures for the Management of Preventing Illegal Infringement when Performing Duties", "Procedures for the Management of Maternal Health", "Procedures for the Management of Preventing Diseases Caused by Abnormal Workloads", and "Respiratory Protection Scheme" to protect the health of our employees. Furthermore, the Company works with our doctors with contracts and establish health risk levels and annual health management measures based on the results of annual health inspection during the first quarter each year.

According to the results of the employees' annual physical examination and the risk level, we conduct "Personal Health Consultation Session" and promote "Workplace Health" for our employees. Personal Health Consultation Session is conducted by on-site specialist doctors. Various health seminars were held in 2024, including Weight Loss and Management, Shingles, Health Check Data Interpretation. In response to the "Respiratory Protection Program", we held health education courses on "Dust Procedure - the Impact on Health" regarding the dust procedure workplace aspect.

2. Promotion for quitting tobacco and quitting betel nut

The Company continues to implement the "tobacco-free worksite" and observes requirements related to various types of "worksite tobacco control." Also, to protect non-smokers from the effects of second-hand smoke and respect the rights of smokers, the Company continues to communicate the possible hazards of smoking to health and set up "Smoking Zones" and relevant fines to control improper smoking behaviors. Starting in 2021, due to our commitment to promoting a smokefree workplace and healthy living, we have obtained the "Healthy Workplace Certification - Health Activation Mark" from the Health Promotion Administration of the Ministry of Health and Welfare. In 2023, we have established an excellent healthy work environment and have obtained the next-stage "Healthy Workplace Certification - Health Promotion Mark". It will remain valid until December 31, 2025.

(III) Carbon reduction and green living

1. The Company observes the green living policy of CSC Group and promotes relevant events from aspects of food, clothing, shelter, travel, and entertainment, so as to cultivate employees' green living habits of treasuring resources, energy

conservation, and carbon reduction, and cultivating a green corporate culture to foster a friendly workplace, and participate in the green life activities organized by the Group, tour and promote the innovation mindset of various companies within the Group.

2. The Company's measures for good-neighborliness are volunteering for street cleaning, greening and beautification, organizing environmental educational promotion for the communities, sharing energy-saving and carbon reduction experiences, and inviting residents to participate in the environmental protection events. Facing the impacts arising from global climate change, as a part of the global village, CHC Resources aims to fulfill its corporate social responsibility to protect the global environment's sustainable development.

(IV) Environmental safety educational training

1. Establishment of environmental safety and health and energy network platform
The Company set up the "environmental safety and health and energy information platform" on its intranet to provide convenient services for employees' inquiries; the content includes Environmental Safety and Health Announcements, commonly used function shortcuts and other information, which are available for employees to refer to and search.
2. Environmental safety and health and energy certificates
Our company's environmental safety and health certification is based on the ISO "Environmental Safety and Health Education Procedures" regulations for related training operations. In order to maintain the validity of the environmental safety and health licenses. In 2024, our Company commissioned qualified training units to conduct on-the-job training for various levels of personnel (including contractors) for the First Aid Personnel, Organic Solvent Operations Supervisor, Supervisor of Operational Dust, Supervisor of Oxygen-Deficient Operations, Supervisor of Operations Involving Designated Chemical Substances certification. The related on-the-job education training involved approximately 351 individuals. For other courses such as environmental protection, fire prevention, safety and health, etc., which we cannot offer ourselves, each unit will send its staff for training to maintain or refresh the validity of its certification according to its needs.
3. Environmental safety and health and energy education
In 2024, the educational training related to environmental safety and health and energy organized by the Company recorded a training headcount of 2,204 people and a total number of hours amounted to 4,647 hours

VI. Labor Relations

(I) The Company sets out its employee benefit programs, welfare measures, continuing education, training, retirement policy, and their implementation, as well as the agreement between employees and the employer, and protection measures for employees' rights and interests.

1. Employee benefit programs and their implementation

To care for its employee, the Company provides a safe and harmonious working environment, rolls out various welfare measures, and holds different activities to allow employees to relax physically and mentally and release the business and tension of work, rendering enrichment and comforts for living.

Employees' benefit programs are as follow:

- (1) Appropriate bonuses as generously as possible.
- (2) Distribute bonuses for four festivals (Dragon Boat Festival, Labor Day, Mid-autumn Festival, and Chinese New Year), employees' emergency aids, marriage allowance, maternity benefit, employees' dependent education subsidy, and birthday bonuses.
- (3) Group comprehensive insurance.

2. Retirement Policy and their implementation

The employees' retirement policy of the Company observes the relevant requirements under the "Labor Standard Act," "Labor Pension Act," and the "Regulations for the Retirement, Pension, Occupational Hazard Compensation, and Severance" of the Company.

The Company established the Supervisory Committee of Labor Retirement Reserve according to the law and provided labor retirement reserve on a monthly basis. Furthermore, according to the Labor Pension Act implemented on July 1, 2005, the Company appropriates 6% of the salary for employees qualified for the new labor pension system to the Bureau of Labor Insurance as their retirement pension on a monthly basis according to the law. As of the end of 2024, 174 employees qualified for the new system, while 104 employees remained to adopt the old system.

3. Implementation of employees' continuing training

The Company sets up an annual training budget to encourage employees to participate in various professional training and seminars. In order to establish a career development training program for employees, the Company conducts annual performance appraisals for all employees and requires unit supervisors to review the career development situation and the knowledge and skills that need to be strengthened during the annual performance appraisal, which is used as the basis for drawing up the training program. The training cost for 2024 was NTD2,048,027 and the training hours were 7,067.5, with an average of about 25.42 hours per person. In the areas of industrial safety, environmental protection, and fire prevention, we continue to strengthen the necessary training required by law for occupational safety and health licenses, fire prevention licenses, and air and water waste and toxic operations.

(1) Average hours of training received by CHC Resources employees in 2024 is as follows:

By department

Department	Senior Managers (Note)	Internal Audit Office	Administration Division	Blast Furnace Cement Division	Resource Reutilization Production Division	Resource Reutilization Commercial Division	Research & Technology Division	Industrial Safety & Hygiene Office	Total
Number of people	12	1	44	108	67	18	18	10	278
Total training hours	415.5	23.5	952.5	2,385.2	1,864.5	433.6	786.2	206.5	7,067.5
Average hours per person	34.6	23.5	21.7	22.1	27.8	24.1	43.7	20.7	25.4

Note : Senior managers refer to managers at 1st Level and above.

By position

Category	Supervisor(Note)		Professional level		Foreman / Specialist		Technician / Administrator		Total
	Female	Male	Female	Male	Female	Male	Female	Male	
Number of people	3	33	9	87	3	39	8	96	278
Total training hours	99	1,038.8	237	3,498.1	65	692.6	158.5	1,278.5	7,067.5
Average hours per person	33	31.5	26.3	40.2	21.7	17.8	19.8	13.3	25.4

Note : Supervisor refer to managers at 2nd Level and above.

(2)Results of training execution for 2024

Classification	Implementation results
Managers and supervisors (including management trainees)	CHC Resources conducted a strategic management course on “How to Analyze Strategies with Structured Thinking,” with a focus on the Company’s future directions and strategies. (1 session, 6 hours per session, totaling 39 participants trained)
Professional personnel	<p>In response to the need for professional competence at various levels of the organization, several training courses were conducted. These included "Project Management," which was conducted in two sessions of 7 hours each with a total of 64 participants; "Calculation and Analysis of Operating Costs," also conducted in two sessions of 2 hours each with 14 participants; and "Essentials of Official Document Writing," which was conducted in a single session of 3 hours with 8 participants.</p> <p>In order to ensure that certain business-related personnel have the necessary basic legal knowledge in the performance of their duties, several practicing attorneys were engaged to conduct the following legal seminars: "Promotion of Regulations Related to Personal Data Protection" (1 session, 2 hours per session, with a total of 86 participants), "Essential Legal Practical Knowledge for Business Operations" (1 session, 3 hours per session, with a total of 54 participants), "Legal Seminar on Important Matters Regarding Contract Signing and Performance" (1 session, 2 hours per session, with a total of 80 participants), and "Legal Seminar on Fair Trade Act" (1 session, 3 hours per session, with a total of 73 participants).</p>
New employees	Training for new employees encompasses company overview, information management, introduction to basic concepts of intellectual property rights, introduction to quality management systems, basic environmental, safety, and health training, prevention of insider training, as well as introduction to compensation and benefits, and human resources-related systems.
All employees	<p>To ensure that all colleagues comply with applicable laws and regulations in the performance of their duties, we have organized the following training sessions "Training on Prevention of Illegal Infringement and Communication Skills" (3 sessions, 3 hours each, with a total of 118 participants) and "Legal and Practical Advocacy on the Prevention of Sexual Harassment" (2 sessions, 2 hours each, with a total of 233 participants).</p> <p>CHC Resources’ annual employee training program encompasses important issues, such as human rights, ethics and integrity, industrial safety, cyber security, traffic safety, prevention of sexual harassment, and prevention of insider trading, as well as government orders on these issues. In addition, two external courses will be offered in 2024: "Stress Relief Seminar - Handmade Miniature Ecosystem Bottles" and "Physical Fitness Enhancement Seminar - Comprehensive Self-Training Planning and Experience". These courses are designed to help employees maintain their roles while prioritizing their physical and mental well-being. A total of four sessions of these employee training courses will be conducted with approximately 109 participants.</p> <p>In order to further increase the awareness and protection of intellectual property rights among all employees, an external consulting firm conducted a training program entitled "Initiating New Perspectives on Intellectual Property". A total of approximately 275 participants attended the training.</p>

4. Agreement between employees and the employer

In an effort to promote labor-management harmony, our company first time signed a collective bargaining agreement with the CHC Resources Union on January 6, 2022. The agreement has a term of three years and applies to all employees within the company. The content includes ten chapters, "General Provisions", "Union Activities", "Human Resources", "Work Time, Rest and Vacations", "Work Remuneration and Bonus", "Manpower Development", "Welfare", "Safety and Health", "Labor-Management Meeting, Group Negotiation, and Handling Labor-Management Disputes" and "Supplementary", which constitute 75 articles.

The section on "Remuneration and Bonuses" includes provisions for profit sharing, such as incentive bonuses and production and sales bonuses.

5. Code of Ethics for Employees

The "Code of Ethics for Employees" and "Guidelines for Employees' Recusals for Conflicts of Interests" within the rules of the Company are set out to regulate employees' behaviors and code of ethics.

(II) Set out the losses suffered due to labor-capital disputes in the most recent year up to the printing date of the annual report, and disclose the estimated amount that may occur at present and in the future and the response measures. Where the amount cannot be reasonably estimated, facts of which estimation cannot be made shall be described: None

(III) Salary structure and salary adjusting mechanism

The primary items of remuneration include basic salary, position compensation, meal allowances, incentives, annual bonuses, and employees' remuneration, and the Company further provides the salary guarantee of 13-month annual salary. The distribution of incentives, employees' remuneration and salary adjustment is integrated with employees' evaluation.

VII. Information Security Management

(I) Describe the information security risk management framework, information security policies, specific management plans and resources devoted to information security management, etc.

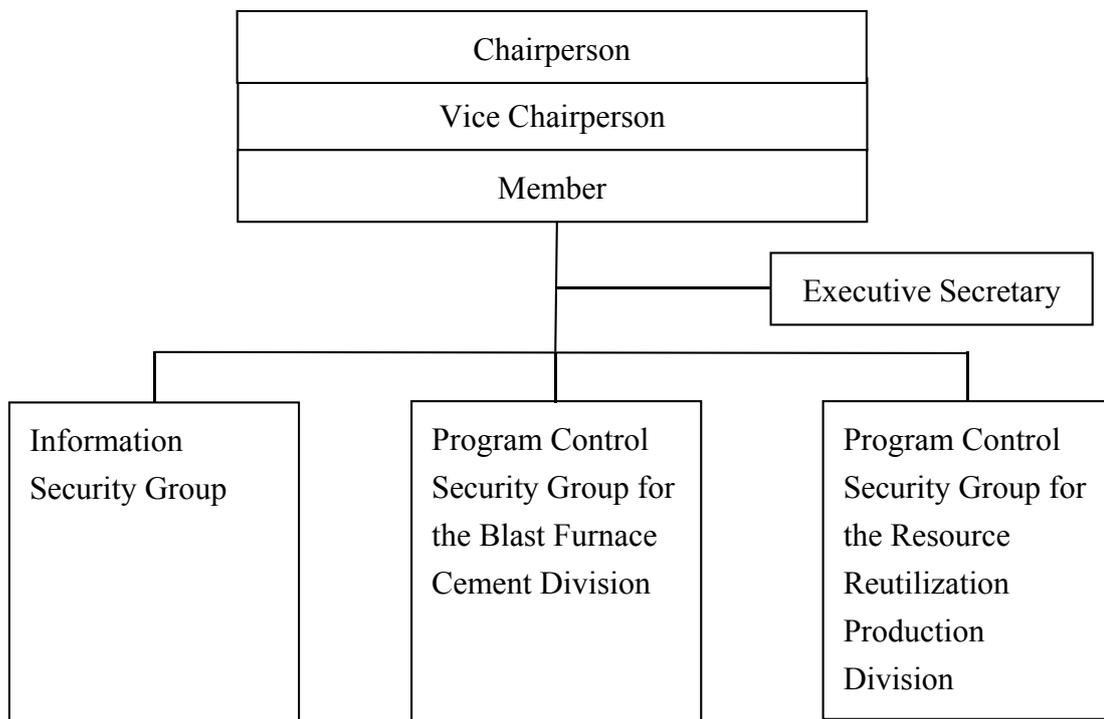
1. Information Security Risk Management Framework

The Company established the "Information Security Committee" in 2022 to review information security management policies and objectives, information security management promotion measures, and other information security matters.

The Information Security Committee is chaired by the Vice President governing the Administration Division, who also serves as the Chief Information Security Officer; the Assistant Vice President of the Administration Division serves as a Vice Chairperson; The first level supervisors of the Blast Furnace Cement Division, Resource Reutilization

Production Division, Resource Reutilization Commercial Division, Research & Technology Division, and Industrial Safety & Hygiene Office are all Members of the committee. We also established the Information Security Group, Program Control Security Group for the Blast Furnace Cement Division, and Program Control Security Group for the Resource Reutilization Production Division to carry out the company's information security affairs.

The Information Security Committee holds quarterly meetings to regularly review the implementation of information security affairs, and report annually to the Board of Directors on the implementation results and future implementation plans of information security.



2. Information Security Policy

The Company's information security policy covers all employees, outsourced service providers, and visitors, and is guided by the principle of "strengthening information security management, establishing a secure and trustworthy operating environment to ensure the security of data, systems, related network environments, and equipment, and to protect customers' rights". We also established next-generation firewalls, endpoint protection, antivirus systems, Data Loss Prevention control measures (DLP), and various information security control measures to enhance the company's ability to defend against external attacks and protect internal sensitive information.

The Company adopts a PDCA (Plan, Do, Check, Action) cyclic management in practice to continuously improve the information security system.

The "Plan" Stage: Emphasizing information security governance, we have established our Company's information security policy framework and operational procedures in accordance with regulations such as the Regulations Governing Establishment of Internal Control Systems by Public Companies and the Cyber Security Guidelines for TWSE/TPEX-Listed Companies.

In the "Do" stage": We will push for the implementation of information security affairs. In addition to establishing a comprehensive protection mechanism and cooperating with professional information security providers to introduce new information security protection technologies, we will continue to raise the employees' security awareness by advocating related policies, conducting trainings and holding regular social engineering exercises. Regularly participating in the information security joint defense meetings organized by the group, and joining TWCERT/CC to enhance the sharing of information security intelligence and exchange of experiences. Furthermore, on July 3, 2023, we obtained the ISO 27001 Information Security Management System certification. on May 20, 2024, Recertified for ISO 27001 Information Security Management System. This certification strengthens our Company's information security governance system and implements a more comprehensive set of information security management standards.

The "Check" Stage: We will regularly evaluate asset security risk management, carry out internal and external audits, and assign professional information security providers to conduct regular vulnerability scanning on our information systems, and identify and address problems early to ensure the effectiveness of the information security system.

The "Action" Stage: We will regularly review the results of information security actions to see if they comply with information security policies and goals, developed specific corrective and preventive measures for those that did not meet the standards until an improvement is made, and continue to train personnel when necessary.

3. Specific Management Plan

In order to achieve the policies and objectives of information security and establish a complete information security protection scheme, the specific management plan will be carried out as follows:

Monitoring Network: The Company's Information Security Center will monitor network activities 24 hours to be responsive to major information security risks, and reduce low to medium-level information security risks on a monthly basis. and monitor the achievement of information security objectives, which serve as indicators for future improvements.

Reviewing Security Settings: Antivirus software must be installed on all personal computers, and account permission controls must be implemented. USB port access and installation privileges should be disabled by default.

We will conduct regular security updates and major vulnerability patches on the servers,

and assign professional security service providers to conduct vulnerability scanning. By implementing effective measures to regulate the use of external Internet hard drive space, we aim to reduce the risk of data leakage. Downloading and installing unauthorized software is strictly prohibited, and compliance with intellectual property rights is mandatory to prevent infringement and incidents of computer virus infection. Improving by Auditing: We will establish and implement information security standards in accordance with relevant laws and regulations and the information security management system, and conduct audits annually by the Company and external/internal auditors to make necessary improvements.

Email Control and Social Engineering Exercises: The email system will be filtered through spam servers, and social engineering exercises will be conducted regularly to raise the employees' awareness of information security.

Information Security Education and Training: An annual information security education and training program is conducted, and messages regarding "New Information Security Knowledge and Prevention of Hacking and Internet Fraud" are regularly posted on the electronic bulletin board. Quarterly information security awareness assessments are conducted to verify employees' understanding of information security concepts and to serve as a reference for planning related information security courses.

The specific information security management plan for this year was reported to the 16th meeting of the 12th Board of Directors on December 27, 2024.

2024 Information Security Plan Implementation		
1	Email system upgrade	Finish
2	Firewall equipment upgrade	Finish
3	Wireless network system upgrade	Finish
4	Company domain server and endpoint operating system upgrade	Finish
5	Upgrade of video conferencing equipment	Finish
6	ISO 27001 External audit re-evaluation	Certified

(II) Specify a list of the losses suffered as a result of material information and communication security events, their possible impact and the measures to be taken for the most recent year and up to the publication date of the annual report, and if it cannot be not reasonably estimated, specify the fact that it cannot reasonably estimated: None.

VIII. Important Contracts

1. The Company

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Covenants
Land lease contract	Port of Taichung, Taiwan International Ports Corporation, Ltd.	2007.01.01~2026.12.31	Water-quenched basic furnace slag grinding and slag processing factory	None
Land and building lease contract	Shang Chen Steel Co., Ltd.	2012.05.01~2029.04.30	Processing factory for blast furnace and basic oxygen furnace slag	None
Land and building lease contract	Yu Cheng Lime Corporation	2022.01.01~2026.12.31	Product storage area	None
Land lease contract	Port of Taichung, Taiwan International Ports Corporation, Ltd.	2016.02.04~2036.02.03	Slag processing factory	None
Land lease contract	China Steel Corporation	2022.01.01~2026.12.31	Product storage area	None
Land lease contract	Kai Ching Industry Co., Ltd.	2017.11.01~2027.10.31	Product storage area	None
Land lease contract	He Su Co., Ltd.	2018.01.01~2027.12.31	Product storage area	None
Land lease contract	Shang Chen Steel Co., Ltd.	2018.02.02~2028.02.01	Product storage area	None
Land lease contract	UPC Technology Corporation	2018.11.15~2028.11.14	Product storage area	None
Sales contract	TCC Group Holdings Co., Ltd. Cement product factory	2024.04.01~2026.03.31	Sales of blast furnace slag powder	None
Sales contract	Ya Tung Ready Mixed Concrete Co., Ltd.	2025.01.01~2025.12.31	Sales of blast furnace slag powder	None
Sales contract	Goldsun Building Materials Co., Ltd.	2025.03.01~2027.02.28	Sales of blast furnace slag powder	None
Sales contract	Universal Cement Corporation	2025.01.01~2025.12.31	Sales of blast furnace slag powder	None
Sales contract	Li Tai Constructional Co., Ltd.	2023.01.01~2025.12.31	Sales of blast furnace slag powder	None
Sales contract	Minfeng Industrial Co.,Ltd.	2025.01.01~2025.12.23	Sales of blast furnace slag powder	None
Sales contract	China Steel Corporation	2024.01.01~2025.12.31	Sales of soil improvement agents	None
Sales contract	Kun Pao Industrial Co., Ltd.	2025.01.01~2025.12.31	Sales of blast furnace slag powder	None
Distributor contract	Kuang Hui Building Materials Co., Ltd.	2025.01.01~2025.12.31	Sales of soil improvement agents	None

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Covenants
Contracting agreement	China Steel Corporation	2024.07.21~ 2026.04.20	Processing and transportation of blast furnace and basic oxygen furnace slag (contract for indoor slag plant at China Steel Corporation)	None
Contracting agreement	China Steel Corporation	2024.07.21~ 2026.04.20	Processing and promoting application of blast furnace slag and basic oxygen furnace slag	None
Contracting agreement	China Steel Corporation	2023.04.21~ 2025.04.20	Processing and transportation of iron slag (coal ash-sludge blended material)	None
Contracting agreement	China Steel Corporation	2023.10.21~ 2029.09.30	The BOF slag transporting and filling operations at the windbreak area of Taipei port logistics and warehousing zone, phase II, III and IV	None
Contracting agreement	China Steel Corporation	2023.04.21~ 2025.04.20	Contract for resourceful operation of used refractory materials	None
Contracting agreement	China Steel Resources Corporation	2024.04.21~ 2026.04.20	O&M of Yanhai Plant at China Steel Resources Corporation	None
Contracting agreement	China Steel Resources Corporation	2024.04.21~ 2026.04.20	O&M of Yan-hai Plant at China Steel Resources Corporation	None
Contracting agreement	China Steel Resources Corporation	2024.04.21~ 2026.04.20	O&M of Da-fa Plant at China Steel Resources Corporation	None
Contracting agreement	China Steel Corporation	2022.04.21~ 2024.04.20	Mineral fine material promotion operation	None
Contracting agreement	Dragon Steel Corporation	2023.07.21~ 2026.01.20	Cleaning and transportation of blast furnace slag and basic oxygen furnace slag in-plant	None
Contracting agreement	Dragon Steel Corporation	2022.04.21~ 2025.11.20	Processing and promoting application of blast furnace slag and basic oxygen furnace slag	None

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Covenants
Contracting agreement	Dragon Steel Corporation	2023.03.21~ 2025.03.20	Loading of sludge; processing and transportation of iron slag (coal ash-sludge blended material)	None
Purchase and sales contract	Chung Hung Steel Corporation	2024.04.01~ 2025.03.31	Scrap purchase and sales contract	None
Contracting agreement	Union Steel Development Corporation	2024.01.01~ 2026.12.31	Sales contract for old refractory shaped bricks	None
Engineering contract	China Steel Express Corporation	2024.02.01~ 2029.09.30	Coordinated marine transportation engineering	None
Engineering contract	Earth Power Co., Ltd.	2024.01.01~ 2029.09.30	Taipei port transporting and filling work project	None
Engineering contract	Fu Tai Engineering Co., Ltd.	2024.09.23~ 2026.07.15	Expanding Production Line at the Kaohsiung Grinding Plant (Plant A)	None
Subcontracting agreement	Nan-Hwa Cement Corporation	2023.01.01~ 2024.12.31	Grinding subcontracting agreement for Granulated blast furnace slag	None
Procurement contract	China Steel Corporation	2023.01.01~ 2027.12.31	Granulated blast furnace slag procurement contract	None
Procurement contract	TCC Group Holdings Co., Ltd.	2020.01.01~ 2024.12.31	Portland cement ordering contract	None
Procurement contract	Asia Cement Corporation	2020.01.01~ 2024.12.31	Portland cement ordering contract	None
Procurement contract	Southeast Cement Corporation	2020.01.01~ 2024.12.31	Portland cement ordering contract	None
Procurement contract	Universal Cement Corporation	2020.01.01~ 2024.12.31	Portland cement ordering contract	None
Long-term borrowing	Taipei Fubon Bank	2025.03.13~ 2027.11.12	Three-year working capital limit	None
Long-term borrowing	KGI Bank	2024.11.22~ 2027.11.22	Three-year working capital limit	None
Long-term borrowing	Bank of Taiwan	2024.01.05~ 2027.01.05	Three-year working capital credit line	None
Long-term borrowing	HUA NAN Bank	2024.11.22~ 2026.11.22	Two-year working capital credit line	None
Long-term borrowing	MIZUHO Bank	2024.03.16~ 2026.03.16	Two-year working capital credit line	None
Long-term borrowing	SMBC Bank	2024.12.01~ 2026.11.30	Two-year working capital credit line	None

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Covenants
Long-term borrowing	MUFG Bank	2024.09.30~ 2027.09.30	Three-year working capital credit line	None
Long-term borrowing	Yuanta Commercial Bank Co., Ltd.	2024.08.15~ 2026.08.14	Two-year working capital credit line	None

2. CHC Resources Vietnam Co., Ltd.

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Covenants
Exclusive selling rights contract	Formosa Ha Tinh Steel Corporation	2016.06.01~ 2041.12.31	Contracted for Formosa Ha Tinh Steel Corporation's granulated blast furnace slag exclusive selling rights business	None
Service Contract	Formosa Ha Tinh Steel Corporation	2024.04.01~ 2026.03.31	Contracted for Formosa Ha Tinh Steel Corporation's granulated blast furnace slag transport/storage/management/harbor labor services.	None
Service Contract	Formosa Ha Tinh Steel Corporation	2024.04.01~ 2026.03.31	Provision of loading services for by-products at the Son Duong Port of Formosa Ha Tinh Steel Corporation	None
Service Contract	CHC Resources Corporation	2022.01.01~ 2026.12.31	Technology and management services	None
Land lease contract	Formosa International Development Corporation	2019.04.17~ 2051.05.23	Ba Ria-Vung Tau Plant land lease contract	None
Long-term borrowing	Taipei Fubon Bank	2020.07.06~ 2027.07.05	Seven-year loan limit	Credit utilization rate/financial ratio restrictions

Chapter V. Review and Analysis of Financial Position and Financial Performance and Risk Issues

I. Financial position

(I) Comparison and analysis of financial position in the most recent two years (consolidated financial report)

Unit: NTD thousand

Item \ Year	End of 2024	End of 2023	Difference	
			Amount	%
Current assets	2,846,985	2,752,229	94,756	3
Property, plant and equipment	4,562,251	4,842,613	(280,362)	(6)
Other assets	4,394,038	4,676,494	(282,456)	(6)
Total assets	11,803,274	12,271,336	(468,062)	(4)
Current liabilities	2,358,328	2,801,848	(443,520)	(16)
Noncurrent liabilities	2,790,903	3,184,385	(393,482)	(12)
Total liabilities	5,149,231	5,986,233	(837,002)	(14)
Ordinary shares	2,485,404	2,485,404	0	0
Capital surplus	162,411	162,024	387	0
Retained earnings	3,870,590	3,428,592	441,998	13
Other equity	(104,465)	(17,532)	(86,933)	(496)
Non-controlling interests	240,103	226,615	13,488	6
Total equity	6,654,043	6,285,103	368,940	6

Analysis of increase or decrease (for those with changes at least 20% and NTD10,000 thousand):

Other equity decreased by 496% mainly due to the increased in unrealized loss on investments in equity instruments at fair value through other comprehensive income.

**(II) Comparison and analysis of financial position in the most recent two years
(standalone financial report)**

Unit: NTD thousand

Item \ Year	End of 2024	End of 2023	Difference	
			Amount	%
Current assets	2,216,716	2,064,737	151,979	7
Property, plant and equipment	3,591,747	3,851,267	(259,520)	(7)
Other assets	5,301,858	5,499,796	197,938	4
Total assets	11,110,321	11,415,800	(305,479)	(3)
Current liabilities	2,088,414	2,421,704	(333,290)	(14)
Noncurrent liabilities	2,607,967	2,935,608	(327,641)	(11)
Total liabilities	4,696,381	5,357,312	(660,931)	(12)
Ordinary shares	2,485,404	2,485,404	0	0
Capital surplus	162,411	162,024	387	0
Retained earnings	3,870,590	3,428,592	441,998	13
Other equity	(104,465)	(17,532)	(86,933)	(496)
Total equity	6,413,940	6,058,488	355,452	6
Analysis of increase or decrease (for those with changes at least 20% and NTD10,000 thousand):				
Other equity decreased by 496% as explained for the consolidated financial report above.				

II. Financial Performance

(I) Comparison and analysis of financial performance in the most recent two years (consolidated financial report)

Unit: NTD thousand

Item \ Year	2024	2023	Increase (Decrease) in amount	Percentage Change (%)
Operating revenue	13,290,553	12,394,902	895,651	7
Operating costs	11,293,607	10,838,732	454,875	4
Gross profit	1,996,946	1,556,170	440,776	28
Operating expenses	522,123	481,898	40,225	8
Profit from operations	1,474,823	1,074,272	400,551	37
Non-operating income and expenses	(6,231)	(14,727)	8,496	58
Profit before income tax	1,468,592	1,059,545	409,047	39
Income tax expense	285,403	201,532	83,871	42
Net profit for the year	1,183,189	858,013	325,176	38
Other comprehensive income (loss) for the year, net of income tax	(56,452)	(63,378)	6,926	11
Total comprehensive income for the year	1,126,737	794,635	332,102	42

Analysis of increase or decrease (for those with changes at least 20% and NTD10,000 thousand):

- Gross profit increased by 28%, Profit from operations increased by 37%, Profit before income tax increased by 39%, Net profit for the year increased by 38% and Total comprehensive income for the year increased by 42%, primarily due to improved profitability in the granulated blast-furnace slag cement business.
- Net non-operating expenses decreased by 58% mainly due to a reduction in financial costs.

**(II) Comparison and analysis of financial performance in the most recent two years
(standalone financial report)**

Unit: NTD thousand

Item	Year		Increase (Decrease) in amount	Percentage Change (%)
	2024	2023		
Operating revenue	11,889,377	11,084,744	804,633	7
Operating costs	10,109,167	9,703,986	405,181	4
Gross profit	1,780,210	1,380,758	399,452	29
Operating expenses	468,679	432,265	36,414	8
Profit from operations	1,311,531	948,493	363,038	38
Non-operating income and expenses	114,041	78,428	35,613	45
Profit before income tax	1,425,572	1,026,921	398,651	39
Income tax expense	266,438	187,366	79,072	42
Net profit for the year	1,159,134	839,555	319,579	38
Other comprehensive income (loss) for the year, net of income tax	(58,319)	(59,364)	1,045	2
Total comprehensive income for the year	1,100,815	780,191	320,624	41

Analysis of increase or decrease (for those with changes at least 20% and NTD10,000 thousand):

- Gross profit increased by 29%, Profit from operations increased by 38%, Profit before income tax increased by 39%, Net profit for the year increased by 38% and Total comprehensive income for the year increased by 41%, as explained for the consolidated financial report above.
- Net non-operating income increased by 45% mainly due to the increase in share of profit of subsidiaries and associates accounted for using the equity method.

(III) Expected sales volume in the coming year and its basis

Please refer to page 7 of this annual report.

III. Cash Flow

(I) Analysis of changes in cash flows during the year (consolidated financial report)

Unit: NTD thousand

Item	2024	2023	Amount of change	Ratio of change (%)	Description
Operating activities	2,153,045	1,584,403	568,642	36	1
Investing activities	(321,177)	(196,447)	(124,730)	(63)	2
Financing activities	(1,648,152)	(1,302,219)	(345,933)	(27)	3
Change in exchange rates Effect	4,405	(9,101)	13,506	148	4
Net increase or decrease in cash and cash equivalents	188,121	76,636	111,485	145	5

The Company's net cash inflow in 2024 years was NTD188,121 thousand and the changes in the cash flows of various operating activities are as follows (with changes of at least 20%):

- The increase in net cash inflow from operating activities was mainly due to the increased in profit of the year.
- The increased in net cash outflow from investing activities was mainly due to the increased in the acquisition of property, plant and equipment during the year.

3. The increased in net cash outflow from Financing activities was mainly due to the increase in repayment of short-term loans and the increase in cash dividends paid.
4. The increased in change in exchange rates effect was mainly due to the appreciation of the Vietnamese dong.
5. In summary, the net cash inflow increased.

(II) Analysis of changes in cash flows during the year (standalone financial report)

Unit: NTD thousand

Item	2024	2023	Amount of change	Ratio of change (%)	Description
Operating activities	1,861,607	1,455,780	405,827	28	1
Investing activities	(277,400)	(128,739)	(148,661)	(115)	2
Financing activities	(1,471,992)	(1,299,210)	(172,782)	(13)	-
Net increase or decrease in cash and cash equivalents	112,215	27,831	84,384	303	3

The Company's net cash inflow in 2024 was NTD112,215 thousand and the changes in cash flow from various operating activities are as follows: (with a change of at least 20%):

1. The increase in net cash inflow from operating activities was mainly due to the increased in profit of the year.
2. The increased in net cash outflow from investing activities was mainly due to the increased in the acquisition of property, plant and equipment during the year.
3. In summary, the net cash inflow increased.

(III) Analysis of liquidity for the most recent two years (consolidated financial report)

Item	Year		Increase (decrease)	Change in Ratio (%)	Description
	2024	2023			
Cash flow ratio (%)	91.3	56.6	61		1
Cash flow adequacy ratio (%)	172.4	153.8	12		-
Cash reinvestment ratio (%)	8.3	5.8	43		1

Analysis of increase or decrease in ratios (for those with changes at least 20%):

1. The cash flow ratio increased by 61% and the cash reinvestment ratio increased by 43%, mainly due to the increased in net cash flow from operating activities.

(IV) Analysis of liquidity for the most recent two years (standalone financial report)

Item	Year		Increase (decrease)	Change in Ratio (%)	Description
	2024	2023			
Cash flow ratio (%)	89.1	60.1	48		1
Cash flow adequacy ratio (%)	187.3	173.2	8		-
Cash flow reinvestment ratio (%)	6.9	5.3	30		1

Analysis of increase or decrease in ratios (for those with changes at least 20%):

1. The cash flow ratio increased by 48% and Cash flow reinvestment ratio increased by 30% as explained for the consolidated financial report above.

(V) Cash liquidity analysis in the coming year (standalone financial report)

Unit: NTD thousand

Opening cash balances (1)	Net cash flow from operating activities throughout the year (2)	Cash outflow throughout the year (3)	Cash balance (deficit) (1)+(2)-(3)	Remedial measures for cash deficit	
				Investment plan	Wealth management plan
222,690	1,461,162	1,456,532	227,320	-	-

1. Analysis of changes in cash flows in 2025

- (1) Net cash flow from operating activities throughout the year: Mainly due to the net effect of the increase in 2024 net profit and depreciation.
- (2) Cash outflows throughout the year: Mainly due to the purchase of property, plant and equipment from investment activities, and the distribution of shareholders' dividends and the repayment of long-term borrowings from financing activities.

2. Remedial measures and liquidity analysis for estimated cash deficit: Not applicable.

IV. Effect of any major capital expenditures on financial operations during the most recent year

(I) The use of major capital expenditures, sources of funds, and the nature of capital expenditures to be invested

Unit: NTD Billion

Planned items	Actual or expected sources of funds	Actual or expected date of completion	Total capital required	Actual or expected use of funds		
				2024	2025	2026
Taichung Grinding Plant equipped with additional gas system	Self-owned funds or bank facility	2025.06	0.95	0.28	0.67	-
Production Line Expansion Project at Kaohsiung Grinding Plant	Self-owned funds or bank facility	2026.12	5.735	0.562	2.529	2.248

(II) Expected Benefits

1. Taichung Grinding Plant equipped with additional gas system: Based on the experience of designing a system at the Kaohsiung grinding plant, a gas system was added to the Taichung grinding plant to enhance carbon reduction effectiveness.
2. Production Line Expansion Project at Kaohsiung Grinding Plant: Expand a grinding production line at the Kaohsiung Grinding Plant to reduce capacity load, enhance production stability, and increase production and sales capacity.

V. Reinvestment policy in the most recent year, main reasons for profit or loss, improvement plan, and investment plan for the coming year

The investment policies of the Company primarily respond to the requirements of the Company's core businesses, so as to expand the scope of core businesses through investments. For investment management, the Company will improve the operating efficiency of the invested companies through resource integration. Also, the Company will enhance the investment supervision mechanism to control operating risks.

The Company recognized an investment gain of NTD125,585 thousand under the equity method in 2024, which was primarily due to the recognition of profit contribution from Union Steel Development Corporation and CHC Resources Vietnam Co., Ltd.

VI. Risk item assessment

(I) The impact of interest rates, exchange rate changes, and inflation on the Company's profit and loss and future countermeasures

1. Impact on the Company's consolidated profit and loss

Item	2024(NTD Thousand; %)
Net interest income (expense) (excluded capitalized interests)	(36,560)
Net exchange (loss) gain	1,985
Net interest income or expense as a percentage of net operating income	(0.28%)
Net interest income or expense as a percentage of net profit before tax	(2.49%)
Net gain or loss on foreign currency exchange as a percentage of net operating income	0.01%
Net gain or loss on foreign currency exchange as a percentage of net profit before tax	0.14%

- (1) Interest risk: At the end of 2024, the debt ratio was 43.63%. The Company's interest-bearing liabilities amounted to NTD1,749,820 thousand and interest-earning deposits amounted to NTD544,115 thousand. Where the interest rate increases by 1% in the future, the Company's interest expense and income would increase by approximately NTD17,498 thousand and approximately NTD5,441 thousand, respectively.
- (2) Currency risk: Due to the industrial characteristics of the Company, the sales are mostly concentrated in Taiwan. Therefore, there is no currency risk as the sales are all denominated in NTD. In response to the demand for foreign exchange hedging arising from the purchase of imported raw materials, the Company primarily adopts measures of pre-purchasing forward exchange and acquisition of foreign currency time deposits. In 2024, the Company and its subsidiaries recognized exchange gain amounted to approximately NTD1,985 thousand due to the fluctuation in exchange rates, accounting for 0.02% of the operating costs for 2024. As of the end of 2024, the financial assets of monetary items were Financial assets USD 1,871 thousand, JPY 22,244 thousand, and Financial liabilities USD 345 thousand. Where NTD appreciates by 1% in the future, the Company will suffer losses of approximately NTD547 thousand.
- (3) Inflation: Inflation has been slightly higher in 2024, which has not yet had a significant impact on the Company's costs and selling prices. In the future, the Company will continue to keep abreast of the changes in inflation for cost control and product sales, so as to make appropriate adjustments. In 2024, the consolidated

operating expense of the Company was NTD522,123 thousand. Where the inflation rate increases by 1% in the future, the Company's expenses will increase by approximately NTD5,221 thousand.

2. Future countermeasures

- (1) Countermeasures against changes in interest rates: As of the end of 2024, the Company's debt ratio in the consolidated statements was 43.63%. The undrawn financial borrowing facility was approximately NTD6,527,455 thousand as of the end of 2024. In the future, where the borrowing drawdown is required for the Company's operating development, the Company will primarily make use of instruments with lower interest rates, such as commercial paper and short-term bank borrowings. Where there is any remaining short-term capital, the Company will primarily focus on short-term investment targets with higher security and stable yield.
- (2) Countermeasures against changes in exchange rates: In response to the demand for foreign exchange hedging arising from the pre-purchasing of imported raw materials, the Company primarily adopts measures of purchasing forward exchange and acquisition of foreign currency time deposits. Where the payment method is to issue a letter of credit, the Company pre-purchases the amount of foreign currency payable in the future at the moment of issuing the letter. In the case of remittance, the Company makes direct remittance through discounting the foreign currency at the current rates; therefore, the Company is unlikely to be affected by the changes in currency rates.
- (3) Response measures for inflation changes: Regarding the effects of inflation, the Company will achieve goals of improving revenue or reducing costs through solutions such as market transfer and improvements for manufacturing procedures.

(II) Policy regarding High-risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements/Guarantees, and Derivatives Transactions, Main Reasons for the Profit (Loss) Generated Thereby, and Response Measures to Be Taken in the Future

1. The Company focused on the development of its primary business and had not engaged in high-risk, highly leveraged investments during 2024.
2. Risk of loans to others: As of the end of 2024, the Company had no loan to others.
3. Risk of endorsement/guarantee: As of the end of 2024, the Company did not provide endorsement/guarantee.
4. Derivative financial product risk: As of the end of 2024, the company had not engaged in trading derivative financial products.

(III) Future R&D plans and estimated R&D expenses

Project in Recent Year	Current Progress	Further R&D Expenditure (NTD thousand)	Completion time	The main influencing factors for successful R&D in the future
Enhancement of Steel Slag Resource Utilization and Cementitious Binder Material Technology	Continue referring to a variety of areas domestically and abroad for R&D as follow: 1.Asphalt concrete (AC) 2.Steam aging 3.Marine engineering 4.Steel slag fine powder 5.Research on the carbonation of Basic Oxygen Furnace Slag 6.Refinement of Furnace Steel Slags Recovery Technology 7.Evaluation Study on the Localization of Steel Casting Powder 8.Research on the Applications of Limestone Powder in Cement and Concrete	23,000	2025.12	1.Eliminating concerns raised by all sectors of society regarding the use of basic oxygen furnace slag. Encouraging various city and county governments to include basic oxygen furnace slag in their construction specifications. 2.Achieving relevant performance. 3.In response to the global trend toward net-zero emissions, research and evaluation are conducted on the carbon reduction benefits of steelmaking by-products to enhance their added value.
The utilization of BOF slags in cement raw meal	In January 2019, the Company launched a scheme to promote the application of BOF slag in the raw meal of cement, and completed the formulation of the User’s Manual for the Utilization of BOF Slag in Raw Meal in July 2019. The book passed the third-party review organized by the Industrial Development Bureau, and was officially released in January 2024. A total of 67,950 tons of basic oxygen furnace slag were used in cement plants as cement raw materials in 2022, effectively replacing cement raw materials to save energy and reduce carbon emissions. At the same time, the Company continuously improved the quality by optimizing the process in response to the expansion of production capacity. In 2025, we will conduct tests on the addition of BOF slag at the tail end of the cement rotary kiln to enhance kiln utilization efficiency.	2,000	2025.12	1. Controlling quality stability. 2. Periodic Inspection by third party. 3. Communicating with customers to provide product technical services.

(IV) The impact of important domestic and foreign policy and legal changes on the Company's financial business and countermeasures

As of the date of publication of the annual report, no such a situation had occurred.

(V) Effect on the company's financial operations of developments in science and technology (including information security risks) as well as industrial change, and measures to be taken in response

The major business and operating income of the Company are related to cement manufacturing, construction, resource reutilization businesses, which are traditional manufacturing industries with relatively fewer industrial changes.

The Company established the “Information Security Committee” in 2022 to promote matters related to information security, assess relevant risks, formulate management plans, and conduct periodic reviews.

In addition, we have commissioned reputable domestic cybersecurity firms to conduct comprehensive assessments and establish a complete defense framework, including next-generation firewalls, endpoint protection, antivirus systems, and data loss prevention (DLP) control measures. Regular disaster recovery drills for information equipment are conducted to strengthen the continuity of information system operations, and we have thoroughly implemented vulnerability scanning and system patching mechanisms to boost the effectiveness of our cybersecurity defenses. Through regular phishing email drills, cybersecurity awareness campaigns, and online cybersecurity tests, the Company cultivates the cybersecurity awareness of our staff and verifies their understanding, reducing the threat of social engineering and ransomware attacks. In terms of strengthening information security measures, in addition to regularly participating in cybersecurity joint defense meetings organized by the group, the Company has also joined TWCERT/CC to facilitate cybersecurity information sharing and experience exchange.

In 2023, we implemented the ISO 27001 Information Security Management System standard certification and obtained the qualification certificate. On May 20, 2014, we recertified for ISO 27001 Information Security Management System.

By implementing the ISO 27001 Information Security Management System, we can improve our ability to respond to security incidents and protect the assets of the Company and our customers. This system enables us to control and reduce the threat and impact of information security incidents.

(VI) The impact of corporate image change on corporate crisis management and countermeasures

The Company has been publishing its CSR reports since 2009 and renamed the Corporate Social Responsibility Committee as the Corporate Sustainability Committee in 2021 to promote sustainable development. On August 2, 2024, Board of Directors approved the establishment of the ESG Committee as a functional committee of the Board. The Company continuous to publish its Sustainability reports as the reports are a means to establish smooth communication channels with stakeholders. Meanwhile, the Company adheres to its ethical operating policies in order to build a positive corporate image, so as to minimize the operating risks caused by changes in the corporate image.

To safeguard Shareholders' interests and treat Shareholders equally, strengthen the structure and operations of the Board, improve information transparency, and realize corporate social responsibility, the Company strives for improvement in corporate governance. The Company was on the list of top 6-20% listed companies in the results of the 9th corporate governance assessment.

(VII) Expected benefits and possible risks of mergers and acquisitions and countermeasures

As of the date of publication of the annual report, no such a situation had occurred.

(VIII) The expected benefits and possible risks of plant expansion and countermeasures

The expansion of the Company's plants is duly assessed, and any significant capital expenditure shall be reported to and approved by the Board of Directors; therefore, investment efficiency and risks shall be fully considered.

(IX) Risks associated with any concentration of sales or purchases, and countermeasures

1. Risk of concentration of purchases: The largest supplier of the Company accounted for approximately 20% and 22% of the total purchase amount in the consolidated financial report and the standalone financial report, respectively. The rest of the sources of procurement are geographically scattered. Also, there is no risk of concentration of purchases through diversification of products for sales.
2. Risk of concentration of sales: The largest sales customer of the Company merely accounted for 25% and 24% of the net operating income in the consolidated financial report and the standalone financial report, respectively. The remaining customers scatter across Taiwan; therefore, there is no concentration of sales.

(X) For directors, supervisors, or major shareholders holding more than 10% of the shares, the impact and risks of a large number of transfers or replacements of equity on the Company and countermeasures

As of the date of publication of the annual report, no such a situation had occurred.

(XI) The impact and risks of the change in management rights on the Company, and countermeasures

As of the date of publication of the annual report, no such a situation had occurred.

(XII) Disclosure of issues in dispute, monetary amount of claims, filing date, parties involved, and status of any litigation or non-litigation case as of the date of publication of the annual report where the Company and any of its directors, supervisors, president, substantive person in charge, shareholders with 10% or more share ownership, or affiliates are involved in a closed or pending material litigation, legal proceedings or administrative proceedings, or a final judgment or ruling which may have a material adverse effect on the Company's shareholder equity or price of securities;

Name of Affiliates	Litigant	Fact in Issue	Amount of Money at Issue	Commencement Date
Kaohsiung District Prosecutors Office	In February 2025, CHC Resources received an indictment from the Taiwan Kaohsiung District Prosecutors Office, accusing that relevant personnel of the Company's Transportation Department breached the Water Pollution Control Act and others, enabling the Company to obtain benefits such as underpayment of sewage treatment fees amounting to approximately NTD116 million. The indictment claims that the Company should be fined according to Article 39 of the Water Pollution Control Act and others, and a public prosecution has been filed accordingly.	The total underpaid fees were approximately NTD 116 million, and a fine was requested	February 27, 2025 (received the indictment)	Kaohsiung District Court is hearing

(XIII) Other important risks: None.

VII. Other important matters: None.

Chapter VI. Special Disclosures

I. Information on Affiliated Companies

(I) Consolidated Operating Report for Affiliates

Please refer to the website https://mopsov.twse.com.tw/mops/web/t57sb01_q10

(Enter Company Code : 9930 and year)

(II) Consolidated Financial Report of Affiliated Enterprises

The relevant information that should be disclosed in the Consolidated Financial Report of Affiliated Enterprises has been disclosed in the consolidated Financial report of CHC Resources Corporation and Subsidiaries, so there is no need to prepare a separate Consolidated Financial Report of Affiliated Enterprises.

(III) Affiliation report

Please refer to the website https://mopsov.twse.com.tw/mops/web/t57sb01_q10

(Enter Company Code : 9930 and year)

II. Acquisition or disposal of the Company's shares by subsidiaries in the most recent year and as of the date of publication of the annual report: None.

III. Other matters required to be specified: None.

**Chapter VII. Any event which significantly affects
shareholders' equity or share price pursuant to
Subparagraph 2, Paragraph 3, Article 36 of the
Securities and Exchange Act**

None.