



CHC RESOURCES

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CHC RESOURCES CORPORATION 2025 ANNUAL REPORT



CHC RESOURCES

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2025 ANNUAL REPORT



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If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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Chapter I. Letter to Shareholders

Dear Shareholders,

Benefiting from the continued advancement of domestic public infrastructure projects and robust demand for semiconductor industry plant construction, the market demand for Ground Granulated Blast Furnace Slag (GGBFS) in 2025 remained steadily growing. In response to market trends, the Company increased raw material imports, optimized production processes, and fully leveraged production capacity, while simultaneously implementing comprehensive cost control measures. These efforts resulted in outstanding operational performance, with 2025 EPS reaching NT\$4.96, a 6% increase compared to 2024. We hereby report the Company's 2025 Business Results and 2026 Business Plans as follows :

I. Business Results of 2025

(I) Overview of Operations

1. Granulated Blast Furnace Slag (GBFS) Cement Business

Benefiting from the continued advancement of public infrastructure projects and the expansion of the technology industry, domestic demand for concrete has maintained steady growth, with related construction material markets, including GGBFS, also showing stable development. However, faced with uncertainties such as upstream raw material production reductions and supply fluctuations, the Company has responded prudently to market changes by continuously strengthening cost control and production–sales coordination mechanisms, enhancing operational efficiency and risk resilience, while also reinforcing the layout of overseas raw material sources to ensure stable production and supply in line with market demand. In light of the ongoing growth in low-carbon product demand and the declining availability of fly ash, the Company has initiated expansion projects for grinding lines at its Kaohsiung and Taichung Grinding Plants. Upon completion, these expansions will enhance product supply capacity and better meet the diverse needs of customers.

2. Resource Reutilization Business

The Company's products, including Basic Oxygen Furnace (BOF) slag, blast furnace slag, and mineral fines, possess low-carbon and environmentally friendly characteristics. These materials have established mature application value in areas such as road paving materials, cement manufacturing processes, and marine engineering. In recent years, the Company has also converted calcium fluoride by-products generated by the semiconductor industry into artificial fluorite, a secondary raw material required by steel mills, thereby implementing its cross-industry circular economy development strategy. In alignment with the global net-zero transition, the Company will fully leverage the low-carbon advantages of its products to support downstream applications in achieving their carbon reduction targets. At the same time, through resource circularity and recycling, the Company aims to create long-term value that fosters both industrial development and environmental sustainability.

(II) Implementation of Business Plan and Profitability Analysis

Unit: Ton

Item		Actual Volume	Budget Volume	Difference	Achievement Rate (%)
GGBFS	Production (Note)	3,360,393	3,381,468	(21,075)	99
	Sales	3,172,274	3,152,614	19,660	101
Fly Ash GGBFS	Production	55,819	58,300	(2,481)	96
	Sales	59,185	61,690	(2,505)	96
GBFS Cement	Production	147,325	153,639	(6,314)	96
	Sales	116,835	123,089	(6,254)	95
Special-Purpose Materials	Production	437,368	374,811	62,557	117
	Sales	456,224	407,604	48,620	112
Resource Reutilization Business	Production	2,771,599	2,775,866	(4,267)	100
	Sales	2,771,478	2,815,443	(43,965)	98

Note : Production volume includes the volume provided to produce other products for Actual volume: 392,565 tons, Budget volume: 358,143 tons.

Parent Company Only Statements of Comprehensive Income

Unit: In thousands of NTD

Item	2025	2024	Increase (Decrease) in Amount	Percentage Change (%)
Operating revenue	12,540,518	11,889,377	651,141	5
Operating costs	10,643,916	10,109,167	534,749	5
Gross profit	1,896,602	1,780,210	116,392	7
Operating expenses	496,793	468,679	28,114	6
Profit from operations	1,399,809	1,311,531	88,278	7
Non-operating income and expenses	129,309	114,041	15,268	13
Profit before income tax	1,529,118	1,425,572	103,546	7
Net profit for the year	1,233,105	1,159,134	73,971	6
Other comprehensive income (loss) (net of income tax)	(58,664)	(58,319)	(345)	(1)
Total comprehensive income for the year	1,174,441	1,100,815	73,626	7

In 2025, operating gross profit and net profit increased by 7% and 6%, respectively, compared to 2024, primarily due to improved profitability in the granulated blast-furnace slag cement business. The net amount of non-operating income and expenses increased by 13%, 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	2025	2024	Increase (Decrease) in Amount	Percentage Change (%)
Operating revenue	13,991,384	13,290,553	700,831	5
Operating costs	11,879,817	11,293,607	586,210	5
Gross profit	2,111,567	1,996,946	114,621	6
Operating expense	547,599	522,123	25,476	5
Profit from operations	1,563,968	1,474,823	89,145	6
Non-operating income and expenses	9,809	(6,231)	16,040	257
Profit before income tax	1,573,777	1,468,592	105,185	7
Net profit for the year	1,254,123	1,183,189	70,934	6
Other comprehensive income (loss) (net of income tax)	(67,489)	(56,452)	(11,037)	(20)
Total comprehensive income for the year	1,186,634	1,126,737	59,897	5
Net profit attributable to				
Owners of the Corporation	1,233,105	1,159,134	73,971	6
Non-controlling interests	21,018	24,055	(3,037)	(13)
Total comprehensive income attributable to				
Owners of the Corporation	1,174,441	1,100,815	73,626	7
Non-controlling interests	12,193	25,922	(13,729)	(53)

In 2025, both gross profit and net profit increased by 6% compared to 2024, the reasons for which are detailed in the aforementioned analysis of the parent company only statements of comprehensive income. Additionally, the net non-operating income and expenses increased by 257%, primarily due to a reduction in finance costs.

(III) Research and Development

1. Research and development of low-carbon cementitious materials, including low-carbon product development and low-carbon concrete technology development.
2. Research and development of low-carbon circular materials, including low-carbon manufacturing process technology for utilizing BOF slag in raw materials, as well as life cycle carbon footprint studies for asphalt concrete pavement.
3. Research and development of stabilization technologies for recycled materials, such as development of stabilization for BOF slag.

II. Business Plan of 2026

(I) Management Principles

Drive Operational Innovation and Enhance Resource Value
 Strengthen Digital Intelligence and Empower Talent Excellence
 Enhance R&D Capabilities and Expand Production and Market Reach
 Advance Low-Carbon Transition and Toward Net-Zero Sustainability

(II) Sales Estimation

Unit: Ton

Item	Production Volume	Sales Volume
GGBFS	3,081,183(Note)	3,047,810
Fly ash GGBFS	52,620	52,620
GBFS Cement	110,660	110,660
Special-Purpose Materials	308,910	308,910
Resource Reutilization Business	2,609,209	2,609,209

Note : Production volume includes the volume provided to produce for other products: 306,023 tons.

The production and sales volume above are the primary basis for preparing the operating budget for 2026. 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, budget allocations for public infrastructure projects have remained stable, while both the total floor area of construction permit and the construction commencement permit issued in 2025 have exhibited a declining trend. In the short term, demand for GGBFS is expected to continue relying on the growth of technology industries, such as AI, as well as momentum from public infrastructure projects. In the long term, the advancement of global carbon neutrality policies is driving industries to strengthen their decarbonization efforts. In addition, the year-on-year decline in fly ash output from power plants is expected to support increased demand for lowcarbon materials such as GGBFS.

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 to carry out regulatory identification and compliance assessments, and thereby mitigate operational risks while ensuring the soundness of its governance framework.

The Company upholds the principles of the 4R (Reduce, Reuse, Recovery, and Recycle) to promote resource sustainability, ensuring that resources are continuously circulated throughout the processes of economic production and consumption. At the same time, the Company continues to strengthen its corporate governance practices, and its performance has been recognized by both domestic and international evaluation institutions. In 2025, the Company was honored with accolades including the "Taiwan Best-in-Class 100," "Outstanding Enterprises of Resource Circulation," and "Top 100 in Carbon Competitiveness." Looking ahead, research and innovation will remain the core driving forces behind the Company's sustainable growth. Leveraging its core expertise and industry advantages, the Company will actively develop cross-industry circular economy opportunities, contribute to environmental sustainability, and continuously enhance shareholder value.

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

Chairman Wen-Hsien Chou



President I-Min Wu



Chapter II. Corporate Governance

I. Information on Directors and Management Team

(I) Information on Directors (1)

As of February 28, 2026

Title	Nationality	Name	Gender	Age	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	63	2025.06.25	3 years	1991.04.30			49,289,597	19.83	49,289,597	
Taiwan, R.O.C	Representative: Wen-Hsien Chou	2025.08.31	3 years	2023.06.01 (corporate representative reassigned)	0	0	0		0	0			0	367	0	Vice President of Production Division, China Steel Corporation Master of Business Innovation and Entrepreneurship Management, Shih Chien University	Note 2	None	None	None	None
Director	Taiwan, R.O.C	China Steel Corporation	Male	52	2025.06.25	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			2025.06.25	3 years	2025.03.01 (corporate representative reassigned)	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	None	None
Director	Taiwan, R.O.C	China Steel Corporation	Male	54	2025.06.25	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			2025.06.25	3 years	2025.03.04 (corporate representative reassigned)	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	None	None
Director	Taiwan, R.O.C	China Steel Corporation	Male	54	2025.06.25	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: Han-Liang Liao			2025.09.30	3 years	2025.09.30 (corporate representative reassigned)	0	0	0	0	0	0	0	0	General Manager of the Raw Material Handling & Implant Transportation Department, China Steel Corporation Master of Business Administration, National Kaohsiung First University of Science and Technology	Note 2	None	None	None	None

Title	Nationality	Name	Gender	Age	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	77	2025.06.25	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			2025.06.25	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	2025.06.25	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			2025.06.25	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	63	2025.06.25	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			2025.06.25	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	62	2025.06.25	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			2025.06.25	3 years	2022.06.23	0	0	0	0	0	0	0	0	0	0	Plant Manager, 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	58	2025.06.25	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			2025.06.25	3 years	2017.12.01 (corporate representative reassigned)	0	0	0	0	0	0	0	0	0	0	Assistant Vice President of Sales Department, Asia Cement Corporation Masters, Da-Yeh University	Note 2	None	None
Director	Taiwan, R.O.C	Universal Cement Corporation	Male	41	2025.06.25	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			2025.06.25	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	Age	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	60	2025.06.25	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			2025.06.25	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	59	2025.06.25	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			2025.06.25	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	Mei-Chin Chen	Female	51	2025.06.25	3 years	2025.06.25	0	0	0	0	0	0	0	0	Certified public accountant, Wise Top CPA Firm Bachelor of Business Management, National Sun Yat-sen University	Note 2	None	None	None	None
Independent Director	Taiwan, R.O.C	Chung-Chia Yang	Male	69	2025.06.25	3 years	2018.06.22	0	0	0	0	0	0	0	0	Emeritus Professor, Department of Harbor and River Engineering PhD in Civil Engineering from Northwestern University	None	None	None	None	None
Independent Director	Taiwan, R.O.C	Fu-Tien Jeng	Male	80	2025.06.25	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
Wen-Hsien Chou	Chairman: CHC Resources Corporation Vice President of Production Division, China Steel 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
Han-Liang Liao	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 (DongGuan) Cement Company Ltd., 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., TCC International Ltd., TCC Dutch Holdings B.V, etc.
Ming-Jen Yu	Chief Financial Officer, TCC Group Holdings CO., LTD. Director: International CSRC Investment Holdings Co., Ltd. , Feng Sheng Enterprise Company, Kuan-Ho Refractories Industry Corporation, Ho-Ping Renewable Energy Company., TCC Wenshan Environmental Protection Technology Co., Ltd. ,TCC Lien-Hsin Green Energy Corporation 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 , Taiwan Cement Engineering Corporation, TCC Information Systems Corporation ,E-One Moli Energy Corp ,TCC Chemical Corporation ,Taiwan Transport & Storage Corporation
Jui-Teng Chen	Chairman: China Steel Structure Co., Ltd., NIKKEN & CSSC Metal Products Co., Ltd. Director: United Steel Engineering & Construction Corporation
Chih-Hsien Chen	Plant Manager, 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	Assistant Vice President of 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 , Asia Cement (Singapore) Pte. Ltd. , Oriental Concrete Pte. Ltd. , Kowloon Cement Corp. Ltd. , Kowloon Concrete Corporation Limited Supervisor: ChiaHui Power Co., Ltd., Pan Asia (Engineers Constructors) Corporation , Fu Da Transportation Corporation
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 Holdings 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.

Name	Other Current Assignments/Positions
Rong-Tzong Tang	Vice President of the Business Department, Southeast Cement Corporation Director: DongNi Construction Co.,Ltd., Tiancheng Concrete Industry Co., Ltd.
Mei-Chin Chen	Certified public accountant, Wise Top CPA Firm Person in charge, Wise Top Management Consultants Co., Ltd. Independent Director: WeLeader Biomedical 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. (2.61%)	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%)
	Winning Investment Corporation (1.02%)	Gains Investment Corporation (49%) , Transglory Investment Corporation (30%) , Maruichi Steel Tube Ltd. (21%)
	Yuanta Taiwan Top 50 Securities Investment Trust Fund Special Account (1.01%)	N/A
	Vanguard Total International Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (0.95%)	N/A
	Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (0.91%)	N/A
	Taiwan Life Insurance Co., Ltd. (0.78%)	CTBC Financial Holding Co., Ltd. (100%)
	Labor Pension Fund (0.72%)	N/A
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. (2.61%) , Transglory Investment Corporation(1.63%) , Chunghwa Post Co., Ltd. (1.20%) , Winning Investment Corporation (1.02%) , Yuanta Taiwan Top 50 Securities Investment Trust Fund Special Account (1.01%) , Vanguard Total International Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (0.95%) , Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (0.91%) , Taiwan Life Insurance Co., Ltd. (0.78%) , Labor Pension Fund (0.72%)
	Guang Ju Holdings Co., Ltd. (10.95%)	Taiwan Mask Corporation (100%)
	Taiwan Mask Corporation (7.16%)	Guang Ju Holdings Co., Ltd. (13.78%) , Zhao-Yi Wu (4.08%) , Taiwan Mask Corporation (2.91%) , Hui-Zhen Wu-Lai (1.98%) , Li-Tun Chen (1.46%) , Ontario Capital Corporation (1.3%) , Mingzhi Zhou (1.13%) , Jingjin Technology Co., Ltd. (0.93%) , Standard Chartered International Commercial Bank's business department is entrusted with the custody of a series of funds from Advanced Starlight Fund Management Co., Ltd. (0.85%) , Standard Chartered International Commercial Bank's business department is entrusted with the safekeeping of the Van Garder Emerging Markets Equity Index Fund investment account managed by the Van Garder Group (0.82%)
	IHI Corporation (5.53%)	The Master Trust Bank of Japan, Ltd. (Holder Trust) (16.06%) , Custody Bank of Japan, Ltd. (Holder Trust) (6.08%) , JP MORGAN CHASE BANK(4.39%) , State Street Bank And Trust Company (2.36%) , STATE STREET BANK WEST CLIENT-TREATY(2.07%) , Sumitomo Life Insurance Company (1.8%) , IHI Customer Stock Ownership Association (1.70%) , JPMorgan

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.		Securities Japan Co.,Ltd. (1.58%) , IHI Employee Stock Ownership Association (1.53%) , Mizuho Bank Retirement Benefit Trust Account reentrusted by Mizuho Trust and Banking Co., Ltd. to Custody Bank of Japan Ltd. (1.42%)
	Berlin Co., Ltd. (4.52%)	Aon Co., Ltd. (23.60%) , Hui-Hui Hsu (14.81%) , Che-Wei Chen (10.90%) , Shih-Fan Hsu (5.81%) , Yu-Fen Tai (5.61%) , Ying-Ju Hsu (5.24%) , Shih-Chi Chen (3.61%) , Shih-Yun Chen (3.59%) , Zhengqiang Chen(2.79%) , Yanxiushan Chen (2.34%)
	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 (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 (2.10%) , HSBC (Taiwan) Commercial Bank Co., Ltd. is entrusted with the safekeeping of the Fidelity International Small Business Fund investment account under Fidelity Investment Trust (2.04%)
	Hui-Zhen Wu-Lai (2.17%)	N/A
	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%)
	Mega International Commercial Bank manages the shareholding trust account for employees of China Steel Structure Corporation. (1.92%)	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. (2.61%) , Transglory Investment Corporation(1.63%) , Chunghua Post Co., Ltd. (1.20%) , Winning Investment Corporation (1.02%) , Yuanta Taiwan Top 50 Securities Investment Trust Fund Special Account (1.01%) , Vanguard Total International Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (0.95%) , Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (0.91%) , Taiwan Life Insurance Co., Ltd. (0.78%) , Labor Pension Fund (0.72%)
	International CSRC Investment Holdings Co., Ltd. (4.96%)	TCC Group Holdings Co., Ltd. (15.59%) , Hsin-Chang Investment Co., Ltd. (2.23%) , CS Development & Investment Co. (1.50%) , 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%) , Gao Huang Lin(1.10%) , TransGlobe Life Insurance Inc. (1.03%) , JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Group's Vanguard Emerging Markets Stock Index Fund Investment Account (0.96%) , Tien-I Hou (0.76%) , Citibank (Taiwan) is entrusted with the safekeeping of the investment account of the Bolunin Development National Fund Co., Ltd. (0.75%)
	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. (1.32%)	KGI Financial Holdings Co., Ltd. (100%)

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
	Hsin Yang Investment Co., Ltd. (1.14%)	Mu-Liang Chang (99.97%)
	Dedicated account under the custody of Mega International Commercial Bank – China Steel Chemical Corporation (0.93%)	N/A
	Chang Gung Medical Foundation (0.93%)	N/A
	Vanguard Total International Stock Index Fund Investment Account (0.90%)	N/A
	Huiping Yan(0.86%)	N/A
TCC Group Holdings Co., Ltd.	Chia Hsin Cement Corporation (3.17%)	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%), Chia Hsin Ready-Mixed Concrete Co. (1.70%), Jianguo Engineering Co., Ltd. (1.57%)
	Taishin International Bank, Custodian for Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (2.85%)	N/A
	Chinatrust Investment Co., Ltd (2.47%)	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%)
	Labor Retirement Fund (Old-Age) (1.69%)	N/A
	Chia Hsin International Co., Ltd. (1.55%)	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. (1.51%)	TCC Group Holdings Co., Ltd. (15.59%), Hsin-Chang Investment Co., Ltd. (2.23%), CS Development & Investment Co. (1.50%), 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%), Gao Huang Lin (1.10%), TransGlobe Life Insurance Inc. (1.03%), JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Group's Vanguard Emerging Markets Stock Index Fund Investment Account (0.96%), Tien-I Hou (0.76%), Citibank (Taiwan) is entrusted with the safekeeping of the investment account of the Bolunin Development National Fund Co., Ltd. (0.75%)
	Heng Qiang Investment Co., Ltd. (1.49%)	Tien-I Hou (49.50%), Kung-Kai Ku (24.90%), Hsuan-Hui Ku (25.5995%), Fu Pin Investment Co., Ltd. (0.0005%)
	Chunghwa Post Co., Ltd. (1.38%)	Ministry of Transportation and Communications(MOTC) (100%)
Taiwan Life Insurance Co., Ltd. (1.33%)	CTBC Financial Holding Co., Ltd. (100%)	
BankTaiwan Life Insurance - Government Employees & School Staffs Insurance (1.32%)	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
Asia Cement Corporation	Far Eastern New Century Corporation (21.16%)	Asia Cement Corporation (22.92%) , Taishin International Bank, Custodian for Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (6.45%) , Foundation Oriental Institute of Technology (4.81%) , Medical Foundation Yuan-Chih Hsu Medical Foundation (3.61%) , Foundation Yuan-Chih Hsu Memorial Foundation (3.42%) , Foundation Yuan Ze University (2.74%) , Chunghwa Post Co., Ltd. (1.88%) , Hsu-Tung Hsu (1.71%) , Hua Nan Commercial Bank is entrusted with the safekeeping of the Yuanta Taiwan Value High Yield ETF Securities Investment Trust Fund account. (1.65%) , Cathay Life Insurance Co., Ltd. (1.31%)
	Special Account for Yuanta Borai Taiwan High Dividend Securities Investment Trust Fund Trusted in Cathay United Bank (5.41%)	N/A
	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%)(Deceased)
	Taiwan Small and Medium Enterprise Bank Co., Ltd. is entrusted with the custody of the Dahua Bank Taiwan Preferred Dividend High-Dividend 30 ETF Securities Investment Trust Fund account. (1.89%)	N/A
	Yuan Ding Investment Corporation (1.53%)	Far Eastern New Century Corporation (100%)
	Labor Pension Fund Committee of Far Eastern New Century Corporation (1.51%)	N/A
	Chunghwa Post Co., Ltd. (1.42%)	Ministry of Transportation and Communications(MOTC) (100%)
	Far Eastern Department Stores Co. Ltd. (1.41%)	Far Eastern New Century Corporation (17.06%) , Yuan Ding Investment Corporation (6.88%) , 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 (2.06%) , 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-Chih Hsu Memorial Foundation (1.71%)
	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)
	Yuan-Chih Hsu Memorial Foundation (1.24%)	You-Wei Xu (50%)(Deceased) , Yi-Ju Xu (50%)

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
Universal Cement Corporation	Sheng Yuan Investment Co., Ltd. (10.32%)	Po-I Hou (99%)
	Yusheng Investment Co., Ltd. (10.29%)	Po-I Hou (91.10%)
	HSBC custodian Pictet investment accounts (4.87%)	N/A
	Bozhi Investment Co., Ltd. (4.27%)	Po-I Hou (50%)
	Standard Chartered custodian DBS Bank - 0600049662 (3.09%)	N/A
	T.H. Wu Foundation (1.79%)	N/A
	Long Yi-Chang Sand & Stone Co., Ltd. (1.45%)	Yao-Cheng Huang (5.90%)
	Po-I Hou (7.94%), Chin-Chieh Hou-Su (3.43%), Bo -Yu Hou (2.76%)	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 (9.51%) , Kuan-Hua Chen (8.09%), I-Wen Chen (2.16%) , I-Ching Chen (1.99%)
	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 (16.62%) , Chun-Min Shao (4.07%)
	Fukang Cultural and Educational Foundation (6.79%)	N/A
	Baifu Investment Co., Ltd. (6.53%)	Min-Tuan Chen (48.48%) , Kuan-Hua Chen (30.75%) , Mei-Yu Huang (12.90%) , East Tree Investment Co., Ltd. (3.63%) , Pin-Chen Chen (1.18%), I-Wen Chen (0.96%), I-Ching Chen (0.95%), I-Pei Yeh (0.77%), Yipin Resources Co., Ltd. (0.19%), Pin Hsueh Chen (0.19%)
	Southeast Cultural and Educational Foundation (5.84%)	N/A
	Ying-Chen Co., Ltd. (4.62%)	An Hong Capital Co., Ltd. (100%)
	Liang Hsun Enterprises Co., Ltd. (4.47%)	Qi-Chuan Huang(21.78%)
	Chen Zhaoshu Charity Foundation (4.35%)	N/A
	Yueh-Ling Chen (4.26%)	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	
Wen-Hsien Chou	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. Director of the Company, and CHC Resources Vietnam Co., Ltd. , Vice President of Production, China Steel Corporation	Yes. Not more than 1% shareholding and not a natural person shareholder with top 10 shareholdings.	No. Vice President of Production, China Steel Corporation	Yes. Did not receive remuneration.	0
I-Min Wu	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. 1. Director of the Company, Union Steel Development Corporation, Pao Good Industrial Co., Ltd., and CHC Resources Vietnam Co., Ltd. 2. The Company's General Manager.	Yes. Not more than 1% shareholding and not a natural person shareholder with top 10 shareholdings	Yes.	Yes. Did not receive remuneration.	0
Chi-Lun Kao	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 general superintendent of China Steel Corporation.	Yes. Not more than 1% shareholding and not a natural person shareholder with top 10 shareholdings	No. General superintendent of China Steel Corporation	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	
Han-Liang Liao	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. Plant Manager 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. Assitant vice president 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	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	
Rong-Tzong Tang		<ol style="list-style-type: none"> None of the circumstances in the subparagraphs of Article 30 of the Company Act apply. 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
Mei-Chin Chen		<ol style="list-style-type: none"> None of the circumstances in the subparagraphs of Article 30 of the Company Act apply. Certified public accountant, Wise Top CPA Firm, possessing accounting and finance profession. 	All independent directors satisfied the following statement: <ol style="list-style-type: none"> 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. The individual (or by nominee agreement), his/her spouse and minor children does not have shareholdings of the Company. 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	<ol style="list-style-type: none"> None of the circumstances in the subparagraphs of Article 30 of the Company Act apply. Former Professor of Dept. Harbor & River Engineering, National Taiwan Ocean University with concrete material and structure professions. 	0					
Fu-Tien Jeng	<ol style="list-style-type: none"> None of the circumstances in the subparagraphs of Article 30 of the Company Act apply. 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 Wen-Hsien Chou	Male	Taiwan, R.O.C.			V				V			V	V	V		V	
Director I-Min Wu	Male	Taiwan, R.O.C.	V		V				V	V		V	V	V		V	
Director Chi-Lun Kao	Male	Taiwan, R.O.C.			V				V			V	V	V			
Director Han-Liang Liao	Male	Taiwan, R.O.C.			V				V			V	V	V			
Director Chien-Chiang Huang	Male	Taiwan, R.O.C.				V				V		V	V	V		V	
Director Ming-Jen Yu	Male	Taiwan, R.O.C.			V					V		V	V	V	V	V	
Director Jui-Teng Chen	Male	Taiwan, R.O.C.			V				V		V	V	V	V		V	
Director Chih-Hsien Chen	Male	Taiwan, R.O.C.			V					V		V	V	V		V	

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.		V						V	V	V	V		V		
Director Zhi-Yuan Hou	Male	Taiwan, R.O.C.		V						V	V	V	V		V		
Director Rong-Tzong Tang	Male	Taiwan, R.O.C.		V						V	V	V	V		V		
Director Yi-Hung Chen	Male	Taiwan, R.O.C.		V				V			V	V	V		V		
Independent Director Mei-Chin Chen	Female	Taiwan, R.O.C.		V							V	V		V			
Independent Director Chung-Chia Yang	Male	Taiwan, R.O.C.			V		V			V		V	V			V	
Independent Director Fu-Tien Jeng	Male	Taiwan, R.O.C.			V	V			V			V	V			V	

The 15 directors of the 13th 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, Wen-Hsien Chou, I-Min Wu, Chi-Lun Kao, Han-Liang Liao, 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; Mei-Chin Chen 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.

Except for Independent Director Chung-Chia Yang, all other Independent Directors of the Company have served no more than three consecutive terms. All members of the Board hold local nationality. The composition of the Board includes three Independent Directors (20%) and one Director with employee status (7%), with Independent Directors accounting for 20% of the total Board seats. Among the Independent Directors, one has a tenure of less than three years, while two have tenures ranging from six to seven years. With respect to age distribution, one director is under the age of 50, eleven directors are between 51 and 65 years old, and three directors are aged 65 or above. Currently, female directors account for 7% of the Board, primarily due to the fact that most directors nominated or appointed by major shareholders are male. The Company will endeavor to increase female representation on the Board 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 13th 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 circumstances set forth in Article 26-3, Paragraph 3 of the Securities and Exchange Act.

(II) Information Regarding Management Team

As of February 28, 2026

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, Head of Corporate Governance, Chief Information Security Officer, and Chief Financial Officer	Taiwan, R.O.C.	Hui-Jou Tsao	Female	2025.06.30	0	0	0	0	0	0	Master of Finance, Institute of Finance, National Chung Cheng University Head of the General Accounting Group of China Steel Corporation	Supervisor: Gau Ruei Investment Corporation, Shin Mau Investment Corporation	None	None	None	None
Vice President	Taiwan, R.O.C.	Yuan-Jui Chou	Male	2025.06.30	453	0	0	0	0	0	Bachelor of Mechanical Engineering, Sun Yat-sen University Chief Industrial Safety & Hygiene Office	None	None	None	None	
Assistant vice president, GBFS Cement Division	Taiwan, R.O.C.	Chao-Kuei Huang	Male	2025.06.02	0	0	0	0	0	0	Master, Mechanical Engineering, Sun Yat-Sen University President of CHC Resources Vietnam Co., Ltd.	Chairman : Yu Cheng Lime Corporation	None	None	None	None
Assistant vice president, Resource Reutilization Commercial Division	Taiwan, R.O.C.	Te-Nien Chen	Male	2025.06.02	0	0	0	0	0	0	Master of Electrical Engineering, Taipei University of Technology Taichung Resource Plant Manager	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	20,000	0.01	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
Chief Industrial Safety & Hygiene Office	Taiwan, R.O.C.	Feng-Cheng Yang	Male	2025.06.30	0	0	0	0	0	0	Master, Environmental Engineering, National Cheng Kung University Resource Reutilization Commercial Division Manager	None	None	None	None	None
Accounting Manager and Accounting Supervisor	Taiwan, R.O.C.	Vivian, L.C. Cheng	Female	2020.07.02	0	0	0	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:

1. 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).
2. Employee share subscription warrants and new restricted employee shares held by executive managers: None.
3. 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, 2025

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		The Company	Consolidated Entities	The Company	Consolidated Entities		
																		Cash	Stock	Cash	Stock						
Chairman	Wen-Hsien Chou (Note2) (Representative of China Steel Corporation)																										
	Hung-Ta Lin (Note2) (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																										
	I-Min Wu (Note2) (Representative of China Steel Corporation)	0	0	0	0	10,526	10,526	4,127	4,193	14,653	14,719	1.19	1.19	10,626	10,721	144	144	1,163	0	1,163	0	26,586	26,747	2.16	2.17	17,454	
	Hsiang-Ya Huang (Note2) (Representative of China Steel Corporation)																										
	Chi-Lun Kao (Note2) (Representative of China Steel Corporation)																										
	Shui-Sheng Hung (Note2) (Representative of China Steel Corporation)																										
Han-Liang Liao (Note2) (Representative of China Steel Corporation)																											
Chih-Hong Lin(Note2) (Representative of China Steel Corporation)																											
Chien-Chiang Huang (Representative of TCC Group Holdings Co., Ltd.)																											
Yin-Te Wu (Note3) (Representative of TCC Group Holdings Co., Ltd.)																											

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	The Company	Consolidated Entities					
																Cash	Stock	Cash	Stock									
	Ming-Jen Yu (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)																											
	Zhi-Yuan Hou (Representative of Universal Cement Corporation)																											
	Yi-Hung Chen (Representative of China Steel Chemical Corporation)																											
	Rong-Tzong Tang (Representative of Southeast Cement Corporation)																											
Independent Director	Chun-Hsien Wang (Note4)																											
	Mei-Chin Chen(Note4)																											
	Fu-Tien Jeng	1,800	1,800	0	0	0	0	513	513	2,313	2,313	0.19	0.19	0	0	0	0	0	0	0	0	2,313	2,313	0.19	0.19	0		
	Chung-Chia Yang																											

1. 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:

(1) 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.

(2) Independent Directors shall participate in Board meetings, and the travel expenses shall be borne by the Company.

2. 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:

1. Remuneration to Directors of the Company is fully received by juristic person directors.

2. China Steel changed its legal representative on 2025.03.01 and 2025.03.04 and 2025.08.31 and 2025.09.30, with Hsiang-Ya Huang and Shui-Sheng Hung and Hung-Ta Lin and Chih-Hong Lin resigned, and I-Min Wu and Chi-Lun Kao and Wen-Hsien Chou and Han-Liang Liao took over.

3. Taiwan Cement changed its legal representative on 2025.03.26, with Yin-Te Wu resigned, and Ming-Jen Yu took over

4. Re-election of Directors (including Independent Directors) at 2025.06.25 Shareholders' Meeting.

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	Universal Cement Corporation、Wen-Hsien Chou、Hung-Ta Lin、I-Min Wu、Hsiang-Ya Huang、Han-Liang Liao、Chih-Hong Lin、Chi-Lun Kao、Shui-Sheng Hung、Chien-Chiang Huang、Ming-Jen Yu、Yin-Te Wu、Chih-Hsien Chen、Chen-He Chung、Jui-Teng Chen、Zhi-Yuan Hou、Yi-Hung Chen、Rong-Tzong Tang、Mei-Chin Chen、Chun-Hsien Wang、Fu-Tien Jeng、Chung-Chia Yang	Universal Cement Corporation、Wen-Hsien Chou、Hung-Ta Lin、I-Min Wu、Hsiang-Ya Huang、Han-Liang Liao、Chih-Hong Lin、Chi-Lun Kao、Shui-Sheng Hung、Chien-Chiang Huang、Ming-Jen Yu、Yin-Te Wu、Chih-Hsien Chen、Chen-He Chung、Jui-Teng Chen、Zhi-Yuan Hou、Yi-Hung Chen、Rong-Tzong Tang、Mei-Chin Chen、Chun-Hsien Wang、Fu-Tien Jeng、Chung-Chia Yang	Universal Cement Corporation、Wen-Hsien Chou、Chi-Lun Kao、Han-Liang Liao、Chih-Hong Lin、Shui-Sheng Hung、Chien-Chiang Huang、Ming-Jen Yu、Yin-Te Wu、Chih-Hsien Chen、Chen-He Chung、Jui-Teng Chen、Zhi-Yuan Hou、Yi-Hung Chen、Rong-Tzong Tang、Mei-Chin Chen、Chun-Hsien Wang、Fu-Tien Jeng、Chung-Chia Yang	Universal Cement Corporation、Han-Liang Liao、Shui-Sheng Hung、Chien-Chiang Huang、Ming-Jen Yu、Yin-Te Wu、Chih-Hsien Chen、Chen-He Chung、Jui-Teng Chen、Zhi-Yuan Hou、Yi-Hung Chen、Rong-Tzong Tang、Mei-Chin Chen、Chun-Hsien Wang、Fu-Tien Jeng、Chung-Chia Yang
NTD1,000,000 (inclusive) - NTD2,000,000 (not inclusive)	China Steel Structure Co., Ltd.、China Steel Chemical Corporation、Southeast Cement Corporation、Asia Cement Corporation	China Steel Structure Co., Ltd.、China Steel Chemical Corporation、Southeast Cement Corporation、Asia Cement Corporation	China Steel Structure Co., Ltd.、Asia Cement Corporation、China Steel Chemical Corporation、Southeast Cement Corporation、Hsiang-Ya Huang	China Steel Structure Co., Ltd.、Asia Cement Corporation、China Steel Chemical Corporation、Southeast Cement Corporation、Wen-Hsien Chou、Hsiang-Ya Huang
NTD2,000,000 (inclusive) - NTD3,500,000 (not inclusive)	TCC Group Holdings Co., Ltd.	TCC Group Holdings Co., Ltd.	TCC Group Holdings Co., Ltd.	Chi-Lun Kao、Chih-Hong Lin
NTD3,500,000 (inclusive) - NTD5,000,000 (not inclusive)	None	None	None	None
NTD5,000,000 (inclusive) - NTD10,000,000 (not inclusive)	China Steel Corporation	China Steel Corporation	China Steel Corporation、Hung-Ta Lin、I-Min Wu	TCC Group Holdings Co., Ltd.、Hung-Ta Lin、I-Min Wu
NTD10,000,000 (inclusive) - NTD15,000,000 (not inclusive)	None	None	None	China Steel Corporation
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	28	28	28	28

Compensation Paid to President and Vice Presidents

Unit: NTD thousands, as of December 31, 2025

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	I-Min Wu (Note 1)	7,695	7,695	215	215	8,541	8,654	3,186	0	3,186	0	19,637	19,750	1.59	1.60	9
	Hsiang-Ya Huang (Note 1)															
Vice President	Hung-Shu Chung															
	Yuan-Jui Chou (Note 1)															
	Hui-Jou Tsao (Note 1)															
	Chun-Yu Wang (Note 1)															
Ching-An Lin (Note 1)																

Note:

1. President Hsiang-Ya Huang retire upon reaching retirement age on February 28, 2025; I-Min Wu assume the position of Vice President and Acting President on March 01, 2025, and promoted to the position of President on March 13, 2025. Vice President Ching-An Lin retire upon reaching retirement age on June 30, 2025; Vice President Hui-Jou Tsao assume the position of Vice President on June 30, 2025; Vice President Chun-Yu Wang return to China Steel Corporation on March 1, 2025; Vice President Yuan-Jui Chou was promoted to the position on June 30, 2025.
2. The compensation for the President and the Vice President is calculated solely based on the remuneration received during their tenure in 2025.

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	Chun-Yu Wang	Chun-Yu Wang
NTD1,000,000 (inclusive) - NTD2,000,000 (not inclusive)	Hsiang-Ya Huang	Hsiang-Ya Huang
NTD2,000,000 (inclusive) - NTD3,500,000 (not inclusive)	Yuan-Jui Chou 、 Hui-Jou Tsao 、 Ching-An Lin	Yuan-Jui Chou 、 Hui-Jou Tsao 、 Ching-An Lin
NTD3,500,000 (inclusive) - NTD5,000,000 (not inclusive)	Hung-Shu Chung	Hung-Shu Chung
NTD5,000,000 (inclusive) - NTD10,000,000 (not inclusive)	I-Min Wu	I-Min Wu
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	7	7

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

As of December 31, 2025, Unit: NTD thousands

	Title	Name	Amount of Stock	Amount of Cash	Total	Total Amount as A Percentage of Net Income (%)
Managerial Personnel	President	I-Min Wu	0	8,204	8,204	0.67
		Hsiang-Ya Huang				
	Vice President	Hung-Shu Chung				
		Yuan-Jui Chou				
		Chun-Yu Wang				
	Vice President, Head of Corporate Governance, Chief Information Security Officer, and Chief Financial Officer	Ching-An Lin				
		Hui-Jou Tsao				
	Assistant vice president, GBFS Cement Division	Chao-Kuei Huang				
		Tung-Yuan Chang				
	Assistant vice president, Resource Reutilization Commercial Division	Te-Nien Chen				
	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				
	Chief Industrial Safety & Hygiene Office	Feng-Cheng Yang				
Accounting Manager and 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	2025		2024	
	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 Statements	The Company	All Companies in the Financial Statements
Director	3.39	3.40	3.63	3.65
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 2025 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	Based on the approval of Annual Action Plan
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, penalties, and efforts to promote occupational safety and environmental protection.
Other	For example: corporate 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 10 meetings (A) from January 2025 to February 2026, 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	Wen-Hsien Chou	China Steel Corporation	4	0	100	Appointed on August 31, 2025
Chairman	Hung-Ta Lin	China Steel Corporation	6	0	100	Replaced on August 31, 2025
Chairman	I-Min Wu	China Steel Corporation	9	0	100	Appointed on March 1, 2025
Director	Hsiang-Ya Huang	China Steel Corporation	1	0	100	Replaced on March 1, 2025
Director	Han-Liang Liao	China Steel Corporation	3	0	100	Appointed on September 30, 2025
Director	Chih-Hong Lin	China Steel Corporation	6	1	86	Replaced on September 30, 2025
Director	Chi-Lun Kao	China Steel Corporation	8	1	89	Appointed on March 4, 2025
Director	Shui-Sheng Hung	China Steel Corporation	1	0	100	Replaced on March 4, 2025
Director	Chien-Chiang Huang	TCC Group Holdings Co., Ltd.	8	2	80	
Director	Ming-Jen Yu	TCC Group Holdings Co, Ltd.	8	0	100	Appointed on March 26, 2025
Director	Yin-Te Wu	TCC Group Holdings Co, Ltd.	2	0	100	Replaced on March 26, 2025
Director	Jui-Teng Chen	China Steel Structure Co.,Ltd.	8	2	80	
Director	Chih-Hsien Chen	Asia Cement Corporation	9	1	90	
Director	Chen-He Chung	Asia Cement Corporation	10	0	100	
Director	Zhi-Yuan Hou	Universal Cement Corporation	8	2	80	
Director	Yi-Hung Chen	China Steel Chemical Corporation	9	1	90	
Director	Rong-Tzong Tang	Southeast Cement Corporation	10	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	Mei-Chin Chen		7	0	100	Elected on June 25, 2025
Independent Director	Chun-Hsien Wang		3	0	100	Stepped down on June 25, 2025
Independent Director	Chung-Chia Yang		10	0	100	
Independent Director	Fu-Tien Jeng		10	0	100	

Other matters to be noted:

1. 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:

- (1) 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.
- (2) 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.

2. 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 himself/herself 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
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
2025.05.08	19th Meeting of the 12th Session	General Manager Salary Standard Approval Proposal	I-Min Wu	Related to its own interests
		Proposal to donate part of the operating expenses of the China Steel Group Education Foundation	Hung-Ta Lin 、I-Min Wu 、Chih-Hong Lin 、Chi-Lun Kao 、Jui-Teng Chen 、Yi-Hung Chen	The corporate represented by the Director is the related party to the counterparty of the donation
		Proposal for Approval of Chairman and Managers' 2024 Performance Appraisal Results	Hung-Ta Lin	Related to its own interests
2025.12.30	6th Meeting of the 13th Session	Proposal on Adjustment of Salaries and Benefits for Chairman and Managers	I-Min Wu	Related to its own interests
		Proposal for the renewal of the lease on the CSC headquarters building	Wen-Hsien Chou 、I-Min Wu 、Chi-Lun Kao 、Han-Liang Liao 、Jui-Teng Chen 、Yi-Hung Chen	The corporate represented by the Director is the related party to the counterparty of the leasehold

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.	2025.01.01 ~ 2025.12.31 (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 2025 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 7th meeting of the 13th session of the Board of Directors on February 25, 2026. 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 96.53 points; the total average score of the indicators is 4.83 points.
 - (2) Results of the Directors' performance self-evaluation: The total average score of the questionnaire is 97.93 points; the total average score of the indicators is 4.90 points.
 - (3) Results of the Audit Committee's performance self-evaluation: The total average score of the questionnaire is 99.00 points; the total average score of the indicators is 4.95 points.
 - (4) Results of the Remuneration Committee's performance self-evaluation: The total average score of the questionnaire is 100 points; the total average score of the indicators is 5 points.
 - (5) Results of the Sustainable Development Committee's performance self-evaluation: The total average score of the questionnaire is 99.00 points; the total average score of the indicators is 4.95 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

	17th Meeting of the 12th Session (2025.02.26)	18th Meeting of the 12th Session (2025.03.13)	19th Meeting of the 12th Session (2025.05.08)	1st Meeting of the 13th Session (2025.06.25)	2nd Meeting of the 13th Session (2025.06.30)	3rd Meeting of the 13th Session (2025.08.06)	4th Meeting of the 13th Session (2025.09.01)	5th Meeting of the 13th Session (2025.11.05)	6th Meeting of the 13th Session (2025.12.30)	7th Meeting of the 13th Session (2026.02.25)
Mei-Chin Chen	-	-	-	◎	◎	◎	◎	◎	◎	◎
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 seven meetings from January 2025 to February 2026; 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 statements.
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 Statements

The Audit Committee had reviewed the 2025 Business Report, the parent company only financial statements and consolidated financial statements, 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 2026 Shareholders' Meeting for ratification. The above-mentioned business report, financial statements, 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, 2025 to approve certified public accountants all meet the independence criteria standard.

The Company held a total of seven meetings (A), where the 12th and 13th sessions of the Audit Committee under the Board of Directors from January 2025 to February 2026, 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	Mei-Chin Chen	5	0	100	None
Independent Director	Chun-Hsien Wang	2	0	100	None
Independent Director	Chung-Chia Yang	7	0	100	None
Independent Director	Fu-Tien Jeng	7	0	100	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
2025.02.26 The 17th meeting of the 12th Board of Directors	2024 annual business report, individual financial statements and consolidated financial statements	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
	2024 annual surplus distribution	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
2025.02.26 The 14th meeting of the Audit Committee of the 12th Board of Directors	2024 Annual Internal Control System Statement	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
	2025 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
	Resolution to lift the non-competete restrictions on the 13th non-independent directors	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2025.05.08 The 19th meeting of the 12th Board of Directors	The 1st quarter of 2025 consolidated financial statements	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2025.05.08 The 15th meeting of the Audit Committee of the 12th Board of Directors	Donations to the CSC Group Education Foundation	Except for six Directors, including Hung-Ta Lin, I-Min Wu, Chih-Hong Lin, Chi-Lun Kao, 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
	Additional budget approval proposal for investment plan to add production lines at Kaohsiung grinding plants	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2025.06.30 The 2nd meeting of the 13th Board of Directors	Proposal on the Appointment and Removal of the Chief Financial Officer	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2025.06.30 The 1st meeting of the Audit Committee of the 13th Board of Directors			
2025.08.06 The 3rd meeting of the 13th Board of Directors	The 2rd quarter of 2025 consolidated financial statements	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2025.08.05 The 2nd meeting of the Audit Committee of the 13th Board of Directors			
2025.11.05 The 5th meeting of the 13th Board of Directors	The 3rd quarter of 2025 consolidated financial statements	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
2025.11.05 The 3rd meeting of the Audit Committee of the 13th Board of Directors	Proposal for the Investment Plan to Add Production Lines at the Taichung Grinding Plant and Relocate the Nanti Plant	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2025.12.30 The 6th meeting of the 13th Board of Directors	Proposal for the disposal of part of the plant buildings and equipment at the Nanti Plant	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2025.12.30 The 4th meeting of the Audit Committee of the 13th Board of Directors	2026 Audit Plan	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
	Proposal for the renewal of the lease on the CSC headquarters building	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2026.02.25 The 7th meeting of the 13th Board of Directors	2025 annual business statements, individual financial statements and consolidated financial statements	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
2026.02.25 The 5th meeting of the Audit Committee of the 13th Board of Directors	2025 annual surplus distribution	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
	2025 Internal Control System Statement	Unanimously approved by all the Directors present None	Unanimously approved by all the Committee members Present None
	2026 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
	Proposal for the Acquisition of Right-of-Use Assets for Land in the Storage Area	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 regularly reports the audit results to the members of the Audit Committee, 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 2025.

The Audit Committee of the Company maintains satisfactory communication with its Chief Auditor. The interaction between internal audit and independent directors in 2025 is as follows:

Board of Directors Date, period	Proposal content	Independent directors' opinions	Handling the opinions of independent directors
2025.02.26	Internal audit report	No opinion	N/A
The 17th meeting of the 12th Board of Directors	2024 Annual Internal Control System Statement	Approved	N/A
2025.05.08	Internal audit report	No opinion	N/A
The 19th meeting of the 12th Board of Directors			
2025.08.06	Internal audit report	No opinion	N/A
The 3rd meeting of the 13th Board of Directors			
2025.11.05	Internal audit report	No opinion	N/A
The 5th meeting of the 13th Board of Directors			
2025.12.30	Internal audit report	No opinion	N/A
The 6th meeting of the 13th Board of Directors	Formulation of 2026 Annual Audit Plan	Approved	N/A
Audit Committee Date, period	Proposal content	Independent directors' opinions	Handling the opinions of independent directors
2025.02.26	2024 Annual Internal Control System Statement	Approved	N/A
The 14th meeting of the 12th Audit Committee			
2025.12.30	Formulation of 2026 Annual Audit Plan	Approved	N/A
The 4th meeting of the 13th Audit Committee			
Other meetings Date, period	Discussion Points	Independent directors' opinions	Handling the opinions of independent directors
2025.08.05	Material Asset Management	Asset changes shall be managed at the source and concurrently recorded in both the asset management system and the accounting system.	Handled in accordance with the opinions from the independent directors
Independent Directors and Audit Communication Meeting (Attendees: Independent Directors Mei-Chin Chen , Chung-Chia Yang, and Fu-Tien Jeng; Chief Auditor Yi-Tien Lu; Auditor Chih-Min Wang)	Management of automatic deduction of accounts	Business units shall proactively reconcile automatically deducted payments to identify any abnormalities and assess variances between current and prior period accounts, with system-generated alerts where appropriate.	

2025.12.26 Independent Directors and Audit Communication Meeting (Attendees: Independent Directors Mei-Chin Chen, Chung-Chia Yang, and Fu-Tien Jeng; Chief Auditor Yi-Tien Lu; Auditor Chih-Min Wang)	ESG Promotion Goals and Achievements Tracking	ESG items that fail to meet targets, including environmental and occupational safety issues, shall be subject to ongoing monitoring and review.	Handled in accordance with the opinions from the independent directors
	Confirm whether CHC Resources Vietnam Co., Ltd. is a significant subsidiary.	The continued growth in the operations of CHC Resources Vietnam Co., Ltd. requires ongoing monitoring and assessment to determine whether it meets the regulatory criteria for designation as a significant subsidiary.	
	Continuous monitoring of the implementation of water pollution prevention and control measures	The usage of chemicals for pH neutralization in water pollution control measures shall be continuously reviewed to ensure reasonableness.	

(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 2025.

The Audit Committee of the Company maintains satisfactory communication with its CPAs. The interaction between certified public accountants and independent directors in 2025 is as follows:

Board of Directors Date, period	Proposal content	Independent directors' opinions	Handling the opinions of independent directors
2025.02.26 The 17th meeting of the 12th Board of Directors	Discussion and communication of 2024 annual business report, individual financial statements and consolidated financial statements	No opinion, Approved	N/A
2025.05.08 The 19th meeting of the 12th Board of Directors	Discussion and communication related to the consolidated financial statements for the 1st quarter of 2025	No opinion, Approved	N/A
2025.08.06 The 3rd meeting of the 13th Board of Directors	Discussion and communication related to the consolidated financial statements for the 2nd quarter of 2025	No opinion, Approved	N/A
2025.11.05 The 5th meeting of the 13th Board of Directors	Discussion and communication related to the consolidated financial statements for the 3rd of 2025	No opinion, Approved	N/A
Other meetings Date, period	Discussion Points	Independent directors' opinions	Handling the opinions of independent directors
2025.02.26 Communication meeting between independent directors and accountants	The discussion primarily focused on the audit conclusions of the 2024 financial statements, significant risks, key audit matters, and the auditor independence.	No opinion	N/A

(Attendees: Independent Directors Chun-Hsien Wang, Chung-Chia Yang, and Fu-Tien Jeng; Auditor Yu-Hsiang Liu)			
2025.12.26 Communication meeting between independent directors and accountants (Attendees: Independent Directors Mei-Chin Chen, Chung-Chia Yang, and Fu-Tien Jeng; Auditor Yu-Hsiang Liu)	The discussion primarily focused on the audit approach for the 2025 financial statements, significant risks and key audit matters, auditor independence and Audit Quality Indicators (AQIs), the quality management system of the accounting firm, and Routine pre-approval of non-assurance services.	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 "Pocedures 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: <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> 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 13th 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 composition of our board of directors already covers diverse aspects.	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?	√		<p>Currently, female directors account for 7% of the Board, primarily due to the fact that most directors nominated or appointed by major shareholders are male. The Company will endeavor to increase female representation on the Board in the future.</p> <p>For the implementation regarding the diversity policy of Board members on Page 22 to 23 of this annual report.</p> <p>(II) The Company has established its Remuneration Committee and Audit Committee according to the law. In 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.</p>	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?	√		<p>(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.</p>	No significant difference
(IV) Does the Company regularly evaluate the independence of CPAs?	√		<p>(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, 2025. For the assessment of the independence and suitability of the CPAs, please refer to the note on Page 49 of this annual report.</p>	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 for business execution by	√		<p>The position of Chief of Corporate Governance is to be held by Hui-Jou Tsao, 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, and to assist Directors in legal compliance as</p>	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	
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)?			well as other matters stipulated in the Articles of Incorporation or contracts. The training for Chief of Corporate Governance on Page 87 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 6, 2025: 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. Employees: Labor-management meetings, departmental communication seminars, employee welfare committee	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>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.
(III) Does the Company announce and file its annual financial statements within two months	√		(III) The Company announces and files its 2025 annual financial statements within two months after the end of 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	
after the end of the fiscal year, and announce and file its financial statements for the first, second and third quarters as well as its operating status for each month before the specified deadline?			fiscal year. The financial statements for the first, second and third quarters, as well as the operating status for each month were announced before the specified deadline.	
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 The second group agreement on June 9, 2025. 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 contract 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 6, 2025. 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 6, 2025 according to the Company's Corporate Governance Best Practice Principle.

For further education of the Company's Directors, on Pages 88 to 90 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 2025 corporate governance evaluation:

No. 2.6: Does the Company's Board of Directors include at least one director of a different gender?

On June 25, 2025, the shareholders' meeting completed the election of the 13th board of directors, which included one independent director of different genders.

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

No. G-2: Has the Company convened its Annual Shareholders' Meeting by the end of May?

The Company plans to convene its Annual Shareholders' Meeting by the end of May 2026.

No. G-29: 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? (If the Company holds at least one investor conference per quarter, or conducts such conferences to report quarterly operating results, an additional point will be awarded.)

The Company plans to hold one investor conference per quarter in 2026.

Note: The CPA's independence evaluation was conducted at the Board meeting on February 26, 2025. 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 AQI, the Company has confirmed that the CPAs and the accounting firm perform above the industry average in terms of audit experience of the CPAs, personnel turnover, professional support, audit input, and the implementation of Engagement Quality Control Review (EQCR). 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 25, 2026 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 Charter" 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 13th Board of Directors' Remuneration Committee, and the term of office of the members is from Jun. 25, 2025 to Jun. 24, 2028.

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	Mei-Chin Chen	Certified public accountant, Wise Top CPA Firm, possessing accounting and finance profession.	<ol style="list-style-type: none"> 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
Independent Director	Chung-Chia Yang	Former Professor of Dept. Harbor & River Engineering, National Taiwan Ocean University with concrete material and structure professions.	<ol style="list-style-type: none"> 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

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	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 25, 2025.

Term of office for members of the 13th session: From June 25, 2025 to June 24, 2028. The Remuneration Committee held four meetings (A) during 2025; 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	2	0	100%	Appointed on July 4, 2016 Stepped down on June 25, 2025
	Mei-Chin Chen	2	0	100%	Appointed on June 25, 2025
Committee Members	Chung-Chia Yang	4	0	100%	Appointed on February 2, 2018
	Fu-Tien Jeng	4	0	100%	Appointed 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
2025.02.26 11th Meeting of the 12th Session	1. Proposal for 2024 Compensation distribution of Directors. 2. To formulate the Company's President and Vice President 2025 annual performance evaluation items.	The members of the Remuneration Committee unanimously approved all the resolutions	N/A	None
2025.05.08 12th Meeting of the 12th Session	1. 2024 performance evaluation results of the Chairman, President and Vice President. 2. Proposal for 2024 year-end bonus distribution of the Chairman, President and Vice President. 3. Proposal for 2024 incentives distribution of the Chairman, President and Vice President. 4. Proposal for salary standard of President I-Min Wu, proposed for approval.	The members of the Remuneration Committee unanimously approved all the resolutions	N/A	None
2025.08.05 1st Meeting of the 13th Session	1. Proposal for salary standard of Vice President Hui-Jou Tsao, proposed for approval. 2. Proposal for salary standard of Vice President Yuan-Jui Chou, proposed for approval. 3. Proposal for 2024 remuneration distribution of the President and Vice President. 4. Proposal for 2024 remuneration distribution of the Chairman.	The members of the Remuneration Committee unanimously approved all the resolutions	N/A	None
2025.12.26 2nd Meeting of the 13th Session	Proposal for the salary adjustment of the Chairman, President and Vice President.	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. In 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 2025, two meetings were convened to discuss the Sustainability Report, the formulation of short-, medium-, and long-term ESG objectives, and the risk management report. The outcomes of these discussions were subsequently reported to the Board of Directors.</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 2025 Risk Management Report was proposed for 2025 risk identification and response actions, approved by the Sustainable Development Committee on December 30, 2025, submitted to the Board of Directors on December 30, 2025. On page 69 to 70 of this annual report.	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 2025, our environmental management system ISO 14001:2015 was audited by British Standards Institute, Taiwan Branch externally with successful third-party verification on December 24, 2025 to maintain the effectiveness of the system. Certificate validity period: January 28, 2025 to January 27, 2028. 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	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>environmentally friendly green building materials, thereby reducing the environmental impact.</p> <p>ii. We continued to operate the ISO 50001 energy management system to improve energy management performance and energy use efficiency. In 2025, our company's energy management system ISO 50001:2018 was audited by the British Standards Institution Taiwan branch. The third-party verification was completed on June 4, 2025. The certificate is valid from July 13, 2025 to July 12, 2028.</p> <p>iii. In 2025, we invested approximately NTD16,000,000 in process improvement, and replaced equipment etc., reduced electricity consumption by more than 900,000 kWh/year and reduced 426,600 kg (CO_{2e}) emissions. (The data for 2025 is based on the carbon emission coefficients(0.474 kgCO_{2e}/degree) for electricity as announced by the Energy Administration for 2024.) 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 threeth grinding line, enhancing motor operational efficiency and achieving an annual electricity savings of over 100,000 kWh.</p> <p>(3) The Taichung Grinding Plant upgrade to intelligent natural gas furnace project to enhance energy efficiency, resulting in an annual electricity savings of over 600,000 kWh.</p> <p>(III) The Company discloses information on the governance, strategy, risk management, metrics, and targets related to climate-related risks and opportunities in accordance with the framework of IFRS S2 (International Financial Reporting Standard S2) (on Page 75 to 78 of this annual report). In alignment with the reorganization of the Sustainable Development Committee Organizational Charter, relevant operations have, since August 2024, been undertaken by the “Environmental Sustainability Team.” The Company continues to adopt the IFRS S2 framework, engaging in cross-functional discussions to identify and assess climate change-related risks and opportunities, establish a climate risk identification process, 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																									
(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>develop corresponding response measures for climate-related issues. The Sustainable Environment Team held the first meeting in 2025 on May 12, 2025, and the second meeting on December 29, 2025, continuing to implement continual adjustments and revisions.</p> <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> </tr> </thead> <tbody> <tr> <td>2024</td> <td>5.9</td> <td>6.8</td> <td>38.87</td> </tr> <tr> <td>2025</td> <td>5.0</td> <td>6.6</td> <td>35.28</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Year</th> <th>Scope 3(Note)</th> <th>Category 3</th> <th>Category 4</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>31.1</td> <td>11.9</td> <td>19.2</td> </tr> <tr> <td>2025</td> <td>35.5</td> <td>12.1</td> <td>23.4</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 9.42% in 2025 compared to the previous year. The production volume of GGBFS decreased by approximately 0.79% as compared with the previous year, the product emission per unit decreased by 3.59(kg CO₂e/ton GGBFS) and the emission intensity decreased by approximately 9.23%. Since December 2024, the Taichung Grinding Plant has installed a natural gas</p>	Year	Scope 1	Scope 2	Unit product emissions (kgCO ₂ e/ton slag powder)	2024	5.9	6.8	38.87	2025	5.0	6.6	35.28	Year	Scope 3(Note)	Category 3	Category 4	2024	31.1	11.9	19.2	2025	35.5	12.1	23.4	No significant difference
Year	Scope 1	Scope 2	Unit product emissions (kgCO ₂ e/ton slag powder)																									
2024	5.9	6.8	38.87																									
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2024	31.1	11.9	19.2																									
2025	35.5	12.1	23.4																									

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>hot-blast furnace, continuously managing the unit energy consumption of GGBFS and optimizing production line parameters to enhance grinding efficiency and improve furnace combustion performance. Compared with 2024, this initiative resulted in a reduction of approximately 11,990 tons of CO₂ emissions in 2025. 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 purchased since March 2023, the renewable energy and certificates with a total of 2,619,070 kWh were purchased in 2025. The CPPA renewal was completed in December 2025 (from 2026 to 2028). 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 18, 2026 and third-party verified by ISO 14064-1 for 2025 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 2025, 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>	

Promotion item	Implementation status			Deviations from the Corporate Sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																			
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			<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>2024</td> <td>240</td> <td>-</td> </tr> <tr> <td>2025</td> <td>294</td> <td>-</td> </tr> </tbody> </table> <p>The Company has long been committed to water resource recovery and reuse. To reduce the water consumption for dust suppression sprinkling, the wastewater treatment facilities in 2025 recovered a total of 106.666 million liters of wastewater. Process wastewater and rainwater together accounted for an additional 4.422 million liters of recovery, reducing the use of tap water by 111.1 million liters, representing 27.37% of total water consumption.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>2025 goals</th> <th>Implementation results</th> <th>Short-term goals (2026)</th> <th>Medium-term goals (2027-2031)</th> <th>Long-term goals (2032 onwards)</th> </tr> </thead> <tbody> <tr> <td>The dust suppression water recycling and reuse rate in the factory area is calculated as follows: $\frac{[(\text{Recycled water reuse volume} + \text{Rainwater recycling and reuse volume}) / \text{Total recycled water inflow}] \geq 35\%(\text{Note})$</td> <td>The wastewater recovery rate is approximately 63.95%.</td> <td>The dust suppression water recycling and reuse rate in the factory area is calculated as follows: $\frac{[(\text{Recycled water reuse volume} + \text{Rainwater recycling and reuse volume}) / \text{Total recycled water inflow}] \geq 50\%$</td> <td>The dust suppression water recycling and reuse rate in the factory area is calculated as follows: $\frac{[(\text{Recycled water reuse volume} + \text{Rainwater recycling and reuse volume}) / \text{Total recycled water inflow}] \geq 52\%$</td> <td>The dust suppression water recycling and reuse rate in the factory area is calculated as follows: $\frac{[(\text{Recycled water reuse volume} + \text{Rainwater recycling and reuse volume}) / \text{Total recycled water inflow}] \geq 55\%$</td> </tr> </tbody> </table> <p>Note: The main source of wastewater is dust suppression water used in the factory area.</p>	Year	Water consumption	Water-saving percentage (%)	2024	240	-	2025	294	-	2025 goals	Implementation results	Short-term goals (2026)	Medium-term goals (2027-2031)	Long-term goals (2032 onwards)	The dust suppression water recycling and reuse rate in the factory area is calculated as follows: $\frac{[(\text{Recycled water reuse volume} + \text{Rainwater recycling and reuse volume}) / \text{Total recycled water inflow}] \geq 35\%(\text{Note})$	The wastewater recovery rate is approximately 63.95%.	The dust suppression water recycling and reuse rate in the factory area is calculated as follows: $\frac{[(\text{Recycled water reuse volume} + \text{Rainwater recycling and reuse volume}) / \text{Total recycled water inflow}] \geq 50\%$	The dust suppression water recycling and reuse rate in the factory area is calculated as follows: $\frac{[(\text{Recycled water reuse volume} + \text{Rainwater recycling and reuse volume}) / \text{Total recycled water inflow}] \geq 52\%$	The dust suppression water recycling and reuse rate in the factory area is calculated as follows: $\frac{[(\text{Recycled water reuse volume} + \text{Rainwater recycling and reuse volume}) / \text{Total recycled water inflow}] \geq 55\%$	
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			<p>(2) The main uses are cooling water for process equipment and dust sprinkling on roads and stockyards, all of which are recycled.</p> <p>iii. Waste product statistics and management policies: (1) Waste production information in the last two years:</p> <p style="text-align: right;">Unit: tons</p> <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>2024</td> <td>4.35</td> <td>41,050.69</td> <td>41,055.04</td> </tr> <tr> <td>2025</td> <td>2.085</td> <td>42,288.17</td> <td>42,290.25</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. (The information covers all factories in Taiwan, excluding subsidiaries.)</p> <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.</p>	Year	Hazardous wastes	Non-hazardous wastes	Total	2024	4.35	41,050.69	41,055.04	2025	2.085	42,288.17	42,290.25	
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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." This policy and declaration apply to all units within the Company. The Administration Division, as the responsible authority, conducts periodic human rights risk assessments. For identified human rights risks, mitigation measures and impact remediation actions are proposed and submitted to the Sustainable Development Committee and the Board of Directors for approval. The outcomes are subsequently disclosed in the Sustainability Report.	No significant difference												

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(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 and employees' remuneration (on Page 101 of this annual report). 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.	No significant difference
(III) Does the Company provide a safe and healthy work environment and regularly offer safety and health training to its employees?	√		(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. In 2025, the Company reported no major occupational accidents, employee disabilities, or suspected occupational disease cases. Among contractors, there were two temporary total disability incidents, both of which were investigated in accordance with the "Incident Handling and Investigation Procedures." In addition to improving operational methods and workplace conditions at the incident sites, the Company conducted awareness sessions, safety observations, and follow-up inspections based on lessons learned from these incidents. These measures aim to horizontally disseminate best	No significant difference

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			<p>practices and effectively prevent recurrence of similar accidents.</p> <p>The Company did not experience any incidents of disabling injuries in 2025. 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 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>2024</td> <td>2,056</td> <td>4,276</td> </tr> <tr> <td>2025</td> <td>1,702</td> <td>4,189</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 2025, we will continue to conduct regular health examinations for employees and health seminars covering topics such as Understanding influenza and measles, the hazards of noisy work environments, cancer screening for five major cancers, and the prevention and treatment of depression.</p>	Year	Education Training Person-Time	Education Training Person-Hour	2024	2,056	4,276	2025	1,702	4,189	
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(IV) Has the Company established effective career development training programs for its employees?	√		(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.	No significant difference
(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?	√		(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. 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 follows up on the handling of these matters. 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 2025, 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.	No significant difference
(VI) Has the Company established supplier management policies, requesting suppliers to comply with relevant regulations on issues regarding environmental protection, occupational safety and	√		(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	No significant difference

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hygiene, or labor rights, and disclosed the implementation?			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" and the clause "comply with the company's ICT security regulations" in all contracts.	
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?	√		The Company's 2024 Sustainability Report published in 2025 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 6, 2025.	No significant difference
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."				
VII. Other material information helpful to understanding the promotion of sustainable development initiatives: 1. Environmental Protection: 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. To review the carbon reduction results, an inventory was conducted in 2025 for key promoted products. A total of four types of high-converter ore series products were inventoried for carbon footprint, and a third-party verification statement was obtained in December 2025. At the same time, we actively provide product carbon footprint information to the				

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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.

Energy usage over the past two years: (Information covers all plants in Taiwan, excluding subsidiaries)

Category	Project	Consumption in 2024 (GJ)	Consumption in 2025 (GJ)
Direct Energy (A)	Natural gas	466,688.07	656,116.15
	Coal	324,506.42	134,439.53
	Diesel fuel	899.85	970.22
	Gasoline	790.38	658.44
Indirect energy (B)	Purchased electricity (Excluding renewable energy)	495,624.30	510,739.52
Non-renewable energy (C)	(A)+(B)	1,288,499.02	1,302,923.86
Renewable energy (D)	Solar energy	9,608.85	9,428.65
Total Energy (E)	(C)+(D)	1,298,107.86	1,312,352.51
Percentage of renewable energy (F)	(D)/(E)	0.74%	0.72%
Green electricity as a percentage of total electricity consumption	(D)/(B+D)	1.90%	1.81%

Note: The calorific value of various energy sources is as follows - Natural gas 37 GJ/thousand cubic meters; Coal 20.48 GJ/metric ton; Diesel 35.17 GJ/liter; Gasoline 32.66 GJ/liter; Purchased electricity 3.6 GJ/thousand kWh; Solar energy 3.6 GJ/thousand kWh.

2. Community Participation:

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.

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.

3. Consumers' Rights:

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.

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.

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>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 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:</p> <p>Our company's human rights policy -</p> <p>The Company strictly adheres 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 Labor Organization's Declaration on Fundamental Principles and Rights at Work, as well as other international human rights conventions. We treat current employees and contractors with dignity and respect, and we strive to eliminate any acts that violate human rights. To implement our Company's human rights policy, we regularly conduct risk assessments on human rights issues and take remedial measures for any negative impacts on human rights that occur. We discuss improvements and continue to monitor the situation in order to effectively control and reduce human rights risks and achieve our management objectives.</p> <p>Our human rights policy applies to all levels of our organization, and we continuously improve and enhance the management of human rights-related issues. The main issues of concern are as follows:</p> <ul style="list-style-type: none"> ● Eliminate illegal discrimination to ensure equal job opportunities - Job seekers and employees shall not be discriminated against on the basis of race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, disability, zodiac sign, blood type, or previous union membership, and shall create a diverse, open, equal and harassment-free work environment. 」 ● Child labor is prohibited - In accordance with government regulations, workers under the age of 16 are prohibited from working. 」 ● Forced labor is prohibited - We respect the free will of all our colleagues, including their willingness to hire and leave. We will not use violence, coercion, fraud, or other unfair means to force labor. 」 ● Help employees maintain physical and mental health and work-life balance - We operate in accordance with relevant government labor laws and regulations regarding working hours, aiming to ensure that every employee can balance their personal health, family, and work. 」 ● Provide a safe and healthy working environment - Establish a safety culture and take appropriate measures to avoid potential hazards when relevant risks are discovered. 」 <p>This policy applies to all levels of the company, with the Administration Department as the responsible unit. It conducts regular human rights risk assessments and proposes risk mitigation and impact remedies for identified human rights risks. No human rights violations or discrimination incidents occurred in 2025.</p>	

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Human rights risk mitigation measures in 2025 and their implementation status :				
Focus on issues	Human rights risk mitigation measures			Implementation status
Eliminate illegal discrimination to ensure equal job opportunities	We provide interview training to interviewers and emphasize the prohibition of illegal discrimination and relevant provisions of the Employment Service Act.			No internal or external complaints or government penalties have been received.
Workplace Inclusivity	<ol style="list-style-type: none"> 1. According to laws and regulations, the proportion of employees with disabilities should be implemented. 2. Create a friendly space for employees with disabilities. 			Total number of employees with disabilities hired \geq legally required number.
sexual harassment	<ol style="list-style-type: none"> 1. Establish workplace sexual harassment prevention measures, complaint and disciplinary procedures, and handle related incidents fairly. 2. Regularly conduct sexual harassment prevention awareness courses to enhance managers' and employees' awareness of gender equality. 3. Posted a statement for prohibiting sexual harassment and a complaint channel to demonstrate the company's determination to eliminate sexual harassment. 			No sexual harassment incidents occurred.
Ban child labor	Applicants must provide their identity information for verification during the registration phase, and the verification will be conducted again during the interview and check-in phases.			No child labor was employed.
Forced labor is prohibited	<ol style="list-style-type: none"> 1. Respect the free will of all our colleagues, including their willingness to choose employment or resignation. 2. Do not use violence, coercion, fraud or other improper means to force labor. 			No cases of forced labor occurred.
Help employees maintain physical and mental health and work-life balance	<ol style="list-style-type: none"> 1. In compliance with government regulations, the company clearly stipulated overtime work rules in company rules and regulations, managed effectively through system, and continuously promoted relevant regulations. 2. Establish an early arrival/late departure reminder mechanism to help supervisors understand and remind colleagues of their arrival or departure times. 			No instances of employees working excessively long hours occurred.
Provide a safe and healthy workplace	<ol style="list-style-type: none"> 1. Regularly conduct "work environment monitoring" and make relevant markings in accordance with the "Occupational Safety and Health Facilities Regulations" to ensure workplace safety. 2. Regularly conduct environmental safety and energy education and training to improve employees' awareness of hazard identification. 3. Implement the ISO 45001:2018 Occupational Safety and Health Management System and conduct regular internal and external audits. 			No disability incidents occurred.

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	Yes	No	Summary	
Freedom of association and the right to collective bargaining			<ol style="list-style-type: none"> Regular labor-management meetings are held, and a dedicated area for these meetings is available for colleagues to check the progress of proposals online. It truly complies with labor laws and regulations, and is clearly stipulated in work rules and related regulations. By the end of December 2025, the proportion of employees who had joined the trade union of CHC Resources reached 98.94%. The group agreement was signed on June 9, 2025, with a term of three years, and the group agreement applies to all employees of the company. 	No internal or external complaints or government penalties have been received.
Encourage supply chain manufacturers to implement human rights			The "Contractor Survey Form" has been expanded to include a Corporate Social Responsibility (CSR) survey item, which serves as an important basis for supplier selection, demonstrating the company's unwavering commitment to encouraging supply chain suppliers to uphold human rights.	250 companies signed a commitment to jointly practice "corporate social responsibility", with a signing rate of 94%.
<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. In 2025, our company's Occupational Safety and Health Management System ISO 45001:2018 passed the external audit by the British Standards Institution Taiwan Branch. On December 24, 2025, the third-party verification was successfully completed to maintain the validity of the system. The certificate is valid from January 28, 2025 to January 27, 2028.</p> <p>6. Public Policy Participation: The Company participated in events such as the "2025 Smart City Summit & Expo" organized by the Kaohsiung City Government, the "TASS2025 Asia Sustainable Taiwan Expo 2025" hosted by the Taiwan Alliance for Sustainable Supply, and the "2025 TCI Annual Conference and Concrete Engineering Symposium – Construction Industry Technology Exhibition" held by the Taiwan Concrete Institute. In line with the global trend toward net-zero carbon emissions by 2050, through these events, we aim to raise public awareness of the environmental benefits of BOF slag as a carbon-reducing and eco-friendly renewable material.</p> <p>7. Circular Economy Policy and its Implementation Status in the Current Year : Upholding our responsibility as global citizens, our company is committed to deepening our expertise in environmental protection technologies and fulfilling the following core commitments:</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>1)Reshaping the value of resources :</p> <p>By fully valorizing steel production by-products into high-quality, high-strength eco-friendly construction materials, the Company implements circular resource utilization.</p> <p>2)Implement energy conservation and carbon reduction :</p> <p>Leveraging its expertise, the Company actively advances carbon reduction initiatives within operations, transforming environmental protection into green business opportunities and establishing a foundation for sustainable operation.</p> <p>3)Professional contributions to society :</p> <p>Continuing to achieve environmental performance improvements and refining related technologies, the Company aims to create maximum societal value and contribute to a sustainable future for the planet.</p> <p>To enhance the application of slag powder in domestic public infrastructure, the Company facilitated the publication of the “Blast Furnace Slag Handbook for Public Concrete Construction” by the Executive Yuan Public Works Committee in 2001. This handbook has supported subsequent major infrastructure projects and landmark developments—including Taipei Metro, Taoyuan Metro, Taichung Metro, Kaohsiung Metro, Taoyuan Aerotropolis and Airport, Taichung Arena, High-Speed Rail, national highways, Taipei 101, Kaohsiung 85 Tower, China Steel Corporation headquarters, Kaohsiung National Stadium, Kaohsiung Port and Intercontinental Pier, Kaohsiung Light Rail (Phase II), and elevated/underground rail projects in Taoyuan, Chiayi, and Tainan—by promoting the use of slag powder and blast-furnace slag cement.</p> <p>Ground-granulated blast furnace slag serves not only as a valuable material but also as an eco-friendly building material. By replacing a portion of Portland cement as a binding agent, it can effectively reduce carbon emissions by approximately 850 kg per ton, resulting in a significant carbon reduction impact. In 2025, the Company sold about 3.172 million tonnes of ground-granulated blast furnace slag, which, by calculation, led to a reduction of 2.696 million tonnes in carbon emissions as ground-granulated blast furnace slag replaced Portland cement as a cementing material. On the other hand, sales of green products with eco certifications and labels, as well as green building material labels accounted for approximately 17.7% of total sales.</p> <p>In 2025, the Company became a key benchmark for cross-industry net-zero transformation within the “CIRCU-Taiwan”, promoted by the Ministry of Environment’s Resource Circulation Administration. A technical highlight is the successful conversion of steelmaking by-product BOF slag into high-quality asphalt concrete aggregate. This innovation not only received international BS 8001 Circular Economy certification but has also been proven to increase road durability by several times. It significantly reduces the exploitation of natural minerals while enhancing resource value through cross-industry collaboration, providing a concrete demonstration of circular economy practices.</p> <p>In 2025, the Company supplied 103,713 metric tons of BOF slag aggregates for use in asphalt pavement applications. Major project implementations include the access road construction for container trucks at the Kaohsiung Port Intercontinental Container Terminal (July 2024 to July 2025; paving volume of 20,300 tons), the Kaohsiung City asphalt concrete (AC) pavement improvement project on Houchang Road and Lantian Road in Nanzih District (September 2025; paving volume of 3,099 tons), and the Kaohsiung City AC pavement improvement project on Zhongren Road in Dashe District and Bixiu East Road and Bixiu Road in Qiaotou District (October 2025; paving volume of 2,017 tons), among other roadway improvement projects.</p> <p>8. On December 30, 2025, the 13th Board of Directors held its 6th meeting to report on the establishment of short, medium, and long-term goals for ESG promotion. On February 25, 2026, the 13th Board of Directors held its 7th meeting to report on the execution results of the short-term ESG goals (2025).</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 2025 are as follows:

Aspect	Risk Type	Risk Identification	Countermeasures
Economic/ Governance	Operational Risk	Market Risk	<ul style="list-style-type: none"> ● By continuously improving manufacturing processes, implementing intelligent monitoring, reducing production costs, and enhancing supply stability, we can maintain our market competitiveness. ● Expand production lines and finished goods storage, maintain stable production line utilization, increase finished goods inventory and scheduling space, respond to and meet demand, consolidate customer base and maintain market share. ● Leveraging the government's emphasis on carbon-reducing green building materials, we can enhance product differentiation and competitiveness.
		Production Risk	<ul style="list-style-type: none"> ● Regularly inspect existing UHV protection relays monthly, and immediately address any abnormal temperatures or malfunctions. Replace them during any outage maintenance by Taipower. ● Budgets were allocated for the repair and rust prevention of steel structure equipment supports damaged by salt corrosion. ● In accordance with regulations, the wastewater return system within the factory will be used as a water source for air pollution control within the factory.
		Supply Chain Risk	<ul style="list-style-type: none"> ● Mobile scheduling of storage areas for material preparation and resource utilization of long-stored materials. ● We are committed to securing material sources to increase their stability. ● Coordinate the domestic collection period and import shipping schedule of water-quenched furnace ore raw materials with industry partners to prevent material shortages; at the same time, coordinate, lease or expand storage areas to increase the throughput of raw material dispatch.
	Information Security Risk	Cyber Risk	<ul style="list-style-type: none"> ● The mail server is paired with a spam filter server to block emails from unknown sources; an email backup mechanism is added to provide auditability for email sending and receiving. ● Conduct email phishing tests periodically and report improvements based on the severity. ● The wired network is equipped with a "Remote Authentication Dial In User Service" mechanism to strictly control unauthorized computers or devices from connecting to and using the internal network. ● The wireless network is managed using an authentication server, and a company internal account and password are required to connect.
		Host Equipment Risk	<ul style="list-style-type: none"> ● Regularly check and control access to USB devices to ensure that sensitive data is not leaked, and establish an audit mechanism to effectively control access and reduce the risk of data leakage. ● We collaborate with manufacturers annually to conduct vulnerability scans, collect potential risks, and continuously improve our capabilities. ● The company has established disaster recovery drill standard operating procedures (SOPs) and periodic backup plans for critical internal mainframes, and conducts a disaster recovery drill once a year to ensure that data can be fully recovered.

Aspect	Risk Type	Risk Identification	Countermeasures
		Personnel Risk	<ul style="list-style-type: none"> ● All company personal computers must have their administrator and installation permissions blocked. ● Regularly check the software installed on colleagues' computers to ensure that no illegal or unauthorized software is installed on the endpoints. ● Regularly announce cybersecurity-related information to remind employees to pay attention to new types of cybersecurity incidents and enhance their awareness of cybersecurity risks.
	Compliance Risk	Legal Risk	<ul style="list-style-type: none"> ● Strengthen the legal compliance awareness of colleagues handling business and ensure that they follow the self-management plan in handling related tasks. ● Important contracts are reviewed by the legal department, and legal advice is sought as needed. ● Conduct three legal compliance training sessions for each supervisor and all staff. ● Implement the emergency response mechanism for poor air quality as required by regulations to ensure that operations comply with regulatory requirements. ● On-site management personnel have indeed increased inspections, and any abnormal situations are handled and responded to in a timely manner. ● Regularly conduct regulatory reviews to ensure compliance with laws and regulations.
Environment	Hazard Risk	Environmental Risk	<ul style="list-style-type: none"> ● Enhance professional knowledge and legal awareness to reduce the risk of environmental violations. ● Safety and hygiene personnel strengthened inspections, assistance, and supervision of on-site implementation of environmental management. ● Continuous greenhouse gas monitoring is being conducted, and relevant on-site units are developing energy-saving and carbon-reduction measures (such as energy management plans). ● Actively respond to the low-carbon transformation and continuously plan for the conversion to low-carbon fuels. ● Continue to purchase renewable energy and certificates (solar photovoltaic, etc.).
Society	Hazard Risk	Occupational Safety Risk	<ul style="list-style-type: none"> ● Establish and follow the procedures for disconnecting and restoring power by tagging and locking in accordance with regulations. ● Implement daily hazard notification, inspection, and awareness campaigns. ● Regularly conduct inspections and confirm the labeling of protective measures. ● We conduct pre-operation drills and report on our partners every quarter and revise risk assessments on a rolling basis to enhance their safety awareness and compliance. ● Establish and adhere to a special operation permit application system. ● Regularly conduct confined space operation education and training. ● For non-routine high-risk work projects, a pre-review form must be completed to examine and assess the work hazards and corresponding preventive measures. ● Regularly conduct traffic safety training sessions; provide traffic safety promotion materials monthly for each unit to conduct internal traffic safety education and promotion. ● Every six months, we commission a testing company to conduct on-site work environment monitoring and arrange for personnel to conduct health checks for special occupational hazards to prevent occupational diseases. ● New employees receive training on environmental safety and health management systems, and relevant safety and health training lectures are held regularly.

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 6, 2025, the Board of Directors was briefed on the mid-year performance of the ESG short-term goals (2025); on December 30, 2025, the Board was briefed on the formulation of short-, medium-, and long-term ESG goals; and on February 25, 2026, the Board was briefed on the performance results of the ESG short-term goals (2025). 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="752 999 1955 1142"> <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>49,571</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>65,764</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>115,335</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	49,571	62,115	51,413	39,738	19,846	Scope 2 emissions (t CO ₂)	71,191	65,764	43,667	28,819	17,369	1,215	Total emissions (t CO ₂)	145,969	115,335	105,782	80,232	57,107	21,061
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	<div style="text-align: right;">Unit: NTD10,000</div> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Annual</th> <th style="width: 15%;">2020~2030</th> <th style="width: 15%;">2020~2040</th> <th style="width: 15%;">2020~2050</th> <th style="width: 15%;">2020~2050</th> </tr> </thead> <tbody> <tr> <td>Scope 1 - Cost reduction</td> <td style="text-align: center;">12,536</td> <td style="text-align: center;">40,228</td> <td style="text-align: center;">112,397</td> <td style="text-align: center;">112,397</td> </tr> <tr> <td>Scope 2 - Cost reduction - Solar energy</td> <td style="text-align: center;">175,330</td> <td style="text-align: center;">654,531</td> <td style="text-align: center;">1,256,208</td> <td style="text-align: center;">1,256,208</td> </tr> <tr> <td>Scope 2 - Coast reduction - Offshore wind power</td> <td style="text-align: center;">133,906</td> <td style="text-align: center;">499,891</td> <td style="text-align: center;">959,416</td> <td style="text-align: center;">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
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(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.	<p>To enhance the Company’s carbon risk management capabilities, CHC Resources has progressively implemented an internal carbon pricing mechanism in accordance with the “Three Subordinate Regulations on Carbon Fees” announced by the Ministry of Environment. The Company adopts a shadow pricing approach, setting a carbon price to assess potential future carbon costs. Currently, the internal carbon pricing is set at NT\$300 per ton. During investment or project evaluation, the estimated changes in carbon emissions are converted into financial impacts and incorporated into the budget system’s cost-benefit analysis, serving as a key reference for decision-making and resource allocation.</p>																								
(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 style="width: 15%;">Schedule</th> <th style="width: 25%;">GHG emissions (Scope 1 + Scope 2)</th> <th style="width: 60%;">Action measures/Specific action plan</th> </tr> </thead> <tbody> <tr> <td>Base Year (2018)</td> <td>142,501 tons of CO₂e</td> <td>The GHG inventory and third-party verification began in 2007.</td> </tr> <tr> <td>2025</td> <td>A reduction of 15% compared to the base year</td> <td>Replacement of Fuel at the Kaohsiung Grinding Plant Purchase of Renewable Energy (Total Electricity Consumption 1%) Upgrade Equipment</td> </tr> <tr> <td>2030</td> <td>A reduction of 25% compared to the base year</td> <td>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>2050</td> <td>Carbon Neutrality as the Goal</td> <td>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 2025, Taichung Grinding Plant adds Natural Gas Hot Blast Furnace, resulting in a reduction of approximately 8,355 tons of GHG emissions. In addition, a total of 2,619,070 kWh 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 1,668 tons of GHG emissions.</p> <p>③ In 2025, GHG emissions were 115,335 tons of CO₂e, which represents a decrease of about 19.07% 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					
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(9) Inventory and confirmation of GHG emissions, reduction targets, strategies, and specific action plans.	<p>① 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>② The external verification of the 2025 CHC Resources GHG inventory was completed by a third-party independent organization (BSI) on March 18, 2026.</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	Company	Scope 1(metric tons CO ₂ e)	Scope 2(metric tons CO ₂ e)	Intensity (metric tons CO ₂ e/million dollars)	Scope of Data
2024	CHC	59,314	68,011	10.71	Sites within the organizational boundaries under the operational control law
	Subsidiary	14,061	16,297	Not applicable	
	Total	73,375	84,308	10.71	
2025	CHC	49,571	65,764	9.20	Sites within the organizational boundaries under the operational control law
	Subsidiary	16,948	22,737	Not applicable	
	Total	66,519	88,501	9.20	

(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 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.
- (2) In 2025, our Company reported total GHG emissions (Scope 1 + Scope 2) of 115,335 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.

(3) Reference to IFRS S2 architecture reveals climate-related information

Referring to the IFRS S2 framework, our company has discussed and formulated relevant countermeasures for various climate change risks, aiming to reduce the transformation and business risks caused by climate change to our company (excluding subsidiaries), and to seize related opportunities arising from climate change. The corresponding measures are shown in the table below :

Oriented	IFRS S2 Climate-Related Disclosure	Response measures					
Governance	A. Role of Management in Climate-Related Risk and Opportunity Management	The Company's Board of Directors serves as the highest governance body for addressing climate change. Under the Board, the ESG Committee monitors risks arising from climate change from a sustainability perspective and formulates corresponding response strategies. Climate-related topics are reported to the Board at least twice annually.					
	B. Role of Management in Climate-Related Risk and Opportunity Management	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 Sustainable Environment Team convenes at least twice a year, with each responsible unit tasked with gathering climate change-related matters for deliberation. Ad hoc meetings are held to address specific climate change risks and devise appropriate countermeasures when necessary. The Corporate Governance & Risk Management Team plans the direction and objectives of the Company's overall risk management initiatives.					
Strategy	A. Reasonably Expected Climate-Related Risks and Opportunities Affecting the Company	Short-term		Mid-term		Long-term	
		<ul style="list-style-type: none"> ● Transformation Risk : Policies and Regulations ● Entity Risk : Extreme weather events such as typhoons and torrential rains ● Market Opportunities : Market demand for low-carbon building materials 	<ul style="list-style-type: none"> ● Transformation Risk : Policies and Regulations ● Entity Risk : Extreme weather events such as typhoons and torrential rains ● Market Opportunities : Market demand for low-carbon building materials 	<ul style="list-style-type: none"> ● Transformation Risk : Policies and Regulations ● Entity Risk : Extreme weather events such as typhoons and torrential rains ● Market Opportunities : Market demand for low-carbon building materials 			
		Risk/Opportunity Description		Impact on business model		Impact on the value chain	
	B. Information on the Current and Anticipated Impacts of Climate-Related Risks and Opportunities on the Company's Business Model and Value Chain		currently	anticipation	currently	anticipation	
Extreme weather events such as typhoons and torrential rains		No impact yet	Typhoons and heavy rainfall may damage factory infrastructure, resulting in extended production downtime.	No impact yet	Suppliers may experience supply chain disruptions due to extreme weather events.		
	Policies and Regulations	Failure to reduce greenhouse gas emissions could expose the Company	Acceleration of the Company's low-carbon policies, including energy-saving and carbon reduction measures, as well as low-carbon	No impact yet	Compliance with carbon regulation requirements may increase costs due to product carbon footprint initiatives.		

Oriented	IFRS S2 Climate-Related Disclosure	Response measures						
			to stricter carbon regulations.	product design.				
	Market demand for low-carbon building materials	No impact yet		Development of low-carbon products supported by the market may increase operating revenue.	No impact yet	To support the development of low-carbon products and promote building materials with enhanced environmental benefits, customers have chosen to adopt the Company's eco-friendly products.		
C. Impacts of Climate-Related Risks and Opportunities on Strategy and Decision-Making	Risk/Opportunity Category	Risk Description	Changes in business model and resource allocation					
			currently		anticipation			
	Entity Risk	Extreme weather events such as typhoons and torrential rains		Construction of flood protection facilities and review of emergency response plans.	Strengthening facility protection and operational resilience mechanisms.			
	Transformation Risk	Policies and Regulations		Establishment of an internal carbon pricing to drive low-carbon investments, improve energy efficiency, and encourage internal carbon reduction initiatives.	Implementation of a carbon management platform to calculate carbon emissions from raw materials and energy usage, providing optimal recommendations for emission reduction and decision-making.			
	Opportunity	Market demand for low-carbon building materials		Products obtain relevant low-carbon certifications, including eco-labels, carbon footprint labels, carbon reduction labels, carbon footprint verification, and recycled green building material certifications.	Develop new low-carbon products.			
D. Impacts of Climate-Related Risks and Opportunities on Current and Anticipated Financial Position, Financial Performance, and Cash Flows	(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.							
	(2)In the simulated B2DS scenario, CHC resource emissions from 2030 to 2050 are projected to be as follows:							
		Annual	2020	2025	2030	2035	2040	2050
		Scope 1 emissions (t CO ₂)	74,778	49,571	62,115	51,413	39,738	19,846
	Scope 2 emissions (t CO ₂)	71,191	65,764	43,667	28,819	17,369	1,215	
	Total emissions (t CO ₂)	145,969	115,335	105,782	80,232	57,107	21,061	

Oriented	IFRS S2 Climate-Related Disclosure	Response measures																			
		<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> <p style="text-align: right;">Unit: NTD10,000</p> <table border="1" data-bbox="633 592 2085 746"> <thead> <tr> <th data-bbox="633 592 1234 632">Annual</th> <th data-bbox="1234 592 1518 632">2020~2030</th> <th data-bbox="1518 592 1800 632">2020~2040</th> <th data-bbox="1800 592 2085 632">2020~2050</th> </tr> </thead> <tbody> <tr> <td data-bbox="633 632 1234 663">Scope 1 - Cost reduction</td> <td data-bbox="1234 632 1518 663">12,536</td> <td data-bbox="1518 632 1800 663">40,228</td> <td data-bbox="1800 632 2085 663">112,397</td> </tr> <tr> <td data-bbox="633 663 1234 695">Scope 2 - Cost reduction - Solar energy</td> <td data-bbox="1234 663 1518 695">175,330</td> <td data-bbox="1518 663 1800 695">654,531</td> <td data-bbox="1800 663 2085 695">1,256,208</td> </tr> <tr> <td data-bbox="633 695 1234 746">Scope 2 - Coast reduction - Offshore wind power</td> <td data-bbox="1234 695 1518 746">133,906</td> <td data-bbox="1518 695 1800 746">499,891</td> <td data-bbox="1800 695 2085 746">959,416</td> </tr> </tbody> </table>				Annual	2020~2030	2020~2040	2020~2050	Scope 1 - Cost reduction	12,536	40,228	112,397	Scope 2 - Cost reduction - Solar energy	175,330	654,531	1,256,208	Scope 2 - Coast reduction - Offshore wind power	133,906	499,891	959,416
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Risk Management	Process for Identifying, Assessing, Prioritizing, and Monitoring Climate-Related Risks and Opportunities	<p>Our company's monitoring methods and procedures for climate-related risks include:</p> <p>1.Risk monitoring process: Based on the risk issues and management levels identified by each primary unit, risk control reports are regularly submitted to the relevant units.</p> <p>2.Risk Management Report: The Sustainable Development Committee reports on the risk management situation to the Board of Directors to ensure the effective implementation of risk management measures.</p> <p>In addition, the Sustainable Development Committee and its task force are also involved in climate risk monitoring operations, strengthening the company's supervision and management of climate risks through cross-departmental coordination, progress tracking and performance review mechanisms.</p>																			
Metrics and Targets	A. Information Related to Cross-Industry Indicator Categories (Climate-Related Indicators) - (1) Climate-Related Indicators Related to Greenhouse Gases	<p>The Company's greenhouse gas emissions are calculated in accordance with ISO14064-1, taking into account the "Greenhouse Gas Emission Coefficient" published by the Ministry of Environment. Emissions are measured using the operational control approach, which the Company has adopted as it accurately reflects the extent of control over its actual operations and ensures that GHG emissions data comprehensively and consistently represent the Company's operational impacts. This approach enables users to gain a full understanding of performance related to climate-related risks and opportunities. The Company's Scope 1, Scope 2, and Scope 3 GHG emissions for the 2025 reporting period are as follows:</p> <p style="text-align: right;">Unit: 10,000-ton CO₂e/year</p> <table border="1" data-bbox="633 1369 2085 1414"> <tbody> <tr> <td data-bbox="633 1369 992 1414">Scope 1 : 5.0</td> <td data-bbox="992 1369 1637 1414">Scope 2 : 6.6</td> <td data-bbox="1637 1369 2085 1414">Scope 3 : 35.5</td> </tr> </tbody> </table>				Scope 1 : 5.0	Scope 2 : 6.6	Scope 3 : 35.5													
Scope 1 : 5.0	Scope 2 : 6.6	Scope 3 : 35.5																			

Oriented	IFRS S2 Climate-Related Disclosure	Response measures
	A. Information Related to Cross-Industry Indicator Categories (Climate-Related Indicators) - (2) Compensation	The Company incorporates the achievement of climate-related risk and opportunity targets (e.g., GHG management, energy management) into the performance evaluation of senior managerial officers. Such performance evaluations influence variable remuneration. For 2025, approximately 5% of senior managerial officers’s recognized remuneration was linked to climate-related considerations.
	B. Disclosure of Information on Established Climate-Related Risk or Opportunity Targets (Climate-Related Targets)	<ul style="list-style-type: none"> ● All products manufactured by CHC Resources are environmentally friendly and have a low carbon footprint. The Company remains dedicated to producing energy-efficient, low-carbon, and sustainable building materials. We are committed to ensuring that our furnace slag powder, blast furnace cement, and other related products comply with government regulations and align with China Steel Corporation's efforts to promote the use of BOF slag fines, mineral fines, and slurry as cement raw materials, thereby minimizing environmental impact. ● CHC Resources conducts an inventory of greenhouse gas emissions every year, and engages an independent third party to ensure accurate understanding of the relevant information regarding greenhouse gas emissions. ● The Company aims to adopt the ISO 50001: 2018 energy management system, conduct annual energy audits, explore energy conservation and carbon reduction opportunities, and enhance energy management performance and efficiency.

(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. 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 November 5, 2025, the Administration Division reported to the Board of Directors on the operation and implementation of the Company's integrity management for 2025. on Page 84 to 85 of this 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 2025, 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 Statements, 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 included the internal control system deficiencies and the improvement of anomalies found by internal auditors as crucial items for department performance assessments.</p> <p>(V)</p> <ol style="list-style-type: none"> In 2025, a company-wide training session was held to promote ethical corporate management, with a total of 79 participants. In 2025, the onboarding training for new employees included promotion of the ethical corporate management, with 22 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"> 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. 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. 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?	√		<p>(III) Both the company and subsidiaries are committed to maintaining absolute confidentiality regarding the identity of whistleblowers, in order to protect 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.</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	
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 2025.				
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 2025, a company-wide training session was held to promote ethical corporate management, with a total of 79 participants. 2. In 2025, the onboarding training for new employees included promotion of the ethical corporate management, with 22 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.			

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			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 audit unit serves as the dedicated department for handling whistleblower reports, establishing a smooth, confidential, and independent reporting channel. The implementation status is reported to the Independent Directors to uphold the Company's core value of integrity management and to reinforce corporate governance.	
<p>4. Disclosure of the intellectual property management plan and its implementation :</p> <p>To strengthen its industry leadership and protect the Company's technological achievements, the Company has formulated an intellectual property (IP) management plan that integrates operational objectives with research and development (R&D) resources. This plan not only safeguards smooth business operations but also enhances competitiveness and creates corporate value.</p> <p>1) Intellectual Property Management System :</p> <p>Through the implementation of the TIPS intellectual property management system, the Company has developed an "Intellectual Property Management Manual," which has been validated by the Industrial Development Bureau of the Ministry of Economic Affairs. All units involved in IP management operations are required to perform relevant tasks according to their responsibilities and duties, ensuring effective IP management. Additionally, to motivate R&D personnel to proactively propose patent proposals, the Company has established "Patent Management Guidelines" and implemented a "Patent Management System," enabling employees and supervisors to efficiently track the status of ongoing patent maintenance.</p> <p>2) Potential intellectual property risks and corresponding countermeasures :</p> <p>Given the diverse types and sources of recycled materials across Taiwan, numerous patents related to resource- recovery technologies and manufacturing methods continue to emerge. To prevent potential development or improvement technologies from being patented by other companies and thereby obstructing the Company's R&D, preliminary results are immediately reviewed with cooperating patent firms for timely patent applications. The Company has also established the "Intellectual Property Confidential Document Management Guidelines" to prevent the leakage of sensitive IP-related documents.</p>				

Assessment Item	Status of Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
3) Intellectual Property Management Policy :			<p>Hoping to implement a sound intellectual property rights management system, the company aims to promote intellectual property rights within itself and encourage applications, while also preventing infringement of others' rights outside the company. The company commits to the following policies for 2025 :</p> <p>(1) Strengthen corporate intellectual property management and trade secret protection.</p> <p>(2) Strengthen the company's concept of intellectual property and awareness of its protection.</p> <p>The Company has submitted a report on matters related to intellectual property to the 5th meeting of the 13th Board of Directors (November 5, 2025) and proposed improvement measures based on the directors' suggestions.</p> <p>Since 1995, efforts have been made to promote intellectual property patent applications. The main implementation status in recent years is as follows:</p> <p>(1) In 2015, a control manual for the acquisition, maintenance and utilization of intellectual property rights was developed.</p> <p>(2) In 2020, a "Patent Management System" was established.</p> <p>(3) In 2020, an "Intellectual Property Management Plan" was formulated.</p> <p>(4) In 2022, the "Intelligent Property Management System (TIPS)" was introduced, the "Intelligent Property Management Manual" was developed, and the system was verified by the Industrial Development Administration of the Ministry of Economic Affairs.</p> <p>To date, the company has obtained 50 Taiwan patents, and is currently maintaining 24 of them.</p> <p>In 2023, the application for re-verification of the "TIPS (Treasury Information System)" was approved, and the certificate was issued by the Department of Industrial Development, Ministry of Economic Affairs. On November 7, 2025, the re-verification review by the Institute for Information Industry was approved, and the certificate is valid until December 31, 2027.</p>	

(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			
I-Min Wu	President	2025.05.27	2025.05.28	Securities and Futures Institute (SFI) Taiwan	Practical Training Program for Directors and Supervisors (Including Independent Supervisors) and Corporate Governance Executives - Taipei Class	12
Yih-Tien Lu	Chief Auditor	2025.04.22	2025.04.22	The Institute of Internal Auditors-Chinese Taiwan	Analysis of Sustainability Reports and Auditing of Sustainability Information	6
		2025.07.23	2025.07.23	The Institute of Internal Auditors-Chinese Taiwan	"Generative AI" and "AI Data Protection"—Essential Knowledge for Internal Auditors	6
		2025.07.24	2025.07.24	The Institute of Internal Auditors-Chinese Taiwan	A Practical Seminar on "Corporate Contracts from the Perspective of the Operating Cycle"	6
		2025.08.20	2025.08.20	The Institute of Internal Auditors-Chinese Taiwan	How to leverage big data to enhance auditing operations	6
Hui-Jou Tsao	Chief Corporate Governance Officer	2025.08.14	2025.08.14	Taiwan Investor Relations Institute	Corporate Sustainability and Risk Management	3
		2025.10.03	2025.10.03	Securities and Futures Institute (SFI) Taiwan	2025 Annual Internal Insider Equity Trading Legal CompliancePromotion Seminar	3
		2025.10.23	2025.10.23	Taiwan Institute of Directors	2025 Net Zero Sustainability Key Action Forum	3
		2025.10.31	2025.10.31	Securities and Futures Institute (SFI) Taiwan	2025 Annual Internal Insider Equity Trading Legal CompliancePromotion Seminar	3
		2025.11.11	2025.11.11	Taiwan Investor Relations Institute	Exploring the Legal Liability of Business Decisions Based on the Principle of Business Judgment	3
Vivian, L.C. Cheng	Accounting Supervisor	2025.07.24	2025.07.25	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	Wen-Hsien Chou	2025.08.31	2025.05.08	2025.05.08	Taiwan Corporate Governance Association	Board of Directors (Sustainability Committee) Annual Sustainable Governance Strategy Management	3	Yes
			2025.07.18	2025.07.18	Taiwan Corporate Governance Association	Corporate Governance Officer Compliance Practices	3	Yes
Director	I-Min Wu	2025.06.25	2025.05.27	2025.05.28	Securities and Futures Institute (SFI) Taiwan	Practical Training Program for Directors and Supervisors (Including Independent Supervisors) and Corporate Governance Executives - Taipei Class	12	Yes
Director	Chi-Lun Kao	2025.06.25	2025.07.09	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6	Yes
			2025.11.27	2025.11.27	Corporate Operating and Sustainable Development Association	Using risk management to drive sustainable corporate development	3	Yes
			2025.12.05	2025.12.05	Taiwan Project Management Association	Artificial intelligence and its applications	3	Yes
Director	Han-Liang Liao	2025.09.30	2025.08.14	2025.08.14	Taiwan Investor Relations Institute	Corporate Sustainability and Risk Management	3	Yes
			2025.10.03	2025.10.03	Securities and Futures Institute (SFI) Taiwan	2025 Insider Trading Prevention Awareness Session	3	Yes
			2025.10.31	2025.10.31	Securities and Futures Institute (SFI) Taiwan	2025 Insider Equity Trading Legal Compliance Awareness Session	3	Yes
			2025.11.11	2025.11.11	Taiwan Investor Relations Institute	Exploring the Legal Liability of Business Decisions Based on the Principle of Business Judgment	3	Yes
Director	Chien-Chiang Huang	2025.06.25	2025.11.03	2025.11.03	Taiwan Institute for Sustainable Energy	Deepening risk management and building corporate operational resilience	3	Yes
			2025.11.03	2025.11.03	Taiwan Institute for Sustainable Energy	Sustainable-Driven Global Transformation and New Challenges to Corporate Governance	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	Ming-Jen Yu	2025.06.25	2025.07.09	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6	Yes
Director	Chih-Hsien Chen	2025.06.25	2025.07.09	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6	Yes
			2025.08.14	2025.08.14	Taiwan Investor Relations Institute	Corporate Sustainability and Risk Management	3	Yes
			2025.10.15	2025.10.15	BCSD Taiwan	SinoPac ESG Forum: "Towards a Global Circular Vision: GCP Framework and the Path of Industrial Circular Practice in Taiwan"	3	Yes
Director	Chen-He Chung	2025.06.25	2025.06.04	2025.06.04	Taiwan Academy of Banking and Finance	Corporate Governance Forum - Corporate Response Strategies for US Tariff Policy and Supply Chain Restructuring	3	Yes
			114.08.14	2025.08.14	Taiwan Investor Relations Institute	Corporate Sustainability and Risk Management	3	Yes
Director	Zhi-Yuan Hou	2025.06.25	2025.05.09	2025.05.09	Taiwan Institute of Directors	Future Trends in the Global Economy and Markets	3	Yes
			2025.06.25	2025.06.25	Taiwan Corporate Governance Association	Legal matters that board-supervised companies should be aware of: Be careful not to inadvertently cross the line into collusion.	3	Yes
Director	Rong-Tzong Tang	2025.06.25	2025.07.09	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6	Yes
Director	Jui-Teng Chen	2025.06.25	2025.08.14	2025.08.14	Taiwan Investor Relations Institute	Corporate Sustainability and Risk Management	3	Yes
			2025.11.11	2025.11.11	Taiwan Investor Relations Institute	Exploring the Legal Liability of Business Decisions Based on the Principle of Business Judgment	3	Yes
Director	Yi-Hung Chen	2025.06.25	2025.08.14	2025.08.14	Taiwan Investor Relations Institute	Corporate Sustainability and Risk Management	3	Yes
			2025.11.11	2025.11.11	Taiwan Investor Relations Institute	Exploring the Legal Liability of Business Decisions Based on the Principle of Business Judgment	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				
Independent Director	Mei-Chin Chen	2025.06.25	2025.04.01	2025.04.01	The National Federation of CPA Associations	(Kaohsiung) Money Laundering Prevention: Emerging Financial Crime Trends, Cases, and Prevention Responses	3	Yes
			2025.04.18	2025.04.18	Taiwan Investor Relations Institute	Corporate Governance Upgrade: Creating a New Landscape for Talent Competitiveness - International Industrial Talent Trends and Response Strategies	3	Yes
			2025.05.08	2025.05.08	Taiwan Corporate Governance Association	Ethical Corporate Management and Corporate Social Responsibility	3	Yes
			2025.07.09	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6	Yes
Independent Director	Chung-Chia Yang	2025.06.25	2025.07.09	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6	Yes
Independent Director	Fu-Tien Jeng	2025.06.25	2025.07.09	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit Forum	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 2025 is as follows:

- ① On August 6, 2025, 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 statements and 15 days before the announcement of the quarterly financial statements.
- ② On July 18, 2025, a briefing was conducted for second level managers and above. From August 05 to 15, 2025, a total of 79 employees were briefed during staff education and training. From January 1 to November 30, 2025, a total of 19 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 25, 2026

According to the results of our self-evaluation, the Company shall make the following statements on our internal control system in 2025:

- 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, 2025, 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 25, 2026, with none of the fifteen attending directors expressing dissenting opinions, and the remainder all approved the content of this Statement.

CHC Resources Corporation

Chairman Wen-Hsien Chou



President I-Min Wu



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 2025 Annual Shareholders' Meeting and the execution

(1) To approve the Company's 2024 Business Report and Financial Statements: Approved by a majority vote.

(2) To approve the Company's 2024 Surplus Distribution Proposal: Approved by a majority vote and duly executed. The ex-dividend date is determined to be July 22, 2025 and the cash bonus distribution date is determined to be August 6, 2025 (allocating a cash bonus of NTD4 per share).

(3) Discussion on Amendments to Certain Provisions of the Company's Articles of Incorporation: Motion approved by voting and handled in accordance with the amended Rules.

(4) Vote to elect 15 Directors (including 3 Independent Directors) of the 13th Board of Directors.

The list of elected directors is as follows:

Representative of China Steel Corporation: Hung-Ta Lin, I-Min Wu, Chih-Hong Lin, Chi-Lun Kao

Representative of TCC Group Holdings CO., LTD.: Chien-Chiang Huang, Ming-Jen Yu

Representative of China Steel Structure Co., Ltd.: Jui-Teng Chen

Representative of Asia Cement Corporation: Chen-He Chung, Chih-Hsien Chen

Representative of Universal Cement Corporation: Zhi-Yuan Hou

Representative of China Steel Chemical Corporation: Yi-Hung Chen

Representative of Southeast Cement Corporation: Rong-Tzong Tang

Independent Director: Chung-Chia Yang, Fu-Tien Jeng, Mei-Chin Chen

The list of elected Directors was approved to register by the Ministry of Economic Affairs on August 22, 2025.

2. Key resolutions of the Board of Directors

(1) 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 Statements, 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.
- ⑤ I-Min Wu was appointed as the acting general manager, effective March 1, 2025.

(2) Material resolutions at the 18th meeting of the 12th session of the Board of Directors (March 13, 2025):

I-Min Wu has been promoted from Vice President to General Manager, effective March 13, 2025.

(3) Material resolutions at the 19th meeting of the 12th session of the Board of Directors (May 8, 2025):

- ① Approved 2025 Q1 Consolidated Financial Statements to Board of Directors.
- ② Approved the donation case of NTD800,000 to CSC Group Education Statements.
- ③ Approved the budget by adding investment to the Kaohsiung Grinding Plant's production line expansion plan.

(4) Material resolutions at the 1st meeting of the 13th session of the Board of Directors (June 25, 2025):

- ① Elected Hung-Ta Lin as the Company's Chairman of the 13th session.
- ② Approval of appointment of Independent Directors Mei-Chin Chen, Chung-Chia Yang and Fu-Tien Jeng as members of Remuneration Committee
- ③ Approved the appointment of Hui-Jou Tsao as the Corporate Governance Officer, effective June 30, 2025.

(5) Material resolutions at the 2nd meeting of the 13th session of the Board of Directors (June 30, 2025):

Approved the appointment of Hui-Jou Tsao as the Financial Officer, effective June 30, 2025.

(6) Material resolutions at the 3rd meeting of the 13th session of the Board of Directors (August 6, 2025):

- ① Approved 2025 Q2 Consolidated Financial Statements to Board of Directors.
- ② Approved the 2024 Sustainability Report.

(7) Material resolutions at the 4th meeting of the 13th session of the Board of Directors (September 1, 2025):

Elected Wen-Hsien Chou as the Company's Chairman of the 13th session.

(8) Material resolutions at the 5th meeting of the 13th session of the Board of Directors (November 5, 2025):

① Approved 2025 Q3 Consolidated Financial Statements to Board of Directors.

② Approved the plan to add production lines at the Taichung Grinding Plant and relocate the Nanti Plant.

(9) Material resolutions at the 6th meeting of the 13th session of the Board of Directors (December 30, 2025):

Approved to acquire real property right-of-use assets from the related party, China Steel Corporation.

(10) Material resolutions at the 7th meeting of the 13th session of the Board of Directors (February 25, 2026):

① Approved the 2025 Financial Statements (Business Report, Financial Statements, and Surplus Distribution), which will be submitted to the 2026 Shareholders' meeting for ratification.

② For 2025, the consolidated operating revenue amounted to NTD13,990 million, net profit after tax amounted to NTD1,250 million, and the earnings per share after tax amounted to NTD4.96. It is proposed to make a distribution of Shareholders' cash bonuses of NTD4 per share.

③ A proved matter related to the convening of 2026 Annual Shareholders' Meeting; the time of the Shareholders' meeting was set at 09:00 AM on May 27, 2026.

④ Approved the CPAs' independence evaluation for 2026 Financial Statements.

⑤ Approved the acquisition of right-of-use assets for land used as a storage area."

(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	2025.01.01~2025.12.31	5,460	0	0	0	1,355	1,355	6,815
Remark	Tax certification: NTD250 thousand, direct deduction methods of business tax audit fees from Business Tax: NTD50 thousand, preparation of a transfer pricing report: NTD635 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: None.

(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: None.

V. Replacement of Certified Public Accountants: 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 2025		As of February 28, 2026		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	Not applicable	Not applicable	Replaced on August 31, 2025
	Representative: Wen-Hsien Chou	0	0	0	0	Appointed on August 31, 2025
	Representative: Hsiang-Ya Huang	0	0	Not applicable	Not applicable	Replaced on March 1, 2025
	Representative: I-Min Wu	0	0	0	0	Appointed on March 1, 2025
	Representative: Chih-Hong Lin	0	0	Not applicable	Not applicable	Replaced on September 30, 2025
	Representative: Han-Liang Liao	0	0	0	0	Appointed on September 30, 2025
	Representative: Shui-Sheng Hung	0	0	Not applicable	Not applicable	Replaced on March 4, 2025
Director /major shareholders	Representative: Chi-Lun Kao	0	0	0	0	Appointed on March 4, 2025
	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	Replaced on March 26, 2025
	Representative: Ming-Jen Yu	0	0	0	0	Appointed on March 26, 2025

Title	Name	Change in Equity in 2025		As of February 28, 2026		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	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	Not applicable	Not applicable	Stepped down on June 25, 2025
Independent Director	Fu-Tien Jeng	0	0	0	0	None
Independent Director	Chung-Chia Yang	0	0	0	0	None
Independent Director	Mei-Chin Chen	0	0	0	0	Elected on June 25, 2025
Manager	Hsiang-Ya Huang	0	0	Not applicable	Not applicable	Replaced on March 1, 2025
Manager	I-Min Wu	0	0	0	0	Appointed on March 1, 2025
Manager	Ching-An Lin	0	0	Not applicable	Not applicable	Replaced on June 30, 2025
Manager	Hui-Jou Tsao	0	0	0	0	Appointed on June 30, 2025
Manager	Hung-Shu Chung	0	0	0	0	None
Manager	Chun-Yu Wang	0	0	Not applicable	Not applicable	Replaced on March 1, 2025
Manager	Yuan-Jui Chou	0	0	0	0	Appointed on June 30, 2025
Manager	Tung-Yuan Chang	0	0	Not applicable	Not applicable	Replaced on June 2, 2025
Manager	Chun-Chang Cheng	0	0	0	0	None
Manager	Chao-Kuei Huang	0	0	0	0	None
Manager	Te-Nien Chen	0	0	0	0	Appointed on June 2, 2025
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	Feng-Cheng Yang	0	0	0	0	Appointed on June 30, 2025
Manager	Vivian, L.C. Cheng	0	0	0	0	None
Manager	Chun-Hsiung Shih	0	0	0	0	None

(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, 2025, 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.	7,274,748	2.93	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: Lingling Wu	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, 2025, 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 February 28, 2026

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, 2025

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		7,274,748	2.93
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 NTD1,052,586,265.
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. Furthermore, at least 30% of the employee remuneration shall be allocated to non-executive employees; 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 2025 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 statements 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 statements 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 2025 on 25 February 2026:

Employees' remuneration: NTD52,630,483.

Directors' remuneration: NTD10,526,097.

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 2025.

(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 statements or separate financial statements 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 2025	Amount Recognized in 2024	Difference	Reason	Disposal
Remuneration for Employees	47,672,001	47,672,001	0	None	N.A.
Remuneration for Directors	9,534,400	9,534,400	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 GGBFS.
- (3) Mixing, manufacturing, processing, OEM, trading, and import/export of GBFS 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	2025		2024	
	% of the Sales		% of the Sales	
	Parent Company Only Financial Statements	Consolidated Financial Statements	Parent Company Only Financial Statements	Consolidated Financial Statements
GGBFS	39.7	40.3	41.6	41.0
Fly Ash GGBFS	0.7	0.6	0.7	0.6
GBFS Cement	2.5	2.3	3.2	2.9
Special-Purpose Materials	9.2	8.2	5.9	5.2
Resource Reutilization Business	45.5	40.8	46.4	41.5
Other	2.4	7.8	2.2	8.8
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 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.
 - (6) Air-cooled blast furnace slag is now being used as a qualified material under the "Green Building Materials Label for Road Substrate Grading".

(II) Industry Overview

1. Current situation and development of the industry

(1) GGBFS and GBFS 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 GGBFS, which is made through grinding GBFS from integrated steel plant. On average, a ton of molten iron (cast iron) can produce approximately 250 to 350 kilograms of GBFS. Domestically, China Steel Corporation and Dragon Steel Corporation Produce Capacity approximately 4,000,000 to 4,500,000 tons of 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

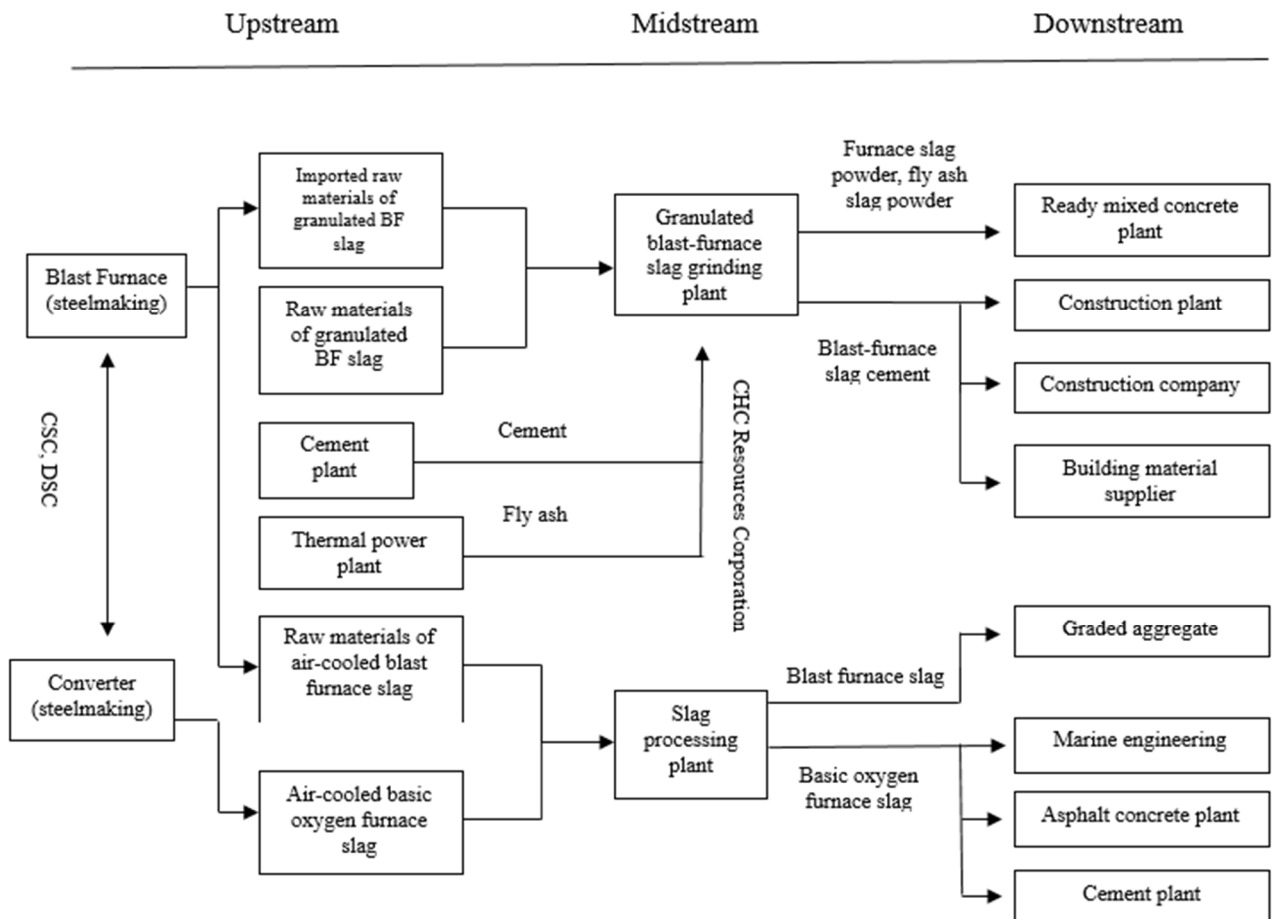
BOF slag is a byproduct during the steelmaking process. The government strives to protect the natural environment, actively facilitates resource recycling, and reduce the environmental impact. Since 2017, the company supported the Public Construction Commission to implement the policy of “Circular Economy”. Its aim is to trial the usage of BOF slag aggregate products in public construction, and promote its usage. Since 2018, the Kaohsiung City Government has gradually increased the use of asphalt pavement aggregates for urban road improvements and new construction of heavily loaded SMA road surfaces. Other road authorities, including the Bureau of Industrial Parks, Ministry of Economic Affairs and the National Land Management Agency, have also adopted these materials with notable effectiveness. Additionally, the Tainan City Government and Pingtung County Government have steadily included them in their annual road maintenance or forward-looking road improvement plans. 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 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 GGBFS from grinding GBFS, GBFS 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 GGBFS in Taiwan, with an aggregate production capacity throughout the year is over 10,000 thousand tons.

In 2025, Affected by the low-price steel competition from China. Domestically, during maintenance of the blast furnaces at China Steel Corporation and Dragon Steel, the production of granulated blast-furnace slag decreased from 3.81 million tons in 2024 to 3.41 million tons, a reduction of approximately 0.4 million tons (-10%).

In 2025, 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 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.

Starting from the second half of 2024, the government intensified measures to cool the real estate market, weakening demand for housing projects and slowing construction activity. In 2025, the construction industry continued a downward trend; however, supported by public infrastructure projects and the construction of high-tech factories, the Company's operational performance still achieved growth compared with the previous year. Overall demand in the concrete market declined relative to 2024, resulting in a slight supply surplus. Slag powder, on the other hand, maintained market balance due to reduced fly ash supply and increased demand for high-strength concrete, with limited competition among peers.

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 GBFS on the international market, which has affected the prices of international 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 2025 and as of February 28, 2026 were NTD27,317 thousand and NTD4,990 thousand, respectively

1. The Company continues to improve the quality of GGBFS and GBFS 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 24 domestic and foreign patented technologies as of February 28, 2026.
3. The resource usage specification for using BOF slag in materials for road bases. In 2025, the air-cooled blast furnace slag gradation material was approved for the first time and awarded the "Green Building Material Label for Road Subbase Layer Gradation" (Certificate No.: GBM0103884) by the Architecture and Building Research Institute, Ministry of the Interior.
4. The estimated R&D expenses to be invested by the Company and its subsidiaries for the next three years are approximately NTD87,354 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 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 58,776 tons of BOF slag were used in cement plants as an effective substitute for cement raw materials in cement plants in 2025 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) GBFS 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 BOF 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 GGBFS and GBFS 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) GGBFS and GBFS Cement

At present, the application of GGBFS 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 GGBFS 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/Taichung/Kaohsiung), light rail, elevated railways, and underground construction. Other projects include the Taiwan Power Company's LNG natural gas storage tanks(Taipower/ CPC/Formosa Plastics), 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 2025 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 GBFS 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 GGBFS 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 GGBFS 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 GGBFS and GBFS 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 - 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 GBFS 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 GGBFS, Fly Ash Slag Powder, and GBFS 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 GGBFS, Type I, Type II, and Type V GBFS Cement, Fly Ash Slag Powder, sacked GBFS 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.

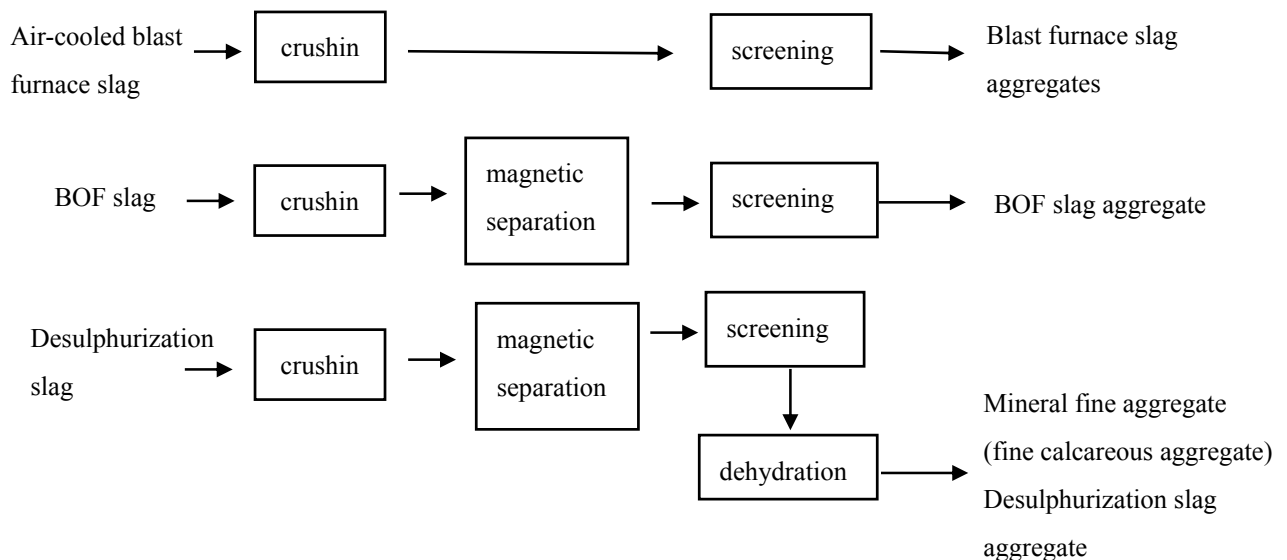
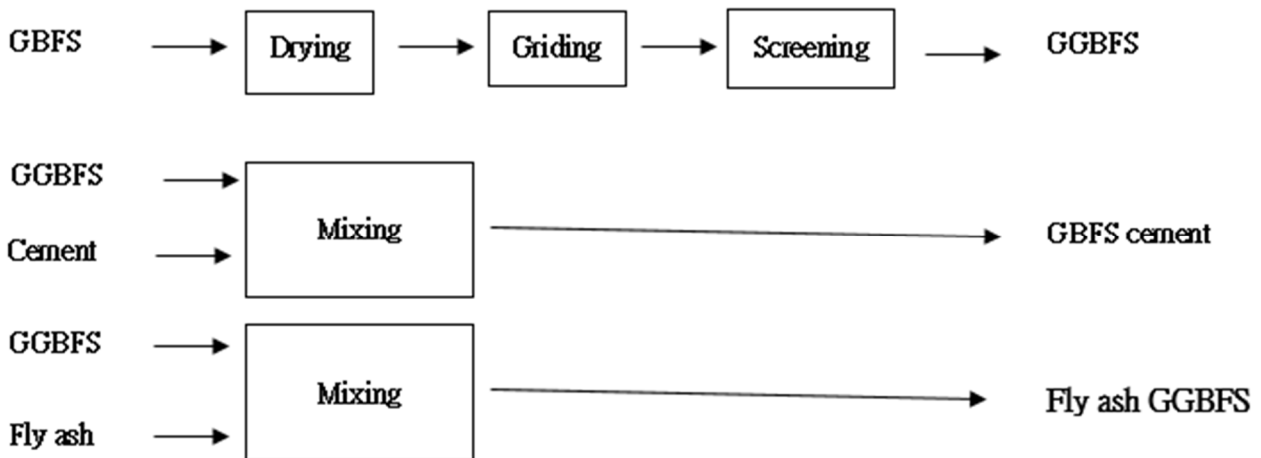
(II) Key applications and manufacturing process for major products analysis

1、Key applications of major products

Major products or services items		Major applications and functions
GBFS Cement and GGBFS production	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 GBFS 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	
BOF 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 6. Concrete pavers, Permeable pavers and other cement products

Major products or services items		Major applications and functions
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



(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	2025				2024			
	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	804,436	19	Related Party	China Steel Corporation	830,780	20	Related Party
2	Formosa Ha Tinh Steel Corporation	379,277	9	Related Party	Formosa Ha Tinh Steel Corporation	472,660	11	Related Party
3	Others	3,161,786	72		Others	2,882,993	69	
	Net purchases	4,345,499	100		Net purchases	4,186,433	100	

Parent Company Only Financial Statements

Unit: NTD thousands

Item	2025				2024			
	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	804,436	21	Related Party	China Steel Corporation	830,780	22	Related Party
2	Dragon Steel Corporation	354,311	9	Related Party	Dragon Steel Corporation	397,195	11	Related Party
3	Others	2,686,321	70		Others	2,476,827	67	
	Net purchases	3,845,068	100		Net purchases	3,704,802	100	

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

Consolidated Financial Statements

Unit: NTD thousands

Item	2025				2024			
	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	3,121,737	22	Related Party	China Steel Corporation	2,863,796	22	Related Party
2	Dragon Steel Corporation	1,505,072	11	Related Party	Dragon Steel Corporation	1,570,170	12	Related Party
3	Others	9,364,575	67		Others	8,856,587	66	
	Net sales	13,991,384	100		Net sales	13,290,553	100	

Item	2025				2024			
	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	3,043,050	24	Related Party	China Steel Corporation	2,796,583	24	Related Party
2	Dragon Steel Corporation	1,469,394	12	Related Party	Dragon Steel Corporation	1,532,707	13	Related Party
3	Others	8,028,074	64		Others	7,560,087	63	
	Net sales	12,540,518	100		Net sales	11,889,377	100	

III. Employees

Information on the employees of CHC Resources and subsidiaries) Date: February 28, 2026

Year	End of 2025	End of 2024	2026.02.28
Number of Employees	608	604	602
Average Age	41.89	41.77	42.06
Average Years of Service	11.44	10.99	11.40
Distribution of Academic Qualifications (%)	PhD	0.49%	0.50%
	Master's degree	19.41%	19.70%
	Bachelor's degree	61.02%	58.11%
	High school	17.93%	20.03%
	Below high school	1.15%	1.66%

Information on employees of CHC Resources

Date: February 28, 2026

Year	End of 2025	End of 2024	2026.02.28
Number of Employees	297	291	296
Average Age	47.19	47.18	46.94
Average Years of Service	16.52	16.48	16.19
Distribution of Academic Qualifications (%)	PhD	1.01%	1.03%
	Master's degree	35.02%	35.40%
	Bachelor's degree	53.20%	52.23%
	High school	10.77%	11.34%
	Below high school	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	2025		As of February 28, 2026
	CHC Resources		CHC Resources
Date of Punishment (Date of violation)	2025.03.17 (2024.10.15)	2025.03.17 (2024.10.15)	None
Punishment Letter No.	No. 30-114-020002 from Environmental Protection Bureau, Kaohsiung City Government	No. 30-114-030004 from Environmental Protection Bureau, Kaohsiung City Government	None
Regulations Violated	Paragraph 1 Article 18 of the Water Pollution Control Act	Article 18 of the Water Pollution Control Act	None
Content of Regulations Violated	Water is flowing inside the North Gate manhole of the Company's Kaohsiung plant and overflowing along the internal piping.	The overflow from the T02-01 wastewater collection tank and the T02-02 sedimentation tank at the Kaohsiung plant was not effectively separated, and the dosing machine for the control tray at the T01 C material yard was stopped.	None
Content of Punishment	1. Fine of NTD2,520,000 2. 4-hour learning course of environmental protection	1. Fine of NTD30,000 2. 2-hour learning course of environmental protection	None
Date of Punishment (Date of violation)	2025.04.11 (2025.01.16)	None	None
Punishment Letter No.	No. 30-114-040006 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	At the Kaohsiung Plant, the T01-01 wastewater collection tank, T01-02 sedimentation tank, and T01-03 neutralization tank are interconnected. An unidentified conduit in the D01 discharge manhole was observed to release light yellow wastewater, which was inconsistent with the approved Water Pollution Control Measures Plan.	None	None
Content of Punishment	1. Fine of NTD64,000 2. 2-hour learning course of environmental protection	None	None

Except for those listed in the above table, the Company and other subsidiaries had not been punished due to pollution in 2025 and as of the printing date of the annual report.

Countermeasure

1. Improvements proposed

(1) Improvement plans

A. Pollution Control -

- ① In May 2024, the Kaohsiung Plant submitted a revision to the Water Pollution Control Measures Plan. With approval from the Department of Environmental Protection, the in-plant water treatment improvement works were completed in September 2025, and the Department of Environmental Protection conducted an on-site inspection in October 2025 and formally approved the works.
- ② During the water treatment improvement project, the Kaohsiung Plant installed independent cumulative water flow measurement devices at the influent of wastewater treatment facilities as a pre-treatment improvement measure.
- ③ To address equipment anomalies, the Kaohsiung Plant established an Environmental Protection Equipment Inspection Team to strengthen daily scheduled inspections.
- ④ The Kaohsiung Plant has strengthened personnel awareness and enforcement measures, and will require that power be restored when replacing car wash nozzle units in the future to ensure proper equipment operation.
- ⑤ At the Lin-hai Plant, a revision to the Water Pollution Control Measures Plan was submitted in February 2025. With the approval of the Department of Environmental Protection, wastewater treatment improvement works are currently in progress, and the Plan is updated as needed according to engineering modifications.
- ⑥ During the water treatment facility improvements at the Lin-hai Plant, the car wash station has been modified to operate independently to prevent exceeding the approved water usage, and water consumption at the car wash is now recorded in the solid and wastewater monitoring forms.
- ⑦ The coastal plant completed the air pollution quality monitoring and linkage system with the plant's sprinkler system in September 2025. Subsequently, it can automatically detect the value of suspended particulate matter and activate the sprinkler system.
- ⑧ In July 2025, the Lichang plant completed its automatic wastewater treatment facilities and anomaly alarm system. The system will automatically detect the pH value of the wastewater and adjust it accordingly, and use the alarm system to prevent abnormal situations.

B. Energy Consumption -

- ① The main motor of the first-line grinding machine at the Kaohsiung plant has been replaced to improve operational efficiency and reduce energy consumption.
 - ② The Lin-hai plant has upgraded the insulation of the hot air ducts on fourth line to reduce energy consumption.
 - ③ The Lin-hai plant has replaced the large windmill motor to enhance motor efficiency and reduce energy consumption.
- (2) Estimated environmental protection expenses for the next three years
- A. NTD61.7 million for improvements in pollution control.
 - B. NTD81.5 million for improvements in energy consumption.
- (3) Effects after the improvements
- ① Effects 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. In 2025, the Company, having served as

the core enterprise of the Occupational Safety & Health (OSH) family for three years, was awarded a Certificate of Appreciation at the “Smart Technology Disaster Prevention and Workplace Resilience Seminar” hosted by the Occupational Safety and Health Administration (OSHA) on November 12, 2025.

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. During 2025, the Company also conducted health education seminars, including courses such as "Understanding Influenza and Measles," "Hazards of Noise Exposure," and "Cancer Screening for Five Major Cancers."

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 2025, our Company commissioned qualified training units to conduct on-the-job training for various levels of personnel (including contractors) for the Occupational Safety and Health Supervisor, Forklift Operator, Stationary Crane Operator, Suspended Worker. The related on-the-job education training involved approximately 441 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 2025, the educational training related to environmental safety and health and energy organized by the Company recorded a training headcount of 1,755 people and a total number of hours amounted to 4,321 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 2025, 183 employees qualified for the new system, while 100 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 budget for 2025 was NTD4,042,000, while the actual training expenditure was NTD1,789,444 and the training hours were 6,189.6, with an average of about 21.87 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 2025 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	11	1	45	116	65	16	18	11	283
Total training hours	270.0	33.5	943.1	2,115.0	1,578.0	327.0	700.0	223.0	6,189.6
Average hours per person	24.55	33.5	20.95	18.23	24.27	20.43	38.88	20.27	21.87

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	4	30	13	90	2	38	8	98	283
Total training hours	106	785.0	268.5	3,029.6	23.5	526.5	165.0	1,285.5	6,189.6
Average hours per person	26.5	26.17	20.7	33.7	11.8	13.9	20.6	13.1	21.87

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

(2)Results of training execution for 2025

Classification	Implementation results
Managers and supervisors (including management trainees)	<p>To ensure that all levels of management carry out their duties in compliance with applicable laws and regulations, the Company conducted educational training programs, including: “Understanding, Responsibility, and Prevention of Workplace Unlawful Infringement” (1 session, 3 hours per session, with 35 participants) and “Prevention of Workplace Unlawful Infringement (Including Sexual Harassment) and Communication Skills Training” (3 sessions, 3 hours per session, with a total of 119 participants).</p> <p>To strengthen the Company’s internal control and risk management, Deloitte was engaged to conduct a seminar on “Practical Approaches to Risk Management and Internal Control” for managers at Level 2 and above (1 session, 3 hours per session, with 40 participants).</p> <p>To enhance the Company’s ability to leverage intellectual property for value creation and competitive advantage, a training course on “Patent Analysis Case Studies and Intellectual Property Knowledge Development” was conducted for managers at Level 2 and above, including R&D personnel (1 session, 1.5 hours per session, with 37 participants).</p>

Classification	Implementation results
Professional personnel	<p>Professional training courses were provided based on the specific roles of personnel, including: “Concrete Testing and Mix Design” (1 session, 3 hours per session, 28 participants); “Analysis of Concrete Works (Including CLSM) Defects, Customer Complaint Handling, and Prevention” (1 session, 2.5 hours per session, 32 participants); “Practical Applications of Generative AI in Office Work for Non-Technical Personnel” (2 sessions, 6 hours per session, 67 participants); and “Logical and Effective Official Document Writing for High-Impact Communication” (3 sessions, 3 hours per session, 121 participants).</p> <p>To ensure that on-site personnel possess the necessary certifications and knowledge for their duties, refresher training courses were conducted, including: “In-Service Training for Lifting Operators” (1 session, 3 hours per session, 8 participants); “In-Service Training for Fixed Crane Operators” (4 sessions, 3 hours per session, 37 participants); “In-Service Training for Forklift Operators” (6 sessions, 3 hours per session, 66 participants); and “In-Service Training for Occupational Safety and Health Supervisors” (13 sessions, 6 hours per session, 181 participants).</p> <p>To ensure personnel conducting ISO system audits are well-versed in the relevant standards, an internal auditor training course on ISO 45000 and ISO 14000 was organized (1 session, 6.5 hours per session, with 32 participants).</p> <p>In response to future trends, dedicated IT personnel were assigned to participate in the “Core AI Technology Training” course (1 session, 69 hours per session, with 32 participants).</p> <p>Other personnel were allowed to participate in external training programs organized by third-party institutions, either upon employee request or as assigned by their department supervisors based on operational needs.</p>
New employees	<p>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.</p>
All employees	<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.</p> <p>In addition, two external courses will be offered in 2025: "Relieve Work Stress with Aerobic Fitness " and "Workplace Mobile Photography Skills and Applications ". 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 79 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 276 participants attended the training.</p> <p>To enhance employees’ awareness of traffic safety and disaster prevention, the Company conducted a “Defensive Driving and Traffic Safety Awareness Seminar” (3 sessions, 2 hours per session, 70 participants) and a “Self-Defense Firefighting Team Training” (1 session, 4 hours, 14 participants).</p>

4. Agreement between employees and the employer

In an effort to promote labor-management harmony, our company second signed a collective bargaining agreement with the CHC Resources Union on June 9, 2025. 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 new collective bargaining agreement specifically echoes the government's active promotion of policies to encourage childbirth and strengthen the care of female colleagues. The provisions for increasing "maternity leave" from 56 days to 60 days, "paternity leave" from 7 days to 8 days, "marriage leave" from 8 days to 9 days, and "main wedding leave" from 1 day to 2 days are all clearly superior to labor-related laws and regulations.

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

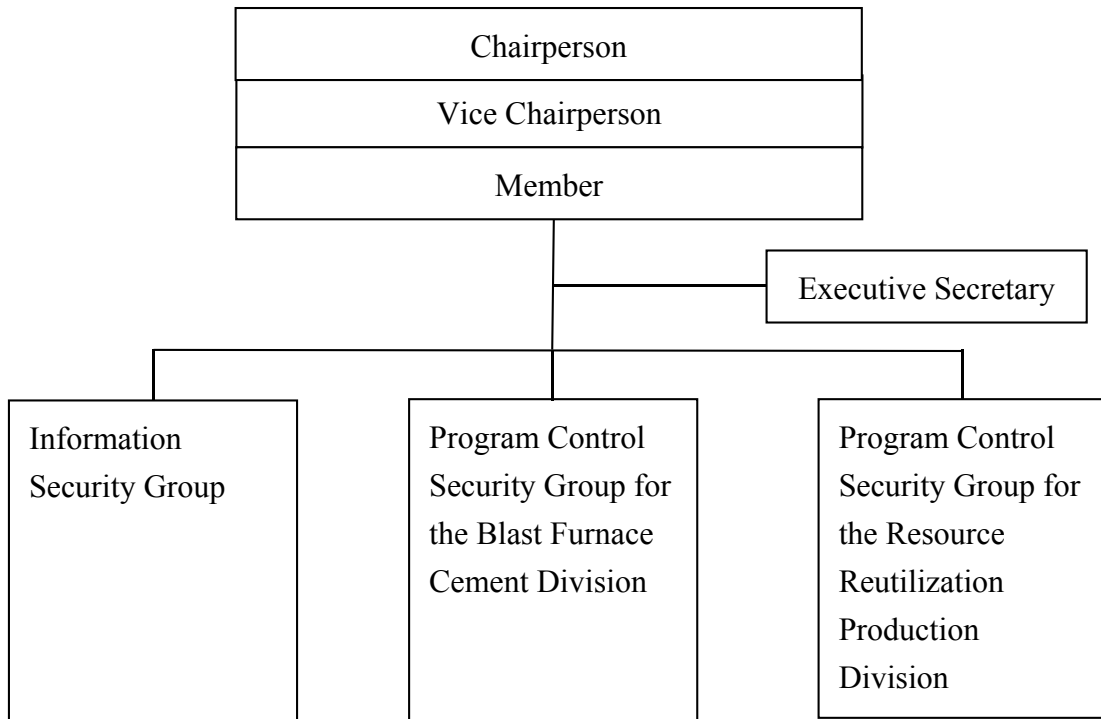
(I) Describe the information security risk management framework, information security policies, specific management plans and resources devoted to information security management, etc.

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 April 30, 2025, we obtained the ISO 27001:2022 Information Security Management System certification. (valid until: July 3, 2025 to July 2, 2026). 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. Continuously collect and consolidate information on cybersecurity risks, develop and implement mitigation measures, and steadily enhance the overall information security posture.

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 6th meeting of the 13th Board of Directors on December 30, 2025.

2025 Information Security Plan Implementation		
1	Deployment of Web Application Firewall (WAF) for external service websites	Finish
2	Migration to ISO 27001:2022 for information security management.	Certified
3	Expansion of virtual server storage capacity in the Siaogang data center	Finish
4	Upgrade of all personal computers to Windows 11 Pro 23H2	Finish
5	Upgrade of server operating systems to supported secure versions in accordance with information security regulations	Finish
6	Outsourced information security services (threat detection and response, vulnerability scanning, IT infrastructure maintenance)	Finish
7	Upgrades to antivirus, endpoint protection, and email systems	Finish

The cybersecurity plan for 2026 is as follows::

Cybersecurity Plan for 2026	
1	Deployment of external VPN equipment and network redundancy
2	Centralized management of internal network card authentication
3	Improvement of cloud host storage capacity
4	Establishment of cloud host redundancy mechanisms in the Taichung Data Center
5	Outsourced information security services (threat detection and response, vulnerability scanning)
6	Antivirus and Endpoint Protection Services and IT Equipment Maintenance (Patching and Redundancy)

(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 reasonably estimated, specify the fact that it cannot reasonably be 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 BOF 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

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Covenants
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 GGBFS	None
Sales contract	Ya Tung Ready Mixed Concrete Co., Ltd.	2025.01.01~ 2026.12.31	Sales of GGBFS	None
Sales contract	Goldsun Building Materials Co., Ltd.	2025.03.01~ 2027.02.28	Sales of GGBFS	None
Sales contract	Universal Cement Corporation	2026.01.01~ 2026.12.31	Sales of GGBFS	None
Sales contract	Li Tai Constructional Co., Ltd.	2026.01.01~ 2028.12.31	Sales of GGBFS	None
Sales contract	Minfeng Industrial Co., Ltd.	2026.01.01~ 2026.12.23	Sales of GGBFS	None
Sales contract	China Steel Corporation	2024.01.01~ 2026.12.31	Sales of GBFS Cement	None
Sales contract	Mutual Construction Co., Ltd.	2025.08.01~ 2026.06.30	Sales of Geological Treatment Agents	None
Sales contract	Kun Pao Industrial Co., Ltd.	2025.01.01~ 2026.12.31	Sales of GGBFS	None
Distributor contract	Kuang Hui Building Materials Co., Ltd.	2025.01.01~ 2026.12.31	Sales of soil improvement agents	None
Contracting agreement	China Steel Corporation	2024.07.21~ 2026.04.20	Processing and transportation of blast furnace and BOF 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 BOF slag	None
Contracting agreement	China Steel Corporation	2025.10.21~ 2027.04.20	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

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Covenants
Contracting agreement	China Steel Corporation	2025.10.21~ 2026.04.20	Contract for resourceful operation of used refractory materials	None
Contracting agreement	China Steel Resources Corporation	2024.04.21~ 2026.04.20	O&M of 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	2024.04.21~ 2026.04.20	Mineral fine material promotion operation	None
Contracting agreement	Dragon Steel Corporation	2023.07.21~ 2026.04.20	Cleaning and transportation of blast furnace slag and BOF slag in-plant	None
Contracting agreement	Dragon Steel Corporation	2022.04.21~ 2026.11.20	Processing and promoting application of blast furnace slag and BOF slag	None
Contracting agreement	Dragon Steel Corporation	2025.06.21~ 2027.03.20	Loading of sludge; processing and transportation of iron slag (coal ash-sludge blended material)	None
Purchase and sales contract	Chung Hung Steel Corporation	2025.04.01~ 2026.03.31	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	2025.01.01~ 2027.12.31	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

Nature of Contract	Contracting Party	Commencement and Expiration Date	Main Content	Restrictive Covenants
Procurement contract	TCC Group Holdings Co., Ltd.	2025.01.01~ 2029.12.31	Portland cement ordering contract	None
Procurement contract	Asia Cement Corporation	2025.01.01~ 2029.12.31	Portland cement ordering contract	None
Procurement contract	Southeast Cement Corporation	2025.01.01~ 2029.12.31	Portland cement ordering contract	None
Procurement contract	Universal Cement Corporation	2025.01.01~ 2029.12.31	Portland cement ordering contract	None
Long-term borrowing	Taipei Fubon Bank	2026.01.21~ 2028.11.12	Three-year working capital credit line	None
Long-term borrowing	Taipei Fubon Bank	2025.05.08~ 2030.05.08	Five-year working capital credit line (Executive Yuan National Development Fund "Action Plan for Accelerated Investment by Domestic Corporations")	None
Long-term borrowing	KGI Bank	2024.11.22~ 2027.11.22	Three-year working capital credit line	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	2025.11.21~ 2026.11.21	Two-year working capital credit line	None
Long-term borrowing	MIZUHO Bank	2025.03.16~ 2027.03.16	Two-year working capital credit line	None
Long-term borrowing	SMBC Bank	2025.12.01~ 2027.11.30	Two-year working capital credit line	None
Long-term borrowing	MUFG Bank	2025.09.30~ 2028.09.30	Three-year working capital credit line	None
Long-term borrowing	Yuanta Commercial Bank Co., Ltd.	2025.08.11~ 2028.08.10	Three-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 statements)

Unit: NTD thousand

Item \ Year	End of 2025	End of 2024	Difference	
			Amount	%
Current assets	2,942,569	2,846,985	95,584	3
Property, plant and equipment	4,428,558	4,562,251	(133,693)	(3)
Other assets	4,125,243	4,394,038	(268,795)	(6)
Total assets	11,496,370	11,803,274	(306,904)	(3)
Current liabilities	2,262,486	2,358,328	(95,842)	(4)
Noncurrent liabilities	2,406,906	2,790,903	(383,997)	(14)
Total liabilities	4,669,392	5,149,231	(479,839)	(9)
Ordinary shares	2,485,404	2,485,404	0	0
Capital surplus	162,398	162,411	(13)	0
Retained earnings	4,108,189	3,870,590	237,599	6
Other equity	(161,784)	(104,465)	(57,319)	(55)
Non-controlling interests	232,771	240,103	(7,332)	(3)
Total equity	6,826,978	6,654,043	172,935	3

Analysis of increase or decrease (for those with changes at least 20% and NTD10,000 thousand):
Other equity decreased by 55%, This was primarily due to an increase in exchange losses on translation of the financial statements of foreign operations recognized as other equity under the equity method.

(II) Comparison and analysis of financial position in the most recent two years (parent company only financial statements)

Unit: NTD thousand

Item \ Year	End of 2025	End of 2024	Difference	
			Amount	%
Current assets	2,316,944	2,216,716	100,228	5
Property, plant and equipment	3,550,269	3,591,747	(41,478)	(1)
Other assets	4,992,844	5,301,858	(309,014)	(6)
Total assets	10,860,057	11,110,321	(250,264)	(2)
Current liabilities	1,992,131	2,088,414	(96,283)	(5)
Noncurrent liabilities	2,273,719	2,607,967	(334,248)	(13)
Total liabilities	4,265,850	4,696,381	(430,531)	(9)
Ordinary shares	2,485,404	2,485,404	0	0
Capital surplus	162,398	162,411	(13)	0
Retained earnings	4,108,189	3,870,590	237,599	6
Other equity	(161,784)	(104,465)	(57,319)	(55)
Total equity	6,594,207	6,413,940	180,267	3

Analysis of increase or decrease (for those with changes at least 20% and NTD10,000 thousand):
Other equity decreased by 55% as explained for the consolidated financial statements above.

II. Financial Performance

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

Unit: NTD thousand

Item	Year		Increase (Decrease) in amount	Percentage Change (%)
	2025	2024		
Operating revenue	13,991,384	13,290,553	700,831	5
Operating costs	11,879,817	11,293,607	586,210	5
Gross profit	2,111,567	1,996,946	114,621	6
Operating expenses	547,599	522,123	25,476	5
Profit from operations	1,563,968	1,474,823	89,145	6
Non-operating income and expenses	9,809	(6,231)	16,040	257
Profit before income tax	1,573,777	1,468,592	105,185	7
Income tax expense	319,654	285,403	34,251	12
Net profit for the year	1,254,123	1,183,189	70,934	6
Other comprehensive income (loss) for the year, net of income tax	(67,489)	(56,452)	(11,037)	(20)
Total comprehensive income for the year	1,186,634	1,126,737	59,897	5

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

1. The 257% increase in non-operating net income is primarily attributable to a reduction in financial costs.
2. Other comprehensive income, net of tax, decreased by 20%, primarily as a result of increased exchange losses on translation of the financial statements of foreign operations.

(II) Comparison and analysis of financial performance in the most recent two years (parent company only financial statements)

Unit: NTD thousand

Item	Year		Increase (Decrease) in amount	Percentage Change (%)
	2025	2024		
Operating revenue	12,540,518	11,889,377	651,141	5
Operating costs	10,643,916	10,109,167	534,749	5
Gross profit	1,896,602	1,780,210	116,392	7
Operating expenses	496,793	468,679	28,114	6
Profit from operations	1,399,809	1,311,531	88,278	7
Non-operating income and expenses	129,309	114,041	15,268	13
Profit before income tax	1,529,118	1,425,572	103,546	7
Income tax expense	296,013	266,438	29,575	11
Net profit for the year	1,233,105	1,159,134	73,971	6
Other comprehensive income (loss) for the year, net of income tax	(58,664)	(58,319)	(345)	(1)
Total comprehensive income for the year	1,174,441	1,100,815	73,626	7

Analysis of increase or decrease (for those with changes at least 20% and NTD10,000 thousand):
Not applicable.

(II) 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 statements)

Unit: NTD thousand

Item	2025	2024	Amount of change	Ratio of change (%)	Description
Operating activities	1,890,583	2,153,045	(262,462)	(12)	-
Investing activities	(433,281)	(321,177)	(112,104)	(35)	1
Financing activities	(1,577,738)	(1,648,152)	70,414	4	-
Change in exchange rates Effect	(17,123)	4,405	(21,528)	(489)	2
Net increase or decrease in cash and cash equivalents	(137,559)	188,121	(325,680)	(173)	3

The Company's net cash outflow in 2025 years was NTD137,559 thousand and the changes in the cash flows of various operating activities are as follows (with changes of at least 20%):

1. 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.
2. The increased in change in exchange rates effect was mainly due to the devaluation of the Vietnamese dong.
3. In summary, the net cash outflow increased.

(II) Analysis of changes in cash flows during the year (parent company only financial statements)

Unit: NTD thousand

Item	2025	2024	Amount of change	Ratio of change (%)	Description
Operating activities	1,775,432	1,861,607	(86,175)	(5)	-
Investing activities	(328,931)	(277,400)	(51,531)	(19)	-
Financing activities	(1,492,028)	(1,471,992)	(20,036)	(1)	-
Net increase or decrease in cash and cash equivalents	(45,527)	112,215	(157,742)	(141)	1

The Company's net cash outflow in 2025 was NTD45,527 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 cash and cash equivalents outflow was mainly due to the increased in the acquisition of property, plant and equipment.
2. In summary, the net cash outflow increased.

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

Item	Year		Increase (decrease) Change in Ratio (%)	Description
	2025	2024		
Cash flow ratio (%)	83.6	91.3	(8)	-
Cash flow adequacy ratio (%)	167.6	172.4	(3)	-
Cash reinvestment ratio (%)	5.1	8.3	(39)	1

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

1. The cash reinvestment ratio decreased by 39%, mainly due to a decrease in net cash inflow from operating activities and an increase in cash dividend payments this year.

(IV) Analysis of liquidity for the most recent two years (parent company only financial statements)

Item	Year		Increase (decrease) Change in Ratio (%)	Description
	2025	2024		
Cash flow ratio (%)	89.1	89.1	0	-
Cash flow adequacy ratio (%)	168.1	187.3	(10)	-
Cash flow reinvestment ratio (%)	4.8	6.9	(30)	1

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

1. The Cash flow reinvestment ratio decreased by 30% as explained for the consolidated financial statements above.

(V) Cash liquidity analysis in the coming year (parent company only financial statements)

Unit: NTD thousand

Opening cash balances (1)	Net cash flow from operating activities throughout the year (2)	Net cash flow from investing activities throughout the year (3)	Net cash flow from financing activities throughout the year (4)	Cash balance (deficit) (1)+(2)+(3)+ (4)	Remedial measures for cash deficit	
					Investment plan	Wealth management plan
177,163	1,347,290	(1,770,186)	402,040	156,307	-	-

1. Analysis of changes in cash flows in 2026

(1) Net cash flow from operating activities throughout the year: Mainly due to the net effect of the increase in 2026 net profit and depreciation.

(2) Net cash flow from investing activities throughout the year: Mainly due to the acquisition of property, plant and equipment.

(3) Net cash flow from financing activities throughout the year: Mainly due to an increase in both long-term and short-term borrowings.

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		
				2025	2026	2027
Kaohsiung Grinding Plant Production Line Expansion Plan	Self-owned funds or bank facility	2026.12	6.15	1.82	3.77	-
Taichung Grinding Plant Production Line Expansion and Nanti Plant Relocation Plan	Self-owned funds or bank facility	2028.07	18	0	5.75	8.2

(II) Expected Benefits

Adding grinding production lines at grinding plants in Kaohsiung and Taichung reduces capacity load, improves production stability, and increases 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 NTD138,130 thousand under the equity method in 2025, 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	2025(NTD Thousand; %)
Net interest income (expense) (excluded capitalized interests)	(23,612)
Net exchange (loss) gain	2,439
Net interest income or expense as a percentage of net operating income	(0.17%)
Net interest income or expense as a percentage of net profit before tax	(1.50%)
Net gain or loss on foreign currency exchange as a percentage of net operating income	0.02%
Net gain or loss on foreign currency exchange as a percentage of net profit before tax	0.15%

- (1) Interest risk: At the end of 2025, the debt ratio was 40.62%. The Company's interest-bearing liabilities amounted to NTD1,542,350 thousand and interest-earning deposits amounted to NTD463,473 thousand. Where the interest rate increases by 1% in the future, the Company's interest expense and income would increase by approximately NTD15,424 thousand and approximately NTD4,635 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 2025, the Company and its subsidiaries recognized exchange gain amounted to approximately NTD2,439 thousand due to the fluctuation in exchange rates, accounting for 0.02% of the operating costs for 2025. As of the end of 2025, the financial assets of monetary items were Financial assets USD1,574 thousand, and Financial liabilities USD 230 thousand. Where NTD appreciates by 1% in the future, the Company will suffer losses of approximately NTD422 thousand.

- (3) Inflation: Inflation has been slightly higher in 2025, 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 2025, the consolidated operating expense of the Company was NTD547,599 thousand. Where the inflation rate increases by 1% in the future, the Company's expenses will increase by approximately NTD5,476 thousand.

2. Future countermeasures

- (1) Countermeasures against changes in interest rates: As of the end of 2025, the Company's debt ratio in the consolidated statements was 40.62%. The undrawn financial borrowing facility was approximately NTD6,644,445 thousand as of the end of 2025. 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 2025.
2. Risk of loans to others: As of the end of 2025, the Company had no loan to others.
3. Risk of endorsement/guarantee: As of the end of 2025, the Company did not provide endorsement/guarantee.
4. Derivative financial product risk: As of the end of 2025, 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
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. Marine engineering 3. Steel slag fine powder 4. Research on the Applications of Limestone Powder in Cement and Concrete 5. Research on cement-free cementitious materials	18,325	2026.12
Research on carbon reduction benefits from applications of by-products from the steelmaking process	1. Research and evaluation on basic oxygen slag carbon sequestration 2. On-site application and carbon reduction benefit evaluation of blast furnace cement 3. Full life cycle carbon footprint verification of basic oxygen slag asphalt concrete 4. Improvement of metallic iron recovery technology from furnace slag	8,880	2026.12

(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. A Web Application Firewall (WAF) is set up at the front end of the website to prevent attacks from external networks. 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.

Our company passed the ISO 27001:2013 information security management system standard certification in 2024, and on April 30, 2025, it passed the ISO 27001:2022 information security management system transition certification (validity period: July 3, 2025 to July 2, 2026). 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 continues 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 11th 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 19% and 21% of the total purchase amount in the consolidated financial statements and the parent company only financial statements, 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 22% and 24% of the net operating income in the consolidated financial statements and the parent company only financial statements, 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 Statements of Affiliated Enterprises

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

CHC RESOURCES CORPORATION



Chairman Wen-Hsien Chou

