

Stock Code:1535



China Ecotek Corporation

2024 Annual Report

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The Company's annual report website:

<http://www.ecotek.com.tw>

TWSE Market Observation Post System :

<http://mops.twse.com.tw>

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Name of the CPA and name, address, website, and telephone number of the accounting firm for financial statements in the most recent year:

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CPA firm name: Deloitte Taiwan

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Name of overseas stock exchange and method for accessing information on overseas negotiable securities: None.

Company website: www.ecotek.com.tw

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A. Letter to Shareholders

Dear Shareholders,

In 2024, the Company benefited from the tightening of government environmental regulations and the active promotion of Sustainable Development Goals (SDGs). Our main clients, aiming to accelerate carbon reduction and decrease greenhouse gas emissions, have continuously updated and installed environmental protection equipment. As a result, the Company's operations and profitability remained relatively stable. With the joint efforts of all employees, the consolidated revenue of the Company in 2024 once again achieved an impressive milestone, surpassing NT\$ 10 billion, and our after-tax EPS reached NT\$4.06.

The Company's 2024 business performance, overview of 2025 business plan, future company development strategy, and impacts of the competitive environment, regulatory environment, and overall business environment are reported below:

I. 2024 Business performance

(I) Business overview

In addition to existing, environmental protection, electrical, and mechanism turnkey projects as well as operation and maintenance in 2024, we dedicated our efforts to obtaining contracts from companies of the Group to replace old equipment with new eco-friendly equipment and carry out improvements. Projects outside the group included liquid crystal polymer plant construction project of Polyplastics Taiwan Co., Ltd., Caotun Water Treatment Plant Construction Project, and Acepodia Nangang Biotechnology Research Park Laboratory Construction Project. Overall, our consolidated revenue of NT\$10.859 billion in 2024 was an increase of NT\$ 1.099 billion compared to 2023, which was a record high in the past six years with a 8.83% decrease in consolidated profit before tax of NT\$625 million compared to 2023.

The Company continues to promote circular economy in business activities to support the global initiative for attaining net zero carbon emissions by 2050. Our projects include recycled water system projects, steel and chemical joint production projects, and flue gas carbon capture projects, improved desulfurization, denitrification, and dust collection technologies which help customers reduce air pollution; expanded energy storage with microcomputer system construction, and solar power system construction projects. In addition to our existing products such as industrial LED lamps, activated carbon absorbent materials, air purification equipment, and filter materials, we have also expanded our sales offerings to include calming agents, water dispensers, relevant raw materials, and the agency business for biotech equipment.

In terms of corporate governance, the Company completed TIPS A-level re-certification, passed the ISO 27001 information security system international certification, and obtained the ISO 14064-1 greenhouse gas verification statement. We continue to promote employee welfare policies, including the implementation of employee stock trust and the contribution of employee compensation and public reserve funds. In the Corporate Governance Assessment for the year 2024 announced in 2025, the Company was ranked in the second tier (top 6%-20%) of listed companies in Taiwan for the five consecutive years and we will continue to enhance the Company's sustainable corporate governance culture.

(II) Business Outcome

1. Environmental protection projects: CSC Energy Storage System, Microgrid System Project and PV System Construction Project ; No. 3 Coke Plant EP Revamping Project of CSC ; Power Plant TG9 、TG10 EPC Project of CSC ; Power Plant No. 11 Boiler FGD System Project of CSC ; Futian Reclaimed Water Plant Project of DSC, and Caotun Water Purification Plant Construction Project, totaled NT\$1.523 billion, accounting for 14.02% of overall revenue.

2. Electrical and mechanical engineering projects: No.1 BFR1 Blast Furnace & Coke Plant, Revamping Project of DSC ; No.1&No.2 Sintering Equipment Revamping Project of DSC ; Coke Conveying & Handling System, new-built Project of China Steel ; Ph. 2 Graphitizing Furnace, Power Station Expansion Project of CSCC ; and liquid crystal polymer plant construction project of Polyplastics Taiwan Co., Ltd., totaled NT\$6.252 billion, accounting for 57.57% of overall revenue.
3. Operation and electrical/mechanical maintenance and others: Electrical/mechanical maintenance projects of China Steel and Dragon Steel Co., as well as the operation of Chengcing Lake and Kinmen Taihu water treatment plants, totaled NT\$ 3.084 billion, accounting for 28.41% of overall revenue.

(III) Financial income and expenditure and profitability analysis

The Company's consolidated operating revenue was NT\$10.859 billion in 2024, increased 11.27% compared to the NT\$9.759 billion in 2023; consolidated gross profit was NT\$ 1.011 billion, increased 3.75% compared to the NT\$ 947 million in 2023; consolidated profit before tax was NT\$686 million and consolidated net income was NT\$502 million.

(IV) Overview of research and development

Given the global commitment to achieving net-zero emissions by 2050, the Company has collaborated with the R&D unit of China Steel Co. to establish a flue gas CO₂ capture pilot plant, which can capture 500 tons of CO₂ per year with a purity of over 99%. In the future, we will conduct a test program for introducing CO₂ into the blast furnace bottom-blowing process to explore practical uses for CO₂. In wastewater treatment, we have developed a biological agent targeting ammonia nitrogen emissions in water, which can be applied when treatment efficiency starts to decrease, thereby enhancing and restoring treatment performance. The biological agent will be dried and solidified to extend its shelf life to six months.

As for air pollution prevention technology, as air pollution prevention regulations become more rigorous, the Company has developed technology for removing SO_x emissions from fixed pollution sources, utilizing a wet lime desulfurization method. At China Steel's Power Plant No. 2, we successfully achieved a desulfurization guarantee of reducing the sulfur dioxide concentration (after oxygen correction) to below 4 ppm at the No. 11 chimney outlet. Additionally, in collaboration with the R&D unit of China Steel Co., we have developed a composite (desulfurization + PM_{2.5} removal) process. During the pilot test of the composite honeycomb plate tower combined with wet electrostatic precipitators, the desulfurization efficiency reached 99%, and the PM_{2.5} removal rate reached 95%. After performance optimization and stabilization, the system will be ready for industrial implementation. In terms of NO_x emission control technology for fixed pollution sources, in collaboration with the R&D unit of China Steel Co., we have evaluated the application of a low- to medium-temperature selective catalytic reduction (SCR) denitrification system for China Steel's newly installed coke oven. The system achieved a denitrification efficiency of 80% during the pilot test, and it is expected to significantly reduce fuel demand and enhance environmental and energy-saving benefits.

II. Summary of 2025 Business Plan

Looking ahead to 2025, global political changes will continue to impact regional economic development, and the threats posed by climate change are becoming increasingly severe. Net-zero emissions and carbon neutrality will remain key focus areas. On the policy front, the government continues to promote environmental protection, circular economy, and green energy initiatives. Meanwhile, influenced by ESG factors and the transition to net-zero emissions, businesses are in a favorable position to invest in related engineering projects. In addition to assisting customers in building environmental protection

facilities and electromechanical equipment upgrade projects, the Company also uses green energy technologies for addressing pollutant gas emissions and waste sewage treatment as environmental protection technologies, assists customers in building solar PV equipment, energy storage systems, and other projects to promote circular economy, energy conservation, and carbon reduction. We shall work together with customers to attain environmental sustainability and win more business opportunities.

The Company has long been focused on carbon reduction issues and has invested in various environmental protection projects, equipment upgrades, major repairs, and scheduled maintenance capital expenditure plans within the China Steel Group. We also actively evaluate public and private sector projects. With our comprehensive project management capabilities, we effectively manage the timelines of all projects to ensure stable operational growth.

III. Future company development strategy

In response to changes in the internal and external environment, the Company's business strategy emphasizes the four basic business growth strategies of "engineering field", "operation maintenance" , "circular economy", "sales business" and is implemented with the following operation plans: (1) Strengthen core technology management and development; (2) Promote digital transformation and improve management efficiency; (3) Promote the integration of refractory engineering materials; (4) Develop circular economy engineering businesses.

In the future, we will continue to assist customers in replacing process equipment and building low-carbon emission facilities to strengthen the foundations of sustainable development.

IV. Impacts due to the competitive environment, regulatory environment, and overall business environment

Given the impact of changes in the international political and economic environment on global supply chain trends, along with domestic challenges such as labor and material shortages, the ability to complete projects on time and with quality is affected. Our company aims to maintain stable profitability by continuously improving technology, assessing risks, and ensuring that risks remain within a controllable range.

The Company passed the Plans for passing the Taiwan Intellectual Property Management System (TIPS) certification and all business activities are conducted in compliance with the laws and regulations of the competent authorities. We also identify key issues in the laws and regulations. We adjust business strategies according to industry demand and integrate the Group's resources to enhance corporate governance and enhance the Company's overall competitiveness in the industry.

We are grateful to our shareholders for your support and recognition over the years. Our management team and all employees will exert every effort to create greater value for shareholders and hope to jointly create a better future with your support and encouragement.

Chairperson : Ying-Pin Hsieh

President : Yung-Yu Chiang

B. Corporate Governance Report

I. Information on directors, president, vice presidents, and accounting officer

(I) Director Information (1)

Title	Nationality or place of registration	Name	Gender/ Age	Date elected (appointed)	Term	Date of first appointment	Shares held when elected		Shares currently held	
							Number of Shares	Shareholding percentage (%)	Number of Shares	Shareholding percentage (%)
Chairperson	Republic of China	China Steel Corporation	-	2023.06.21	3 years	1993.03.02	55,393,138	44.76	55,393,138	44.76
	Republic of China	Representative: Ying-Pin Hsieh (Note 1)	Male 61~65	2023.06.21	3 years	2024.04.30	0	0	0	0
Director	Republic of China	China Steel Corporation	-	2023.06.21	3 years	1993.03.02	55,393,138	44.76	55,393,138	44.76
	Republic of China	Representative: Chien-Chih Hwang (Note 2)	Male 61~65	2023.06.21	3 years	2024.09.10	0	0	0	0
Director	Republic of China	China Steel Corporation	-	2023.06.21	3 years	1993.03.02	55,393,138	44.76	55,393,138	44.76
	Republic of China	Representative: Shou-Tao Chen (Note 3)	Male 61~65	2023.06.21	3 years	2024.05.18	0	0	0	0
Director	Republic of China	China Steel Corporation	-	2023.06.21	3 years	1993.03.02	55,393,138	44.76	55,393,138	44.76
	Republic of China	Representative: Chih-Feng Lee	Male 51~55	2023.06.21	3 years	2020.10.31	0	0	12,015	0.01
Director	Republic of China	China Steel Corporation	-	2023.06.21	3 years	1993.03.02	55,393,138	44.76	55,393,138	44.76
	Republic of China	Representative: Chen Yang	Male 61~65	2023.06.21	3 years	2021.05.31	0	0	0	0
Director	Republic of China	Hua Eng Wire & Cable Co., Ltd.	-	2023.06.21	3 years	1993.03.02	11,843,730	9.57	11,843,730	9.57
	Republic of China	Representative: Hsiu-Mei Liu	Female 61~65	2023.06.21	3 years	2022.02.01	0	0	0	0
Director	Republic of China	Great Grandeur Steel Co., Ltd.	-	2023.06.21	3 years	2008.06.25	3,964,000	3.20	3,962,000	3.20
	Republic of China	Representative: Yu-Lun Kuo	Female 41~45	2023.06.21	3 years	2009.05.12	0	0	0	0
Director	Republic of China	Bai-Chien Investment Co., Ltd.	-	2023.06.21	3 years	2002.06.11	3,005,000	2.43	3,005,000	2.43
	Republic of China	Representative: Po-Nien Lin	Male 51~55	2023.06.21	3 years	2005.06.28	0	0	0	0
Independent Director	Republic of China	Chia-Jung Chen	Male 71~75	2023.06.21	3 years	2017.06.22	0	0	0	0
Independent Director	Republic of China	Po-Han Wang	Male 46~50	2023.06.21	3 years	2017.06.22	0	0	0	0
Independent Director	Republic of China	Tai-Kuang Peng	Male 71~75	2023.06.21	3 years	2020.06.23	0	0	0	0

March 31, 2025 Unit: Shares

Shareholding by spouse and underage children		Shares held in the name of others		Education and work experience	Other positions at the Company or elsewhere	Other managerial officer, director or supervisor who is the spouse or a relative within second degree			Notes (Note 4)
Number of Shares	Shareholding percentage (%)	Number of Shares	Shareholding percentage (%)			Title	Name	Relationship	
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
-	-	-	-	Master's from Department of Business Management, National Sun-yat Sen University Assistant Vice President, Planning Department	Note5	None	None	None	None
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
-	-	-	-	Department of Economics, Tunghai University Executive Vice President/Chief Information Security Officer/ Corporate Governance Officer	Note5	None	None	None	None
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
-	-	-	-	Department of Power Mechanical Engineering, National Tsing Hua University Executive Vice President at Production Division, China Steel Corporation	Note5	None	None	None	None
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
-	-	-	-	Master's from the Department of Mechanical Engineering, National Cheng Kung University Deputy Director of Equipment Department, China Steel Corporation	Note5	None	None	None	None
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
-	-	-	-	Department of Chemical Engineering, National Taiwan University Director of Smelting Equipment Engineering Department, China Steel Corporation	Note5	None	None	None	None
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
-	-	-	-	Master of Accounting, Long Island University Manager of the Accounting Department, Hua Eng Wire & Cable Co., Ltd.	Note5	None	None	None	None
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
-	-	-	-	MBA, College of Management, National Taiwan University Special Assistant to the President, Great Grandaule Steel Co., Ltd.	Note5	None	None	None	None
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
-	-	-	-	School of Business, University of Southern California, US Special Assistant to Chairperson of Bai-Chien Trading Co., Ltd.	Note5	None	None	None	None
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
-	-	-	-	Ph.D. in Resource and Energy Economics, West Virginia University Vice Dean of the College of Engineering, National Cheng Kung University	Note5	None	None	None	None
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
-	-	-	-	MBA, National Sun Yat-sen University Manager, Audit Department, Deloitte Taiwan	Note5	None	None	None	None
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
-	-	-	-	Ph.D. in Business Administration, Texas Tech University Dean of the International College and College of Management, I-Shou University	Note5	None	None	None	None

Note 1: China Steel Corporation appointed Ying-Pin Hsieh as the new representative to replace Cheng-Chiang Chen on April 30, 2024.

Note 2: China Steel Corporation appointed Chien-Chih Hwang as the new representative to replace Shyi-Chin Wang on September 10, 2024.

Note 3: China Steel Corporation appointed Shou-Tao Chen as the new representative to replace Chao-Tung Wong on May 18, 2024.

Note 4: Where the Chairperson, President, or individual with equivalent roles (highest-ranking managerial officer) are the same individual, spouses, or relatives within the first degree of kinship, the Company shall specify related information regarding the reason, reasonableness, necessity, and response measures (e.g., appointment of additional independent directors and requiring the appointment of more than half of the directors from individuals who are not employees or managerial officers).

Note5: Positions concurrently held by each director at the Company or elsewhere:

Name	Other positions at the Company or elsewhere
Ying-Pin Hsieh	None
Chien-Chih Hwang	Chairperson of China Steel Corporation, Chairperson of China Steel Chemical Corporation , Director of Dragon Steel Corporation, Director of Taiwan High Speed Rail Corporation, Director of China Steel Global Trading Corporation, Director of Gains Investment Corporation
Shou-Tao Chen	President of China Steel Corporation, Chairperson of China Steel Machinery Corporation, Director of Dragon Steel Corporation, Director of Chung Hung Steel Corporation, Director of Gains Investment Corporation, Director of Gau Ruei Investment Corporation
Chih-Feng Lee	Assistant Vice President of Engineering of China Steel Corporation, Director of CSC Solar Corporation
Chen Yang	Assistant Vice President of Engineering of China Steel Corporation, Director of China Steel Machinery Corporation
Hsiu-Mei Liu	Vice President of the Management Department of Hua Eng Wire & Cable Co., Ltd., Director of Wafer Works Corporation, Director of Co-Tech Development Corporation, Director of Bionime, Supervisor of Hua Ho Engineering Co., Ltd.
Yu-Lun Kuo	Vice President of Great Grandeul Steel Co., Ltd., Director of Great Grandeul Steel Co., Ltd., Director of Wang Kuo Electricity Co., Ltd., Supervisor of Great Fortune Steel Co., Ltd.
Po-Nien Lin	President of Bai Chien Trading Co., Ltd., Director of Bai Chien Investment Co., Ltd., Director of Bai Chien Trading Co., Ltd , Director of Te-Yu Investment Co., Ltd.
Chia-Jung Chen	Honorary Professor of National Cheng Kung University Department of Resources Engineering, Independent Director of Leatec Fine Ceramics Co., Ltd.
Po-Han Wang	Director of Xiangwei & Co., CPAs, Chairperson of Ruisheng Financial Consultants Co., Ltd., Independent Director of Tongtai Machine & Tool Co., Ltd., Supervisor of Jushen Energy Co., Ltd., Director of Zhaowan Consulting Co., Ltd.
Tai-Kuang Peng	Adjunct Professor at the College of Management, I-Shou University, Director of WEKO Industrial Component Corp.

Table 1: Major shareholders of institutional director March 31, 2025

Name of institutional shareholder	Major shareholders of institutional shareholders
China Steel Corporation	Ministry of Economic Affairs (20.00%), Employee's Stock Trust of China Steel Corporation under the custody of Mega International Commercial Bank Co., Ltd. (2.54%), Transglory Investment Corporation (1.63%), Chunghwa Post Co., Ltd. (1.20%), Labor Retirement Fund (1.13%), Vanguard Emerging Markets Stock Index Fund under the custody of JP Morgan Chase Bank N.A. Taipei Branch (1.02%), Winning Investment Corporation (1.02%), JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund (0.99%), Labor Pension Fund (0.98%), Taiwan Life Insurance Co. Ltd. (0.81%)
Hua Eng Wire & Cable Co., Ltd.	First Copper Technology Co., Ltd. (32.96%), Hua Hong Investment Corporation (7.39%), Pi-E Wang Yang (5.24%), Feng-Shu Wang (2.55%), Wen-Ling Wang (2.20%), Hung-Jen Wang (2.12%), Hung-Ming Wang (1.46%), Kun-Jung Chen (0.80%), Mei Da Co., Ltd. (0.62%) - Jun-Xiong Wang(0.48%)
Bai Chien Investment Co., Ltd.	Chung-Tien Lin (14%), Po-Nien Lin (27%), Su-Chia Lin (27%), Te-Yu Investment Co., Ltd. (32%)
Great Grandeul Steel Co., Ltd.	Yung-Cheng Kuo (15.36%), Chen-Kui Yen (13.20%), Yu-Lun Kuo (13.10%), Chih-Hao Kuo (11.10%), C. Hao Corporation (47.24%)

Table 2: Major shareholders of major institutional shareholders listed in Table 1 March 31, 2025

Name of institutional shareholder	Major shareholders of institutional shareholders
Transglory Investment Corporation	China Steel Express Corporation (48.28%) Chung Hung Steel Corporation (39.59%), and China Steel Chemical Corporation (8.90%), United Steel Engineering & Construction (3.23%)
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communications (100%)
Winning Investment Corporation	Gains Investment Corporation (49.00%), Maruichi Steel Tube Ltd. (28.00%), Transglory Investment Corporation (23.00%)
Taiwan Life Insurance Co. Ltd.	CTBC Financial Holding Co., Ltd. (100%)
First Copper Technology Co., Ltd.	Hua Eng Wire & Cable Co., Ltd. (39.44%), Pi-E Wang Yang (10.49%), Wen-Ling Wang (1.82%), Di-Chen Fu(1.31%), Feng-Chuan Wang (0.67%), International Shipbreaking Co., Ltd. (0.50%), Chase Custody JP Morgan Securities Co., Ltd. special account (0.48%), Feng-Shu Wang (0.43%), Hung-Ming Wang (0.41%), Citi Custody UBS European SE investment account (0.36%)
Hua Hong Investment Co., Ltd.	Gongsheng Enterprise (HK) Limited (79.79%), Wen-Ling Wang (3.19%), Feng-Chuan Wang (3.19%), Feng-Shu Wang (3.19%), Hung-Jen Wang (3.19%), Hung-Ming Wang (2.87%), Yu-Ting Wang (2.13%), Pi-E Wang Yang (1.60%), Feng-Chin Wang (0.85%)
Mei Da Co., Ltd.	Pi-E Wang Yang (41.05%), Wen-Ling Wang (16.32%), Feng-Chuan Wang (15.79%), Feng-Shu Wang (15.79%), Hung-Jen Wang (5.26%), Hung-Ming Wang (5.26%), Yu-Ting Wang (0.53%)
Te-Yu Investment Co., Ltd.	Po-Nien Lin (100%)
C. Hao Corporation	Yung-cheng Kuo (17.2%), Chen-Kui Yen (51.6%), Yu-Lun Kuo (16.9%), Chih-Hao Kuo (14.3%)

Note: Table 1 and Table 2 shows data on the most recent book closure date.

(I) Director Information (2)

1. Disclosure of information on the professional qualifications of directors and independence of independent directors:

Qualifications Name	Professional qualifications and experience (Note)	Independence	Number of companies the person serves as an independent director
Chairperson Ying-Pin Hsieh	Education: Master's from Department of Business Management, National Sun-yat Sen University Expertise: Practical experience in steel management; Corporate administration Other main positions: None Past experience: Assistant Vice President, Planning Department, China Steel Corporation	1. The individual, spouse, or relative within the second degree of kinship is not a natural-person shareholder who holds 1% or more of the Company's outstanding shares or ranks as one of its top ten shareholders. 2. Did not provide commercial, legal, financial, or accounting services to the Company's affiliates within the past 2 years.	0
Director Chien-Chih Hwang	Education: Department of Economics, Tunghai University Expertise: Practical experience in steel and logistics; Marketing Other main positions: Chairperson of China Steel Corporation, Chairperson of China Steel Chemical Corporation, 23 rd term Executive Director of Taiwan Steel & Iron Industries Association. Past experience: Executive Vice President/Chief Information Security Officer/ Corporate Governance Officer, China Steel Corporation; Chairperson of Dragon Steel Corporation; Chairperson of Global Trading Corporation; Representative of China Steel Corporation's Japan Office and President of China Steel Global Trading Corporation (CSGT) Japan Branch; Vice President of Commercial Division, China Steel and Nippon Steel Vietnam	1. The individual, spouse, or relative within the second degree of kinship is not a natural-person shareholder who holds 1% or more of the Company's outstanding shares or ranks as one of its top ten shareholders. 2. Did not provide commercial, legal, financial, or accounting services to the Company's affiliates within the past 2 years.	0

Qualifications Name	Professional qualifications and experience (Note)	Independence	Number of companies the person serves as an independent director
	Joint Stock Company; Director of the 21 st Term of the Kaohsiung International Steel Business Association; Director of 6 th Chinese International Economic Cooperation Association; Executive Director of 22nd, Taiwan Steel & Iron Industries Association		
Director Shou-Tao Chen	Education: Department of Power Mechanical Engineering, Tsinghua University Expertise: Practical experience in steel management; Corporate administration Other main positions: President of China Steel Corporation; Chairperson of China Steel Machinery Corporation; 23rd term Executive Director of Taiwan Steel & Iron Industries Association Past experience: Vice President of Production, China Steel Corporation	1. The individual, spouse, or relative within the second degree of kinship is not a natural-person shareholder who holds 1% or more of the Company's outstanding shares or ranks as one of its top ten shareholders. 2. Did not provide commercial, legal, financial, or accounting services to the Company's affiliates within the past 2 years.	0
Director Chih-Feng Lee	Education: Master's from the Department of Mechanical Engineering, National Cheng Kung University Expertise: Practical experience in steel management; Mechanical engineering management Other main positions: Assistant Vice President of Engineering at China Steel Corporation Past experience: President of China Ecotek Corporation,	1. The individual, spouse, or relative within the second degree of kinship is not a natural-person shareholder who holds 1% or more of the Company's outstanding shares or ranks as one of its top ten shareholders. 2. Did not provide commercial, legal, financial, or accounting services to the Company's affiliates within the past 2 years.	0
Director Chen Yang	Education: Department of Chemical Engineering, National Taiwan University Expertise: Practical experience in steel management; Mechanical engineering management. Other main positions:	1. The individual, spouse, or relative within the second degree of kinship is not a natural-person shareholder who holds 1% or more of the Company's outstanding shares or ranks as one of its top ten shareholders.	0

Qualifications Name	Professional qualifications and experience (Note)	Independence	Number of companies the person serves as an independent director
	Assistant Vice President of Engineering of China Steel Corporation Past experience: Director of Smelting Equipment Engineering Department, China Steel Corporation	2. Did not provide commercial, legal, financial, or accounting services to the Company's affiliates within the past 2 years.	
Director Hsiu-Mei Liu	Education: Master of Accounting, Long Island University Expertise: Expertise in finance and accounting Other main positions: Vice President of the Management Department of Hua Eng Wire & Cable Co., Ltd. Past experience: Manager of the Accounting Department, Hua Eng Wire & Cable Co., Ltd.	1. The individual, spouse, or relative within the second degree of kinship is not a natural-person shareholder who holds 1% or more of the Company's outstanding shares or ranks as one of its top ten shareholders. 2. Did not provide commercial, legal, financial, or accounting services to the Company's affiliates within the past 2 years.	0
Director Yu-Lun Kuo	Education: MBA, College of Management, National Taiwan University Expertise: Practical experience in steel management; Marking; Corporate administration Other main positions: Vice President, Great Grandeul Steel Co., Ltd. Past experience: Special Assistant to the President, Great Grandeul Steel Co., Ltd.	1. The individual, spouse, or relative within the second degree of kinship is not a natural-person shareholder who holds 1% or more of the Company's outstanding shares or ranks as one of its top ten shareholders. 2. Did not provide commercial, legal, financial, or accounting services within the past 2 years.	0
Director Po-Nien Lin	Education: School of Business, University of Southern California, US Expertise: Marking; Corporate administration Other main positions: President of Bai Chien Trading Co., Ltd. Past experience: Special Assistant to the Chairperson of Bai Chien Trading Co., Ltd.	1. The individual, spouse, or relative within the second degree of kinship is not a natural-person shareholder who holds 1% or more of the Company's outstanding shares or ranks as one of its top ten shareholders. 2. Did not provide commercial, legal, financial, or accounting services to the Company's affiliates within the past 2 years.	0
Independent Director	Education: Ph.D. in Resource and Energy Economics, West	The three independent directors all met the following criteria in	1

Qualifications Name	Professional qualifications and experience (Note)	Independence	Number of companies the person serves as an independent director
Chia-Jung Chen	<p>Virginia University Expertise: Energy economics, resource engineering Other main positions: Honorary Professor of National Cheng Kung University Department of Resources Engineering ; Member of the National Sustainability Council, Executive Yuan ; Member of the Electricity Price Review Committee of the Ministry of Economic Affairs Past experience: Professor and Director of the Department of Resources Engineering and Vice dean of the College of Engineering, National Cheng Kung University</p>	<p>the two years before being elected and during their term as independent director:</p> <ol style="list-style-type: none"> 1. The independent director, his/her spouse, and relatives within the second degree of kinship is not a director, supervisor, or employee of the Company or its affiliates. 2. The individual, spouse, or relative within the second degree of kinship is not a natural-person shareholder who holds 1% or more of the Company's outstanding shares or ranks as one of its top ten shareholders. 3. The independent director is not a director, supervisor, or employee of a company with a specific relationship with the Company. 4. Did not provide commercial, legal, financial, or accounting services to the Company's affiliates within the past 2 years. 5. Meets independence criteria set forth in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies in the two years before being elected and during the term as independent director. 	
Independent Director Po-Han Wang	<p>Education: MBA, National Sun Yat-sen University Expertise: Expertise in finance and accounting. Has accountant qualifications Other main positions: Director, Xiangwei & Co., CPAs Past experience: Manager, Audit Department, Deloitte Taiwan</p>		1
Independent Director Tai-Kuang Peng	<p>Education: Ph.D. in Business Administration, Texas Tech University Expertise: Corporate management Other main positions: Adjunct Professor at the College of Management, I-Shou University Past experience: Dean of the College of Management and International College, I-Shou University</p>		0

Note: All Board members meet the criteria, have at least 5 years of work experience, and do not have any of the situations specified in Article 30 of the Company Act.

2.Board diversity and independence

(1) Diversity of the Board of Directors:

The Company incorporated the concept of diversity into the Regulations Governing the Election of Directors pursuant to the Sample Template for Procedures for Election of Directors announced by the Taiwan Stock Exchange Corporation. The election of directors must account for basic qualifications and values as well as professional knowledge and skills (e.g., law, accounting, industry, finance, marketing, or technology) to ensure that board members have the knowledge, skills, and attainments generally required for performing their tasks. The Company specified in the Corporate Governance Best-Practice Principles that Directors who serve concurrently as the Company's managerial officers should not exceed one third of all Directors.

Considering the overall composition of the Board of Directors, the specific objective is to ensure that the Board is composed of members with diverse genders, ages, professional knowledge, and backgrounds, with at least one member possessing a professional background in finance and accounting. Currently, the Company's Board of Directors consists of 11 members (including 3 independent directors), with professional knowledge and expertise covering various fields such as engineering management, energy economics, industrial marketing, business management, information technology, finance, and accounting. This fully implements the goal of board diversity, providing valuable insights across various aspects of the Company's operations and financial matters.

The selection of directors for the Company is based on the foundation of establishing a solid and effective Board of Directors. It is essential to consider directors with diverse professional knowledge and backgrounds, aligned with the Company's future operational development needs. Given that experts with industry-related experience and knowledge are predominantly male, currently, among the 11 members of the Company's Board of Directors, only 2 are female directors. However, the Company is committed to enhancing gender diversity on the Board and conveying this objective to shareholders. It plans to increase the

number of female directors by 1 to 2 seats during 2026 (12th term) director election, with the goal of achieving at least one-third (33%) female representation on the Board. Shareholders are encouraged to nominate female candidates during the director election process.

Implementation status of the diversity policy for the Company's current board members:

Core items of diversification Name of director	Basic Composition							Industry experience and professional competencies						
	Gender	Concurrent Role as Company Employee	Age distribution			Term of Independent Director			Business management	Leadership and decision making	Knowledge of the industry	Financial accounting	Industrial Marketing	Information technology
			50 and under	51 to 60	Over 60	3 years and under	4 to 8 years	Over 9 years						
Chairman Ying-Pin Hsieh	Male				✓				✓	✓	✓			
Director Chien-Chih Hwang	Male				✓				✓	✓	✓		✓	✓
Director Shou-Tao Chen	Male				✓				✓	✓	✓			✓
Director Chih-Feng Lee	Male			✓					✓	✓	✓		✓	
Director Chen Yang	Male				✓				✓	✓	✓		✓	
Director Hsiu-Mei Liu	Female				✓				✓	✓	✓	✓		
Director Yu-Lun Kuo	Female		✓						✓	✓	✓		✓	
Director Po-Nien Lin	Male			✓					✓	✓	✓		✓	
Independent director Chia-Jung Chen	Male				✓		✓			✓	✓			✓
Independent director Po-Han Wang	Male		✓				✓			✓	✓	✓		
Independent director Tai-Kuang Peng	Male				✓		✓		✓	✓	✓			✓

- (2) Independence of the Board of Directors: The Company's Board of Directors consists of 11 members, of which 3 are independent directors, accounting for 27% of the total board. All independent directors maintain their independence in the execution of their duties, with no direct or indirect interest in the Company. They serve on the Audit Committee and are responsible for overseeing the proper presentation of the financial statements, the appointment (or dismissal) of the external auditor and their independence and performance, the effective implementation of the Company's internal controls, the Company's compliance with relevant laws and regulations, and the management of the Company's existing or potential risks.

There are no spousal or direct familial relationships within the Board of Directors (including independent directors) up to the second degree of kinship. Additionally, the positions of Chairman and President are held by different individuals. Furthermore, in accordance with Article 20, Paragraph 1 of the Company's 'Rules of Procedure for Board of Directors Meetings, "It is stipulated that if a director has a personal or financial interest in any matter discussed at a meeting, they must disclose the nature of the interest at the meeting. If such an interest could be detrimental to the Company's interests, the director shall refrain from participating in the discussion or voting and must recuse themselves from the discussion and voting. The director may not delegate another director to exercise their voting rights." All directors of the Company comply with this regulation, ensuring the independence of the Board's operations.

(II) Information on president, vice presidents, and accounting officer

March 31, 2025

Title	Nationality	Name	Gender	Date elected (appointed)	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Education and work experience (Note 1)	Concurrently held positions in other companies	Other managerial officer who is the spouse or a relative within the second degree			Notes (Note 2)
					Number of Shares	Shareholding percentage (%)	Number of Shares	Shareholding percentage (%)	Number of Shares	Shareholding percentage (%)			Title	Name	Relationship	
President	Republic of China	Yung-Yu Chiang	Male	2025.01.01	0	-	-	-	-	-	Department of Electrical Engineering, National Cheng Kung University Director, Public Utilities Department, China Steel Corporation	Chairperson of CSC Solar Corporation, Director of Pro-Ascentek Investment Corporation, Director of Eminent III Venture Capital Corporation, Supervisor of China Steel Machinery Corporation	-	-	-	N/A
Vice President of Engineering Department	Republic of China	Chien-Chih Chen	Male	2021.04.30	897	-	-	-	-	-	Department of Industrial Engineering and Management, National Kaohsiung University of Science and Technology Assistant Vice President of Engineering Group, China Ecotek Corporation	-	-	-	-	
Vice President of Administration Department and Chief Corporate Governance Officer	Republic of China	Li-Ming Hu	Male	2020.09.30	0	-	-	-	-	-	Master's from Department of Business Management, University of Oklahoma, USA Assistant Vice President of Administration Division, China Ecotek Corporation	Director of Xiamen Mao Yu Import and Export Trading Ltd.	-	-	-	

Assistant Vice President and Accounting Officer	Republic of China	Ya-Min Chuang	Female	2020.09.30	0	-	-	-	-	-	Department of Accounting, Tunghai University Manager of the Finance & Accounting Department, China Ecotek Corporation	Supervisor of Chiun Yu Investment Corporation, Jing-Cheng-Fa Investment Corporation, Chi-Yi Investment Corporation, and Hung-chuan Investment Corporation	-	-	-	
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Note 1: The Company's president, vice presidents, accounting officer, and heads of each department and branch have not held any position at the accounting firm or its affiliates.

Note 2: Where the Chairperson, President, or individual with equivalent roles (highest-ranking managerial officer) are the same individual, spouses, or relatives within the first degree of kinship, the Company shall specify related information regarding the reason, reasonableness, necessity, and response measures (e.g., appointment of additional independent directors and requiring the appointment of more than half of the directors from individuals who are not employees or managerial officers).

II. Remuneration Paid to Directors, President, and Vice President in the Most Recent Year

(I) Remuneration Paid to Directors and Independent Directors

December 31, 2024; Unit: NT\$ thousand

Title	Name	Director's remuneration								Total remuneration (A+B+C+D) as a percentage of net income after tax (%)		Remuneration received as the Company's employee								Total remuneration (A+B+C+D+E+F+ G) as a percentage of net income after tax (%)		Remuneration received from investees other than subsidiaries or the parent company
		Remuneration (A)		Severance pay and pension (B)		Directors' remuneration (C)		Business execution expenses (D)				Salary, bonus and special allowance (E)		Severance pay and pension (F)		Employee bonuses (G)						
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report				
																Cash dividend amount	Stock dividend amount	Cash dividend amount	Stock dividend amount			
Director	China Steel Corporation	0	0	0	0	4,023	4,023	1,027	1,027	5,050 and 1.01	5,050 and 1.01	11,434	11,434	0	0	49	0	49	0	16,533 and 3.29	16,533 and 3.29	16,313
Representative of director	Ying-Pin Hsieh																					
Representative of director	Cheng-Chiang Chen (Note 1)																					
Representative of director	Shou-Tao Chen																					
Representative of director	Chao-Tung Wong (Note 2)																					
Representative of director	Chien-Chih Hwang																					
Representative of director	Shyi-Chin Wang (Note 3)																					
Representative of director	Chen Yang																					

Representative of director	Chih-Feng Lee																					
Director	Hua Eng Wire & Cable Co., Ltd.																					
Representative of director	Hsiu-Mei Liu																					
Director	Great Grandeur Steel Co., Ltd.																					
Representative of director	Yu-Lun Kuo																					
Director	Chin Ho Fa Steel & Iron Co., Ltd. (Note 1)																					
Representative of director	Tsan-Jen Chen (Note 1)																					
Director	Bai-Chien Investment Co., Ltd.																					
Representative of director	Po-Nien Lin																					
Independent Director	Chia-Jung Chen																					
	Po-Han Wang	1,800	1,800	0	0	0	0	491	491	2,291 and 0.46	2,291 and 0.46	0	0	0	0	0	0	0	0	2,291 and 0.46	2,291 and 0.46	0
	Tai-Kuang Peng																					
*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 NT\$50,000 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. *Other than as disclosed in the above table, the remuneration of directors providing services (e.g. providing consulting services as a non-employee) to the Company and all consolidated entities in the latest fiscal year: None Note 1: China Steel Corporation appointed Ying-Pin Hsieh as the new representative to replace Cheng-Chiang Chen on April 30, 2024. Note 2: China Steel Corporation appointed Shou-Tao Chen as the new representative to replace Chao-Tung Wong on May 18, 2024. Note 3: China Steel Corporation appointed Chien-Chih Hwang as the new representative to replace Shyi-Chin Wang on September 10, 2024.																						

Remuneration Range Table

Remuneration range for each director in this Company	Name of director			
	Total amount of the 4 preceding remunerations (A+B+C+D)		Total amount of the 7 preceding remunerations (A+B+C+D+E+F+G)	
	The Company	All companies in the financial report	The Company	All companies in the financial report
Less than NT\$1,000,000	Hua Eng Wire & Cable Co., Ltd., Great Grandeul Steel Co., Ltd., Bai-Chien Investment Co., Ltd., Po-Nien Lin, Chia-Jung Chen, Po-Han Wang, Tai-Kuang Peng	Hua Eng Wire & Cable Co., Ltd., Great Grandeul Steel Co., Ltd., Bai-Chien Investment Co., Ltd., Po-Nien Lin, Chia-Jung Chen, Po-Han Wang, Tai-Kuang Peng	Hua Eng Wire & Cable Co., Ltd., Great Grandeul Steel Co., Ltd., Bai-Chien Investment Co., Ltd., Po-Nien Lin, Chia-Jung Chen, Po-Han Wang, Tai-Kuang Peng	Hua Eng Wire & Cable Co., Ltd., Great Grandeul Steel Co., Ltd., Bai-Chien Investment Co., Ltd., Po-Nien Lin, Chia-Jung Chen, Po-Han Wang, Tai-Kuang Peng
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	None	None	None	None
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	China Steel Corporation	China Steel Corporation	China Steel Corporation, Cheng-Chiang Chen	China Steel Corporation, Cheng-Chiang Chen
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	None	None	Ying-Pin Hsieh	Ying-Pin Hsieh
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	None	None	Chih-Feng Lee	Chih-Feng Lee
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	None	None	None	None
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	None	None	None	None
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	None	None	None	None
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	None	None	None	None
Higher than NT\$100,000,000	None	None	None	None
Total	8	8	11	11

Note: 1. Except for Po-Nien Lin, representative of Bai-Chien Investment Co., Ltd., the Company's remuneration to directors is paid to the institutional shareholder and not the representative.

2. Remuneration includes salaries and employee bonuses for representatives of institutional directors who are concurrently employees of the Company.

(II) Remunerations to the president and vice presidents

December 31, 2024; Unit: NT\$ thousand

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances, etc. (C)		Employee bonuses (D)				Total remuneration (A+B+C+D) as a percentage of net income after tax (%)		Remuneration received from investees other than subsidiaries or the parent company
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report			
						Cash dividend amount	Stock dividend amount	Cash dividend amount	Stock dividend amount					
President	Chih-Feng Lee	6,953	6,953	0	0	6,202	6,202	139	0	139	0	13,294 and 2.65	13,294 and 2.65	193
Vice President	Li-Ming Hu													
Vice President	Chien-Chih Chen													

Remuneration Range Table

Range of remuneration paid to presidents and vice presidents	Names of president and vice presidents	
	The Company	All companies in the financial report
Less than NT\$1,000,000	None	None
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	None	None
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	None	None
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	Li-Ming Hu, Chien-Chih Chen	Li-Ming Hu, Chien-Chih Chen
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Chih-Feng Lee	Chih-Feng Lee
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	None	None
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	None	None
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	None	None
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	None	None
Higher than NT\$100,000,000	None	None
Total	3	3

(III) Names of managerial officers that received employee bonuses and status of the distribution

December 31, 2024; Unit: NT\$ thousand

	Title	Name	Stock amount	Cash amount	Total	Ratio of total amount to net income (%)
Managerial Officers	President	Chih-Feng Lee	-	178	178	0.04
	Vice President	Li-Ming Hu				
	Vice President	Chien-Chih Chen				
	Assistant Vice President and Accounting Officer	Ya-Min Chuang				

(IV) Analysis of remuneration to directors, presidents and vice presidents of the Company as a percentage of the net income after tax. Explanation of remuneration policies, standards and combination of the procedures in determining remuneration, and association with business performance and future risks:

Total remuneration and as a percentage of net income after tax					
Title	2023		2024		Percentage of change
	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	
Director	3.44%	3.44%	3.75%	3.75%	9.01%
President and Vice President	2.37%	2.37%	2.65%	2.65%	11.81%

Remuneration policies, standards and combination of the procedures in determining remuneration, and association with business performance and future risks:

1. Directors: Pursuant to Article 27-1 of the Company's Articles of Incorporation, transportation expenses of directors, remuneration of independent directors, and salary of the chairperson shall be determined by the board of directors according to the relevant standards adopted in the industry and TWSE/TPEX listed companies. The Company's independent directors only receive a fixed amount of compensation and do not take part in the distribution of remuneration to directors. Pursuant to Article 32 of the Articles of Incorporation: "If the Company has profit for the year, the Board of Directors shall resolve to allocate no more than 1% as directors' remuneration. According to Article 9 of the Company's

Board of Directors Performance Evaluation Guidelines, the performance evaluation results of individual directors (excluding independent directors) are used as the basis for the distribution of remuneration to directors. The evaluation covers: Understanding of company goals and missions, understanding of director responsibilities, level of participation in company operations, internal relationship management and communication, director's specialty and continuing education, and internal controls. The Company has completed 2024 Board performance evaluation and establish director's remuneration distribution principles according to the Regulations Governing the Evaluation of Board Performance. Director's remuneration will be distributed according to the principles.

2. President and vice presidents: Reasonable remuneration is determined for the president and vice presidents based on the Company's business performance and their individual performance, as well as standards of the industry and public companies, and is in accordance with the Company's "Regulations for Distribution of Performance Bonuses from Earnings" and "Regulations for Distribution of Employee Bonuses." To encourage senior management to prioritize business performance and achieve sustainable development goals, the Company has incorporated ESG-related performance evaluation items into the individual performance assessments of senior management starting from 2022, and their performance targets and performance appraisal items were set at the beginning of the year based on their duties and positions they were scored at the end of the year serving as the basis for the annual salary adjustments, bonuses, and employee compensation distribution.. The evaluation items include the Company's business performance, indicators linked to ESG-related performance evaluation items and implementation, the Company's development and strategy planning, corporate governance, and labor safety management. Related performance evaluation and the salary and the reasonableness of remuneration must be reviewed by the Remuneration Committee and the Board of Directors. The remuneration system shall also be reviewed based on actual business operations and changes in regulations to balance the Company's sustainable development and risk management.

III. Implementation of Corporate Governance

(I) Operation of Board of Directors

A total of 7 (A) Board meetings were held between January 2024 and March 2025. The attendance of directors was as follows:

Title	Name	Representative	Attendance in person (B)	Attendance by proxy	Required attendance (A)	Actual attendance rate (%) (B/A)	Notes
Chairperson	China Steel Corporation	Ying-Pin Hsieh	6	0	6	100	Assumed office on April 30, 2024
Chairperson		Chien-Chih Chen	1	0	1	100	Resigned on April 30, 2024
Director		Shou-Tao Chen	5	0	5	100	Assumed office on May 18, 2024
Director		Chao-Tung Wong	2	0	2	100	Resigned on May 18, 2024
Director		Chien-Chih Hwang	2	1	3	66.7	Assumed office on September 10, 2024
Director		Shyi-Chin Wang	4	0	4	100	Resigned on September 10, 2024
Director		Chih-Feng Lee	6	1	7	85.7	
Director		Chen Yang	7	0	7	100	
Director	Hua Eng Wire & Cable Co., Ltd.	Hsiu-Mei Liu	7	0	7	100	
Director	Great Grandeur Steel Co., Ltd.	Yu-Lun Kuo	7	0	7	100	
Director	Bai-Chien Investment Co., Ltd.	Po-Nien Lin	7	0	7	100	
Independent Director	Chia-Jung Chen	-	7	0	7	100	
Independent Director	Po-Han Wang	-	6	1	7	85.7	
Independent Director	Tai-Kuang Peng	-	7	0	7	100	

Other details that need to be recorded in meeting minutes:

- I. If any of the following circumstances occurs in the operation of the Board of Directors, the date, period, content of the motions, the opinions of all independent directors, and the Company's handling of independent directors' opinions shall be stated:
- (I) Items specified in Article 14-3 of the Securities and Exchange Act: Refer to Item 1 (1) in "Other matters that should be recorded" in the "State of operations of the Audit Committee" on page 32~34 of the Annual Report.
- (II) In addition to the aforementioned matters, other Board meeting resolutions with independent directors' dissenting and unqualified opinions in records or written statements: None.
- II. Specify the name of the director, agenda item, reason for recusal, and participation in voting of directors who recused themselves from agenda items they have a conflict of interest: The director or legal person represented had a conflict of interest in the following agenda items, so the director or representative recused him/herself from the discussion and voting:

Meeting date	Agenda	Name of director who recused him/herself	Reason for recusal
2024/05/02	A donation of NT\$300,000 to the China Steel Group Education Foundation.	Chao-Tung Wong, Shyi-Chin Wang	The legal entity represented by the director is a related party of the donation recipient.
	Passed performance evaluation and review results for the President and Vice Presidents for 2023.	Chih-Feng Lee	Conflict of interest
	Evaluated and issued the proposed performance bonus for the Chairperson, President, and Vice Presidents.	Chih-Feng Lee	Conflict of interest
	Passed the items for the business management performance evaluation of the President and Vice Presidents in 2024.	Chih-Feng Lee	Conflict of interest
	Appointed Mr. Ying-Pin Hsieh as a salaried consultant for the Company.	Ying-Pin Hsieh	Conflict of interest
2024/08/02	Evaluated and issued the remuneration distribution for the Chairperson, President and Vice Presidents.	Chih-Feng Lee	Conflict of interest
2024/11/01	Determined the remuneration for the newly appointed Chairperson of the Board.	Ying-Pin Hsieh	Conflict of interest
	Passed the salary adjustment of the, President, Vice President of Administration Dept., and Vice President of Engineering Dept..	Chih-Feng Lee	Conflict of interest

- III. Implementation of Board performance evaluations:
- The Company established the Board of Directors Performance Evaluation Guidelines for the annual internal performance evaluation of the Board of Directors. The Company shall appoint an external professional independent agency or a team of external experts and scholars to conduct an external performance evaluation at least once every three years. The scope of the evaluation includes the performance evaluation of the board as a whole, individual directors, and functional committees.

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Internal evaluations shall be implemented each year and an external evaluation shall be implemented at least once every three years.	2024.01.01~2024.12.31	Board of Directors, Board members, and functional committees under the Board of Directors	In addition to the self-evaluation, the evaluations are conducted in accordance with the Company's "Board of Directors Performance Evaluation Guidelines" and the Company appointed Taiwan Corporate Governance Association for the external performance evaluation on September 19, 2022.	<p>(1) The criteria for evaluating the performance of the Board of Directors shall cover at least the following five aspects:</p> <p>A. Participation in the operation of the Company</p> <p>B. Improvement of the quality of the Board of Directors' decision making</p> <p>C. Composition and structure of the Board of Directors</p> <p>D. Election and continuing education of the Directors</p> <p>E. Internal control</p> <p>(2) The criteria for evaluating the performance of the Directors shall cover at least the following six aspects:</p> <p>A. Familiarity with the goals and missions of the Company</p> <p>B. Awareness of the duties of Directors</p> <p>C. Participation in the operation of the Company</p> <p>D. Management of internal relationship and communication</p> <p>E. The Director's professionalism and continuing education</p> <p>F. Internal control</p> <p>(3) The measurement items of functional committee performance evaluation shall cover the following five aspects:</p> <p>A. Participation in the operation of the Company</p> <p>B. Awareness of the duties of the functional committee</p> <p>C. Improvement of the quality of the functional committee's decisions</p> <p>D. Composition and election of members of the functional committee</p> <p>E. Internal control</p>

The performance evaluation of the Board of Directors and functional committees in 2024 include 20 self-evaluation indicators. The maximum score for each self-evaluation indicator is 5 points. The evaluation results were reported to the Board of Directors on February 26, 2025, and are summarized as follows:

- (I) Board performance evaluation: Total average score of the questionnaire: 94.82 points. Total average indicator score: 4.74 points. The indicator with an average score lower than the overall average score was “members of the Board of Directors have sufficient knowledge of the Company, its management team, and its industry” and “sufficient communication and exchange between the board of directors and the auditing accountant.” for which the score was 4.64 points. The repetitive indicator with relatively low scores was the "Director's attendance in shareholders' meetings" for which the score was 3 points.
- (II) Performance evaluation of directors: Total average score of the questionnaire: 96.73 points. Total average indicator score: 4.84 points.

(III) Results of the performance evaluation of the Audit Committee: Total average score of the questionnaire: 98.67 points. Total average indicator score: 4.93 points.

(IV) Results of the performance evaluation of the Remuneration Committee: Total average score of the questionnaire: 100 points. Total average indicator score: 5.00 points.

The Company appointed Taiwan Corporate Governance Association to conduct an external performance evaluation of the Board of Directors every three years. The most recent evaluation period was from October 1, 2021 to September 30, 2022. The Company obtained the evaluation report issued by the Association on November 21, 2022 and reported results to the 20th meeting of the 10th-term Board of Directors on December 21, 2022.

IV. Goals for enhancing Board functions and evaluation of implementation in the current year and most recent year:

(I) Established the Regulations Governing Procedures for Board of Directors Meetings as the basis for Board operations.

(II) Established standard operating procedures for handling directors' request, in order to assist directors in performing their duties and improve Board performance.

(III) Important resolutions adopted by the Board of Directors are all announced on the company website, and liability insurance has been purchased for directors.

(IV) Established a Compensation Committee, established and periodically reviewed the reasonableness of directors and managerial officers' remuneration policy, system, standards, and structure, and submitted recommendations to the Board of Directors for discussion.

(V) Established an Audit Committee responsible for evaluation of the effectiveness of internal controls and other material matters specified by the Company or competent authority, and submitted recommendations to the Board of Directors for discussion.

(VI) Appointed the Vice President of Administration Group as the corporate governance officer.

(VII) Regularly or irregularly announces material financial and business information according to laws and regulations.

V. Is at least one independent director in attendance during each Board meeting: Yes.

(II) Operation of the Audit Committee

The Company's Audit Committee is formed by 3 independent directors. The Audit Committee assists the Board of Directors in supervising the Company's quality and integrity with respect to accounting, audit, financial reporting procedures, and financial controls. The Audit Committee convened 7 meetings between January 2024 and March 2025, and matters reviewed mainly include:

1. Review of the establishment or amendments to the internal control system according to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. Review of the establishment or amendments to asset acquisition/disposal procedures, derivative trading procedures, procedures on loans to others, endorsement and guarantee procedures, and other procedures of major financial consequences as specified in Article 36-1 of the Securities and Exchange Act.
4. Review of matters in which a director is an interested party.
5. Review of material asset or derivatives transactions.
6. Review of loans of funds, endorsements, or provision of guarantees of a material nature.
7. Review of the offering, issuance, or private placement of equity-type securities.
8. Review of the appointment, dismissal, or compensation of the certifying CPAs.
9. Review of the appointment and removal of the financial, accounting, or internal auditing officers.
10. Review and audit of the quarterly and annual financial statements signed or sealed by the Chairperson, managerial officer, and chief accounting officer and the first, second, and third-quarter financial report audited and certified by the CPA.
11. Other material matters specified by the Company or competent authority.

Key work items this year are summarized below:

1. Financial Assessment Report

Review the 2024 Business Report, financial statements and consolidated financial statements, and earnings distribution proposal, and submit them to the Board of Directors for approval. After the financial statements are audited by the CPAs, the Audit Committee will prepare an audit report for acknowledgment by the 2025 Shareholder's Meeting. The business report, financial statements, and earnings distribution proposal have been reviewed by the Audit Committee as correctly portraying the Company's business activities.

2. Evaluate the effectiveness of the internal control system

Evaluate the effectiveness of policies and procedures (including financial, operational, risk management, information security, and compliance control measures) of the Company's internal control system, and review periodic reports submitted by the Internal Audit Office, CPAs, and management. The Audit Committee believes that the Company's risk management and internal control system is effective, and the Company has taken necessary control mechanisms to supervise and rectify violations.

3. Appointment of CPAs

To ensure the independence of the accounting firm, the Audit Committee evaluates the independence, professionalism, and suitability of the CPAs, and verifies if they are related parties or have business or financial interests in the Company. The Audit Committee reviewed and approved the "2023 Audit Quality Indicators (AQIs)" evaluation report provided by the CPAs on February 26, 2025 and all items met standards in the independence evaluation.

A total of 7 (A) Audit Committee meetings of the 11th term Board of

Directors were held between January 2024 and March 2025. The attendance of independent directors was as follows:

Title	Name	Attendance in person (B)	Number of Proxy Attendances	Required attendance	Actual attendance rate (%) (B/A)	Notes
Independent Director	Po-Han Wang	6	1	7	85.7	None
Independent Director	Chia-Jung Chen	7	0	7	100	None
Independent Director	Tai-Kuang Peng	6	1	7	85.7	None

Other details that need to be recorded in meeting minutes:

I. Where any of the following circumstances occurs with respect to the operations of the Audit Committee, the date of Audit Committee meeting, session, details of the motions, contents of independent directors' dissenting opinions, reserved opinions, or significant recommendations, the resolutions from the Audit Committee, and measures taken in accordance with the Audit Committee's recommendations, shall be specified.

(I) Items specified in Article 14-5 of the Securities and Exchange Act:

Date and session of Audit Committee meeting	Agenda	Independent Director's Opinions or Significant Suggestions.	Resolutions of the Audit Committee
2024.02.27 11 th -term 4 th Audit Committee & Board meeting	Discussion item 1: The Company's 2023 Business Report and financial statements.	No comments were made.	Passed with the approval of all members in attendance.
	Discussion item 2: 2023 earnings distribution proposal.	No comments were made.	Passed with the approval of all members in attendance.

	Discussion item 3: Prepared the 2023 Statement of Internal Control System.	No comments were made.	Passed with the approval of all members in attendance.
	Discussion item 4: The Independent Auditor's Independence and Competence Assessment Report.	No comments were made.	Passed with the approval of all members in attendance.
	Discussion item 5: The lease agreement of CSC for the "Former China Steel Structure Corporation's First Administrative Building and Machine Room" is set to expire, and there are plans to renew the contract.	No comments were made.	Passed with the approval of all members in attendance.
2024.05.02 11 th -term 5 th Audit Committee & Board meeting	Discussion item 1: Passed the draft of the Consolidated Financial Statements and Independent Auditors' Review Report for the first quarter of 2024.	No comments were made.	Passed with the approval of all members in attendance.
	Discussion item 2: Proposal to donate to CSC Group Education Foundation.	No comments were made.	Passed with the approval of all members in attendance.
2024.07.02 11 th -term 6 th Audit Committee & Board meeting	Discussion Item 1: Investment of up to NT\$50 million in Taiwan Bio-Manufacturing Corporation	No comments were made.	Passed with the approval of all members in attendance.
2024.08.02 11 th -term 7 th Audit Committee & Board meeting	Discussion item 1: Passed the draft of the Consolidated Financial Statements and Independent Auditors' Review Report for the second quarter of 2024.	No comments were made.	Passed with the approval of all members in attendance.
2024.11.01 11 th -term 8 th Audit Committee & Board meeting	Discussion item 1: Passed the draft of the Consolidated Financial Statements and Independent Auditors' Review Report for the third quarter of 2024.	No comments were made.	Passed with the approval of all members in attendance.
	Discussion item 2: Revision of certain provisions in the Company's "Internal Control System Manual."	No comments were made.	Passed with the approval of all members in attendance.
	Discussion Item 3: Investment of up to NT\$35 million in Honley Auto. Parts Co., Ltd.	No comments were made.	Passed with the approval of all members in attendance.
2024.12.30 11 th -term 9 th Audit Committee & Board meeting	Discussion item 2: Approval of the appointment and dismissal of the chief Auditor.	No comments were made.	Passed with the approval of all members in attendance.
2025.02.26 11 th -term 10 th Audit Committee & Board	Discussion item 1: The Company's 2024 Business Report and financial statements.	No comments were made.	Passed with the approval of all members in attendance.
	Discussion item 2: 2024 earnings distribution proposal.	No comments were made.	Passed with the approval of all members in attendance.

		were made.	
	Discussion item 3: Prepared the 2024 Statement of Internal Control System.	No comments were made.	Passed with the approval of all members in attendance.
	Discussion item 4: Assessment report on the independence and competence of the CPAs	No comments were made.	Passed with the approval of all members in attendance.

(II) Any issues apart from the aforementioned matters that are not agreed upon by the Audit Committee but passed by more than two thirds of all directors: None.

II. If independent directors recused from themselves from an agenda item in which they have a conflict of interest, specify the name of the independent director, agenda item, reason for recusal, and participation in voting: None.

III. Communication between independent directors and internal auditors and accountants

(I) Communication between independent directors and chief internal auditor:

The Company's chief internal auditor attends Audit Committee meetings and routine Board meetings without voting rights and reports the recent implementation of auditing. The chief internal auditor fully communicates with independent directors regarding the contents of audits, deficiencies found in the internal control system, and improvement and tracking of abnormalities. The Internal Audit Office provides written audit reports and improvement tracking reports to independent directors every 2 months, and directly communicates with independent directors via e-mail, telephone, or face-to-face when necessary.

Interactions between independent directors and chief internal auditor in 2024:

Date	Main Points of Communication	Opinions of the Independent Directors	Response to the Opinions of Independent Directors
2024.02.27	Report of the implementation status of the 2024 Audit Plan	No opinions issued	N/A
	Prepared the 2024 Statement of Internal Control System	Approved	N/A
2024.05.02	Report of the implementation status of the 2024 Audit Plan	No opinions issued	N/A
2024.08.02	Report of the implementation status of the 2024 Audit Plan	No opinions issued	N/A
2024.11.01	Report of the implementation status of the 2024 Audit Plan	No opinions issued	N/A
2024.12.30	Report of the implementation status of the 2024 Audit Plan	No opinions issued	N/A
	Formulation of the 2025 Internal Audit Plan	Approved	N/A

(II) Communication between independent directors and CPAs

The Company's CPAs communicate and discuss matters relating to financial statements

during routing Board meetings each quarter. The Company's CPAs may communicate during individual meetings with Audit Committee members or independent directors based on their professional judgment.

Communication among independent directors, audit managers and CPAs in 2024:

Date	Main Points of Communication	Opinions of the Independent Directors	Response to the Opinions of Independent Directors
2024.12.30	Mainly discussed the 2024 financial statement audit method, significant risks and key audit matters, independence of CPAs, and Audit Quality Indicators (AQIs).	No opinion during the meeting	N/A

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

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Does the company establish and disclose its corporate governance principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies?	V		The Company established Corporate Governance Best Practice Principles on December 20, 2018, and has revised the principles in response to amendments to laws and regulations. The most recent revision was the third revision by the Board of Directors on September 29, 2022, which was disclosed on the MOPS and company website.	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
II. Company stock equity structure and shareholder equity (I) Did the company establish internal procedures for addressing shareholder suggestions, doubts, disputes, and litigation matters and implement the procedures accordingly?	V		The Company has established a spokesperson system and other related internal procedures, and personnel can implement the procedures accordingly. If shareholders have any recommendations or disputes regarding stock affairs, the Company has dedicated personnel and a stock affairs agency to handle shareholders' recommendations, questions, disputes, and lawsuits.	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Does the company have a list of major shareholders that have actual control over the Company and a list of ultimate owners of those	V		The Company has list of major shareholders that have actual control over the Company at all times and has appointed the shareholder service agency — President Securities	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
major shareholders?			Corporation for assistance.	
(III) Does the company establish and implement risk management and firewall systems within its conglomerate structure?	V		The Company established Management Guidelines for Related Party Transactions, which regulates transactions between affiliated enterprises. The content includes management procedures for transactions such as the purchase and sales of goods and acquisition or disposal of assets, and requirements for submitting related material transactions to the Board of Directors for approval and report to the shareholders' meeting. The Company also established internal control and internal audit regulations for supervising subsidiaries to strictly control risks.	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(IV) Does the company establish internal rules against insiders trading with undisclosed information?	V		The Company established the "Procedures for Handling Internal Material Information" and "Guidelines for Appointment of Spokesman and Deputy Spokesman" and the Board of Directors approved the establishment of the "Regulations Governing Prevention of Insider Trading", which prohibit insiders of the Company from trading securities using undisclosed information in the market. We also announced relevant regulations prohibiting	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>insider trading so that those who cause damage to the Company's properties or interests shall be held legally liable through appropriate channels. Article 9 of the Company's "Regulations Governing Prevention of Insider Trading" states: "During the closed period of 30 days prior to the announcement of the annual financial statements and 15 days prior to the announcement of the quarterly financial statements, the Directors, Managerial Officer, Vice Presidents, and Accounting Officer of the Company may not buy or sell securities of the Company on their own or in the name of others." Starting from the 19th meeting of the 10-term Board of Directors on November 3, 2022, the Finance & Accounting Department will notify such individuals by email of the aforementioned closed period prior to the announcement of the financial statements. The Company provides an insider trading prevention course briefing to the current Directors at least once each year and sent the "2024 Insider Trading Prevention Course" briefing</p>	

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			to the current Directors by email on November 4, 2024. We also placed the insider trading prevention and education course briefings on the Company's internal official website for employees to view, and they were viewed 465 times.	
III. Board compositions and responsibilities (I) Has the Board of Directors established a diversity policy and specific management goals, and implemented them accordingly?	V		1.The Company set forth its diversity policy in "Chapter 3 Enhancing the Functions" of the Board of Directors in the Corporate Governance Best Practice Principles. The Company's Board members are nominated and selected using the candidate nomination system according to the Articles of Incorporation. Besides evaluating the academic background and experience of candidates, the opinions of stakeholders are also taken into consideration, ensuring the diversity and independence of Board members according to the "Regulations Governing the Election of Directors" and "Corporate Governance Best Practice Principles." 2.Among the 11 directors (including 3 independent directors) of the 11th-term	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>Board of Directors, the directors possess expertise in various fields, including project management, energy economics, industrial marketing, business management, and accounting and finance. Ying-Pin Hsieh, Chih-Feng Lee, and Chen Yang have practical experience in construction management; Chien-Chih Hwang, Shou-Tao Chen, Yu-Lun Kuo, Po-Nien Lin, and Tai-Kuang Peng have an expertise in business or Corporate management; Hsiu-Mei Liu and Po-Han Wang have an expertise in accounting or finance; Chia-Jung Chen has professional knowledge on energy economics, fully achieving the goal of Board diversity. The directors have provided excellent advice for the Company's business and finances.</p> <p>3. Of the Company's current directors, 0% are employees of the Company, 27% are independent directors and 18% are female directors. All 3 independent directors have held the position for less than 9 years. 2 directors are</p>	

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			above 70 years old, 5 directors are 61-70 years old, 2 directors are 51-60 years old, and 2 directors are under 50 years old. The Company attaches importance to gender equality in its Board composition and aims to increase the proportion of female directors to more than one third (i.e., 33%). The Board of Directors currently has 82% male members (9 members) and 18% female members (2 members). The Company plans to increase 1-2 female director seats in the next board election to achieve the target.	
(II) Does the company voluntarily establish other functional committees in addition to the Compensation Committee and Audit Committee?	V		The Company has established a Compensation Committee and Audit Committee, each formed by three independent directors. The Company also established a Corporate Sustainable Development Committee to implement ESG and sustainable development work.	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(III) Does the company establish standards and methods for evaluating Board performance, conduct annual performance evaluations, submit	V		The Company established Regulations Governing the Evaluation of Board Performance, and evaluates the performance of the Board of Directors, individual Board members, and functional committees	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
performance evaluation results to the Board, and use the results as a basis for determining the remuneration and nomination of individual directors?			<p>under the Board of Directors each year. Self-evaluations are conducted through a questionnaire and evaluation results are summarized by the Company's Finance & Accounting Department, which are reported to the Board of Directors in the first quarter of the following year as the basis for review and improvement.</p> <p>The Company's Board of Directors performance evaluation results shall be used as the basis for selecting or nominating directors. The performance evaluation of individual directors (excluding independent directors) is used as the basis for the distribution of remuneration for directors. Please see the Corporate Governance Section on the company website for details of the 2024 Board performance evaluation results.</p> <p>To continue to increase the independence and effectiveness of the board performance evaluation, the regulations specified that the Company shall appoint an external professional independent agency or a team of external experts and scholars to conduct an external performance evaluation of the Board of</p>	

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			Directors at least once every three years. The Company appointed the Taiwan Corporate Governance Association to conduct the external performance evaluation of the Board of Directors in 2022. The results of the external evaluation are disclosed on the Company's website.	
(IV) Does the Company regularly implement assessments on the independence of CPA?	V		The Company's Audit Committee evaluates the independence and competency of the CPAs every year. In addition to requiring the CPAs to provide the "Declaration of Independence" and "Audit Quality Indicators (AQIs)", it also evaluates the results based on the standards set forth on page 56 (Note 1) of the annual report and 13 AQI indicators. With the exception of expenses for auditing and taxation cases, the certifying CPAs and the Company have no other common financial interests or business relations, and the CPAs and their family members did not violate the requirements of independence. We also referenced AQI information and verified that both the auditor and the firm meet the independence and competence requirements. We have also incorporated	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			digital audit tools in the last 3 years to increase the audit quality. After discussions and approval in the Audit Committee regarding the evaluation results in the most recent year on February 26, 2025, the results were reported to the Board of Directors for approval of the evaluation of the independence and competency of the CPAs on the same day.	
IV. Does the public company have a suitable number of competent corporate governance personnel, and has it appointed a corporate governance supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their duties, assisting directors and supervisors with regulatory compliance, handling matters related to Board meetings and shareholders' meetings, and preparing proceedings for Board meetings and shareholders'	V		The Vice President of Administration Dept. concurrently serves as the corporate governance supervisor, and is mainly responsible for handling matters of Board meetings and shareholders' meeting and preparing the meeting minutes; assisting in the appointment and continuing education of directors; providing data needed by directors to perform their duties; assisting directors with compliance; reporting the results of its compliance review of the qualifications of independent directors with the relevant laws and regulations at the time of their nomination, election and during their term of office to the Board of Directors; handling matters relating to changes in the Directors; and other matters	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
meetings)?			<p>specified in the Articles of Incorporation or contracts. Please see page 112 of this annual report for continuing education of the corporate governance supervisor. The corporate governance supervisor oversees the Company's corporate governance affairs, and the Finance & Accounting Department and Human Resources Department handle related affairs. Key points of implementation are as follows:</p> <ol style="list-style-type: none"> 1.Notify directors of the agenda of Board meetings 7 days in advance, convene meetings, and provide meeting materials. Remind directors of agenda items they have a conflict of interest in, and complete Board meeting minutes within 20 days after a meeting. 2.Arrange meetings for independent directors to communicate with the chief internal auditor, CPAs, or other internal units, in order to assist independent directors with performing their duties. 3.Provide a manual for newly elected directors to assist directors with assuming office and compliance, and also assist directors in 	

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>completing annual continuing education courses.</p> <p>4. Revise corporate governance related internal regulations in coordination with amendments to corporate governance related laws and regulations, and submit the revisions to the Board of Directors for resolution.</p> <p>5. Handle pre-registration of the date of the shareholders' meeting, prepare meeting notices, handbook, and proceedings, and handle change of registration for revisions to the Articles of Incorporation or election of directors within the time limit in accordance with the law.</p> <p>6. The performance of the Board of Directors and functional committees is evaluated on an annual basis according to the Company's Regulations Governing the Evaluation of Board Performance. For example, directors are notified and meeting materials are provided 7 days prior to Board meetings, registration of the date of shareholders' meetings, preparation of meeting notices, annual</p>	

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			report, handbook, and meeting minutes, and company registration and registration of changes are completed within the time limit in accordance with the law.	
V. Has the company set up channels of communication for stakeholders (including but not limited to shareholders, employees, customers and suppliers), dedicated a section of your company's website for stakeholder affairs and adequately responded to stakeholders' inquiries on significant corporate social responsibility issues?	V		<p>1.The Company maintains good communication channels with different stakeholders based on the scope of businesses of each department. The Company also set up a stakeholders' section on its official website for stakeholders to fill out the questionnaire and express their opinions.</p> <p>2.The Company's Corporate Sustainable Development Committee periodically discusses material economic, social, and environmental issues, goal attainment and future direction of each department, and summarizes results, stakeholder engagement results, discussions, and recommendations for review and approval by the committee chairperson. The committee prepares a report for the Board of Directors each year.</p> <p>3.The identity of stakeholders, issues of concern, communication</p>	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			channels, and response methods in 2024 were reported to the Board of Directors on December 30, 2024, please see the sustainability section of the company website for details.	
VI. Does the company designate a professional shareholder service agency to deal with shareholder affairs?	V		The Company has appointed President Securities Corp. Stock Affairs Department to handle the matters of its shareholders' meetings.	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
VII. Information disclosure (I) Has the Company established a corporate website on which to disclose information regarding the Company's financial, business and corporate governance standings?	V		The Company has established a bilingual Chinese and English website at https://www.ecotek.com.tw to provide financial, business, and corporate governance information. A dedicated unit is responsible for keeping the website up to date.	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Does the company have other information disclosure channels (e.g., maintaining an English version website, assigning designated personnel to handle information collection and disclosure, creating a spokesperson system, webcasting investor conference on company website)?	V		The Company has set up an English version website, assigns dedicated personnel to collect and disclose company data, implements the spokesperson system according to regulations, and places the briefing files of investor conferences on the Company's website. The Company also reports information and discloses material information in accordance with the "Guidelines for Online	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			Filing of Public Information by Public Companies.	
(III) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	V		To increase the speed of information disclosure, the Company announces and reports annual financial statements within two months after the end of each fiscal year, and announces and reports Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit.	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
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 wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		<p>(I) Employee rights and benefits: The Company is people-oriented and views employees as important assets. We have established complete management systems for the work environment, care for family members, and education and training, which allow employees to gain peace of mind and stability. This aligns employees' personal interests with the Company's interests, so that employees will become fully dedicated to the Company and creating profits.</p> <p>(II) Care for employees: The Company provides employees with general health examinations and</p>	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>special health examinations each year. Family members are also allowed to participate in general health examinations. Results and analysis of annual general health examinations are sent to the supervisor of each department and taken into consideration when assigning personnel. Annual health examination data is imported into a database and personal health records are created for inquiry and tracking.</p> <p>(III) Investor relations: The Company operates based on the spirit of excellence, technology, integrity, and quality, and aims to maximize the benefits for investors by increasing the return on equity. The Company thus fully discloses information for investors to take into consideration.</p> <p>(IV) Rights of suppliers and stakeholders: The Company provides professional consulting and assistance to suppliers (contractors) for financial risk</p>	

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>management, ensuring that suppliers can stably perform their contract, protecting the benefits of suppliers' (contractors) employees. The Company clearly defines the safety and control measures needed to be taken by construction personnel for different high-risk operations. We periodically evaluate suppliers (contractors) and encourage those with excellent performance.</p> <p>(V) Rights of stakeholders: The Company maintains good communication channels with different stakeholders based on the scope of businesses of each department. The Company distributes questionnaires to obtain the opinions of stakeholders each year. The Company also issues Corporate Sustainability Reports and the communication and response to stakeholders are published in the report. The Company analyzes and formulates management policies</p>	

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>for major issues of concern to stakeholders. The communication between the Company and stakeholders was reported in the board meeting on December 30, 2024. The Company has set up a stakeholder area on its website to respond to issues raised by stakeholders.</p> <p>(VI) Implementation of risk management policy and risk measurement standards: The Board of Directors passed the Risk Management Policy and Procedures for the assessment of operational risks, financial risks, hazard risks, information security risks, compliance risks, and other risks. Risk management procedures include risk identification, risk assessment, risk response, risk monitoring, and risk report. The Corporate Sustainable Development Committee assesses and monitors the overall quality of risk management, periodically prepares risks reports for the</p>	

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>Audit Committee and the Board of Directors, and established strict management measures and purchased insurance to reasonably manage the Company's overall operational risks.</p> <p>(VII) Customer policy implementation: The Company adjusts its product portfolio based on customer needs and provides customers with professional services. Furthermore, the Company conducts customer satisfaction surveys every year, and continues to improve the quality of products and services based on survey results.</p> <p>(VIII) Please see pages 108~112 of this annual report for continuing education of the Company's directors and corporate governance supervisor.</p> <p>(IX) Status of liability insurance purchased by the company for directors: The parent company China Steel Corporation (CSC) uniformly plans the liability insurances for directors and</p>	

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>supervisors of the Group's companies annually. The Company handles liability insurances accordingly and reports it to the Board of Directors.</p> <p>(X) Succession plan for Board members and important managers: In the Company's succession plan, successors must have outstanding expertise and management skills, their values must match the Company's, and their personality traits must include integrity, innovation, and action. Training for successors of senior managers include management, professional abilities, job rotation, and experience in domestic and overseas subsidiaries, in order to develop business management abilities required by senior managers. Please see the corporate governance section on the company website for details.</p>	
<p>IX. Specify the improvement of corporate governance with reference to the evaluation of corporate governance by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and the measures prioritized for issues that require improvement.</p> <p>(I) Improvements proposed based on the 10th Corporate Governance Evaluation</p>				

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(2023) are as follows: 1. #2.2 Establish specific management objectives for board diversity and implementation status. 2. #2.17 Refer to Audit Quality Indicators (AQIs) to assess the independence and competence of the certified public accountants. 3. #2.22 The Audit Committee supervises the Company's risk management. 4. #4.4 Disclose relevant ESG information according to SASB standards. 5. #4.19 Invest in green bonds. (II) Priority improvement items and measures for items yet to be improved are described below: 1. #2.6 The directors of each gender has not yet reached one-third of the total board seats. It is expected to achieve this goal in the next board election (2026).				

Note 1: CPA independence evaluation criteria

Evaluation item	Evaluation results	Fulfillment of independence criteria
Direct or indirect material financial interests between the CPA and the Company	No	Yes
Financing or guarantee activities between the CPA and the Company or its Directors	No	Yes
The CPA has a close business relationship and potential employment relationship with the Company	No	Yes
The CPA and members of the audit team currently serve or have served in the past two years as directors, managerial officers, or roles that have significant influence on the audit work in the Company	No	Yes
The CPA has provided non-audit services to the Company that may directly affect the audit work	No	Yes
The CPA has brokered shares or other securities issued by the Company	No	Yes
The CPA serves as a defense counsel of the Company or represents the Company in mediating a conflict with a third party	No	Yes
The CPA is a family member or relative of the Company's Director, managerial officer, or person holding a position that has a significant impact on the audit work	No	Yes

(IV) Duties and operation of the Compensation Committee

The Company established the "Compensation Committee Charter" and the Remuneration Committee in the 3rd meeting of the 7-term Board of Directors held on December 22, 2011 in accordance with Article 14-6, Paragraph 1 of the Securities and Exchange Act, and "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" announced by the Financial Supervisory Commission on March 18, 2011.

Pursuant to Article 2 of the Remuneration Committee Charter, the Compensation Committee's three members are appointed by the Board of Directors and has the same term as the Board of Directors from June 21, 2023 to June 20, 2026 (same as the 11th-term Board of Directors).

The Compensation Committee shall act as a prudent administrator with due care to faithfully perform the responsibilities specified in Article 5 of the Remuneration Committee Charter and shall submit recommendations to the Board of Directors for discussion.

- I. Establish performance appraisal policies for the chairperson, the president, and vice presidents, and review them on a regular basis.
- II. Establish and review regularly any policies, systems, standards and structures relevant to the remuneration of directors, supervisors, president, and vice presidents (including travel allowances for directors).
- III. Determine and regularly review the level of remuneration to directors, supervisors, president, and vice presidents (including travel allowances for directors).

1.Compensation Committee member profiles

Position	Qualifications	Professional qualifications and experience	Independence	Number of other public companies in which the member also serves as a member of their remuneration committee
	Name			
Independent Director	Chia-Jung Chen (Convener)	Please refer to "Chapter 2. Corporate Governance I. (1) Information on directors (2) Disclosure of Information on the Professional Qualifications of Directors and Independence of Independent Directors" of the Company's annual report.	In accordance with the company' s articles of incorporation and the "Corporate Governance Best Practice Principles," directors are elected through a candidate nomination system. During the nomination and selection of board members, the company	1
Independent Director	Po-Han Wang	Please refer to "Chapter 2. Corporate Governance I. (1) Information on directors (2) Disclosure of Information on the Professional Qualifications of Directors and Independence of Independent Directors" of the Company's annual report.	has obtained written statements, work experience, current employment certificates, and family relationship declarations from each independent director to verify their independence in	1
Independent Director	Tai-Kuang Peng	Please refer to "Chapter 2. Corporate Governance I. (1) Information on directors (2) Disclosure of Information on the Professional Qualifications of Directors and Independence of Independent Directors" of	relation to the company, including the director, spouse, and relatives within the third degree of kinship. Additionally, the company has verified that the three independent directors	0

Position	Qualifications	Professional qualifications and experience	Independence	Number of other public companies in which the member also serves as a member of their remuneration committee
	Name			
		the Company's annual report.	listed below meet the qualifications set forth by the Financial Supervisory Commission's <u>"Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies"</u> and Article 14-2 of the Securities and Exchange Act, both prior to their appointment and during their tenure. Furthermore, the independent directors have been granted full decision-making and opinion-expressing rights in accordance with Article 14-3 of the Securities and Exchange Act, enabling them to independently execute their duties.	

2. Operations of the Compensation Committee

- (1) The Company's Compensation Committee consists of 3 members.
- (2) 11th term for the members: From June 21, 2023 to June 20, 2026. The Compensation Committee convened 4 meetings (A) in 2024, and the members' attendance was as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Notes
Convener	Chia-Jung Chen	4	0	100%	Re-appointed on June 21, 2023
Committee Member	Po-Han Wang	4	0	100%	Re-appointed on June 21, 2023
Committee Member	Tai-Kuang Peng	4	0	100%	Re-appointed on June 21, 2023

(3) Operation in 2024:

Date and session of Compensation Committee meeting	Agenda	Resolution of Compensation Committee meeting	Resolutions of the Board
2024.02.27 11 th term 3 rd meeting	Discussion item 1: Report on the distribution of the 2023 employee bonuses and remuneration to directors.	Passed by all committee members present at the meeting	The proposal was approved by the Board of Directors with the unanimous consent of all attending board members.
2024.05.02 11 th -term 4 th meeting	Discussion item 1: Performance evaluation and review results for the President and Vice Presidents for 2023.	Passed by all committee members present at the meeting	The proposal was approved by the Board of Directors with the unanimous consent of all attending board members.
	Discussion item 2: Proposed performance bonus for the Company's Chairperson, President, and Vice Presidents.	Passed by all committee members present at the meeting	The proposal was approved by the Board of Directors with the unanimous consent of all attending board members.
	Discussion item 3: Performance Evaluation Criteria for the President and Vice President for 2024.	Passed by all committee members present at the meeting	The proposal was approved by the Board of Directors with the unanimous consent of all attending board members.
2024.08.02 11 th -term 5 th meeting	Discussion item 1: Passed the proposed remuneration distribution for the Company's Chairperson, President and Vice Presidents.	Passed by all committee members present at the meeting	The proposal was approved by the Board of Directors with the unanimous consent of all attending board members.

Date and session of Compensation Committee meeting	Agenda	Resolution of Compensation Committee meeting	Resolutions of the Board
2024.11.01 11 th -term 6 th meeting	Discussion item 1: Setting the Remuneration for the New Chairperson of the Company.	Passed by all committee members present at the meeting	The proposal was approved by the Board of Directors with the unanimous consent of all attending board members.
	Discussion item 2: Salary adjustment of the , President, Vice President of Administration Dept., and Vice President of Engineering Dept..	Passed by all committee members present at the meeting	The proposal was approved by the Board of Directors with the unanimous consent of all attending board members.
Other details that need to be recorded in meeting minutes:			
<p>I. If the Board of Directors does not accept or revises the Compensation Committee's recommendation, specify the date of the Board meeting, session, contents of the agenda item, resolution of the Board of Directors, and the Company's response to the Remuneration Committee's opinions (if the remuneration passed by the Board of Directors is higher than the recommendation of the Remuneration Committee, specify the discrepancy and reason): None.</p> <p>II. If with respect to any resolution of the Compensation Committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, describe the date of committee meeting, term of the committee, agenda item, opinions of all members, and actions taken by the company in response to the dissenting opinion of members: None.</p>			

(V) Implementation status of sustainable development and deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Has the company established a governance framework for promoting sustainable development and established a fully (or partially) dedicated unit to promote sustainable development? Does the Board of Directors authorize and supervise senior managers in handling such matters?	V		The Company established the Corporate Social Responsibility Management Committee in 2011 and renamed the Corporate Sustainable Development Committee in 2020 according to the vision and mission of the Company's ESG policy. The committee carries out sustainable development work and appoints, according to its charter, one chairperson whose role is filled by the Chairperson; one vice chairperson whose role is filled by the President; and several members including the Vice President of Administration Dept., Vice President of Engineering Dept., and Assistant Vice Presidents of other departments. An implementation center is established under the committee and it has one Chief Executive Officer. The implementation center has a corporate governance group, social relationship group, environmental sustainability group, and risk management group. The "Corporate Sustainable Development Committee" serves as the inter-department communication platform for top-down integration and horizontal connection. It convenes annual	No deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>meetings to formulate sustainable development visions and prospects, assist the Board of Directors in carrying out its risk management duties, reviews the Company's risk management policy, and examines the management report for material risks. It identifies the sustainability issues of concern to the Company's operations and stakeholders and formulates suitable strategies and work plans. It plans and executes annual plans, reviews implementation results, and reports the implementation results in the current year, implementation plan for the next year, communication with stakeholders, and the risk management assessments and response strategies. It reported the results to the Board of Directors on December 30, 2024, which were also disclosed on the Company's official website in the sustainability section.</p> <p>The Board of Directors regularly listens to the ESG report of the management team, management must propose company strategies to the Board of Directors. The Board of Directors assesses the feasibility of these strategies, reviews the strategy implementation results, and urges the management team to make adjustments when necessary.</p>	
II. Does the company assess ESG risks	V		The Corporate Sustainable Development Committee of the	No deviation from the

Implementation items	Implementation status		Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?			<p>Company assessed ESG risks associated with its operations based on the principle of materiality and established the "Risk Management Policy and Procedures" as the highest guiding principles for risk management. It also regularly reports the risk exposure status to the Board of Directors. The Company uses materiality assessment procedures to identify issues of high concern to stakeholders and formulates material risk response strategies for different risks. The scope of risk management includes the management of operational risks, financial risks, information security risks, hazard risks, and compliance risks to effectively identify, measure, and control the Company's risks and to limit the impact of the risks arising from business activities to an acceptable level. We filed the report on the risk management assessments and response strategies based on the results of the risk identification in 2024. It was discussed and approved by the Corporate Sustainable Development Committee on December 03, 2024 and discussed and approved by the Audit Committee on December 30, 2024, and then submitted to the Board of Directors. The information and boundaries of the risk management policies or strategies</p> <p>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			are primarily based on the Company, covering the sustainable development performance during the period from January to December of 2024. The description is detailed in Note 1 (please refer to pages 79~85 in the Company's annual report).	
III. Environmental issues (I) Has the company established a suitable environmental management system based on the characteristics of the industry?	V		<p>The Company follows the environmental regulations set by the Ministry of the Environment (such as the Air Pollution Control Act, the Water Pollution Control Act, the Waste Disposal Act, and the Toxic and Concerned Chemical Substances Management Act), and has established environmental, health, and safety management measures, management information systems, and office automation systems. Additionally, the Company has promoted the introduction of ISO 14001 activities through Dragon Steel Water Treatment's outsourced operation and maintenance. In 2024, the Company completed six environmental management projects. In terms of resource management, improvements were made in chemical leakage control and water resource management to prevent resource waste. In energy management, energy-saving fans were used to reduce energy consumption. Furthermore, the drug storage capacity was increased to reduce the frequency of chemical</p>	No deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			transportation, achieving a carbon reduction goal in logistics. In waste management, chemical cleaning equipment was used to extend equipment lifespan and reduce waste generation. The Company obtained ISO 14001 environmental management system certification in July 2002 and adheres to the Group's environmental management policy: "1. Comply with environmental regulations and meet customer requirements; 2. Implement environmental education to prevent environmental pollution; 3. Continuously improve the environment to enhance environmental quality; 4. Enhance energy and resource efficiency to reduce waste; 5. Promote a green lifestyle to build a green enterprise." The Company is committed to pursuing environmental sustainability. After the official launch of ISO 14001:2015 on September 15, 2015, the Company promptly began training and successfully passed external verification by SGS in July 2016, achieving the latest environmental management system standard. The latest certificate is valid from July 29, 2022, to July 29, 2025.	
(II) Is the company committed to improving energy efficiency and using	V		The Company is committed to developing eco-friendly agents and technologies to lift the environmental burden. We	The Company is not a manufacturing company and

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
recycled materials which have a low impact on the environment?			established waste management policies, such as the "Residual Materials Management Regulations," and "Scrap Disposal Regulations," to increase the efficiency of resource use, allowing residual materials or scraps from cutting materials to be effectively recycled or used after the construction is completed.	the clause to use recycled materials therefore is not applicable.
(III) Does the company evaluate potential risks and opportunities brought by climate change, and take response measures?	V		The Company has disclosed in its Sustainability Report the risks and opportunities that may be caused by global climate change. We analyzed the economic, environmental, and social risks and opportunities, and hired experts to analyze the financial risks and opportunities of climate change based on the TCFD framework and provide training to employees on the corporate governance, strategies, risk management, indicators, and targets in response to climate change. Afterwards, each department assesses the potential risks and opportunities of climate change on future operations, analyzes the possible financial losses, and formulates response plans based on the severity of the impact. For a detailed explanation of the Company's analysis of climate change-related risks and opportunities, please refer to Chapter 3.4 of the Company's Sustainability Report.	No deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(IV) Does the company	V		The Company's greenhouse gas	No deviation

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons									
	Yes	No	Summary										
compile statistics of greenhouse gas emissions, water use, and total weight of waste in the past two years, and does it establish policies for energy conservation & carbon reduction, greenhouse gas emission reduction, water use reduction, and other waste management?			<p>emissions, water consumption, and total weight of waste in the most recent two years were as follows:</p> <p>1.Greenhouse gas emission statistics and management policy: For greenhouse gas emissions in the current two years, assurance conditions, reduction targets, strategies, and specific action plans, please refer to (VI) Climate information of public companies, Chapter 1-1 and 1-2 of the annual report.</p> <p>2. Water consumption statistics and management policy: The Company has been supporting the implementation of water conservation measures in the building and encourage employees to develop good habits of water conservation, and maximize the benefits of available water resources.</p> <table><tr><th>Year</th><th>Water Consumption (metric tons)</th><th>Water intensity (metric tons per million dollars in revenue)</th></tr><tr><td>2023</td><td>19,779</td><td>2.0267</td></tr><tr><td>2024</td><td>8,554</td><td>0.7878</td></tr></table> <p>The data for 2023 is consistent with the third-party verification of Scope 3 greenhouse gas emissions, and was certified on</p>	Year	Water Consumption (metric tons)	Water intensity (metric tons per million dollars in revenue)	2023	19,779	2.0267	2024	8,554	0.7878	from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
Year	Water Consumption (metric tons)	Water intensity (metric tons per million dollars in revenue)											
2023	19,779	2.0267											
2024	8,554	0.7878											

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons						
	Yes	No	Summary							
			<p>November 29, 2024, under the ISO 14064-1:2018 standard. The verification for 2024 is expected to be conducted in July 2025. The primary use of water within the company is for office and domestic purposes. In response to the water scarcity crisis caused by climate change, we have not only created water-saving slogans displayed in various water usage areas but have also implemented water reduction measures in collaboration with the office building management. We encourage employees to embrace water conservation in their daily lives and set a goal to reduce per capita water usage by 1% each year.</p> <p>3. Waste disposal policy: The Company is an engineering service company and its waste consists mainly of waste generated by employees when providing routine services.</p> <table> <tr> <th>Year</th> <th>Total waste weight (metric tons)</th> <th>Waste intensity (metric tons per ten million dollars in revenue)</th> </tr> <tr> <td>2023</td> <td>12.76</td> <td>0.0131</td> </tr> </table>	Year	Total waste weight (metric tons)	Waste intensity (metric tons per ten million dollars in revenue)	2023	12.76	0.0131	
Year	Total waste weight (metric tons)	Waste intensity (metric tons per ten million dollars in revenue)								
2023	12.76	0.0131								

Implementation items	Implementation status					Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary			
			2024	11.73	0.0108	
			The data for 2023 is consistent with the third-party verification of Scope 3 greenhouse gas emissions and was certified on November 29, 2024, under the ISO 14064-1:2018 standard. The verification for 2024 is expected to be conducted in July 2025. The waste generated during the Company’s operations primarily falls into two categories: waste produced by the company’s daily operations and waste generated during project execution. Waste generated by the Company’s operations is properly handled in coordination with the property management company or cleaning services of the office area. Waste generated during the execution of various projects is identified in accordance with government regulations, classified based on type and nature, and managed through recycling. It is then disposed of by licensed professional companies to prevent illegal activities. The Company continues to implement waste reduction processes and pollution prevention measures, enforces waste sorting, and strengthens resource recycling to effectively reduce waste generation and Set a goal of reducing the total weight of waste by 0.5% each year.			
IV. Social issues (I) Has the Company	V		1.To ensure sustainable development and protect the basic			No deviation from the

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
formulated management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?			<p>human rights of all employees, customers, and stakeholders, the Company adheres to the Universal Declaration of Human Rights, the UN Global Compact, and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the International Labour Organization. We respect internationally recognized basic human rights, including freedom of association, caring for the disadvantaged, elimination of all forms of forced labor, elimination of discrimination in employment, etc., and abides by the labor-related regulations local to the Company.</p> <p>2. The Company fully complies with the Labor Standards Act and has never employed child laborers. As of 2024, we have not used child labor under the age of 16 or forced labor since the establishment of the Company. The Company protects the basic human right of equal opportunity for employment. We hire employees entirely based on their professional skills and experience and we never consider factors such as their race, thought, religion, political association, origin, place of birth, gender, sexual orientation, marital status, appearance, physical or mental disability, or union association.</p>	Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>There were no violations of human rights or discrimination in the hiring of employees in 2024.</p> <p>3. The Company established the "Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace" to prevent sexual harassment when conducting official company affairs. The Company has not had labor disputes, corruption, bribery, or discrimination cases since its founding.</p> <p>4. Please see the company website for the human rights management policy, specific management plans, and implementation status.</p>	
(II) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V		<p>The Company provides salaries and benefits better than competitors, provides equal pay and equal opportunity to promotions. The leave system complies with the Labor Standards Act, and we also established a bonus system, so that business performance will appropriately reflect on employee compensation. Employees' personal performance appraisal results are used as the basis for salary adjustment and the distribution of bonuses. "Please refer to Chapter 3. Capital overview (V) Employee bonuses and directors' remuneration and Chapter 4. Business overview VI. Labor-management relations in the Company's annual report."</p>	No deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(III) Has the company	V		The Company completed the ISO	No deviation

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
provided a safe and healthy working environment and provided employees with regular safety and health training?			45001 Occupational Safety and Health Management System certification in 2020 and organizes routine verification each year to effectively improve its risk management ability, ensure safety and health management performance, reduce occupational accidents, and provide employees with a safe employment environment. We provide periodic health examinations and special health examinations every year and allow employees' family members to participate at their own expense. We also irregularly organize health seminars, and doctors or nurses provide health consultations and care to employees, who are divided into groups based on their health examination results, improving employees' health concepts and understanding. "Please refer to Chapter 4. Business overview V. Protection measures for work environment and employees' personal safety and implementation status in the Company's annual report."	from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(IV) Has the Company established an effective career development plan for its employees?	V		The Company's Human Resources Department develops an annual employee training plan, with a learning map designed for colleagues' career development. This aims to ensure that employees can perform their duties effectively while acquiring the necessary skills for promotion through further	No deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Implementation items	Implementation status		Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
		education. In response to the impact of declining birthrates, and based on job requirements, the Company fosters individual secondary skills. This includes on-the-job training, departmental system and operational introductions, job responsibilities explanations, and the transfer of professional knowledge. Employees are assigned to participate in professional technical training organized by the Training Bureau, universities, and private professional training institutions as needed. Additionally, employees are guided to obtain professional certifications. In 2024, a total of 75 professional certifications were acquired. For more details, “please refer to Chapter 4, Business overview VI Labor-Management Relations (1)-4. Employee Continuing Education, Training, and Implementation in the Company’s Annual Report.”	
(V) Does the company comply with relevant regulations and international standards in customer health and safety, customer privacy, and marketing and labeling its goods and services, and has it established consumer rights	V		The Company is in the engineering services industry and conducts customer satisfaction surveys annually for clients with project values exceeding NT\$10 million. This helps us understand the Company’s performance in the industry and the level of customer satisfaction, which in turn enhances the quality of our engineering services. The Company also has relevant procurement operational standards to ensure that project
			No deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Implementation items	Implementation status		Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
protection policies and complaint procedures?		quality complies with both international and domestic environmental regulations. Through regular and ad-hoc meetings and visits, the Company aims to establish long-term cooperative relationships, achieving synergy in the planning of mutual development goals and social responsibilities. In addition to striving to provide the best services to our clients, the Company ensures the protection and confidentiality of customer information to safeguard their privacy. In 2024, there were no complaints regarding data leakage, theft, or loss of customer information. The Company's official website features a "Contact Us" section with a customer service hotline and feedback mailbox to accept and address customer complaints, ensuring the protection of customer rights. Upon receiving a complaint, the relevant department is required to respond to the customer as quickly as possible and provide an analysis report to senior management.	
(VI) Does the company have a supplier management policy, require suppliers to comply with regulations on environmental protection, occupational safety	V	The Company attaches importance to the environmental and social impact on the supplying community and fulfills its corporate social responsibility together with suppliers. Price quotations and purchase orders include the clause: "The parties shall comply with the CSR policy of both parties upon	No deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
and health, and labor rights, and what is its implementation status?			entering into this purchase contract. If the supplier is found in violation of the policy and causes a significant environmental and social impact on the supplying community, the Company may terminate or cancel this contract at any time. The use of child labor and illegal immigrants, violation of any human rights laws, risk of forced or compulsory labor, and violation of employees' freedom of association and collective bargaining is prohibited, and the Company may terminate this contract if the supplier is found in violation." This prevents the supply chain from having a negative impact on the environment. Please see the Sustainable Development Section of the Company's website under Supplier and Contractor Management Policy.	
V. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as sustainability reports? Do the reports above obtain assurance from a third party verification unit?	V		The Company's prepared its 2023 Sustainability Report in 2024 and passed BSI verification; contents of the report comply with the GRI Standards: Core Options. In accordance with the revised regulations of the Taiwan Stock Exchange regarding the sustainability report, which stipulate that the sustainability report should be approved by the board of directors, the Company's 2023 sustainability report was discussed and approved at the 8 th meeting of the 11 th Board of	No deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			Directors on August 2, 2024. We disclosed the report on the Sustainable Development section of our official website and the MOPS.	
<p>VI. If the company has established Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies," describe any discrepancy between the principles and their implementation:</p> <p>The Company has established Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies" and disclosed it on the Market Observation Post System and the company website. Our actual operations are in compliance with the principles.</p>				
<p>VII. Other important information helpful in understanding the implementation of sustainable development</p> <p>(I) Environmental protection</p> <p>As the world faces a deteriorating environment and becomes more concerned about environmental protection issues, environmental protection projects are our main business items, and cover water resource management, air pollution prevention, and waste disposal. We use highly efficient sewage treatment technology and develop air pollution prevention technologies to improve the quality of life for all people.</p> <p>(II) Social services</p> <p>The company has been established for over 30 years in the Qianzhen District of Kaohsiung City. To give back to local communities to help support disadvantaged groups, the Company regularly holds anniversary celebrations and charity activities every year, inviting children, parents, and teachers from rural areas and communities to participate in the activities and have fun together. We also organize the "Love and Learning in Rural Areas" from time to time and invite social welfare groups to participate in family movie events, employees participated in activities such as the Andre Food Bank's charity packing event to promote positive interactive development between the Company, employees, and communities, while conveying the concepts of environmental sustainability and support for the society. In 2024, the Company participated in community and social welfare activities. For more details, please refer to the section "Implementation of Community Risks or Opportunities in 2024" under "Corporate Sustainability" on our official website.</p> <p>(III) Consumer rights</p> <p>The Company is a professional construction service company, and attaches great importance to the fulfillment of contractual obligations. We have gained the</p>				

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
recognition of clients numerous times and received certificates of appreciation.				
(IV) Human rights				
The Company respects the basic human rights of all employees, customers, and stakeholders, and we adhere to the Universal Declaration of Human Rights, the UN Global Compact, and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the International Labour Organization. We comply with the labor laws and regulations at the Company's locations, establish and implement relevant manpower policies and internal regulations, and encourage suppliers and partners to comply with the spirit of human rights policies and commit themselves to providing a safe and healthy working environment, eliminate unlawful discrimination to ensure equal employment opportunities, ban child labor and forced labor, assist employees to maintain physical and mental health and work-life balance, and encourage suppliers and partners to protect human rights as their implementation strategy. Please see the Company's official website for the human rights management policy and implementation status.				
(V) Safety and health				
The Company's safety and health management framework is based on the occupational safety and health management system (ISO 45001), and continues to make improvement through the plan-do-check-act (PDCA) cycle. Combined with leadership and participation requirements in the latest articles, we are able to prevent accidents, improve employee safety and health, and protect company assets. Safety management involves safety and health education and training to improve employees' self-management, identification of environmental and operational hazards before construction, and assessment of risks and opportunities (added the organization's internal and external situation, requirements and expectations of stakeholders) to establish operational safety procedures (assessment of internal and external issues that affect the organization, requirements and expectations of workers, customers, competent authority, residents, and labor unions), and aims to prevent accidents from occurring, protect the safety of the Company and suppliers' employees, and meet the requirements and expectations of stakeholders and investors on returns. We also established Guidelines for the Accident Casualty Handling Team and Guidelines for disaster prevention operations in the event of natural disasters to reduce damages caused by disasters and minimize the social and environmental impact. Strictly require the implementation of high risk operation controls; For construction safety, construction is carried out according to the construction plan and safety facilities are installed according to the requirements of occupational safety regulations; We will also step up safety design and planning and				

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			periodically conduct safety inspections for equipment and facilities of the IT and general affairs departments; As for health management, we carry out general health promotion and occupational health management affairs.	
(VI) Employee rights and benefits			<p>The Company is people-oriented and views employees as important assets. We have established complete management systems for the work environment, care for family members, and education and training, which allow employees to gain peace of mind and stability. This aligns employees' personal interests with the Company's interests, so that employees will become fully dedicated to the Company and creating profits.</p>	
(VII) Care for employees			<p>The Company provides employees with periodic general health examinations and special health examinations. Family members are also allowed to participate in general health examinations. Results of general health examinations are sent to the supervisor of each department and taken into consideration when assigning personnel, in order to ensure the operational safety of employees. Health examination data is imported into a database to create personal health records, making it convenient for individuals to check and track their health. The Company currently provides AED in 14 locations around Taiwan, and basic life support instructor and full-time nurses taught 24 sessions of the "CPR+AED first aid training course." The Company has full-time nurses to provide health management and on-site health services, occupational injury and disease and general injury and disease prevention and treatment, labor health record analysis, assessment, management, and preservation, individual consultation and instructions for disease prevention, and also track the health of the Company and contractors' employees with high blood pressure, high blood sugar, or high blood cholesterol. Supervisors oversee and respond to employees' health control status, and continue to care for employees' personal health. A number of clubs beneficial to employees' physical and mental health were established to reduce work stress. Furthermore, the Company has enrolled employees in group accident insurance, so that employees can focus on work without any worries.</p>	
(VIII) Investor relations			<p>The Company operates based on the spirit of excellence, technology, integrity, and quality, and aims to maximize the benefits for investors by increasing the return on equity. The Company thus fully discloses information for investors to take into consideration.</p>	
(IX) Rights of suppliers and stakeholders			<p>The Company provides professional consulting and assistance to suppliers</p>	

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>(contractors) for financial risk management, ensuring that suppliers can stably perform their contract, protecting the benefits of suppliers' (contractors) employees. The Company clearly defines the safety and control measures needed to be taken by construction personnel for different high risk operations. We periodically evaluate suppliers (contractors) and encourage those with excellent performance. During price inquiry, the contents of work, regulations, schedule, and safety are fully explained and clarified with the contractor, so that the contractor will understand the scope of supply and risks. The contract amount, payment terms, responsibilities of both parties, rights and obligations, and penalties are clearly specified in the contract during contract signing, and serve as the basis for contract performance.</p>				

Note 1: Risk assessment based on the ESG principle of materiality

Dimension	Risk attributes	Risk item	Risk events and management response measures
Economic/ Governance	Business risks	Project management risk	<p>1.The problem of labor shortage for contractors is a long-term structural issue. To ensure sufficient capacity for construction projects and meet construction period requirements, the Company will carefully choose partners and must verify that they have sufficient manpower before taking on projects to avoid delays caused by labor shortages. We will maintain long-term stable relations with high-quality contractors and carefully evaluate the capabilities of new contractors. We also pay close attention to the government's policies and laws on migrant workers, and make timely plans to hire foreign migrant workers based on the nature and schedule of projects to fill the manpower gap.</p> <p>2.For maintenance contracts based on production volume pricing, strive to increase the proportion of fixed pricing to avoid project losses caused by a decrease in the owner's production volume.</p> <p>3.To prevent the owner from shifting the issues</p>

Dimension	Risk attributes	Risk item	Risk events and management response measures
			<p>and costs arising from production operational failures, negotiate to include exception clauses in the contract penalties.</p> <p>4. Labor costs have been increasing year by year, but the contracts have not been adjusted accordingly, leading to higher staff turnover rates and communication friction. In future negotiations, strive to incorporate inflation factors to reduce staff turnover and stabilize the profit base.</p>
		A Risk on the international trend of carbon reduction to a shrinkage for traditional businesses.	The carbon reduction issue has led to a reduction in high-temperature industrial production and changes in process technologies to decrease the demand for traditional refractory engineering materials, impacting related business revenues. It is important to pay more attention to the development of refractory technologies in energy-saving applications for insulation and heat preservation, in order to explore new technological fields, such as refractory engineering in the panel glass industry.
		Supply chain risks	<p>1. The proportion of raw materials sourced from a single country is relatively high. It is advisable to increase connections and transactions with suppliers from different countries and establish a comprehensive raw material database to mitigate the risk of material shortages due to geopolitical risks or other factors.</p> <p>2. Continuously develop proprietary formulation technologies and selectively establish strategic partnerships with domestic refractory manufacturers to maintain a certain level of domestic supply capability for refractory materials.</p>
		Market risk	1. The Company's has a high customer concentration rate and customers consist mainly of China Steel and companies in the Group. The credit quality of customers has been assessed as good and there is no concern of default. The Company has set a ten-year

Dimension	Risk attributes	Risk item	Risk events and management response measures
			<p>long-term goal for increasing the proportion of revenue outside the group and will review and track performance year by year to achieve the goals based on the schedule.</p> <p>2.The Company has set the four basic business growth strategies of "engineering," "operation maintenance," "circular economy", and "sales business", and implements the following operation plans: (1) Strengthen core technology management and development; (2) Develop digital transformation and improve management efficiency; (3) Promote the integration of refractory engineering materials; (4) Develop circular economy engineering businesses. In terms of sales, we focus on business items that we actively developed in recent years. We have successively developed products such as LED lamps, activated carbon adsorbents, and air purification equipment. In the future, it will continue to develop product lines to increase product diversification. In terms of construction projects, we also continue to enhance construction management capabilities and develop intelligent engineering to attract more diverse customers and disperse risks.</p> <p>3.According to the national development plan approved by the Executive Yuan, the six core strategic industries include Taiwan's precision health industry and green energy and renewable energy industry. The Company has outstanding engineering performance and excellent reputation in biotechnology and pharmaceutical plants, and actively pursues plant construction projects. We also support the transformation of incineration plants into renewable energy plants and biomass boilers to reduce carbon emissions and produce green electricity. We work with major equipment suppliers to gain business opportunities for incinerators and air pollution prevention control.</p> <p>4.In response to climate change, the Executive Yuan has planned construction projects for</p>

Dimension	Risk attributes	Risk item	Risk events and management response measures
			<p>water resources such as recycled water treatment, desalination, and other public projects. The Company relies on its extensive track records in water treatment projects and strategic alliances with high-quality manufacturers to establish intelligent projects, improve design capabilities, and win future business opportunities.</p> <p>5. Engage customers and ITRI in industry-academia collaboration to develop technical capabilities for low-carbon engineering and help customers attain carbon reduction goals.</p>
		Technology risk	<p>Continuously participating in the presentation and briefings of innovative technologies or products to expand technical capabilities, strengthen knowledge transfer, and comprehensively enhance the technical skills of personnel to prevent technological gaps. Engaging in strategic collaborations with the China Steel Group's engineering platform to introduce and develop new engineering technologies, research and development, as well as talent education and training.</p>
		Manpower shortage risks	<p>1. Establish diverse recruitment channels: In addition to continuous increase of recruitment and exposure, we also implement human resource support measures such as engineering outsourcing, dispatched manpower, and foreign migrant workers.</p> <p>2. Optimize the salary and reward system to attract and retain outstanding talents. Strengthen the employees' second expertise training to increase the available manpower and increase manpower utilization flexibility.</p> <p>3. Establish a database of retired talents to make full use of middle-aged and elderly manpower.</p> <p>4. Hire foreign migrant workers to increase entry-level technical manpower and address the manpower demand for construction projects.</p> <p>5. Improving construction methods and processes, and developing mechanical construction technologies to reduce labor dependency.</p>

Dimension	Risk attributes	Risk item	Risk events and management response measures
Environmental, Social	Hazards and risks	Construction risk	<ol style="list-style-type: none"> 1.Strengthen awareness training in response to cases, review key occupational safety and health mechanisms, and strengthen training for individual topics (such as crane operations by personnel). Set hold points for inspections and implement automatic inspections. 2. Strengthen the inspection mechanisms, set up a safety inspection team, regularly inspect the compliance of construction machinery and safety protection, and hold regular crane operation review meetings. 3. For contractors and employees who have repeatedly violated regulations, the Company increases the frequency of occupational safety training to increase their awareness of hazards. 4. Implement the zero-disaster movement: Each day, the construction foreman and safety and health personnel lead the safety awareness notice for the day's work items, risks, and hazards. The zero-disaster activities help workers understand the operational risks of their own work items and take protective measures. They conclude these sessions by reiterating the zero-disaster reminders for the key work items of the day to enhance awareness.
		Occupational safety and health risk	<ol style="list-style-type: none"> 1. For employees and subcontractor workers with health abnormalities reaching the 'care level,' provide enhanced monthly follow-ups and care. AEDs and blood pressure monitors are available at each work site for workers' use. 2. Engage a third party to provide project guidance and conduct 'Occupational Health and Safety Training Programs' to enhance workers' safety and health knowledge. 3. Conduct a comprehensive survey and control of hazardous chemical substances usage and incorporate fire drill content into emergency response exercises. 4. Incorporate VR simulations for on-site hazard training in educational content;

Dimension	Risk attributes	Risk item	Risk events and management response measures
			install anti-collision AI systems for forklifts.
	Cybersecurity risk	Data security	<ol style="list-style-type: none"> 1. The risk of data corruption due to equipment failure or cybersecurity incidents is mitigated by establishing a backup strategy based on data asset value, along with an off-site backup mechanism to ensure data availability and integrity. Regular restore drills are conducted to verify backup effectiveness and meet system recovery time objectives. 2. To address data leakage risks, access to data is restricted. Personnel access requires application and approval from supervisors, with annual reviews. Additionally, the use of external storage devices is restricted. 3. Data is managed in accordance with the 'Confidentiality Maintenance Guidelines' and the 'Trade Secret Management Regulations' to ensure the confidentiality of information. 4. Supply chain cybersecurity risk management includes requiring outsourced vendors to sign a "Confidential Information Non-Disclosure Agreement."
		Software risk	<ol style="list-style-type: none"> 1. Software vulnerability risk is mitigated by regularly performing software security updates and immediately updating or upgrading based on critical security vulnerability notifications. 2. To reduce the risk of security vulnerabilities in software development, code security audits are conducted, and only after successful testing and review is the software deployed. External-facing web applications undergo regular vulnerability assessments and penetration testing. 3. To address the risk of application system attacks and intrusions, Threat Detection and Response (MDR) services are

Dimension	Risk attributes	Risk item	Risk events and management response measures
			<p>implemented for 24 real-time monitoring and incident response notifications.</p> <p>4. Application system account authorizations are reviewed annually, unnecessary account permissions are removed, and passwords are regularly updated.</p> <p>5. Supply chain cybersecurity risk management includes adding cybersecurity clauses in outsourcing service agreements, ensuring compliance with relevant laws and regulations, as well as the Company's information security standards.</p>
		Cybersecurity awareness among personnel	<p>1. To address social engineering (phishing) threats, regular annual phishing simulation exercises and cybersecurity training are conducted for employees. Online courses are available for personnel to view and take tests, enhancing cybersecurity awareness.</p> <p>2. For cybersecurity knowledge exchange and improvement, a cybersecurity management meeting is held monthly, and regular awareness campaigns are conducted to promote cybersecurity and regulations, while providing the latest cybersecurity insights.</p> <p>3. Employees sign a confidentiality 'Agreement,' committing not to disclose or misuse any operational secrets learned or held during their employment without prior authorization from management.</p>

(VI) Climate information of TWSE/TPEX-listed companies

1. Implementation status of climate-related information

Item	Implementation status
<p>1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and the management.</p>	<p>1. The Board of Directors is the highest decision-making body for risk management, holding ultimate responsibility for the overall risks of the Company. The Corporate Sustainable Development Committee, chaired by the Chairperson, is the highest-ranking organization for the Company's climate change management. The Corporate Sustainable Development Committee assists the Board of Directors in performing its risk management responsibilities and is responsible for reviewing the Company's risk management policies and reviewing management reports on major risk issues. It convenes a meeting each year, and the chair may convene ad hoc meetings as necessary.</p> <p>2. The Corporate Sustainability Development Committee establishes a Risk Management Team responsible for overall risk management. Through the participation and communication of department heads and colleagues, the team assesses the potential risks and opportunities that climate change may pose to future operations and develops corresponding response plans. The Risk Management Team submits the identified results and response measures to the Chairperson of the Corporate Sustainability Development Committee (Chairman of the Board) for approval. The measures are then supervised by the Audit Committee and reported to the Board of Directors.</p>
<p>2. Describe how the identified climate risks and opportunities impact the Company's business, strategy and finances (short-term, medium-term, and long-term).</p>	<p>The Company follows the framework of the Task Force on Climate-related Financial Disclosures (TCFD) to identify and assess the impact of climate change on business and financial performance through cross-</p>

	<p>departmental discussions. We evaluate both the risks and opportunities that climate change presents to the Company of short-term, medium-term and long-term. Our company completed the latest climate risk assessment at the end of 2024 and proposed management measures in response.</p> <p>① Short-term Impacts:</p> <p>A. Business: Extreme weather or natural disasters may cause damage to buildings and equipment, leading to an increase in repair and reinforcement work volume.</p> <p>B. Strategy: We are implementing smart design software technologies and adopting low-carbon design techniques to enhance construction methods and reduce damage caused by natural disasters, which also increases opportunities to secure new business.</p> <p>C. Financial: Extreme weather or natural disasters may result in additional costs, including damage to construction structures and delays, which may lead to expected penalties, higher operating costs, and impact the short-term financial situation.</p> <p>② Medium-term Impacts:</p> <p>A. Business: Customers may reduce production scale due to high carbon emissions, leading to a decrease in the frequency of equipment upgrades and a reduction in business volume.</p> <p>B. Strategy: To mitigate the risks of reduced business due to net-zero carbon emissions, we are actively pursuing business opportunities in water resource management and smart incineration plant projects promoted by the Executive Yuan.</p> <p>C. Financial: The impact of reduced business volume from customers and the ability to secure new business will influence revenue growth or decline.</p> <p>③ Long-term Impacts:</p> <p>A. Business: Climate change will continue to alter market structures and customer demands. The Company is committed to developing low-carbon engineering capabilities to help clients achieve their carbon reduction goals.</p> <p>B. Strategy: To meet customer needs for carbon reduction and new equipment or construction demands due to climate change, we will collaborate with customers and academic research institutes to enhance technical capabilities and capture business opportunities.</p>
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	<p>C. Financial: Climate change may have a decisive impact on the company's long-term sustainability, requiring a deep understanding of customer needs to enhance competitiveness and achieve corporate sustainability goals.</p>
<p>3. Describe the financial impact of extreme weather events and transition actions.</p>	<p>Use different scenarios to examine the impact of various climate risks and opportunity events, including identifying transformation risks caused by extreme weather. If customers increase their requirements for low-carbon production processes to attain carbon neutrality, it will affect CEC's current business model. We must also identify opportunities in low-carbon engineering businesses, energy conservation and carbon reduction products, and green energy industry transformation. The Company shall formulate response plans, including continuing greenhouse gas reduction measures, improved technologies for renewable energy, water reclamation plants, wastewater treatment, carbon capture, smart incineration plant, and energy cycle conversion based on the identification results to help customers meet their carbon reduction needs.</p> <p>① Impact of Extreme Weather Events:</p> <p>A. Increased Operating Costs: Extreme weather events may cause damage to the structures of ongoing construction projects and delays in timelines, or damage to equipment and delays in delivery, resulting in increased operating costs for the Company and penalties for project delays.</p> <p>B. Increased Insurance Costs: Frequent extreme weather events may lead to higher insurance costs.</p> <p>C. Reduced Output from Contracted Operations: Water shortages may lead to reduced output from contracted water treatment plants, while potentially increasing chemical costs, impacting the profitability of contracted operations.</p> <p>② Impact of Climate Transition Actions:</p> <p>To enhance competitiveness and improve engineering capabilities, the Company is implementing new management strategies and action plans, leading to increased R&D expenses and operating costs. However, the transformation is expected to bring long-term profits to the Company and contribute to achieving the goal of sustainable development.</p>
<p>4. Describe how climate risk identification,</p>	<p>1. The Company formulated the "Risk</p>

<p>assessment, and management processes are integrated into the overall risk management system.</p>	<p>Management Policy and Procedures" in 2021. The Board of Directors is the highest decision-making unit for risk management. To implement risk management mechanisms, it conducts regular risk assessments every year and submits the risk assessment results report to the Company's Corporate Sustainable Development Committee. The Corporate Sustainable Development Committee assists the Board of Directors in performing its risk management responsibilities and is responsible for reviewing the Company's risk management policies and management reports on major risk issues.</p> <p>2.The Company hired experts to analyze the financial risks and opportunities of climate change based on the TCFD framework and provide training to employees on the corporate governance, strategies, risk management, indicators, and targets in response to climate change. Afterwards, each department assesses the potential risks and opportunities of climate change on future operations, and formulates response measures, and submits the identification results and response measures to the Corporate Sustainable Development Committee for discussion.</p> <p>3.To strengthen risk management mechanisms, starting from 2023, the Audit Committee oversees risk management, and the risk management assessment and response strategies approved by the Corporate Sustainable Development Committee are submitted to the Audit Committee for discussion and reported to the Board of Directors. The current report date was December 30, 2024.</p>
<p>5. If scenario analysis is used to assess resilience to climate change risks, describe the</p>	<p>Please refer to section 3.4 Financial impact of risks and opportunities arising from climate</p>

scenarios, parameters, assumptions, analysis factors, and main financial impacts used.	change in the Company's Sustainability Report.
6.If the Company has a transformation plan to manage climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical and transformation risks.	N/A
7.If internal carbon pricing is used as a planning tool, explain the basis for pricing.	N/A
8.If climate-related targets are set, provide information such as the activities covered, the scope of greenhouse gas emissions, the planned schedule, and annual progress. If carbon offsets or renewable energy certificates (RECs) are used to attain relevant targets, explain the source and quantity of the offset carbon reduction credits or the number of renewable energy certificates (RECs).	Please refer to 1-2 below
9.Greenhouse gas inventory, assurance conditions, reduction targets, strategies, and specific action plans (specify them in 1-1 and 1-2).	Please refer to 1-1 and 1-2 below

1-1 The Company's greenhouse gas inventory and assurance conditions in the last two years

The Company has been implementing the greenhouse gas inventory of the parent company and subsidiaries on the consolidated financial statements and obtain third-party verification for ISO 14064-1:2018 since 2022.

1-1-1 Greenhouse gas inventory information

Year	Direct Emissions (tons CO ₂ e) (Scope 1)	Indirect Emissions (tons CO ₂ e) (Scope 2)	Indirect Emissions (tons CO ₂ e) (Scope 3)	Total Emissions	Intensity	Data Coverage Scope
2023 (Verified)	250.9727	418.5601	6,216.4131	6,885.946	0.7056	Note
2024 (Unverified)	480.2268	256.3364	6,340.7414	7,005.304	0.6451	Note

Note: Organization boundaries and report scope

Plant area	Scope of activities and geographical location
Head office	8F, No. 88, Chenggong 2nd Rd., Qianzhen District,

	Kaohsiung City 80661
Pinghe Plant	No. 201, Heping Rd., Xiaogang District, Kaohsiung City 81243
Dragon Steel site-office of CEC	No. 100, Longchang Road, Longjing District, Taichung City 43445
China Steel site-office of CEC	No. 1, Zhonggang Rd., Xiaogang Dist., Kaohsiung City 81233
Bao-Cheng Technology Center	8F, No. 88, Minquan 2nd Rd., Qianzhen Dist., Kaohsiung City 80661
China Ecotek Vietnam Company Limited	No.15, Noi Khu No.10 St, Star Hill Quarter, C15B, Phu My Hung Urban Area, Tan Phu Ward, Dist 7, HCMC, 756036 Vietnam
Xiamen Mao Yu Import and Export Trading Ltd.	Room 2205-3, Lixin Square, No. 90, Hubin South Road, Siming District, Xiamen City, Fujian Province

Note 1: Direct emissions (Scope 1, emission sources owned or controlled by the Company), indirect energy emissions (Scope 2, indirect greenhouse gas emissions from the input of electricity, heat, or steam), and other indirect emissions (Scope 3, emissions from the Company's activities that are not indirect energy emissions, but are from sources owned or controlled by other companies).

Note 2: Greenhouse gas inventory standards: ISO 14064-1:2018.

Note 3: The intensity of greenhouse gas emissions can be calculated as the emissions (tons CO₂e) per revenue (in NT\$ millions) are explained.

1-1-2 Greenhouse gas assurance information

Year	Assurance Scope	Assurance Body	Assurance Standards	Assurance Opinion
2023	Headquarter, Pinghe factory, Dragon Steel site-office of CEC, China Steel site-office of CEC, Bao-Cheng Technology Center, China Ecotek Vietnam Company Limited, Xiamen Mao Yu Import and Export Trading Ltd.	SGS	ISO 14064-1:2018	The greenhouse gas emissions coverage period is from January 1, 2023, to December 31, 2023. Based on the verification results, it is assured that the consistency and appropriateness of the applicable scope, targets, and standards are in line. Reasonable assurance is provided for Scope 1 and Scope 2, while a limited assurance verification statement is issued for

				Scope 3 to Scope 6, with no qualifications in the opinion.
2024	Headquarter, Pinghe factory, Dragon Steel site-office of CEC, China Steel site-office of CEC, Bao-Cheng Technology Center, China Ecotek Vietnam Company Limited, Xiamen Mao Yu Import and Export Trading Ltd.	SGS	ISO 14064-1:2018	The greenhouse gas emissions data covers the period from January 1, 2024 to December 31, 2024, and is expected to be executed in September of 2025. The complete and verified information will be disclosed on the Company's official website.

1-2 Greenhouse gas reduction targets, strategies, and specific action plans

Describe the greenhouse gas reduction baseline year and its data, reduction targets, strategies, specific action plans, and attainment of reduction targets.

1. Greenhouse Gas Reduction Base Year and Reduction Targets

To plan the greenhouse gas reduction strategy, China Ecotek Corp has set the base year as 2022, the year in which the consolidated financial report boundary review was completed. The Group aims to achieve a 1.5% reduction in emissions by 2025 compared to the base year, and a 21.5% reduction by 2030 compared to the base year through concrete actions.

2. Greenhouse Gas Reduction Strategy and Specific Action Plans

Strategy	Specific Action Plans
Improve Energy Efficiency	Short-term: Replace all office lighting with LED flat-panel lights Mid-term: Replace all high-energy consumption equipment, such as air conditioning, to meet the first-level energy efficiency standards
Promote Green Procurement/Use of Green Energy Vehicles	Short-term: 1. Gradually replace company vehicles with hybrid vehicles 2. Promote green procurement Mid-term: 1. Digitize forms such as construction logs and site inspection records 2. Continue replacing company vehicles with hybrid vehicles Long-term: 1. Use green energy vehicles for all material handling, and replace all forklifts in factories with electric models 2. Replace all transportation vehicles with electric vehicles

3. Achievement of Reduction Targets

In 2024, the direct Emissions(scope 1) and indirect Emissions(scope 2) amounted to 664.5632 tons of CO₂ equivalent (unaudited), which is approximately a 24.77% increase compared to the direct Emissions(scope 1) and indirect Emissions(scope 2) of 532.6266 tons of CO₂ equivalent in the base year of 2022. This increase is primarily due to the additional office space rented for business needs, leading to higher electricity consumption.

(VI) Implementation of Ethical Corporate Management and Deviations
from the "Ethical Corporate Management Best-Practice Principles for
TWSE/TPEX Listed Companies" and Reasons:

Evaluation item	Operating status			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Summary	
<p>I. Establishment of ethical management policies and solutions</p> <p>(I) Did the company establish an ethical corporate management policy that was approved by the Board of Directors, and declare its ethical corporate management policy and methods in its regulations and external documents, as well as the commitment of its Board and management to implementing the management policies?</p>	V		<p>1.The Board of Directors passed the "Ethical Corporate Management Best Practice Principles" and established the "Procedures for Ethical Corporate Management and Code of Conduct" based on the principles, and both contain provisions on the prevention of dishonest conduct. The Company clearly states its ethical corporate management philosophy in its company introduction and sustainability report.</p> <p>2.The Internal Audit Office periodically audits the implementation of ethical corporate management, proposes improvement recommendations, tracks its progress, and submits reports to the Board of Directors and Audit Committee for review. This is an important mechanism for the supervision of ethical corporate management policies by the Board of Directors.</p>	No deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Operating status			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Summary	
(II) Does the company establish mechanisms for assessing the risk of unethical conduct, periodically analyze and assess operating activities within the scope of business with relatively high risk of unethical conduct, and formulate an unethical conduct prevention plan on this basis, which at least includes preventive measures for conduct specified in Article 7, Paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?	V		<p>The Company established the "Code of Ethics for Employees" and "Employee Accepting Offer and Lobbying Report Logbook." Employees shall not request, offer or receive any gifts, treats or other benefits provided by interested parties related to their job duties. Violators will be punished according to company regulations and brought to justice if the violation involves criminal liability. Pursuant to the Contractor Selection Guidelines, contractors that offer gifts, bribes, commission, or other illegal benefits to the Company's personnel will be permanently blacklisted once verified.</p> <p>The Company established the Procedures for Handling Internal Material Information and the Regulations Governing Prevention of Insider Trading to prevent the leakage of internal material information by directors, managerial officers, or employees. If a leak damages the Company's assets or interests, the Company will take legal action to hold the violator responsible.</p>	No deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(III) Has the company established policies to prevent unethical conduct with relevant	V		The Company established "Ethical Corporate Management Best Practice	No deviation from the Ethical Corporate

Evaluation item	Operating status			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Summary	
procedures, guidelines of conduct, punishment for violation, rules of appeal clearly stated in the policies, implemented the policies, and review the policies on a regular basis?			Principles" and "Procedures for Ethical Management and Guidelines for Conduct," and shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanisms to create an operating environment for sustainable development. The Company promotes ethical conduct, discipline, and related company regulations in various internal activities and meetings to encourage employees to conduct careful business operations and establish a culture of ethical business practices. The Company shall periodically review and revise the abovementioned procedures and guidelines for conduct.	Management Best Practice Principles for TWSE/TPEX Listed Companies.
II. Implementation of ethical corporate management (I) Does the Company evaluate the ethical conduct record of counterparts, and does it include an ethical conduct clause in contracts signed with the counterpart?	V		For better management of contractors, the Company specified in the construction contract that the Company's Procurement Department may request approval from the Vice President of Administration Group to permanent blacklist a contractor if the contractor has any one of the following situations:	No deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Operating status			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons for deviation
	Yes	No	Summary	
			<p>1. Breach of contract by the contractor causes the Company to sustain severe losses.</p> <p>2. The contractor is verified to have engaged in illegal conduct, such as manipulation or bid rigging.</p> <p>3. Penalties shall be imposed on suppliers that provide bribes, gifts, commissions, compensation, interest in exchange for benefits, or other illegitimate benefits to the Company's managerial officers, employees, or part-time employees, their spouses, direct blood relatives, consultants, or design and planning companies once such violations are verified.</p>	
(II) Has the company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	V		<p>The Administration Group established regulations and departments are responsible for assisting the Board of Directors and management in formulating and supervising the implementation of the ethical corporate management policy and prevention plans. We employ internal audit mechanisms and special audits to supervise the implementation and follow up on improvement. The Company has not violated ethical management regulations</p>	No deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation item	Operating status			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Summary	
			<p>in 2024, and the ethical corporate management operations and implementation have been reported to the Board of Directors on November 01, 2024.</p> <p>The units under the Administration Group and the Internal Audit Office are responsible for the following matters:</p> <p>1. Human Resources Department:</p> <p>(1) Planning of internal organization, staffing and job duties, establish mutual supervision and balance mechanisms for operating activities of relatively higher unethical conduct risk in the scope of business.</p> <p>(2) Promotion and coordination of ethical policy promotion.</p> <p>2. Legal Office:</p> <p>(1) Assisting in incorporating ethics and moral values into the company's business strategy.</p> <p>(2) Establishing Ethical Management Operation Procedures and Code of Conduct according to regulatory system.</p> <p>(3) Establishing and maintaining relevant company internal</p>	

Evaluation item	Operating status			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Summary	
			<p>regulations, such as Code of Conduct for Directors, Code of Conduct for Practitioners and Regulations for Ethics of Practitioners, etc.</p> <p>3. Internal Audit Office:</p> <p>(1) Developing a whistle-blowing system and ensuring its operating effectiveness.</p> <p>(2) Assisting the board of directors and management in auditing and assessing whether or not the prevention measures taken for the purpose of implementing ethical management are effectively operating and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p> <p>The 2024 ethical corporate management and implementation are as follows:</p> <p>1. Education and training: The Human Resources Department plans a series of courses on regulations, construction contract performance management, and dispute on procurement, providing construction company personnel with knowledge of the law, work</p>	

Evaluation item	Operating status			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Summary	
			<p>rules, code of conduct, prevention of insider trading and the protection of intellectual property rights, intellectual property management and awareness campaigns on ip infringement case studies. Case studies during the courses emphasize concepts and implementation of ethical corporate management, jointly managing and preventing unethical conduct. A total of 806 people participated in the courses for a total of 766 man-hours.</p> <p>2.Compliance promotion: The Legal Office summarizes the Ethical Corporate Management Best Practice Principles and important rules for handling internal material information, and promotes matters that employees need to pay attention to when performing their duties through case study.</p> <p>3.Communication channel: Employees can express their opinions through multiple channels to management and the Human Resources Department. The ethical corporate management policy and implementation status is</p>	

Evaluation item	Operating status			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Summary	
			<p>announced on the company website, annual report, and during investor conferences.</p> <p>4.Periodic audits: The Company established the "Code of Ethical Conduct for Employees" and incorporated ethical corporate management into employee performance evaluations and the human resources policy. We have also established clear and effective systems for rewards and punishment. There were no corruption cases and anti-competitive behavior in 2024.</p> <p>5.Whistleblowing system and whistleblower protection: We established the whistleblower system in the "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," and "Procedures for Ethical Corporate Management and Code of Conduct," actively preventing dishonest conduct, encouraging internal and external personnel to report dishonest or improper conduct. The Internal Audit Office was assigned to handle reports of dishonest conduct, and establish the whistleblowing system. The identity of whistleblowers</p>	

Evaluation item	Operating status			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Summary	
			and contents of reports are kept confidential. A total of 1 complaint was received in 2024, and will be properly handled by related units after careful investigation.	
(III) Has the company established policies to prevent conflict of interests, provided appropriate channels for filing related complaints and implemented the policies accordingly?	V		The Company established the "Code of Ethical Conduct for Directors" and "Code of Ethical Conduct for Employees." When employees are performing their duties, they shall avoid any conflict of interest in cases in which they or their family member is an interested party. Violators will be punished according to the severity of their violation. Refer to section 3 "Operation of whistleblowing system" for grievance channels. In 2024, the Company did not receive any internal or external complaints regarding violations of conflict of interest avoidance.	No deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(IV) Has the company established effective accounting systems and internal control systems to implement ethical corporate management and designated its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the	V		The Company has established a suitable accounting system according to the Business Entity Accounting Act, Regulations Governing the Preparation of Financial Reports by Public Companies, Company Act, and Securities and Exchange Act, as well as management needs. The Company also complies with the Regulations Governing	No deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Operating status			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Summary	
prevention programs accordingly or commissioned a CPA to conduct the audit?			Establishment of Internal Control Systems by Public Companies. The Internal Audit Office periodically conducts internal audits and implements the supervision mechanism. Deficiencies found in the internal control system during internal audits and improvements of abnormalities are important items in department performance evaluations.	
(V) Does the company regularly hold internal and external educational trainings on ethical corporate management?	V		The Company shall periodically organize training and awareness programs for directors, managerial officers, employees, mandataries and substantial controllers, and invite commercial transaction counterparties, so that they understand the Company's resolve to implement ethical corporate management, related policies, prevention programs, and the consequences of <u>engaging in unethical conduct</u> .	No deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
III. Operation of whistleblowing system: (I) Has the company established a concrete whistleblowing and reward system and have a convenient reporting channel in place, and assign an appropriate person to communicate with the accused?	V		1. According to the Company's 'Code of Ethics for Employees', 'Work Rules', 'Employee Code of Conduct', and 'Code of Integrity Management', the company has established reporting channels and handling procedures to optimize corporate governance and ensure	No deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Operating status			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Summary	
			<p>the legal rights and interests of whistleblowers and relevant individuals.</p> <p>2. Employees should maintain harmonious relationships and mutual support. However, to protect the overall interests of the Company, they have the responsibility to report any acts of self-dealing or fraud.</p> <p>3. Whistleblowers should report illegal activities through proper channels and must not use defamation, forgery, or entrapment with the intent to harm others or cause them to face disciplinary actions.</p> <p>4. The Internal Audit Office is in charge of accepting appeals regarding improper conduct such as seeking private gains, fraud, impairing the interests of the Company, and violation of company regulations. An appeal reporting channel is established to ensure the legal rights and interests of whistleblowers and relevant individuals. Additionally, the following appeals channels are provided: (1) Tel.: 07-3336138 ext 31802;</p>	

Evaluation item	Operating status			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons for deviation
	Yes	No	Summary	
			(2)Mailbox: China Ecotek Corporation ,The Internal Audit Office; (3)Email Address:cecia@ecotek.com.tw	
(II) Does the Company have standard operating procedures for investigating whistleblowing cases and related confidentiality mechanisms?	V		<p>All complaints processed by the Company are treated as confidential. The procedures for handling whistleblower cases are as follows:</p> <ol style="list-style-type: none"> 1. Responsible personnel at the Internal Audit Office fill out the "Internal Audit Office Whistleblower Case Record Form" after receiving a report. 2. After careful investigation by the Internal Audit Office, the case will be properly handled by related units and then submitted to the supervisor for review. 3. Related units are required to designate a case officer or form an investigation team to conduct an investigation. Results are submitted to the department supervisor for review, and further submitted to the Internal Audit Office for review. 4. The Internal Audit Office periodically reports the number of cases to the Board of Directors. 5. If investigation results of whistleblower cases involves a director or senior manager, 	No deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation item	Operating status			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Summary	
			<p>it shall be reported to independent directors.</p> <p>6. Dedicated personnel record all data of whistleblower cases from when the case is accepted, opened, investigated, and reported, including original data, documents, audio recordings, and other forms of data. All data of whistleblowing cases are kept confidential and filed for future reference.</p> <p>7. When handling a whistleblowing or grievance case, the identity of the whistleblower and stakeholders must be protected, and prevent whistleblowing from damaging the interests of whistleblowers and stakeholders. However, this does not include whistleblowing for the purpose of defamation, forgery, or framing others.</p>	
(III) Does the company provide proper whistleblower protection?	V		The Company explicitly states in Article 7 of the Whistleblowing Procedures that whistleblowers will not be punished for whistleblowing.	No deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
IV. Enhancing information disclosure Does the Company disclose the contents and	V		The Company has disclosed information related to ethical corporate management, including the "Code of Ethical	No deviation from the Ethical Corporate Management Best

Evaluation item	Operating status			Deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons for deviation
	Yes	No	Summary	
implementation results of its Ethical Corporate Management Best Practice Principles on its website and MOPS?			Conduct," "Ethical Corporate Management Best Practice Principles," and "Ethical Corporate Management Operating Procedures and Code of Conduct" in the "Corporate Governance" section on the company website and the Market Observation Post System. The Administration Group are responsible for enhancing ethical corporate management. Auditors responsible for supervision and implementation as well as reporting the results to the Board of Directors at least once each year.	Practice Principles for TWSE/TPEX Listed Companies.
V. If the Company has established Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies," describe any discrepancy between the principles and their implementation: The Company established "Ethical Corporate Management Best Practice Principles and "Ethical Corporate Management Operating Procedures and Code of Conduct." There are no discrepancies with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.				
VI. Other key information useful for explaining the Company's implementation of ethical corporate management:				
1.The Company established the "Code of Ethical Conduct for Directors" and "Code of Ethical Conduct for Employees," clearly setting forth the Company's codes of conduct for integrity and ethics to improve corporate governance.				
2.The Company irregularly reviews, revises, or establishes regulations related to ethical corporate management, to meet actual needs of operations.				

(VII) Disclose other material information that will benefit understanding of the Company's corporate governance status

1. Directors' continuing education

2024.01.01~2024.12.31

Title	Name	Date of appointment	Date of continuing education		Organizer	Course Name	Number of course hours
			Start	End			
Representative of institutional director	Ying-Pin Hsieh	2024/04/30	2024/08/20	2024/08/20	Taiwan Investor Relations Institute	Trade Secrets and Information Security Practices and Legal Risk Management	3
			2024/09/02	2024/09/02	Taiwan Corporate Governance Association	Strategic Thinking on Group Corporate Restructuring	3
			2024/09/20	2024/09/20	SFI	2024 Seminar on Prevention of Insider Trading	3
			2024/11/05	2024/11/05	Taiwan Investor Relations Institute	Carbon-Carbon Connections: Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3
Representative of institutional director	Chien-Chih Hwang	2024/09/10	2024/02/29	2024/02/29	The Greater Chinese Financial Development	Crisis Management Strategy	3
			2024/04/19	2024/04/19	The Greater Chinese Financial Development	Business Strategy in the Digital Age	3
			2024/08/20	2024/08/20	Taiwan Investor Relations Institute	Trade Secret and Information Security Practices and Legal Risk Management	3
			2024/09/30	2024/09/30	SFI	Taiwan Capital Market	3

Title	Name	Date of appointment	Date of continuing education		Organizer	Course Name	Number of course hours
			Start	End			
						Strengthening Summit	
Representative of institutional director	Shou-Tao Chen	2024/05/18	2024/08/20	2024/08/20	Taiwan Investor Relations Institute	Trade Secret and Information Security Practices and Legal Risk Management	3
			2024/11/05	2024/11/05	Taiwan Investor Relations Institute	Carbon-Carbon Connections: Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3
Representative of institutional director	Chih-Feng Lee	2020/10/31	2024/08/20	2024/08/20	Taiwan Investor Relations Institute	Trade Secret and Information Security Practices and Legal Risk Management	3
			2024/10/25	2024/10/25	Corporate Operating and Sustainable Development Association	Labor-Management Disputes in the Workplace, Resolution Mechanisms, and Case Sharing	3
Representative of institutional director	Chen Yang	2021/05/31	2024/08/20	2024/08/20	Taiwan Investor Relations Institute	Trade Secret and Information Security Practices and Legal Risk Management	3
			2024/11/05	2024/11/05	Taiwan Investor Relations Institute	Carbon-Carbon Connections: Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3
Representative of institutional director	Yu-Lun Kuo	2009/05/12	2024/09/19	2024/09/19	Taiwan Project Management	Applications of Generative AI and ChatGPT	3

Title	Name	Date of appointment	Date of continuing education		Organizer	Course Name	Number of course hours
			Start	End			
					nt Association		
			2024/10/01	2024/10/01	Taiwan Corporate Governance Association	How the Board of Directors Defines ESG Sustainability Governance Strategies	2.5
			2024/11/05	2024/11/05	Taiwan Investor Relations Institute	Connections: Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3
Representative of institutional director	Hsiu-Mei Liu	2022/02/01	2024/08/09	2024/08/09	Taiwan Corporate Governance Association	Development Trends of TCFD & SBTi, and Discussion on Board Powers and Insider Trading	3
			2024/08/20	2024/08/20	Taiwan Investor Relations Institute	Trade Secret and Information Security Practices and Legal Risk Management	3
			2024/11/08	2024/11/08	Taiwan Corporate Governance Association	Trends in Generative AI, Risk Management, and Corporate Tax Governance	3
Representative of institutional director	Po-Nien Lin	2005/06/28	2024/08/20	2024/08/20	Taiwan Investor Relations Institute	Trade Secret and Information Security Practices and Legal Risk Management	3
			2024/11/05	2024/11/05	Taiwan Investor Relations Institute	Connections: Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3

Title	Name	Date of appointment	Date of continuing education		Organizer	Course Name	Number of course hours
			Start	End			
Independent Director	Po-Han Wang	2017/06/22	2024/07/03	2024/07/03	SFI	2024 Cathay Sustainable Finance and Climate Change Summit	6
Independent Director	Chia-Jung Chen	2017/06/22	2024/08/20	2024/08/20	Taiwan Investor Relations Institute	Trade Secret and Information Security Practices and Legal Risk Management	3
			2024/11/05	2024/11/05	Taiwan Investor Relations Institute	Connections: Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3
Independent Director	Tai-Kuang Peng	2020/06/23	2024/08/20	2024/08/20	Taiwan Investor Relations Institute	Trade Secret and Information Security Practices and Legal Risk Management	3
			2024/11/05	2024/11/05	Taiwan Investor Relations Institute	Connections: Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	3

2.Continuing education of the Corporate Governance Officer

2024.01.01~2024.12.31

Organizer	Course Name	Date of continuing education	Number of course hours
Taiwan Investor Relations Institute	Trade Secret and Information Security Practices and Legal Risk Management	2024/08/20	3
Taiwan Corporate Governance Association	Strategic Thinking on Group Corporate Restructuring	2024/09/02	3
SFI	2024 Seminar on Prevention of Insider Trading	2024/09/20	3
Taiwan Investor Relations Institute	Connections: Discussing Carbon Fees, Carbon Taxes, Carbon Credits, and Carbon Trading	2024/11/05	3

3.Domestic certifications obtained by financial, auditing, and IT personnel of the Company:

1 accountant, 1 international certified internal auditor and 2 lead auditors that received training for ISO 27001 Information Security Management Systems.

(VIII) The following items relating to the implementation status of the internal control system shall be disclosed:

1. Internal Control Statement: Please refer to the TWSE Public Information Observation Station:

<https://mopsov.twse.com.tw/mops/web/t06sg20>

2. If the company engages an accountant to examine its internal control system, disclose the CPA examination report: None.

(IX) Important resolutions of shareholders meeting and board meeting in the most recent year and up to the date of publication of the annual report

1. Major resolutions of the shareholders' meeting and implementation status

- (1) Voted and acknowledged the 2023 business report and financial statements.

- (2) Voted and acknowledged the 2023 earnings distribution proposal.

Implementation status: July 27, 2024 was set as the record date, and all dividends were distributed on August 15, 2024. (Cash dividend of NT\$3.3 per share.)

2. Important resolutions of board meetings

- (1) Important resolutions in the 5th meeting of the 11th-term Board of Directors (2024.02.27)

- a. Passed the 2023 Business Report and financial statements.

- b. Report on the amount and distribution method of the 2023 employee bonuses and remuneration to directors and supervisors.

- c. Submission of the 2023 earnings distribution proposal.

- d. Submission of the 2023 Statement of Internal Control System.

- e. Passed the proposal to convene the 2024 Shareholder's Meeting (physical) at Kaohsiung Business Convention Center (No. 5, Zhongshan 2nd Rd., Qianzhen District, Kaohsiung City) at 9:00 A.M. on June 25, 2024 (Tuesday).

- f. Approval of the renewal of the lease agreement for the "Former

China Steel Corporation Building No. 1 and Machine Room” upon the expiration of the current contract.

- (2) Important resolutions in the 6th meeting of the 11th-term Board of Directors (2024.05.02)
 - a. Passed the draft of the Consolidated Financial Statements and Independent Auditors' Review Report for the first quarter of 2024.
 - b. Passed the proposal for the donation to CSC Group Education Foundation.
 - c. Passed performance evaluation and review results for the President and Vice Presidents for 2023.
 - d. Passed the proposed performance bonus for the Chairperson, President, and Vice Presidents.
 - e. Approval of performance evaluation items for the Company's President and Vice President for 2024.
 - f. Approval of the appointment of Mr. Cheng-Chiang Chen as the Company's unpaid Honorary Advisor.
 - g. Approval of the appointment of Mr. Ying-Pin Hsieh as the Company's paid Advisor.
- (3) Important resolutions in the 7th meeting of the 11th-term Board of Directors (2024.07.02)
 - a. Election of Mr. Ying-Pin Hsieh as the Company's Chairperson.
 - b. Approval of investment in Taiwan Bio-Manufacturing Corporation within the limit of NT\$50 million.
 - c. Approval of salary adjustments for employees below the level of Vice President (excluding Vice President).
- (4) Important resolutions in the 8th meeting of the 11th-term Board of Directors (2024.08.02)
 - a. Passed the draft of the Consolidated Financial Statements and Independent Auditors' Review Report for the second quarter of 2024.

- b. Approval of the Company's 2023 Sustainability Report.
 - c. Approval of the allocation of remuneration for the Chairman of the Board, President, and Vice President.
 - d. Approval of the revision to the “Board of Directors Meeting Rules.”
 - e. Approval of the revision to the “Audit Committee Organizational Rules.”
- (5) Important resolutions in the 9th meeting of the 11th-term Board of Directors (2024.11.01)
- a. Passed the draft of the Consolidated Financial Statements and Independent Auditors' Review Report for the third quarter of 2024.
 - b. Approval of the revision to the “Internal Control System Manual.”
 - c. Approval of the revision to the “Sustainability Practices Code.”
 - d. Approval of the revision to the “Risk Management Policies and Procedures.”
 - e. Approval of the revision to the “Employee Stock Trust Committee Charter.”
 - f. Approval of the signing of the second collective bargaining agreement with China Ecotek Corporation (hereinafter referred to as China Ecotek Union)."
 - g. Approval of an investment of up to NT\$35 million in Honley Auto. Parts Co., Ltd.
 - h. Establishment of the remuneration for the new Chairman of the Board.
 - i. Approval of salary adjustments for the President, Vice President of the Management Department, and Vice President of the Engineering Department.
- (6) Important resolutions in the 10th meeting of the 11th-term Board of Directors (2024.12.30)

- a. Passed the 2025 budget.
 - b. Passed the 2025 audit plan.
 - c. Approval of the 2025 Corporate Sustainability Development Implementation Plan.
 - d. Approval of the appointment and dismissal of the Chief Auditor.
 - e. Appoint Mr. Chiang, Yung-Yun as the Company's General Manager.
- (7) Important resolutions in the 11th meeting of the 11th-term Board of Directors (2025.02.26)
- a. Passed the 2024 Business Report and financial statements.
 - b. Report on the amount and distribution method of the 2024 employee bonuses and remuneration to directors and supervisors.
 - c. Submission of the 2024 earnings distribution proposal.
 - d. Submission of the 2024 Statement of Internal Control System.
 - e. Approved the independent and competence evaluation report of the certified public accountant.
 - f. Approved the amendment draft of the Company's "Articles of Incorporation."
 - g. Agreed to lift the non-compete restriction for the Company's director, Chien-Chih Hwang.
 - h. Agreed to lift the non-compete restriction for the Company's director, Shou-Tao Chen.
 - i. Passed the proposal to convene the 2025 Shareholder's Meeting at Kaohsiung Business Convention Center (No. 5, Zhongshan 2nd Rd., Qianzhen District, Kaohsiung City) at 9:00 A.M. on June 25, 2025 (Wednesday).
 - j. Set the salary for the Company's new President.
- (X) Main content of recorded or written opinions from Directors or Independent Directors had dissenting opinions on passed important resolutions by the Board of Directors in the most recent year and up to

the date of publication of the annual report: None.

IV. Information on Fees to Certifying CPA

(I) Information on Fees to CPA

Unit: NT\$ thousand

Name of the accounting firm	Name of CPA	Audit period	Audit fee	Non-audit fee (Note)	Total	Notes
Deloitte Taiwan	Li-Yuan Kuo Chao-Chun Wang	2024.01 ~2024.12	4,090	834	4,924	None

Note: Services of non-audit fees: NT\$660 thousand for tax services and NT\$174 thousand for business registration services.

(II) If the accounting firm is changed and the audit fees paid in the year of the replacement is less than that of the previous year, the amount and percentage of decrease in audit fees and the causes shall be disclosed: N/A.

(III) If the audit fees decreased more than 10% from that of the prior year, the amount, percentage, and reasons for the decrease in audit fees shall be disclosed: N/A.

V. Information on Change of CPA

(I) Information on the previous CPA

Date of change	Approved by the Board of Directors on February 21, 2023		
Reason for change and explanation	Due to the internal rotations at the accounting firm, the Company's financial statements, previously certified by the CPAs Yu-Hsiang Liu and Chao-Chun Wang, are certified by the CPAs Li-Yuan Kuo and Chao-Chun Wang starting from the first quarter of 2023.		
State whether the Appointment is Terminated or Rejected by the Appointer or CPAs	<div>The Parties</div> <div>Status</div>	CPA	Appointer
	Termination initiated by client	N/A	
	Appointment rejected (discontinued)		
Opinion and reason for the issuance of audit reports containing opinions other than unqualified opinions in the most recent two years	None		
Different opinions from the issuer	Yes	-	Accounting principles or practices
		-	Disclosure of financial statements

		-	Audit scope or procedures
		-	Others
	None	V	
	Description	N/A	
Other items for disclosure (items in Article 10, Subparagraph 6, Item 1-4 to Item 1-7 of the Regulations shall be disclosed)		None	

(II) Regarding succeeding CPA

Accounting firm name	Deloitte Taiwan
Name of CPA	Li-Yuan Kuo, CPA and Chao-Chun Wang, CPA
Date of appointment	Approved by the Board of Directors on February 21, 2023
Subjects and outcomes of consultation on the accounting treatment of or application of accounting principles to specific transactions, or opinions that may be included on financial statements before the appointment of new CPAs	N/A
The succeeding CPA's opinions in written form in response to the former CPA's opinions	N/A

(III) Previous CPAs' response to Article 10, Subparagraph 6, Item 1 and Item 2-3 of the Regulations: N/A.

VI. Did the Company's chairperson, president, financial or accounting manager serve in the certifying CPA firm or its affiliates in the most recent year: None.

VII. Share transfer by directors, managerial officers, and shareholders holding more than 10% shares, and changes to share pledging

(I) Changes in shareholding of directors, managerial officers, and major shareholders

Unit: Shares

Title	Name	2024		The current year up to March 31, 2025		Remark
		Number of shares held added (subtracted)	Number of pledged shares added (subtracted)	Number of shares held added (subtracted)	Number of pledged shares added (subtracted)	
Director/Major shareholder	China Steel Corporation	0	0	0	0	
	Representative: Ying-Pin Hsieh	0	0	0	0	
	Representative: Cheng-Chiang Chen	0	0	N/A	N/A	Resigned on April 29, 2024
	Representative: Chien-Chih Hwang	0	0	0	0	
	Representative: Shyi-Chin Wang	0	0	N/A	N/A	Resigned on September 10, 2024
	Representative: Shou-Tao Chen	0	0	0	0	
	Representative: Chao-Tung Wong	0	0	N/A	N/A	Resigned on May 18, 2024
	Representative: Chih-Feng Lee	0	0	+12,015	0	
	Representative: Chen Yang	0	0	0	0	
Director/Major Shareholders	Hua Eng Wire & Cable Co., Ltd.	0	0	0	0	
	Representative: Hsiu-Mei Liu	0	0	0	0	
Director	Great Grandeul Steel Co., Ltd.	-2,000	0	0	0	

	Representative: Yu-Lun Kuo	0	0	0	0	
Director	Bai-Chien Investment Co., Ltd.	0	0	0	0	
	Representative: Po-Nien Lin	0	0	0	0	
Independent Director	Chia-Jung Chen	0	0	0	0	
Independent Director	Po-Han Wang	0	0	0	0	
Independent Director	Tai-Kuang Peng	0	0	0	0	
President	Yung-Yu Chiang	N/A	N/A	0	0	Took office on January 1, 2025.
Vice President	Chien-Chih Chen	0	0	0	0	
Vice President	Li-Ming Hu	0	0	0	0	
Accounting Officer	Ya-Min Chuang	0	0	0	0	

(II) If there was share transfer to related parties, disclose information on the counterparty: None.

(III) If there was pledge transfer to related parties, disclose information on the counterparty: None.

VIII.Information on relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree):

December 31, 2024 Unit: shares; %

Name	Shareholding		Shares held by spouse and underage children		Total shareholding by nominee arrangement		Titles, names and relationships between top 10 shareholders (related party, spouse, or kinship within the second degree)		Notes
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Title (or Name)	Relationship	
China Steel Corporation	55,393,138	44.76	N/A	N/A	0	0	None	None	None
Representative of China Steel Corporation Chien-Chih Huang	0	0	0	0	0	0	None	None	None
Hua Eng Wire & Cable Co., Ltd.	11,843,730	9.57	N/A	N/A	0	0	None	None	None
Representative of Hua Eng Wire & Cable Co., Ltd. Hung-Jen Wang	0	0	0	0	0	0	None	None	None
Dedicated account under the custody of Mega International Commercial Bank – China Ecotek Corporation	7,179,192	5.80	N/A	N/A	0	0	None	None	None
Great Grandeul Steel Co., Ltd.	3,962,000	3.20	N/A	N/A	0	0	C. Hao Corporation	Affiliate	None
Representative of Great Grandeul Steel Co., Ltd. Yung-Cheng Kuo	0	0	0	0	0	0	None	None	None
Chin Ho Fa Steel & Iron Co., Ltd.	3,610,475	2.92	N/A	N/A	0	0	None	None	None
Representative of Chin Ho Fa Steel & Iron Co., Ltd. Hong-Zhi Chen	0	0	0	0	0	0	None	None	None
Bai-Chien Investment Co., Ltd.	3,005,000	2.43	N/A	N/A	0	0	None	None	None

Representative of Bai-Chien Investment Co., Ltd. Chung-Tien Lin	0	0	0	0	0	0	None	None	None
Chun Yuan Steel Industry Co., Ltd.	2,990,772	2.42	N/A	N/A	0	0	None	None	None
Representative of Chun Yuan Steel Industry Co., Ltd Yi-Ming Zheng	0	0	0	0	0	0	None	None	None
Taiwan Sugar Corporation	2,888,844	2.33	N/A	N/A	0	0	None	None	None
Representative of Taiwan Sugar Corporation Ming-Chang Wu	0	0	0	0	0	0	None	None	None
C. Hao Corporation	1,185,000	0.96	N/A	N/A	0	0	Great Grandeul Steel Co., Ltd.	Affiliate	None
Representative of C. Hao Corporation Chen-Kui Yen	0	0	0	0	0	0	None	None	None
Ting-Li Jen	476,000	0.38	0	0	0	0	None	None	None

IX. Total shareholding percentage of investee business

December 31, 2024 Unit: shares; %

Investee business (Note)	Investment by the Company		Investments from directors, managerial officers and their directly or indirectly controlled enterprises		Comprehensive investment	
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio
Chiun Yu Investment Corporation	1,196,000	40	-	-	1,196,000	40
Jing-Cheng-Fa Investment Corporation	805,000	35	-	-	805,000	35
Chi-Yi Investment Corporation	800,000	40	-	-	800,000	40
Hung-chuan Investment Corporation	600,000	30	-	-	600,000	30
Eminent III Venture Capital Corporation	10,000,000	5.52	-	-	10,000,000	5.52
CEC International Co.	10,000,000	100	-	-	10,000,000	100
CEC Development Co.	17,000,000	100	-	-	17,000,000	100
China Ecotek VN Co.	0	0	-	100	0	100
China Steel Machinery Corporation	35,204,170	26.02	100,066,400	73.97	135,270,570	99.99
Xiamen Mao Yu Import and Export Trading Ltd.	0	0	-	100	0	100
China Ecotek India Private Limited	5,000	0.1	4,995,000	99.9	5,000,000	100
CSC Solar Corporation	34,880,000	20	95,920,000	55	130,800,000	75
Pro-Ascentek Investment Corporation	6,000,000	5	-	-	6,000,000	5
Honley Auto. Parts Co., Ltd.	2,000,000	1.66	35,751,427	30	37,751,427	31.66

Note: The Company's investments recognized under the equity method (as of December 31, 2024).

C. Capital overview

I. Capital and shares

(I) Sources of capital Unit: Thousand NTD; thousand shares

Year/Month	Issuing Price	Authorized capital		Paid-in capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Sources of capital	Subscriptions paid with property other than cash	Others
1993.03	10	100,000	1,000,000	54,500	545,000	Establishment capital	None	Gao-Shih-Jian-Er-Zih No. 84252401
1997.12	10	100,000	1,000,000	57,770	577,700	Capitalization of profits	None	(1997) Tai-Cai-Zheng (I) No. 80337
1998.07	10	100,000	1,000,000	63,767	637,670	Capitalization of profits	None	(1998) Tai-Cai-Zheng (I) No. 59391
1999.03	10	100,000	1,000,000	69,767	697,670	Cash capital increase	None	(1998) Tai-Cai-Zheng (I) No. 94332
1999.08	10	100,000	1,000,000	76,963	769,630	Capitalization of profits	None	(1999) Tai-Cai-Zheng (I) No. 62345
2000.08	10	130,000	1,300,000	81,172	811,720	Capitalization of profits	None	(2000) Tai-Cai-Zheng (I) No. 60252
2001.08	10	130,000	1,300,000	85,537	855,370	Capitalization of profits	None	(2001) Tai-Cai-Zheng (I) No. 154955
2002.08	10	130,000	1,300,000	88,268	882,680	Capitalization of profits	None	Tai-Cai-Zheng-Yi-Zi No. 0910138810
2004.07	10	130,000	1,300,000	90,147	901,474	Capitalization of profits	None	Jin-Guan-Zheng-Yi-Zi No. 0930132625
2008.03	10	130,000	1,300,000	113,047	1,130,474	Share swap Capital increase	None	Jin-Guan-Zheng-Yi-Zi No. 0970009449
2012.12	10	130,000	1,300,000	115,733	1,157,338	Shares converted from convertible corporate bonds	None	Jing-Shou-Shang-Zi No. 10101250660
2013.03	10	130,000	1,300,000	118,576	1,185,762	Shares converted from convertible corporate bonds	None	Jing-Shou-Shang-Zi No. 10201054610
2013.05	10	130,000	1,300,000	121,799	1,217,988	Shares converted from convertible corporate bonds	None	Jing-Shou-Shang-Zi No. 10201098230
2013.11	10	130,000	1,300,000	123,743	1,237,426	Shares converted from convertible corporate bonds	None	Jing-Shou-Shang-Zi No. 10201235080

Unit: Shares

Type of Shares	Authorized capital			Remarks
	Outstanding shares (Listed stocks)	Unissued shares	Total	
Registered ordinary shares	123,742,552	6,257,448	130,000,000	-

(II) List of major shareholders

December 31, 2024

Shares Name of major shareholder	Number of shares held	Shareholding ratio (%)
China Steel Corporation	55,393,138	44.76
Hua Eng Wire and Cable Co., Ltd.	11,843,730	9.57
Dedicated account under the custody of Mega International Commercial Bank – China Ecotek Corporation	7,179,192	5.80
Great Grandeul Steel Co., Ltd.	3,962,000	3.20
CHF Steel Co., Ltd.	3,610,475	2.92
Bai-Chien Investment Co., Ltd.	3,005,000	2.43
Chun Yuan Steel Industry Co., Ltd.	2,990,772	2.42
Taiwan Sugar Corporation	2,888,844	2.33
C. Hao Corporation	1,185,000	0.96
Ting-Li Ren	476,000	0.38

(III) Dividend policy and implementation status

1. Dividend policy

The Company's dividend policy is as follows:

The Company is in a high-tech engineering market with stable growth and also develops diverse strategies at the same time. The Company also expands the business operating foundation in the development of investment plans, including environmental protection and energy etc. During the establishment of the proposal for distribution of earnings by the board of directors, it is necessary to consider the stability of dividends. Except when there is need for capital, the earnings distributed each year shall account for more than 50% of the distributable earnings, and where the shareholders' cash bonus shall not be less than 10% of the shareholders' bonus.

2. Dividend distribution to be proposed to the shareholders' meeting

The Board of Directors proposed the 2023 earnings distribution as follows:

Unit: NTD

Summary	Amount
Undistributed earnings at the beginning of 2024	605,752,071
Net profit of 2024	501,892,603
Investment adjusted retained earnings under equity method	9,234,005
Gain on disposal of financial asset at fair value through other comprehensive income	16,158,723
Remeasurements of the net defined benefit recognized in retained earnings	<u>8,404,438</u>
Adjusted undistributed earnings	1,141,441,840
Legal reserve	(53,568,977)
Appropriation of special reserve	<u>(46,000,384)</u>
Distributable earnings	1,041,872,479
Items for distribution:	

Shareholders cash bonus (NT\$ 3 per share)	<u>(371,227,656)</u>
Undistributed earnings as of the end of 2024	670,644,823

Note: When calculating taxes on undistributed earnings of profit-seeking enterprises according to Article 66-9 of the Income Tax Act, earnings of the most recent year shall be distributed first.

(IV) Effect of the proposed stock dividends (to be adopted by the shareholders' meeting) on the Company's business performance and earnings per share:
N/A.

(V) Employee bonuses and directors' remuneration

1. Percentages or ranges of employee bonuses and directors' remuneration under the Articles of Incorporation :

Pursuant to Article 32 of the Articles of Incorporation: "If the Company has profit for the year, the Board of Directors shall resolve to allocate no less than 0.1% as employee bonuses and no more than 1% as directors' remuneration. The recipients of employee bonuses include employees of affiliates meeting certain criteria. A sum shall be set aside in advance to pay down any outstanding cumulative losses of the Company before employee bonuses and directors' remuneration can be allocated according to the above percentage.

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

Of the Company's pre-tax profit before distribution of employee bonuses and directors' remuneration, the Company allocates 3.1350% and 0.6270% as employee bonuses and directors' remuneration, respectively. If there are changes made to the amount before the issuance of financial statements, the changes shall be adjusted and accounted for as annual expenses. If there are changes made to the amount after the issuance of financial statements, the changes shall be accounted for as changes in accounting estimates and recognized in the financial statements of the following year.

3. Distribution of remuneration passed by the Board of Directors

- (1) Amount of employee bonuses, stock compensation, and directors' remuneration distributed

The Board of Directors passed the distribution of NT\$4.023 million in directors' remuneration and NT\$20.116 million in employee bonuses in cash.

- (2) The amount of employee stock compensation distributed as a percentage of net profit after tax on the financial statements and total amount of employee bonuses: None.

- (3) Employee bonuses and directors' remuneration are recognized as operating costs or expenses, and after-tax EPS is NT\$4.06.

4. Actual distribution of employee bonuses and directors' remuneration in the previous year (including dividend shares, amount and stock price), discrepancies, if any, from the amount of employee bonuses and directors' remuneration previously recognized, and the reasons and handling of discrepancies:

In 2023, NT\$4.722 million in directors' remuneration and NT\$23.609 million in employee bonuses to a total of NT\$28.331 million was actually distributed in cash. There was no deviation from the amount originally approved by the Board of Directors for distribution.

(IX) Status of company share buyback: None.

II. Issuance of corporate bonds: None.

III. Issuance of preferred stocks: None.

IV. Issuance of global depositary receipts (GDR): None.

V. Exercise of employee stock option plan (ESOP): None.

VI. Issuance of restricted stock awards: None.

VII. Mergers, acquisitions or issuance of new shares for acquisition of shares of other companies: None.

VIII. Implementation status of the capital utilization plan: The Company has completed all securities issuance or offering or has completed the plan within the most recent three years but has not seen significant benefits.

D. Business overview

I. Business activities

(I) Business scope

1. Major business activities

- (1) Environmental protection projects (water treatment and recycling, air pollution prevention, waste recycling and treatment, incinerator construction).
- (2) Replacement and upgrade of electromechanical equipment, repair work, and annual maintenance management.
- (3) Laboratory, biopharmaceuticals, and pharmaceutical plant turnkey projects.
- (4) Co-generation plant and power plant construction turnkey projects.
- (5) Solar power system projects.
- (6) Sales agent services.

2. Revenue breakdown

Unit: NT\$ thousand

Business Item \ Year	2023 Operating revenue	2024	
		Operating revenue	Revenue breakdown
Environmental protection projects	1,702,314	1,522,882	14.02%
Electrical and mechanical engineering projects	4,908,424	6,251,641	57.57%
Recycling plant operation and electrical/mechanical maintenance services	2,967,471	2,908,464	26.79%
Other (Note)	181,117	175,820	1.62%
Total	9,759,326	10,858,807	100%
Note: Includes chemical agent, and construction material, and other sales services.			

3. Current products and services:

The Company's main scope of business includes: (1) Environmental protection projects, (2) electrical and mechanical engineering projects, (3) biopharmaceutical factory construction projects, (4) power plant turnkey projects and repair, (5) recycling plant turnkey projects, (6) solar power plant turnkey projects, (7) fire-resistant material turnkey projects, and (8) operation services. The Company also provides complete technical services, such as feasibility research, planning and design, manufacturing, installation, repair, sales, and after-sale services, for the projects above.

4. New products (services) that will be developed: Expand products available for sale, such as sampling probe, activated carbon air purifiers, corrosion/wear-resistant materials, and LED applications.

(II) Industry Overview

The Company is a general construction company that provides services ranging from environmental protection projects, electrical and mechanical engineering projects, refractory materials, and biotech plant construction, and vertically extend from feasibility studies, planning and design, equipment procurement and manufacturing, construction and commissioning, to operation and maintenance services for customers.

The general construction industry is between the construction industry, consulting industry, equipment manufacturing industry, software planning and design industry, and related service industries. It forms a comprehensive service value chain with upstream and downstream companies based on customer needs, and planned systematic operating procedures based on the structure of associated industries, providing related engineering technologies and turnkey services, and effectively lowering the risk of outsourcing and construction for customers, while meeting customers' requirements on maintaining quality and risk management.

1. The relationship between upstream, midstream and downstream companies in the industry:

The Company is in the project consulting service industry, upstream are clients that require plant construction and equipment installation. The Company is midstream and has a technology and planning team formed by a professional team with related technical service providers. Downstream are civil engineering, machinery, instrumentation, electrical, and pipeline contractors, forming a complete material and equipment supply, production, and installation and construction system.

2. Product trends and competition:

(1) Product trends

A. Environmental protection projects

Foreign and domestic governments have attached great importance to net zero emissions, environmental sustainability and corporate green transformation in recent years, which has supported the positive development of the environmental protection industry as a mainstream industry. The government has taken the lead in environmental conservation, and is actively promoting its green energy and circular economy policy, in hopes of driving investments. The Company monitors industry trends and business opportunities in solar power, energy storage, and water recycling to use them for the Company's business growth.

B. Electrical and mechanical engineering projects

Taiwan is a major base for technology and manufacturing and has a high density of large factories. Whether it may be the establishment of new factories, replacement of equipment production lines, or annual equipment maintenance, there is stable demand in the electrical and mechanical engineering market. The Company mainly focuses on the CSC Group's electrical and mechanical maintenance, periodic maintenance, annual maintenance, and overhaul of furnaces, which lay the foundation for the Company's stable operation.

(2) Competition

The Company makes timely adjustments to its operational strategy along with market changes under the existing industry structure, and actively engages in strategic alliances and joint contracting of engineering projects. Compared with domestic competitors, the Company has a good corporate image, highly experienced professionals, excellent construction technologies, and strict quality control, and has gained recognition and strong support from customers. It is necessary to show the Company's expertise and responsibility to increase business opportunities for winning contracts.

(III) Overview of Technology and R&D

1. Level of technology of business operations and R&D overview

R&D expenses totaled approximately NT\$ 8,224 thousand in 2024. Besides developing proprietary technology in response to market trends, we are also working with the R&D department of China Steel in developing chemical agents for water treatment and energy conservation and environmental protection technologies, which have generated an abundance of research results. Primary research results are as follows:

- (1) Research of wastewater treatment technology: With regard to R&D in wastewater treatment, the Company has developed bioreagents for ammonia nitrogen discharge in water, which can be used when treatment efficiency begins to decline, in order to enhance and restore the treatment efficiency. The bioreagents are processed through drying and solidification to extend the shelf life to six months.
- (2) Research of carbon reduction technology: In view of the global commitment to the goal of net-zero emissions by 2050, the Company worked with the R&D department of China Steel succeeding in the establishment of the first stack exhaust carbon dioxide capture pilot plant, which captures and purifies the carbon dioxide originally released into the atmosphere. The plant is

capable of capturing 500 tons of CO₂ annually, with a purity of over 99%. In the future, a test program will be conducted for the introduction of carbon dioxide into the bottom-blown converter to develop the practical applications of carbon dioxide.

- (3) Air pollution prevention technologies: As air pollution prevention regulations become more rigorous, the Company has developed technology for removing SO_x emissions from fixed pollution sources. By adopting the wet limestone desulfurization method, the 11th stack at China Steel's Power Plant No. 2 achieved a desulfurization guarantee with a sulfur dioxide concentration (after oxygen correction) of less than 4 ppm at the stack exit. Additionally, in collaboration with China Steel's R&D division, a composite desulfurization and PM_{2.5} removal technology flow process was developed. The composite honeycomb plate layer tower, combined with wet electrostatic precipitators, demonstrated a desulfurization efficiency of up to 99% and a PM_{2.5} removal rate of up to 95% during pilot testing. Once performance adjustments are stabilized, it is expected to proceed with full-scale industrial implementation. In terms of treating NO_x emissions from fixed pollution sources, aligned with China Steel's R&D unit, we have evaluated selective catalyst reduction denitrification systems for the new coke ovens of China Steel. During the pilot field applicability testing, the denitrification efficiency reached 80%. It is expected to significantly reduce fuel demand and enhance environmental protection and energy-saving benefits.

2. Successfully developed technologies and products

Main customers of chemical agents successfully developed by the Company for water treatment include China Steel and Dragon Steel. Air pollution prevention technologies include dust removal, desulfurization, denitrification, and dioxin removal from flue gas, which can be extensively applied for air pollution prevention in power plants and steel mills.

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

1. Short-term business development plans

- (1)Business of the CSC Group: China Steel is the largest steel company in Taiwan, and it has massive demand on renewal and maintenance every year. The Company's short-term goal is to continue to obtain renewal, annual maintenance, periodic maintenance, and major overhaul projects within the group.
- (2)Businesses in Vietnam's market: We are obtaining the waterworks projects, factory repair, and equipment renewal projects through a stable operations and technology team. We are also increasing sales, such as LED lighting equipment, explosion-proof lighting equipment, water purification equipment, and air purifiers.
- (3)Environmental protection business: Improve air pollution prevention technologies and services. In coordination with the CSC Group's plan to develop the green energy industry, we are actively developing new technologies and expanding into new fields, such as solar power, energy storage, energy conservation, and alternative energy engineering projects.
- (4)Biotech plant construction: The Company has constructed biotech plants in Taiwan and build a sound reputation for its technologies and track records. We will continue to work to obtain biotech plant construction projects.

2. Long-term business development plans

- (1)Continue operation and maintenance work in existing plants to create stable long-term profits.
- (2)Continue to expand sales in Vietnam's market.
- (3)Utilize the existing foundation of the environmental protection business, assess different risks, and expand domestic environmental protection projects.
- (4)Continue to monitor the biopharmaceuticals industry and actively participate in plant construction projects.

II. Market, production and sales

(I) Market analysis

The Company's projects are mainly from the CSC Group, public construction projects, and private construction projects in Taiwan. Vietnam is the Company's main overseas project.

1. Sales regions of main products (services)

Unit: NT\$ thousand

Sales region	2023		2024	
	Sales amount	%	Sales amount	%
Taiwan	9,560,364	97.96%	10,684,828	98.40%
Vietnam	198,884	2.04%	173,979	1.60%
Others	78	0.00%	-	-
Total	9,759,326	100.00%	10,858,807	100.00%

The Company's revenue is mainly generated in Taiwan's market, in which the CSC Group is the Company's main customer and generates stable revenue.

2. Market share and future market supply/demand and growth

(1) Market share

The Company is in the engineering service consulting industry, which covers an extensive range of engineering categories. Each company specializes in its own field and participates in tenders for different types of projects. There is no unified data available. Hence, comparison of market share with other companies in the industry does not have much meaning. The Company has ranked in the top ten in the engineering technology service industry in the "Top 5000, the largest corporations in Taiwan" in recent years, showing that the Company has secured a place in the engineering industry.

(2) Future market supply and demand and future growth

The CSC Group is the Company's main customer, and has added many new projects to install eco-friendly equipment and

replace old equipment under the energy conservation and carbon reduction policy. The projects mainly aim to reduce energy consumption and pollution. The Company is actively working on obtaining related projects, and does not have any issues with short-term and mid-term business momentum.

With regard to the domestic engineering industry, we mainly focus on water treatment related public construction projects. However, due to the rising awareness of sustainable development, energy conservation, and environmental protection, we expect to see gradual growth in the energy safety, green economy, and circular economy markets in the future, which will benefit our mid-term and long-term business strategy.

3. Competitive niche, favorable and adverse factors for long-term growth and response strategy

(1) Competitive niche

The Company has upheld quality, focused on innovation, and achieved solid project performance since its establishment, thanks to the strong management team, excellent engineering technologies, high quality professionals, and track records in construction, and has thus gained the recognition and trust of clients. In the future, we shall leverage our competitive advantages to develop niche markets, continue stable operations, and ensure profitability.

(2) Favorable factors

A. The rise of the domestic environmental protection awareness and the adoption of industrial transformation and sustainable development concepts are conducive to the expansion of environmental protection projects.

B. Has completed a wide range of environmental protection projects and has a wealth of project experience in Taiwan and overseas. The Company is well-known for its good credit and brand image in Taiwan.

C. Has numerous system integration technologies, such as: water treatment, desulfurization, denitrification, and biotech facility

project validation and verification technologies.

(3) Unfavorable factors

A. Severe competition and the increase in construction labor and material costs in the domestic market contributed to rising operating costs year after year.

B. Due to aging and loss of employees by contractors and suppliers, the Company must prevent delays in construction completion.

(4) Response measures

A. Improve service quality and efficiency, and set reasonable prices for operation and maintenance contracts.

B. Improve the human resources management system and build an international talent cultivation system.

C. Continue to search for new contractors and raw materials and equipment suppliers.

(II) Major product manufacturing processes

1. Applications of main products

(1) Environmental protection projects: Includes water treatment, wastewater treatment, and water recycling projects, solid waste disposal, and air pollution prevention projects.

(2) Electrical and mechanical engineering projects: They include various transmission equipment for factories, mechanical equipment production and installation, electrical instrumentation and equipment installation projects, and co-generation plant and power plant projects.

(3) Operations and maintenance services: They include incinerator, wastewater treatment, and water treatment plant operation and maintenance, and on-site electrical and mechanical repairs.

2. Production process

Market data collection→Feasibility analysis studies→Tender and price quotations→Contract signing→Construction plan and design→Procurement and manufacturing→Construction and commissioning→Completion acceptance inspection→Warranty and after-sale service.

(III) State of supply of chief raw materials

The supply of materials varies with each contract. Aside from the materials provided by the client, other materials are purchased from domestic and overseas equipment vendors as needed by the project. Electrical and mechanical materials and equipment mainly include pipelines, valves, power cables, meters, motors, control panels, filters, blowers, water pumps, and various other pumps.

(IV) Names of customers who contributed to more than 10% of total purchase (or sales) amount in one of the most recent two years and the corresponding purchase (or sales) amounts and percentages, as well as reasons for their changes (if applicable):

1. Major Suppliers in the Last Two Calendar Years

Unit: NT\$ thousand

Year	Name	Amount (NT\$thousand)	As a percentage of total purchase (%)	Relationship with the issuer
2023	Others	8,786,581	100%	-
	Net purchase	8,786,581	100%	
2024	Others	9,851,646	100%	-
	Net purchase	9,851,646	100%	
2025 up to the previous quarter	Information at the end of the quarter before the publication date of the Annual Report is from 2024. Therefore, the information is the same as the information above.			

Note: The Company does not have any standard products, and procurements are mainly labor expenses and machinery and equipment input. Furthermore, depending on the contract, project periods may span multiple years.

The Company did not have any suppliers that accounted for 10% or more of the total procurement amount in the past two years. Changes in equipment suppliers and contractors in the past two years were mainly due to the materials, equipment, and construction technology required for projects in each year. The Company's procurement policy is to extensively work with contractors to reduce its dependency on any individual supplier. We evaluate previous projects and professional technology when working with contractors and suppliers, and also evaluate their capacity and current project load. Procurements are carried out through open price inquiry, comparison, and negotiation. Hence, we are able to spread the workload between different contractors and not concentrate the workload on a single contractor.

2. Information on major customers in the past two years

Unit: NT\$ thousand

Year	Name	Amount (NT\$thousand)	As a percentage of net sales (%)	Relationship with the issuer
2023	China Steel Corporation	6,084,192	62.34%	Parent company
	Dragon Steel Corporation	1,321,037	13.54%	Affiliate
	Others	2,354,097	24.12%	-
	Net sales	9,759,326	100%	
2024	China Steel Corporation	6,514,364	59.99%	Parent company
	Dragon Steel Corporation	2,142,145	19.73%	Affiliate
	Others	2,202,298	20.28%	-
	Net sales	10,858,807	100%	
2025 up to the previous quarter	Information at the end of the quarter before the publication date of the Annual Report is from 2024. Therefore, the information is the same as the information above.			

Note: The Company's sales is mainly from construction contracts, which may span multiple years.

The Company has achieved excellent performance and gained a good reputation for stably providing services to companies in the group, such as China Steel and Dragon Steel, which were the customers that accounted for 10% and above of total sales amount in 2023 and 2024. China Steel and Dragon Steel are table customers of the Company and account for approximately 80% of net sales each year.

III. Employees

(I) Information on employees of China Ecotek Corporation and its subsidiaries in the past two years and up to the date of report

Year		End of 2023	End of 2024	As of March 31, 2025
Number of employees		1,314	1,293	1,291
Average age		42.77	43.54	43.71
Average years of services		12.35	13.24	13.39
Education background distribution (%)	Doctorate	0	0	0
	Master's	14.46	14.80	14.64
	College	63.62	63.75	63.67
	High school (vocational high school)	20.93	20.29	20.53
	High School and below	0.99	1.16	1.16

(II) Information on employees of China Ecotek Corporation in the past two years and up to the date of report

Year		End of 2023	End of 2024	As of March 31, 2025
Number of employees		1,277	1,256	1,254
Average age		42.95	43.72	43.89
Average years of services		12.44	13.33	13.48
Education background distribution (%)	Doctorate	0	0	0
	Master's	14.88	15.21	15.07
	College	63.19	63.38	63.32
	High school (vocational high school)	21.15	20.61	20.81
	High School and below	0.78	0.80	0.80

IV. Environmental protection expenditure information

(I) Total amount of losses and penalties incurred due to environmental pollution in the most recent year.

The Company and its subsidiaries did not receive any fines due to pollution in 2024 and up to the date of report.

(II) Response Measures: None.

V. Protection measures for work environment and employees' personal safety

A. Safety and health management measures

a. Hazard identification and risk assessment

Before commencing projects and works taken on by the Company, hazards to the work item and operation must first be identified and risk assessment must be carried out, so that suitable safety measures can be taken based on the hazards identified and the level of risk; Operational safety procedures can then be established. We conducted a total of 126 audits of high-risk operations at China Steel, Dragon Steel, and work areas outside the Group in coordination with the Company's safety and health policy. We also conducted audits of the methods used for high risk operations according to instructions of the president, so as to improve construction safety. We conducted a total of 158 audits (to be continued next year) in hopes of creating a culture of construction safety through on-site audits that gets employees into the habit of identifying environmental and operational hazards, regardless of the operational environment they are in.

b. Health examination and management

The Company periodically provides employees with general health examinations, and special health examinations to employees in special environments. Employees are divided into groups based on their special health examination results for management in accordance with the law. When examination results are abnormal, data is summarized for the direct supervisor to reference when assigning tasks, and health workers provide personal health instructions. Health examination data is registered in the internal website system

for employees to compare their health examination data, understand trends in their health data, and properly manage and control their health on their own. The Company irregularly invites doctors or nutritionists to hold health seminars, which allow employees to understand and actively prevent and treat diseases.

c.Zero disaster movement

The Company promotes zero-disaster safety measures to employees and contractors before work each day based on the core philosophy of disaster prevention. We also verify their health condition and safety equipment at the same time. We specially remind and inform employees of safety measures that need to be taken for high risk operations that day. Before construction safety meetings begin, the chairperson leads all attendees to explain evacuation routes and identification calls, in hopes of showing care for all aspects of construction safety to truly lower the probability of occupational accidents.

The frequency of disabling injuries in 2024 achieved the goal of 0.40, which failed to achieve the target of 0 lost time injury frequency. The number of occupational accidents was 1 accident involving 1 employees (accounting for 0.085% of the total number of employees at the end of 2024). The number of fires was 0 accidents involving 0 employees (accounting for 0% of the total number of employees at the end of 2024). The zero-accident target was achieved in both categories.

d.Operating environment monitoring

For confined space operations or work environments with the risk of hypoxia, poisoning, and explosion, we monitor hazardous gases before and during construction to ensure

operational safety. At present, the Company monitors carbon dioxide at 11 locations twice a year on its own and in coordination with clients. The locations are as follows:

Monitoring location
4F, 8F, and 9F of Head Office
8F of Pou Chen Building
2F, 3F, and B1 of China Ecotek Office Building in China Steel plant area
China Steel plant area IWI office area
1F and 2F of China Steel plant area RMTP office area
Refractory office in steelmaking maintenance building in Dragon Steel plant area
China Ecotek office in furnace repair plant in Dragon Steel plant area
China Ecotek office on 3F of Demi Water Building in Dragon Steel plant area
China Ecotek office and central control room in 2F of Public Facility Building in Dragon Steel plant area
Office in Operations Building in Chengcing Lake water treatment plant
Office in Operations Building in Kinmen water treatment plant

An additional environmental monitoring location has been added at the Dragon Steel plant laboratory, with the inclusion of testing items such as n-hexane, mercury sulfate, mercury, steam, and their compounds. The tests were completed on June 3, 2024, and November 29, 2024, with all results complying with regulatory requirements.

China Ecotek Corporation has committed to complying with regulations and monitoring to protect employees' physical health and safety and health in the workplace.

e. Safety and health organization and management

The Company not only established a dedicated "occupational safety and health management unit," but also stations safety and health management personnel to handle safety and health management work. All on-site supervision personnel are responsible for safety and health management activities. To improve employees' safety and health knowledge and abilities, the Company invests a considerable amount of funds and manpower to send employees to receive safety and health training each year, so that they will obtain safety and health certificates.

f. Occupational safety and health policy, goals, and plans

The annual targets for occupational safety and health this year was "implement training, communication, and auditing efforts to ensure operational safety. " as we sought to ensure work safety through awareness capacity, effective inspections, and perseverance in review. The implementation of all safety measures is the only way to reduce risks. Every employee must build a mindset of "safety is my responsibility and construction safety is my pride" and adopt them as a second nature. Construction safety management performance is listed in the annual performance evaluation of departments and individuals, and creates China Ecotek's construction safety culture when combined with the management policy of "promoting zero accidents through determination, thoughtfulness, and care in construction safety" and "performance is meaningless if safety cannot be ensured." The departments formulated 10 safety and health action plans and took various management measures, pragmatically implementing self-management mechanisms. The action plans include how departments (1) implement

awareness capacity, effective inspections, and perseverance in review with the aim of actively scoring above 90 points in overall performance; (2) reduce the average industrial safety violation rate by 30% over four years, lower the disabling injury frequency rate (CEC + contractors <0.3), reduce number of traffic accidents resulting in disabling injury by 30%, and and achieve 0 significant accidents.

B. Contractor management system

The Company has many contractors and contractor management is an important part of the safety and health policy.

a. Registration of outstanding contractors

Contractors must first submit an application, pass the review, and then be registered to become the Company's contractor.

b. Establishment of regulations

The absolute majority of the Company's operations are constructions. The hazards of construction are immediate and apparent, so it is necessary to have a strict management system for the conduct of contractors, and management regulations and rules must be implemented for construction safety. We hope to thus minimize accidents in our overall construction safety performance.

c. Clear rewards and punishments

The Company has a strict evaluation system for contractors. Besides frequent inspections and severe penalties for construction safety, we evaluate the construction safety performance of contractors in each area on a monthly basis, and distribute rewards to contractors with outstanding construction safety performance every quarter and six months. Each area also reports and provides a suitable reward for laborers with outstanding construction safety performance each month.

d.Established a contractor safety committee

Besides convening meetings of the collaboration consultative organization each month, contractor safety committee meetings are convened in China Steel and Dragon Steel construction sites. During the meetings, units and individuals with outstanding construction safety performance are commended, violations and deficiencies are reported and discussed, and participants are informed of safety and health measures and regulations and the client's requirements. Propose construction safety issues for discussion and strengthen safety and health management work.

e.Installation of safety facilities

In order to effectively improve contractors' EHS concepts and reduce accidents, fines imposed on contractors for EHS violations are designated for the purchase of safety and health facilities for use during construction, improving the safety in the operating environment while achieving safety and health management goals.

f. Inspection of pension contributions by contractors

We began requiring contractors to provide data on labor pension contributions for inspection starting in May 2019, in order to comply with the law, effectively supervise labor rights, and fulfill our management and corporate social responsibility.

C.EHS training

a.New employee and current employee training

The Company provided education and training to 825 participants, including new employees and current employees, on internal regulations, information system operations, introduction to company operations, quality system interpretation, and construction safety promotion.

b.Construction safety related courses and certifications

We sent personnel to receive training on construction safety, and obtained related certifications, including occupational safety and health business supervisor of construction industry, occupational safety and health management personnel, supervisor in charge of hypoxia operations, lifting operations personnel, supervisor in charge of scaffolds assembly works, first aid personnel, forklift operator, supervisor in charge of organic solvent operations, 3-ton fixed crane operator, supervisor in charge of dusty operations, supervisor in charge of template bracing works, operator of Category A pressure vessels, personnel in charge of metal sealing, cutting or heating with acetylene sealing devices or gas bundle devices, supervisor in charge of skeleton steel erecting works, operator of high-pressure gas vessels, 3-ton mobile crane operator, supervisor in charge of specified chemical substance operations, operator of specified high-pressure gas equipment, and Grade A boiler operator. There was a total of 73 participants.

- c. Employees sent to receive on the job training and have completed re-training

There was a total of 723 participants in on-the-job training, including occupational safety and health business supervisor of construction industry, occupational safety and health management personnel, mobile crane operator, supervisor in charge of hypoxia operations, supervisor in charge of scaffolds assembly works, first aid personnel, forklift operator, 3-ton fixed crane operator, operator of Category A pressure vessels, supervisor in charge of dusty operations, supervisor in charge of organic solvent operations, supervisor in charge of specified chemical substance operations, and personnel in charge of metal sealing, cutting or heating with acetylene sealing devices or gas

bundle devices.

Occupational safety education, training and promotion in the past three years:

Year	Training participation	Training hours
2022	510	5,581
2023	693	7,583
2024	1,621	7,766

VI. Employer/employee relations

- (I) The implementation status of employee benefit measures, continuing education, training, retirement system, labor-management agreements, and employee rights protection measures:

1. Employee benefits measures and implementation status

The Company's leave system is better than that required by the Labor Standards Act. Besides providing different types of leave in accordance with the law, the Company also provides flexible leave days. Employees enjoy 120 hours of paid ordinary injury and sick leave and 120 hours of half wage ordinary injury and sick leave. When employees need to take a longer period of leave for childcare or due to severe illness or disease, they can apply for unpaid leave and apply for reinstatement after the period expires, in order to meet individual and family care needs. The Company complies with 40-hour work weeks, adjusts holidays in coordination with national holidays, and implements two-day weekends.

The Company established an Employee Welfare Committee according to the Employee Welfare Committee Charter and Employee Welfare Fund Act announced by the Ministry of the Interior. The committee handles employee benefits, irregularly subsidizes employee trips, and provides other benefits, including: year-end gifts,

cash gifts during four holidays, cash gift for birthday, group insurance, relief funds, marriage subsidies, childbirth subsidies, scrolls of cloth for weddings or funerals, and club activity subsidies.

2. Diversity and gender equality in workplace

The Company is committed to providing employees with a dignified and safe work environment. We implement employment diversity and fair pay and promotion opportunities to ensure that employees do not suffer discrimination, harassment, or unfair treatment due to their race, gender, religious belief, age, political affiliation, and any other status protected by applicable laws and regulations.

The Company values employee diversity and appoints persons with disabilities and indigenous peoples as employees in accordance with regulations. Due to the nature of engineering companies, female employees are more likely to work in internal administration while male employees are more likely to work on-site or overseas. Therefore, their allowances, subsidies, and project bonuses are higher than those of female employees. The employees in 2024 included 8 indigenous people (accounting for 0.68% of all employees) and 16 persons with disabilities (accounting for 1.35% of all employees). Female employees on average accounted for 14.73% of all employees, and female managers accounted for 9.09% of all managers.

The Company has set up the Compensation Committee to provide employees with competitive remuneration and adopts transparent and equal remuneration policies to reward employees based on our business performance. The Company's employees are all official full-time employees, and we do not employ temporary or part-time employees. For junior specialists in the same position, all hired personnel are provided with the same salary. For personnel with

relevant professional and work experience, the salary is determined based on their academic and work experience, expertise, and professional licenses. There are no gender or ethnic-based differences. Both men and women have equal pay for equal work and equal opportunities for promotion. The difference between the average salary of men and women in 2024 was 9.7%; the difference between the median salary of men and women was 11.0%; the difference between the average variable bonuses of men and women was 12.3%; the difference between the median variable bonus of men and women was 16.6%.

3. Retirement system and implementation status

The Company established the Employee Retirement Regulations in accordance with the Labor Standards Act and Labor Pension Act, and provides stable pension contributions and benefits. The Labor Pension Act was enacted on July 1, 2005, and the Company's employees that were hired before June 30, 2005 and still active on July 1 were given the option of continuing to use the pension provisions in the Labor Standards Act, or the pension system provided in the Labor Pension Act, while retaining their years of service before the Act. Employees hired after July 1, 2005 may only use the pension system of the Labor Pension Act.

Each year we estimate the amount of pension required for employees that will meet the criteria for retirement in the following year in accordance with the law, and make up for any shortfall in the reserve to protect employees' pension rights. Furthermore, the Company also calculates the retirement reserve required through actuary, in order to ensure that we allocate a sufficient amount to protect employees' rights when they apply for their pension in the future:

We allocate a retirement reserve in accordance with the Labor Standards Act, and make pension payments based on their years of service and average salary in the six months before retirement. We also established a Labor Retirement Reserve Supervisory Committee to manage the allocation and payments from the retirement reserve.

The Company contributes 6% of employees' monthly salaries to their individual pension account at the Bureau of Labor Insurance according to the Labor Pension Act.

The employee retirement system is in accordance with the Labor Standards Act, in which employees may apply for retirement if they reach the age of 60, or have served for 15 year and above and reach the age of 55, or have served for 25 years and above. Pension payment standards are in accordance with the Labor Standards Act and Labor Pension Act.

4. Employee education, training, and its implementation

- (1) Employees are sent to participate in domestic and overseas water resource forums and management forums to advance the Company's technologies, develop new products, introduce innovative concepts, and improve management technologies every year.
- (2) Encouraging the continuing education of employees: Employees are allowed to freely choose external training courses related to their work, and combine their abilities with their interests.
- (3) New employee orientation: Includes introduction to corporate culture, organization, information and Internet system, and quality management systems, human resource regulations, labor safety and health, and information security training.
- (4) Position specific training: Develops a second expertise based on requirements of employees' position, including employee on-the-

job training, department system and operations introduction, job duties description, and professional knowledge sharing. Employees are sent to participate in professional technology training organized by the Bureau of Employment and Vocational Training, colleges, and private training institutions, and receive guidance to obtain professional certifications.

- (5) Joint competency development: Focuses on employees' common competencies, such as problem analysis and solving techniques, communication techniques, project management, related legal knowledge, team consensus, and service skills training.
- (6) Supervisor training: Mainly includes performance management, leadership, motivational skills, strategy planning, project management, team development, organization development ability, and compliance.
- (7) Regulatory courses: Conducting courses such as the “Gender Equality in Employment Act” to help employees better understand the workplace sexual harassment prevention regulations within the act.
- (8) The Company systematically reviews talent and documents based on core competencies, and plans storage, succession, and innovation through knowledge management, in order to maintain the organization's core competitiveness. We accelerate experience sharing through incentives for individuals and groups.
- (9) The Company considers training and development as an important core, and thus formulated talent cultivation and development strategies. We established the Human Resources Department under the Administration Group, and appointed dedicated personnel to establish human resource development regulations and system, formulate and execute training plans and training budgets, manage

talent development and the organization's energy, and plan and implement knowledge management and e-Learning. To train the talents necessary for corporate business development, the Company compiled an "Education and Training Manual" and established "Workshop for On-the-job Training" to establish a training system and training regulations. The Company reviews its business situation each year and organizes training sessions to improve employees' knowledge and skills.

We planned the education and training system and training plans for different positions and levels based on the talent development strategy and concepts. We cultivate internal instructors for professional disciplines to encourage employees to transform tacit knowledge into explicit knowledge, so that it can be shared. A variety of language learning courses are offered by the Company along with language learning subsidies. The talent cultivation system is used to strengthen management skills and professional knowledge and skills. The Company also trains management and professional talents on all levels and encourages employees to improve themselves with studies.

Furthermore, the Company complies with related laws and regulations and actively implements construction safety training plans in business units, improving occupational safety and health training to ensure the safety and health of employees. The Company assign personnel to attend occupational safety training programs such as "occupational safety and health supervisor," "fixed crane operator," and "first aid." To continue to strengthen the public construction quality management and other professional competencies of employees, we also sent personnel to participate in "public construction quality management" and "construction site director" courses. In addition, as businesses increasingly rely on artificial

intelligence and machine learning to assist employees in enhancing their job skills, this year, we have also invested in strengthening external training courses related to AI and information technology for our employees. Obtained a total of 75 professional certifications in 2024, total training expenses was NT\$2,235,665, average number hours of training per person was 12.4 hours, training courses and implementation status are shown in the table below:

★2024 education and training statistics:

Item	Course Name	Total number of people	Total hours
1	New employee training (self-training)	29	194
2	Quality management (ISO)	10	198
3	Site manager	2	64
4	Occupational safety and health training (including Category A, B, C, and D business supervisors, Level B managers, Level A occupational safety managers, and first aid personnel.)	597	9,257
5	Special operations	151	1,417
6	Equipment operation (overhead crane, forklift)	215	886
7	Workshop for management	45	496
8	Workshop for specialized training	153	2,350
9	AI information applications	8	133
10	Professional seminars or briefing session	5	523
Total		1,215	15,518

5. Employee shareholding trust system

We make employees shareholders to increase their engagement and change their perspective to that of a business partner, which improves the harmony between labor and management. We hope to align employees' work performance with company growth, and provide employees with better security after retirement. Hence, we implemented the employee shareholding trust system in December 2006, and allow employees to freely choose set aside up to 12 units of NT\$1,000, provided that it does not exceed 10% of their base salary.

The Company will allocate 20% of the amount set aside by participants as a bonus, and funds are deposited in a dedicated account at the designated financial institution to purchase and manage the Company's shares. Participants can collect their shares when they withdraw from the trust. To address the impact of declining birth rates on talent recruitment and retention, the Board of Directors approved the revision of certain provisions in the Company's "Employee Stock Trust Committee Charter" on November 1, 2024. Under the current system, a new provision was introduced, setting the "stock trust reward allocation rate at 30%." This new scheme is expected to increase employee participation and will also contribute significantly to stabilizing the Company's equity and enhancing employee cohesion.

6. Signing Status of Collective Agreement

The Company has been holding collective bargaining meetings with the Labor Union of China Ecotek Co. since November 3, 2017. The first collective agreement was signed on October 21, 2020, and it has been in effect for over four years as of 2024. To promote further harmony between labor and management and to focus on the welfare of our employees, both parties began negotiations for the second collective agreement in September 2023. The second collective agreement was officially signed on November 27, 2024. This new agreement includes several advancements compared to the previous one, such as enhanced rights to participate in union affairs, involvement in handling grievance cases, and special leave for new employees, among other labor rights.

This collective agreement not only reflects the tangible outcomes of labor-management consensus but also demonstrates China Ecotek

Co.'s strong commitment to employee welfare and sustainable operations. Going forward, China Ecotek Co. will continue to deepen cooperation with the Labor Union of China Ecotek Co., upholding the spirit of mutual trust and respect, working together to promote the company's stable development, and striving to create a happy enterprise while becoming a model of harmonious labor relations.

Currently, the collective agreement is applicable to both union and non-union members, as the union has not raised any request for "exclusion of applicability." As of 2024, the total percentage of employees covered by the collective agreement is 100%.

7. Measures for Protecting Employee Rights and Interests

Employee Code of Conduct or Ethics

The Company's Code of Ethics for Employees regulates employee conduct and ethics. Please see pages 161-163 for articles of the code.

- (II) Losses sustained due to labor disputes in the most recent year and up to the date of report, current and future estimated amount, and response measures:

The Company did not have any labor-management disputes in 2024.

China Ecotek Corporation Code of Ethics for Employees

Established on January 19, 2009

- I. China Ecotek Corporation established this code to promote a culture of ethical business practices, so that employees will take the initiative when performing duties and satisfy customers through advanced technologies and high quality services.
- II. Employees shall exercise caution in commitments and actions, and may not use their relationships or information obtained based on their positions or duties for personal gain or illegal benefits of a third party.
- III. Employees may not request, offer or receive any gifts, treats or other benefits provided by interested parties related to their job duties. Gifts, treats or other benefits made based on the social customs shall be reasonable and proper.
- IV. In case employees need to treat guests due to the performance of duties or development of external relationships, such treatment shall be handled based on the principles of etiquette, simple and cost saving, without any extravagance and waste.
- V. When employees are performing their duties, they shall avoid any conflict of interest in cases in which they or their family member is an interested party.
- VI. Unless it is necessary for the execution of duties and approved by a senior manager or above, employees shall not accept any treats or other entertainment activities when invited by interested parties related to their job duties.
For treats and entertainment activities invited by personnel having no interests related to their job duties but are considered inappropriate to the job duties, the practitioners shall still refuse such invitations.
- VII. Employees may not accept any illegal offers and lobbying, and may not

make any private promises or provide different treatment to specific individuals or groups.

- VIII. Employees should avoid borrowing money, inviting or participating in gatherings, or serving as the guarantor of identity or loans.
Supervisors at all levels should strengthen the evaluation of employees' ethics, and shall immediately report and handle any financial abnormalities or unusual circumstances in life.
- IX. Employees should practice frugality during marriage and funerals, and may not use their position or business relationship to extensively send out invitations. The same applies to when employees buy a new house or move.
- X. Employees are strictly prohibited from using connections for lobbying to gain a promotion or transfer.
- XI. Employees must use proper channels and provide evidence when reporting illegal conduct, and may make anonymous reports or false reports for others to be punished.
- XII. Employees are required to uphold their confidentiality obligations for business secrets, trade secrets, and other personal privacy information during their employment. The same shall apply after separation.
- XIII. Employees shall be diligent and steadfast, bravely take on responsibility, and abide by duty and leave regulations. Employees may not leave their posts without permission or neglect their duties.
- XIV. Employees shall do their duties and respect administrative ethics. Supervisors shall provide guidance, care, and training for their subordinates. Subordinates shall respect, obey, and support their supervisors, and honestly express their opinions for their supervisors to take into consideration. Colleagues shall work harmoniously together.
- XV. Employees shall show their team spirit, put China Ecotek Corporation's overall long-term interests first, strengthen horizontal

contact, deepen vertical communication, help each other, and eliminate selfish departmentalism.

- XVI. Business dealings of China Ecotek Corporation shall be based on the spirit of practicality, and unless it is necessary for cultural customs and festivals, an exchange of gifts shall be avoided.
- XVII. Employees may be rewarded for compliance with this code and exceptionally outstanding performance. If an employee is verified to have violated this code, the employee will be punished according to the severity of the violation, and will be brought to justice if the violation involves criminal liability.
- XVIII. This Code shall take effect after being approved and announced by the president, and the same shall apply to any future amendment.

Human Resources Management Rules

Article 11 The Company and its subsidiaries may not hire the chairperson, president, and vice presidents' (or managerial officers with the same or similar authority) spouse or relative within the second degree of kinship.

The Company, subsidiary, and second-tier subsidiaries may not hire the spouse or relative within the second degree of kinship of a subsidiary's chairperson, president, and vice presidents (or managerial officers with the same or similar authority).

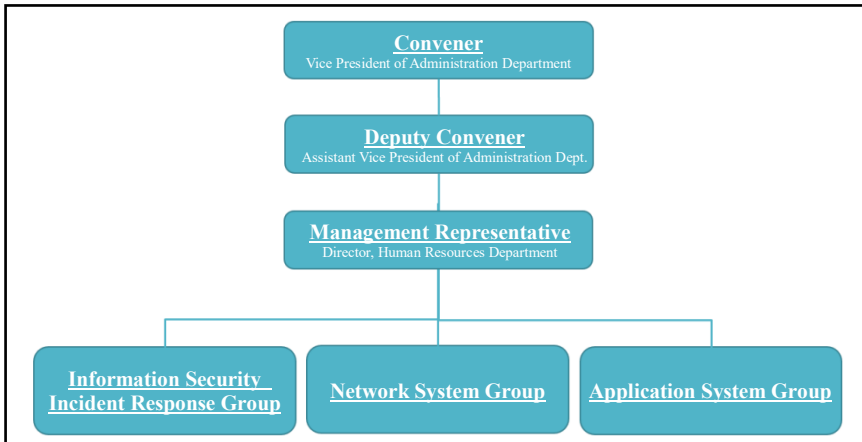
VII. Information security management

(I) Information security management strategy and framework

1. Structure of the information security risk management organization

The Company introduced the ISO 27001 information security management system in 2023 to effectively promote information security management and implement information security policies. The Company was successfully certified with ISO 27001:2022 Information Security Management System standard on September 22, 2024, and enhanced information security management and response through Plan-Do-Check-Act (PDCA) cycle. To ensure the establishment and implementation of information security management and information security policies, we have established the "Information Security Team", with the Vice President of Administration Dept. as the convener. The Team is responsible for reviews of information security management matters and results, internal and external audit, and resource allocation. The Team is responsible for the establishment, implementation, and review of the information security policy, resource allocation, reporting of incidents, response measures, and discussions. The Internal Audit Office periodically audits information security affairs and reports it to the Audit Committee. Implementation results are reported to the Board of Directors at least once a year.

Organizational structure of the information security team



2. Information security policy

(1) Targets

- A.Ensure the confidentiality, integrity, and availability of information related to the Company's business operations, protect information security, and ensure the stability and reliability of the system.
- B.Comply with national laws and regulations to achieve the goal of continuous business operations.

(2) Strategy

- A.Establish the management framework for data files, physical environment, software/hardware, personnel (including contractors), and procedures, and comply with the Company's information security policy.
- B.Establish the Information Security Team and the division of responsibilities to implement of information security management.
- C.Comply with information security management regulations such as the Regulations Governing Establishment of Internal Control

Systems by Public Companies.

- D. Set information security event monitoring, reporting, and response mechanisms, ensure rapid and proper response, control, and handling of the events, and reduce the scope of impact.
- E. Periodically conduct internal and external information security audits and prepare reports, in order to ensure that the effectiveness and continuous improvement of the information security management system.
- F. Enhance the training of information security management personnel to enhance the Company's information security management capabilities.
- G. Raise employees' information security awareness, and reduce information security events caused by internal human factors.

3. Specific management plans

Item	Specific management plans
Internet security risks	<ul style="list-style-type: none">• Set up network firewalls for the control and management of connections• Activate the intrusion prevention system (IPS) and protection for distributed denial-of-service (DDoS) attacks• Activate web reputation services for screening and application connection controls• User authentication and control of Internet access• Use VPN connection and activate multi-factor authentication• Email threat filtering and scanning• Regular network security examinations
Device security risks	<ul style="list-style-type: none">• Install endpoint computer information security software and adopt centralized management• Retain endpoint computer operation logs and USB storage device management• Equipment connection control

Item	Specific management plans
	<ul style="list-style-type: none"> • Regular update and replacement of computer equipment • Periodically take inventory of software and hardware assets. • Information security incident detection, monitoring, and response
Application security risks.	<ul style="list-style-type: none"> • Regular vulnerability scans for critical information systems accessible by external parties • Activate application firewalls for protection • System connection and access authorization control • Periodically review user accounts and authorization.
Data security risks	<ul style="list-style-type: none"> • Periodically backup and remote backup of data • Periodic disaster recovery drills. • Compliance with the "Confidential Information Protection Guidelines" and "Trade Secret Management Regulations" • Access authorization control and regular reviews
Awareness campaigns and reviews	<ul style="list-style-type: none"> • Regular internal and external information security audits each year • Hold regular information security management meetings to enhance information security awareness and discuss improvement measures • Organize information security training programs and increase employees' information security awareness • Periodically conduct e-mail social engineering drills each year • Periodically participate in the group's information security joint defense meeting

4.Resources invested in information security management

- (1) The 2024 annual information security management review meeting was held on August 29, 2024 to report the implementation status of ISO 27001 implementation and review and improvement results to the convener of the information security strategy team.
 - (2) Information security management meetings are held regularly with the participation of members of the information security strategy team to communicate information security policies and discuss information security improvement measures. A total of 11 meetings was held in 2024.
 - (3) The Company obtained international certification for the ISO 27001:2022 information security management system on September , 2024, and the certificate is valid until November 06, 2026.
- (II) Total amount of losses and penalties incurred due to major information security incidents in the most recent year and up to the date of report:
The Company and its subsidiaries did not receive any fines due to material information security incidents in 2024 and up to the date of report.

VIII. Important contracts

- (I) Supply/sales contracts, technical cooperation contracts, construction contracts, long-term loan contracts, and other important contracts that are sufficient to affect shareholders' equity that are still valid as of the date of report or expired in the most recent year:

Nature of the Contract	The Parties	Commencement date/expiration date	Main Content	Restrictive clauses
Construction contracts	Taiwan Water Corporation	2025.02~2030.02	Outsourced Operation and Maintenance of Chenching Lake Water Treatment Plant	None
	Wonder Vax Company Limited.	2024.12~2025.12	Wonder Vax Company Limited. Pingtung Agricultural Science Park Factory Construction Project	None
	Pharmosa Bio pharm Inc., PBI	2024.05~2025.06	Pharmosa Biopharm Inc., PBI GMP-Compliant Filling Factory Mechanical and Electrical Engineering	None
	Polyplastics Taiwan	2022.04~2024.04	Polyplastics Taiwan Liquid Crystal Polymer (LCP) Plant Construction Project	None
	Adimmunue Corporation	2021.09~2024.03	Adimmunue Corporation Influenza Vaccine Bulk Improvement & Overall Hardware Improvement Project	None
	Dragon Steel	2025.03~2025.07	BFR1 Blast Furnace and Hot Air Pipeline Lining Replacement Project - Material Procurement	None
	China Steel	2025.02~2025.05	Y51 Rolling Mill No. 3 Plant 2PLCM Rolling Equipment Foundation Engineering	None
	China Steel	2024.09~2025.10	First and Second-Stage Coke Oven Replacement Phase 2 Mechanical Installation	None
	Dragon Steel	2024.07~2026.07	Refractory Lining Repair Project Contract_R01	None
	Dragon Steel	2024.07~2025.08	BFR1_South Water Quenching System Installation Project_3400 Area_Mechanical	None
	Dragon Steel	2024.07~2025.07	BFR1_Equipment Domestic General Contracting_9200 Area_Mechanical/Civil_Work	None

Nature of the Contract	The Parties	Commencement date/expiration date	Main Content	Restrictive clauses
			Fabrication	
	CSC Solar Corporation	2024.06~2027.06	China Steel Group Photovoltaic Installation Project - Phase 8	None
	China Steel	2024.05~2025.06	First Stage Mechanical Installation of the First and Second-Stage Coke Oven Replacement Project	None
	Dragon Steel	2024.04~2025.09	Sintering Equipment Replacement Project No. 1 and No. 2 (4000 Area) Fabrication Works	None
	Dragon Steel	2024.04~2025.08	Blast Furnace No. 1 First Furnace Replacement Project (3600 Area - Blast Furnace Dust Removal) Fabrication Works	None
	Dragon Steel	2024.04~2025.07	Sintering Equipment Replacement Project No. 1 and No. 2 (2000 Area) Equipment Fabrication Works	None
	Dragon Steel	2024.03~2025.09	Sintering Equipment Replacement Project No. 1 (1000 + 3000 Area) Fabrication Works	None
	Dragon Steel	2024.03~2025.12	Blast Furnace No. 1 First Furnace Replacement Project (9100/9400/9700 Areas) Fabrication Works	None
	Dragon Steel	2023.06~2025.12	Water recycling plant construction	None
	China Steel	2023.02~2024.08	Flue gas carbon dioxide capture pilot project for No. 3 blast furnace	None
	China Steel	2023.03~2024.12	Civil structure engineering for No.5 coke screening station	None
	China Steel	2023.04~2025.04	Resource recycling site operation for client (2023.4.21~2025.4.20)	None
	Dragon Steel	2023.04~2025.04	Water Treatment Plant Operations Management in 2023	None
	CSC Solar Corporation	2023.05~2026.05	CSC Group Solar PV Construction Project - Phase VII	None
	China Steel	2023.07~2024.06	W51 Energy Storage System Phase III Construction Project	None
	China Steel	2023.07~2025.03	W22 No. 3 Sinter Plant Electrostatic Precipitator Area A Renovation Project	None
	China Steel	2023.08~2024.10	Additional Desulfurization System Installation Project for the No. 11	None

Nature of the Contract	The Parties	Commencement date/expiration date	Main Content	Restrictive clauses
			Boiler of the Power Plant	
	Dragon Steel	2023.11~2025.03	1BFR1 North Water Quenching Equipment Area 3400 Machinery	None
	China Steel	2023.11~2026.12	Large Pipeline and Steel Structure Fabrication Project	None
	China Steel	2023.12~2025.10	W53 Update of the Phase I Ozone Equipment Turnkey Project for the Biochemical Wastewater Plant	None
	Dragon Steel	2024.01~2025.12	Major Overhaul of No. 1 Blast Furnace First Furnace Area 6000 Production and Assembly Project	None
	Dragon Steel	2025.03~2025.07	1BFR1 Blast Furnace Lining Carbon Brick Renewal Project - Material Procurement	None
	China Steel	2022.12~2025.08	Advanced Large Pipe Structure Fabrication Project	None
	China Steel	2022.10~2026.03	Power Plant 1 TG-9/10 Expansion Miscellaneous Procurement and Whole-site Fabrication Project	None
	China Steel	2022.10~2024.12	Phase I and II Coke Oven Replacement Furnace Construction Project (Domestic Materials)	None
	China Steel	2022.10~2024.12	Phase I and II Coke Oven Replacement Furnace Construction Project (Foreign Materials)	None
	China Steel	2022.05~2025.08	Casting and Reversing Machine Steel Structure Fabrication Project	None
	China Steel	2022.05~2024.05	BTG-9.10 Public Utility Liquid Pipeline Laying Project	None
	China Steel	2022.10~2024.12	Project for the Replacement of Phase I and II Coke Oven-Construction Project	None
	China Steel	2022.04~2024.09	W21 New Phase I and Phase II Coke Oven Pushing Emissions Control System (PECS)	None
	CSC Solar Corporation	2022.04~2024.12	CSC Group Solar PV System Construction Project 2022-2023	None
	China Steel	2021.12~2024.05	New Phase I and Phase II Coal Production Equipment Supply	None
	China Steel	2021.11~2024.08	W21 Phase I and Phase II CDQ Dust Collection System Turnkey Project	None

Nature of the Contract	The Parties	Commencement date/expiration date	Main Content	Restrictive clauses
	China Steel	2021.11~2024.06	W1 Coke Transportation and Treatment System Equipment Supply	None
	China Steel	2021.11~2024.06	Coke Transportation and Treatment System Installation Project	None
	China Steel	2021.09~2024.05	New Phase I and Phase II Coal Production Equipment Installation Project	None
	China Steel	2021.07~2025.06	W21 Phase I and Phase II CDQ Cooling Water System and Auxiliary Equipment Production and Installation Project	None

E. Review and analysis of financial status, financial performance, and risk management

I. Financial position

Unit: NT\$ thousand

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	4,305,298	4,270,726	(34,572)	(0.80%)
Non-current assets	2,538,728	2,886,704	347,976	13.71%
Total assets	6,844,026	7,157,430	313,404	4.58%
Current liabilities	2,873,629	3,150,597	276,968	9.64%
Non-current liabilities	309,249	264,319	(44,930)	(14.53%)
Total liabilities	3,182,878	3,414,916	232,038	7.29%
Share capital	1,237,426	1,237,426	0	0.00%
Capital surplus	628,629	628,655	26	0.00%
Retained earnings	1,824,697	1,952,037	127,340	6.98%
Shareholders' equity – other	(29,604)	(75,604)	(46,000)	(155.38%)
Total shareholders' equity	3,661,148	3,742,514	81,366	2.22%
Analysis of changes in ratios (the difference reaches 20% or above):				
1. The decrease in "Shareholders' equity – other" is primarily due to the reduction in exchange differences from the translation of financial statements of foreign operating entities.				

II. Financial performance

(I) Comparative analysis of business performance

Unit: NT\$ thousand

Item \ Year	2023	2024	Increase (Decrease)	Percentage of change (%)
Net operating revenues	9,759,326	10,858,807	1,099,481	11.27%
Operating costs	8,786,581	9,851,646	1,065,065	12.12%
Unrealized gain from sale	5,033	3,341	(1,692)	(33.62%)
Realized gain from sale	6,406	6,826	420	6.56%
Gross profit	974,118	1,010,646	36,528	3.75%
Operating expenses	509,162	530,523	21,361	4.20%
Operating profit	464,956	480,123	15,167	3.26%
Non-operating income and expenses	220,904	145,143	(75,761)	(34.30%)
Pre-tax profit	685,860	625,266	(60,594)	(8.83%)
Income tax	128,968	123,373	(5,595)	(4.34%)
Net profit after tax from continuing operations	556,892	501,893	(54,999)	(9.88%)
Reasons for changes in the most recent two years (a separate analysis is required if the change in gross profit reaches 20% and above; analysis is not required if the change does not reach 20%):				
1. The decrease in unrealized gain from sale is mainly due to the progress of the construction project with CSC Solar Co., Ltd., and the recognition of unrealized gain from sale.				
2. The decrease in non-operating income and expenses was primarily due to the reduction in the share of profit or loss from associated companies accounted for using the equity method.				

(II) Comparative analysis of business performance

The Company is a construction service company and will actively participate in new construction projects and the replacement of old equipment inside and outside the Group, develop wastewater recycling engineering and subsequent operation services, and expand fire-resistant material turnkey projects to increase long-term stable income.

III. Cash flows

(I) Analysis of cash flow changes

The consolidated net cash inflow totaled NT\$652,832 thousand in 2024 and the changes in cash flow from various activities are as follows:

1. Operating activities: The net cash inflow was NT\$1,141,633 thousand which was primarily due to the impact of changes in financial assets hedging activities during the current year.
2. Investing activities: The net cash outflow was NT\$24,973 thousand, which was primarily due to the impact of changes from the acquisition of real estate, plants, and equipment, as well as the receipt of dividends from associated companies.
3. Financing activities: The net cash outflow amounted to NT\$ 484,813 thousand mainly due to the distribution of cash dividends.

(II) Cash flow analysis for the coming year

Unit: NT\$ thousand

Cash balance at beginning of period	Net cash flow from operating activities	Annual cash outflow	Cash surplus	Remedial measures for cash deficit	
				Investment plan	Financial plan
1,203,566	165,992	(631,244)	738,314	N/A	N/A
1. Analysis of cash flow changes in 2025: (1) Operating activities: The net cash flow is mainly from changes in profits and contract assets/liabilities. (2) Investing activities: The net cash flow is mainly from the acquisition of property, plant and equipment and other financial assets. (3) Financing activities: The net cash flow is mainly from short-term borrowings and payment of cash dividends. 2. Remedial measures for cash shortage and liquidity analysis: None.					

IV. Impact of major capital expenditures in recent years on the Company's financial position and business performance: None.

V. Investment policy in the past year, profit/loss analysis, improvement plan, and investment plan for the coming year.

(I) Reinvestment policy in the most recent year: The Company makes investments according to the Procedures for the Acquisition or Disposal of Assets, evaluates investment benefits, and implements investment plans once they are approved by the Board of Directors.

(II) Investment analysis: The Company recognized investment gains in the amount of NT\$58,555 thousand in 2024, and was mainly from the recognition of operating profits of investee companies.

(III) Investment plans for the coming year: None.

VI. Risk assessment

(I) Impact of interest rate and exchange rate changes and inflation on the Company's profit and response measures

1. Impact on the Company's income

Item	2024 (NT\$ thousand; %)
Net interest income (expense)	73,964
Net exchange gain (loss)	2,098
Net interest income (expense) as a percentage of net revenue	0.68%
Net interest income (expense) as a percentage of net profit before tax	11.83%
Net exchange gain/loss as a percentage of net revenue	0.02%
Net exchange gain/loss as a percentage of pre-tax net profit	0.34%

(1) Interest rate changes

The Company is subordinate to the CSC Group, generates stable profits every year, and has a sound financial position. We have worked closely with financial institutions for years to obtain better interest rates. Our financial assets and liabilities cash flow with interest rate risks amounted to NT\$268,896 thousand at the end of 2024. If interest rates increase/decrease by 1%, it will increase the Company's net profit before tax by approximately NT\$2,689 thousand.

(2) Exchange rate fluctuations

The Company purchases and sells goods denominated in

foreign currencies, and is exposed to the risk of interest rate fluctuations. The Company thus uses foreign currency deposits and firm commitment opposite to exchange rate fluctuations to manage risk. The Company recognized net foreign exchange loss in the amount of NT\$ 2,098 thousand due to exchange rate fluctuations in 2024, accounting for 0.34% of net profit before tax in 2024. The balance of foreign currencies at the end of 2024 was USD 2,691 thousand and CNY 71,685 thousand. If NTD appreciates by 1% in the future, the Company will lose NT\$ 197 thousand and shareholders' equity will decrease by NT\$ 3,837 thousand.

(3) Impact of inflation

Inflation did not have a significant effect on the Company's cost and selling price in 2024. We will continue to monitor changes in inflation while controlling cost and product prices, and make suitable adjustments. Our operating expenses was NT\$530,523 thousand in 2024. If inflation increases by 1% in the future, it will increase expenses by approximately NT\$5,305 thousand.

2. Future response measures

(1) Response measures for interest rate changes

The Company's cash position reached NT\$ 1,203,566 thousand at the end of 2024, debt ratio was 48%, and there was ample credit limit and available credit limit at the end of 2024. If the Company requires financing due to future business development, the Company will mainly use low interest commercial paper and short-term borrowings. If there is any short-term surplus, the Company will mainly make safe short-term investments with stable returns.

(2) Response measures for exchange rate fluctuations

The Company's foreign currency needs arising from procurement are prioritized in bank foreign currency deposits or forward foreign exchange contracts based on confirmed orders to reduce the risk of exchange rate fluctuations.

(3) Response measures for inflation

The Company will pass on costs and reduce expenses to increase income or reduce costs in response to the impact of inflation.

(II) Policies of engaging in high-risk, high-leverage investments, lending to others, providing endorsement and guarantee, and derivatives transactions, profit/loss analysis, and future response measures

1. The Company upholds its principle of stable financial operations and has not engaged in any high-risk or high-leverage investments in 2024.
2. As of the end of 2024, the Company lend NT\$0 to others and therefore does not have any risks from lending to others.
3. As of the end of 2024, the amount of endorsements and guarantees provided by the Company to subsidiaries was NT\$0, so the Company does not have endorsement and guarantee risks.
4. As of the end of 2024, the amount of derivatives held by the Company was NT\$0, so the Company does not have any risks from derivatives.

(III) Future R&D projects and expected R&D expenses

Projects in the most recent year	Current progress	Additional R&D expenses (NT\$ thousand)	Time of completion	Applications
Carbon capture research and development with the reaction of calcium ion concentration in water and carbon dioxide in flue gas	Cooperate with the R&D unit of China Steel to use calcium ions in steel plant wastewater to capture carbon dioxide in the flue gas and reduce carbon emissions and carbon sequestration. We expect to complete the setup in the fourth quarter of 2025 and commence testing.	3,000	2026/12	Used for carbon reduction testing and carbon sequestration to reduce greenhouse gas emissions and achieve carbon neutrality.
R&D of carbon reduction technology	In collaboration with the R&D division of China Steel Corporation, the captured carbon dioxide from flue gas will be pressurized and liquefied, then sent to the converter for bottom-blowing to test its effect on the steelmaking process. The related system is currently under planning, with engineering design expected to begin in the third quarter of 2025. The project is expected to be completed by the end of 2025, with testing to start in early 2026.	2,000	2026/12	Used for carbon reduction testing and carbon sequestration to reduce greenhouse gas emissions and achieve carbon neutrality.
Creation of the acid gas flue-gas desulfurization technology	In collaboration with the R&D division of China Steel, a study on the treatment of acidic gases/smoke (SO ₂ , HCl, HF, SO ₃ , PM _{2.5}) for desulfurization and white smoke removal has been conducted. The composite honeycomb plate layer tower (HWS) combined with wet electrostatic precipitators (WESP) showed a desulfurization efficiency of up to 99% and a PM _{2.5} removal rate of up to 95% during pilot testing. The next phase will focus on optimizing performance parameters with the least operational cost.	3,000	2025/12	We expect to carry out actual site planning for sinter plant desulfurization in 2026.
Medium to low-temperature plate-type denitrification catalyst - coking flue gas pilot plant tests	In collaboration with the R&D division of China Steel, the pilot test results have been favorable. Additionally, the catalyst samples have shown an efficiency of up to 90% within the SCR of the sintering plant. This year, China Steel will assist in establishing a production line for HighMag, with plans to gradually introduce it into China Steel's sintering plant SCR. The SCR operating temperature will be progressively reduced, and data on temperature and efficiency will be collected. China Ecotek will construct a numerical simulation (CFD)	3,500	2025/12	We expect to carry out actual site planning for sinter plant denitrification and coking plant denitrification in 2026.

	analysis to understand the differences between the numerical simulation and the actual denitrification performance.			
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Looking towards the future, we will dedicate our efforts to technology applications and development based on trends in amendments to environmental protection laws and regulations and the pathway to net zero emissions, and make improvements in design efficiency to develop proprietary core technologies, provide stable business, and also strengthen technology sharing and engineering integration with companies in the CSC Group, enhancing the Group's synergies and overall competitiveness.

- (IV) The effect of changes in important domestic and foreign policies and laws on the Company's financial position and business operations, and response measures

There have been important policies and legislation enacted and amended in Taiwan and in foreign countries in recent years, and they mainly impact business operations in terms of corporate governance and environmental protection. As a member of the CSC Group, the Company upholds the business philosophy of stable operations, environmental protection, and corporate social responsibility. The Company will cooperate with changes in important policies and laws, and seek ways to respond to such changes. Hence, the changes will not have any material negative impacts on the Company's operations.

- (V) The impacts of technology changes (including information security risks) and industry changes on the Company's financial position and business performance, and response measures

The Company's main business items include electrical and mechanical equipment installation, environmental protection projects, and operation and maintenance. There is not much change in the industry environment, so technology changes (including information security risks) do not have a significant impact on the Company's operations.

- (VI) Impact of corporate image change on crisis management and response measures:

The Company began publishing a Corporate Social Responsibility Report every year starting in 2011, and renamed it the Corporate Sustainability Report in 2020, in order to establish smooth communication channels with stakeholders. We have also created an

excellent corporate image based on our ethical corporate management policy, so as to reduce crises caused by changes in corporate image.

The Company strives to improve its corporate governance to protect shareholders' interests, treat shareholders fairly, strengthen the structure and operations of the Board of Directors, improve information transparency, and fulfill its corporate social responsibility. As such, we were ranked in the top 6-20% of public companies in the 11th (2024) Corporate Governance Evaluation.

- (VII) Expected benefits and potential risks of merger and acquisition and response measures:

No such occurrences in 2024 and 2025 up to the date of report.

- (VIII) Expected benefits and potential risks of capacity expansion and response measures

The Company's major capital expenditures must be reported to the Board of Directors for approval, and investment benefits and risks are fully taken into consideration.

- (IX) Risks associated with over-concentration in purchase or sale and response measures

1. Risk of over-concentration in purchase

(1) Equipment

The Company has always conducted extensive surveys when purchasing equipment, and purchases equipment from vendors designated by customers or domestic or overseas equipment vendors. Hence, there is no over-concentration in purchase. In recent years, foreign equipment suppliers have been integrating their business through mergers, acquisitions, and strategic alliances, so the number of vendors that can provide price quotations has decreased. Less competition may cause vendors to raise their prices and cause an increase in cost of investment in equipment.

(2) Materials and contractors

The supply of materials varies with each contract. Aside from the materials provided by the client, other materials are purchased from domestic and overseas equipment vendors as needed by the project. Electrical and mechanical materials and equipment mainly include pipelines, valves, power cables, meters, motors, control panels, filters, blowers, water pumps, and various other pumps. Materials suppliers and downstream contractors compete with each

other in the domestic market, so it is not possible for supply to be cut off or for there to be a supply shortage.

- (3) In light of the risks that can easily occur when there is over-concentration in purchase, we have extensively surveyed supply sources, created competition, and diversified our sources of goods (materials). This has always been the direction and goal of our efforts in purchasing.

2. Risk of over-concentration in sales

The company's customers are mainly China Steel and its group companies. After evaluation, the credit quality of the customers is good and there is no concern of default. The company has set a ten-year long-term goal of increasing the proportion of non-group revenue. It will review and track the performance every year in order to achieve the goal smoothly on schedule and reduce the risk of high sales concentration.

- (X) Impact of mass transfer of equity by or change of directors or shareholders holding more than 10% shares of the Company, associated risks, and response measures: No such occurrences in 2024 and 2025 up to the date of report.
- (XI) The effect of changes in management right on the Company, risks, and response measures: No such occurrences in 2024 and 2025 up to the date of report.
- (XII) In terms of litigation or non-litigation matters, the company and the company's directors, president, actual responsible person, shareholders holding more than 10% of the company shares, and a subsidiary company who is involved in a major lawsuit that has either been decided or is still pending whereby the results of the case may have a significant impact to shareholder interests or securities prices, must be specified. The status of the disputed facts, bid amount, litigation commencement date, and the primary parties involved in such litigations up to the publication date of this annual report shall be disclosed: No such occurrences in 2024 and 2025 up to the date of report.
- (XIII) Other significant risks and response measures: None.

VII. Other important matters: None

F. Special Notes

I. Profiles of affiliated enterprises

(I) Consolidated business report

Please refer to the TWSE Public Information Observation Station: .

(https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

(II) Consolidated financial statements of affiliated enterprises : None

(III) Affiliation Report

Please refer to the TWSE Public Information Observation Station:.

(https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

II. Private placement of securities in the most recent year and up to the date of report: None.

III. Other necessary supplemental information: None.

G. Occurrence of events that have a material impact on shareholders equity or stock prices specified in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act:

None

China Ecotek Corporation



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Cheng-Chiang Chen

Chairman