

Stock Code: 6581



Taiwan Steel Union Co., Ltd.

2025 Annual Report

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MOPS: <https://mops.twse.com.tw/mops/web/index>

Website of the Company: <https://www.tsutw.com.tw>

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V. Overseas Securities Exchange Where Securities are Listed and Method of

Inquiry: None.

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

Table of Contents

One. Letter to Shareholders	1
Two. Corporate Governance Report	8
I. Information on the Company's Directors, President, Vice Presidents, and the Heads of All the Company's Departments and Branch Units.....	8
II. Remuneration Paid During the Most Recent Fiscal Year to Directors, President, and Vice Presidents	19
III. Implementation of Corporate Governance	27
IV. Information on CPA Professional Fees	72
V. Information on Replacement of CPAs.....	72
VI. Where Company Chairman, President, or Any Manager in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the Company's CPA Firm or at an Affiliated Enterprise of Such CPA Firm, Name, Title, and Period of Employment in Such Firms Shall be Disclosed.....	72
VII. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by a Director, Manager, or Shareholder with a Stake of More than 10 Percent	73
VIII. Relationship among the Company's 10 Largest Shareholders, Who Are Related Parties, Spouses, or Relatives within Second Degree of Kinship to Each Other	74
IX. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company	75
Three. Capital Overview.....	76
I. Capital and Shares	76
II. Corporate Bonds.....	80
III. Preference Shares.	80
IV. Global Depository Shares.....	80
V. Employee Stock Options.	80
VI. New Restricted Employee Shares	80
VII. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies	80
VIII. Implementation of the fund utilization plan.....	80
Four. Operational Highlights	81
I. Business Activities	81
II. Analysis of the Market as Well as Production and Marketing Situation.....	91
III. Number of Employees for the Two Most Recent Fiscal Years, and During the Current Fiscal Year Up to the Date of Publication of the Annual Report, Their Average Years of Service, Average Age, and Education Levels (Including Percentage of Employees	

at Each Level).....	101
IV. Disbursements for Environmental Protection	102
V. Labor Relations	102
VI. Information Security Management.....	104
VII. Important Contracts.....	107
Five. Review and Analysis of the Company's Financial Position and Financial Performance, and Risks	108
I. Financial Position.....	108
II. Financial Performance.....	109
III. Cash Flow.....	110
IV. Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year.	111
V. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Reinvestment Profitability, and Investment Plans for Coming Year.....	111
VI. Risk Analysis.....	111
VII. Other Important Matters.....	116
Six. Special Disclosure	117
I. Information on the Company's Affiliated Company.....	117
II. Private Placement of Securities During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report.	117
IV. Other Supplementary Information	117
Seven. Other Matters	118

One. Letter to Shareholders

Dear Shareholders,

In 2025, the domestic steel industry was impacted by dumping from China, leading to adjustments in production strategies. This caused a decline in the volume of EAF dust received by the Company, which in turn affected the volume of zinc oxide available for sale. However, the Company is proactively positioning itself for transformation and aggressively pursuing non-EAF dust businesses, processing a record-high 31,412 tons of non-EAF dust waste in 2025. Furthermore, the Company's Environmental Difference Analysis report was approved by the Environmental Impact Assessment Review Committee at the end of 2025. The primary modifications include expanding the sources and intake volume of zinc-containing resources, as well as increasing the intake of incinerator fly ash generated by domestic incineration plants, which will provide crucial support for the Company's medium-term growth. The sluggish economy in the steel and real estate industries in 2025 also affected the stabilization processing volume and concrete sales of our subsidiary, Taiwan Steel Resource (TSR). Nevertheless, TSR has continued to develop the stabilization of waste refractory materials and other waste recycling businesses, actively deploying a comprehensive and diversified operational strategy. Moving forward, TSU and TSR will continue to expand the intake of difficult-to-treat, high-unit-price domestic waste, fully transforming waste into resources for complete circular reuse, and contributing to the sustainable development of domestic industries.

In 2025, the sales volume of zinc oxide decreased by 13% year-over-year due to the declining volume of EAF dust. However, the unit selling price of zinc oxide was driven up, benefiting from rising international zinc prices—fueled by tight zinc ore supply and a recovery in Chinese demand—as well as a decrease in treatment charges. The average zinc price in 2025 was US\$2,867.05, a 3% increase compared to the 2024 average of US\$2,777.34. Additionally, the 2025 long-term contract treatment charges announced in April 2025 dropped from US\$165 to US\$80, hitting a nearly 50-year low. This resulted in the unit selling price of zinc oxide for the period increasing by NT\$1,842, a 6% growth compared to the previous year. Total zinc oxide sales revenue decreased by NT\$129,701 thousand, representing an 8% year-over-year decline.

TSR processed a total of 119,298 tons through its stabilization process and 88,015 tons of TSU rotary kiln slag in 2025. The pass rate for the stabilization process reached 99%, contributing approximately 15% to consolidated revenue. TSR's CLSM (Controlled Low-Strength Material) products have exclusively obtained the Recycled Green Building Material Label from the National Land Management Agency, Ministry of the Interior. Looking ahead, the company will continue to utilize 100% recycled

resources as materials, positioning its cement-free, low-carbon CLSM technology as a core highlight for future development, and showcasing its innovative strength in the green building materials market.

TSU's technical capabilities have reached world-class standards. The Company not only focuses on turning complex and difficult waste into resources but also actively promotes low-carbon manufacturing processes and green energy transitions. Notably, we have successfully exported our low-carbon production technology to the largest zinc smelter in Central Europe. In 2025, our zinc oxide products obtained the first in the global industry to achieve UL 2809 Recycled Content Validation, demonstrating that 100% of the zinc in our products is derived from waste, classifying it as a sustainable green product. Regarding greenhouse gas emissions management, TSU's significant carbon reduction achievements in reuse services over the past three years have earned the Carbon Reduction Label from the Ministry of Environment. In 2025, the Company also received a "B" rating from the Carbon Disclosure Project (CDP), becoming the first domestic waste recycling enterprise to achieve this level. This indicates that TSU possesses internationally certified carbon emission management capabilities, aligning perfectly with our sustainable business direction. Furthermore, regarding the impact of the domestic carbon fee levy, the Company's voluntary emission reduction plan has been reviewed and approved by Ministry of Environment, which will substantially save on carbon fee expenditures. The savings from carbon fees will be redirected toward renewable energy and the development of low-carbon production technologies.

Currently, the circular economy is one of the nation's key policies, aiming to extend the life cycles of resources or keep them in continuous circulation. In the future, TSU will continue to drive revenue growth momentum by taking in new types of waste, while TSR will implement a diversified business strategy. This approach will effectively alleviate domestic waste disposal pressure and embody the value of the circular economy by revitalizing national land resources. We are committed not only to environmental sustainability but also to providing highly cost-effective waste treatment channels. By working hand-in-hand with our partners, we optimize cost structures and co-create a win-win future for the green economy.

I. Business Results for FY2025

1. Business plan implementation results

- (1) The following table shows the status of the reuse and removal of EAF dust collected in FY2025.

Unit: Metric tons / NT\$1,000

Year \ Item	2025		2024		Growth (%)	
	Volume	Amount	Volume	Amount	Volume	Amount
Reuse	98,075	97,948	118,025	136,130	(16.90)	(28.05)
Disposal	97,442	-	116,900	-	(16.64)	-

Due to the recession in the steel industry, the amount of the EAFD received by the Company was reduced.

- (2) The following table indicates the status of reuse and disposal of other waste in FY2025.

Unit: Metric tons / NT\$1,000

Year \ Item	2025		2024		Growth (%)	
	Volume	Amount	Volume	Amount	Volume	Amount
Reuse	31,412	272,899	22,654	181,815	38.66	50.10
Disposal	31,103	-	22,852	-	36.11	-

The volume of non-fly ash waste processed reached 31,412 tons, setting a new historical record in FY2025.

- (3) The status of reuse and disposal of stabilization process by Taiwan Steel Resources Co., Ltd for 2025 are as follows:

Unit: Metric tons / NT\$1,000

Year \ Item	2025		2024		Growth (%)	
	Volume	Amount	Volume	Amount	Volume	Amount
Reuse	119,298	282,905	170,824	394,667	(30.16)	(28.32)
Disposal	116,859	-	173,496	-	(32.64)	-

Due to the recession in the steel industry, the qualified volume of stabilization process by Taiwan Steel Resources Co., Ltd. was reduced.

(4) The Company's production and sales of zinc oxide in 2025 are as follows:

Unit: Metric tons / NT\$1,000

Item \ Year		2025		2024		Growth (%)	
		Volume	Amount	Volume	Amount	Volume	Amount
Unwashed	Output and cost	45,581	663,910	51,145	659,395	(10.88)	0.68
	Domestic sales	4,553	159,504	3,336	108,332	36.48	47.24
	Export	40,183	1,330,026	48,143	1,510,898	(16.53)	(11.97)

In 2025, influenced by the external environment of the steel industry, the output of zinc oxide decreased, leading to a year-on-year decline in sales revenue for the current period.

2. Budget Implementation

According to the current regulations, the Company did not need to disclose financial forecasts for 2025. The overall actual operating conditions and performance are roughly equivalent to the business plan formulated by the Company.

3. Financial structure and profitability analysis.

(1) Consolidated Financial Statements

Item		Year	2025	2024
Financial structure (%)	Ratio of liabilities to assets		17.24	17.83
	Ratio of long-term capital to property, plant and equipment		119.24	120.99
Profitability	Asset return ratio (%)		12.71	16.66
	Equity return ratio (%)		15.34	19.38
	Ratio of income before tax to paid-in capital (%)		77.01	90.78
	Net profit ratio (%)		31.06	34.94
	Earnings per share (NTD)		6.17	7.47

In 2025, influenced by the external environment of the steel industry, sales revenue for zinc oxide decreased compared to the same period last year,

leading to a decline in profitability.

(2) Standalone Financial Statements

Item		Year	
		2025	2024
Financial structure (%)	Ratio of liabilities to assets	16.23	16.71
	Ratio of long-term capital to property, plant and equipment	231.40	245.60
Profitability	Asset return ratio (%)	12.88	16.88
	Equity return ratio (%)	15.34	19.38
	Ratio of income before tax to paid-in capital (%)	77.01	90.78
	Net profit ratio (%)	36.40	42.73
	Earnings per share (NTD)	6.17	7.47

In 2025, influenced by the external environment of the steel industry, sales revenue for zinc oxide decreased compared to the same period last year, leading to a decline in profitability.

4. Research and Development

The research & development status of the Company for 2025 is as follows:

- (1) High-value technology for low-carbon smelting of zinc by-products.
- (2) Feasibility Assessment of CO Emission Reduction in the Electric Arc Furnace Dust Recovery Process.
- (3) Establishment of Raw Material and Product Traceability and Development of Carbon Fixation Technology.
- (4) Data collection and visualization for kiln shell temperature monitoring.

II. 2026 Business Plan

1. Business Guidelines

In addition to the existing EAFD, The company's Environmental Impact Difference (EID) assessment was approved by the Environmental Impact Assessment (EIA) committee at the end of 2025. This approval allows for the expansion of zinc-containing resource sources and intake volumes, alongside an increase in the processing of incineration fly ash from domestic plants—providing a crucial pillar for the company's mid-term growth. We continue to mitigate the impact of international zinc price fluctuations on our revenue by diversifying through waste-derived income streams. Furthermore, our zinc oxide products obtained the UL 2809 Environmental Claim Validation (ECV)

for recycled content in 2025, certifying that 100% of the zinc is recovered from waste, categorizing it as a green and sustainable product. To meet global market demand and enhance product value, the new Long-jing plant is scheduled for completion and commencement of operations by 2027. Moving forward, the facility will focus on the washed zinc oxide business to achieve higher product value, while expanding the company's revenue and customer base.

Our subsidiary Taiwan Steel Resources Co., Ltd. has stepped into the reuse of slag to produce green and eco-friendly building materials, which is in line with the policy of circular economy. In addition to the existing stabilized slag business, the Company will continue developing solutions for hard-to-process domestic waste in 2026, aligning with the national resource recycling and reuse policy. The Company aims to expand the waste reuse market gradually, leveraging two in-plant dedicated recycled aggregate ready-mixed concrete facilities to enter the slag-based ready-mixed concrete sector and steadily increase its market share.

2. Expected sales/Volume of reuse

Looking ahead to 2026, the global steel market is expected to remain in a phase of supply-demand adjustment, with performance characterized by overall restraint tempered by a quest for stability. In general, the steel industry will prioritize steady operations and cost control. Operating momentum within the domestic steel sector is anticipated to maintain a baseline level, thereby providing a stable foundation for the development of the company's EAFD and zinc oxide related businesses.

In addition to the existing EAFD, the Company will be dedicated to additional 3 major categories and 13 waste items and collect and recycle the wastes that are hazardous to treat and has a high unit price of treatment. In 2026, the Company will mitigate the impact of LME zinc prices on revenue by expanding new revenue growth from waste disposal price.

In addition to the existing slag business, Taiwan Steel Resources Co., Ltd. follows the national resource recycling policy, and gradually expands the waste recycle market. it also actively develops the market for the concrete business and expands the market share of ready-mixed concrete.

3. Important Production and Marketing Policies

To fulfill our corporate social responsibility, we will uphold our consistent business philosophy, plan resources effectively, and control potential hazards and environmental impact sources in production activities, products, and services through the operation of our environmental safety and health

management system effectively, thereby achieving sustainable operation.

III. Future Development Strategies

To pursue the Company's sustainable development, we have formulated the short-term and long-term development strategies below:

1. Short-term development strategy:
 - (1) Increase the volume of reusable waste for treatment.
 - (2) Install solar panels on the roofs of the plant, and promote carbon reduction items.
2. Long-term development strategy:
 - (1) Promote the reuse of other hazardous wastes.
 - (2) Exporting proprietary technologies to overseas markets.

IV. Impact of External Competition Environment, Legal Environment, and Overall Business Environment

At present, more than 80% of the total output of domestic EAF dust is reused by the Company. The Company occupies a leading position in the EAF dust reuse industry among domestic electric arc furnace steelmaking plants. The environmental protection laws and regulations in our country have been developed with reference to those of European countries and the US, so they are relatively advanced and complete. This has enabled the Company to be competitive in this industry.

In the future, we will continue to increase customers and sources of materials in terms of other waste resources that are hazardous, and to increase the volume of treatment/reuse. This will give us an excellent advantage in the domestic competition and diversify our operational risks.

So far, we have obtained the general permits for reuse of 13 contaminated soils. With these and the 3 categories and 13 waste items for expansion of diversified operations, the Company has a competitive advantage in terms of prices and volume and can provide proper treatment methods for different domestic wastes, which is well-aligned with the government's Resource Sustainable Recycling Implementation Program.

I would like to thank all our shareholders again for your support and encouragement. I wish you good health and all the best.

Two. Corporate Governance Report

I. Information on the Company's Directors, President, Vice Presidents, and the Heads of All the Company's Departments and Branch Units:

1. Information on Directors

(1) Members of the Board of Directors

March 31, 2026

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term	Date first elected	Shareholding when elected		Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Experience (education)	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
							Chairman	R.O.C.	Feng Hsin Steel Co., Ltd.	57	2025.05.27	3 years	1995.05.05	26,758,587			24.05%	26,758,587	24.05%	
R.O.C.	Representative: Tsai-Hsiang Lin	Male 46	2025.05.27	3 years	2025.05.27	409,000		0.37%	444,000	0.4%	763,000	0.69%	1,205,000	1.08%	Cal. State University Fullerton Marketing Assistant Administrator of the Business Department of Dragon Steel Corporation General Manager of Taiwan Steel Union Co., Ltd.	Director	Lin, Kai-Ming	Brother-in-law	-	
Director	R.O.C.	Tung Ho Steel Enterprise Corp.	64	2025.05.27	3 years	1995.05.05	24,829,009	22.31%	24,829,009	22.31%	-	-	-	-	-	Institutional Director of Xiaogang Warehousing Co., Ltd. Institutional Director of Chien Shing Harbour Service Co., Ltd. Institutional Director of Tung Kang Steel Structure Corporation Institutional Director of Tungho Steel Wind Power Co. Ltd. Institutional Director of Katec Creative Resources Corp. Institutional Director of Katec R&D Corporation Institutional Director of Dongjing Investment Co., Ltd. Institutional Director of Lishi Venture Capital Co., Ltd. Institutional Director of Liyu Venture Capital Co., Ltd. Institutional Director of Tung Sugar Energy Service Co.,Ltd. Institutional Director of Taiwan Smart Electricity & Energy Co., Ltd..	-	-	-	-
	R.O.C.	Representative: Liu, Ming-Tsung	Male 60	2025.05.27	3 years	2008.05.22	-	-	-	-	-	-	-	-	Master's, Department of Materials Science and Engineering, National Taiwan University	Vice President of Production, Tung Ho Steel Enterprise Corp. Director of Taiwan Steel Resources Co., Ltd.	-	-	-	-
	R.O.C.	Representative: Hsiao, Yao-ying	Male 63	2025.05.27	3 years	2023.06.21	-	-	-	-	-	-	-	-	Taipei Engineering Professional School, Mining Manager Miaoli Plant of Tung Ho Steel Enterprise Corp.	Manager Miaoli Plant of Tung Ho Steel Enterprise Corp. Director of Tung Kang Steels Structure Corp.	-	-	-	-
Director	R.O.C.	Hai Kwang Enterprise Corporation	57	2025.05.27	3 years	2005.08.02	9,691,512	8.71%	9,691,512	8.71%	-	-	-	-	-	Institutional Director of Zhengtong Environmental Technology Co., Ltd. Institutional Director of Yu Tai Sustainable Recycling Co., Ltd.	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term	Date first elected	Shareholding when elected		Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Experience (education)	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
								R.O.C.	Representative: Huang, Wei-Han	Male 39	2025.05.27	3 years	2016.09.22	-			-	-	-	
Director	R.O.C.	Shyeh Sheng Fuat Steel & Iron Works Co., Ltd.	60	2025.05.27	3 years	1996.11.20	9,677,573	8.70%	9,677,573	8.70%	-	-	-	-	-	Institutional Director of Xiaogang Warehousing Co., Ltd.	-	-	-	-
	R.O.C.	Representative: Huang, Huang-Chang	Male 68	2025.05.27	3 years	1996.11.20	-	-	18,000	0.02%	54,000	0.05%	-	-	Department of Business Administration, Chung Yuan Christian University. Chairman of Shyeh Sheng Fuat Steel & Iron Works Co., Ltd.	Chairman and President of Shyeh Sheng Fuat Steel & Iron Works Co., Ltd. Chairman of Sunghun Construction Co., Ltd. Director of Xiexi Co., Ltd. Chairman of Xiechengfa Co., Ltd. Director of Xiaogang Warehousing Co., Ltd. Director of Xie Huan Co., Ltd. Chairman of Jintaishan Co., Ltd. Director of Xieren Co., Ltd. Chairman of Shyeh Chin Fa Steel Co., Ltd. Director of Shyeh Sheng Fuat Construction Co., Ltd. Person in Charge of Fengshan Gas Station Co., Ltd. Director of Taiwan Steel Resources Co., Ltd.	-	-	-	-
Director	R.O.C.	Chien Shun Steel Co., Ltd.	52	2025.05.27	3 years	1999.12.06	6,116,469	5.50%	6,116,469	5.50%	-	-	-	-	-	-	-	-	-	-
	R.O.C.	Representative: Chen, Mei-Hui	Female 52	2025.05.27	3 years	2016.11.16	-	-	-	-	-	-	-	-	Chih Ping Senior High School	Salesperson of Chien Shun Steel Co., Ltd.	-	-	-	-
Director	R.O.C.	Chengchuang Investment Co., Ltd	11	2025.05.27	3 years	2025.05.27	4,023,000	3.62%	4,158,000	3.74%	-	-	-	-	-	Institutional Director of FengYu Resources Co., Ltd.	-	-	-	-
	R.O.C.	Representative: Kai-Ming Lin	Male 55	2025.05.27	3 years	2025.05.27	77,000	0.07%	92,000	0.08%	134,000	0.12%	-	-	Department of Accounting, Fu Jen Catholic University Managing Director, Pao Li Industrial Co., Ltd. National President, Taiwan Chamber of Commerce and Industry in Malaysia (TWCHAM) National President, Asia Taiwanese Chambers of Commerce (ASTCC)	Managing Director, Pao Li Industrial Co., Ltd. National President, Taiwan Chamber of Commerce and Industry in Malaysia (TWCHAM) National President, Asia Taiwanese Chambers of Commerce (ASTCC)	Chairman	Tsai-Hsiang Lin	Brother-in-law	-
Independent Director	R.O.C.	Chang, Tien-Chin	Male 68	2025.05.27	3 years	2016.09.22	-	-	-	-	-	-	-	-	Associate Technical Specialist, Department of Labor Inspection, Council of Labor Affairs, Executive Yuan Head of Department of Civil Engineering, National Taipei University of Technology Professor and Director, Institute of Environmental Planning and Management, National Taipei University of Technology, Chairman of Taiwan Water Environment Regeneration Association Director of R&D Center, National Taipei University of Technology Dean of the College of Engineering, National Taipei University of Technology	Professor, Institute of Environmental Engineering, Chung Yuan Christian University,	-	-	-	-
Independent Director	R.O.C.	Wu, Chuan-Chuan	Male 71	2025.05.27	3 years	2016.09.22	-	-	-	-	-	-	-	-	Master's in Accounting, University of Oklahoma Chief Financial Officer of Zhongyu Investment Co., Ltd. CPA of KPMG in Taiwan Accountant in Charge in Central Taiwan of KPMG in Taiwan	Independent Director of Rexon Industrial Corporation Ltd.	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term	Date first elected	Shareholding when elected		Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Experience (education)	Other position concurrently held at the Company or other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	Huang, Xiao-Xin	Male 76	2025.05.27	3 years	2022.05.26	-	-	-	-	-	-	-	-	Chairman of The Formosa Association of Resource Recycling Chairman of ESG Booster Co.,Ltd. Independent Director of Anji Technology Co., Ltd. Independent Director of Lianyou Metals Co., Ltd.	Independent Director of Anji Technology Co., Ltd. Independent Director of Lianyou Metals Co., Ltd. Chairman of Jianqun Sustainable Innovation Co., Ltd. Chairman of Jianqi Intelligent Technology Co., Ltd.	-	-	-	-
Independent Director	R.O.C.	Wu, Gen-Cheng	Male 68	2025.05.27	3 years	2025.05.27	-	-	-	-	-	-	-	-	Graduated in News major, Chinese Culture University Senior Vice President, Want Want China Times Media Group Headquarters Publisher of China Times Chairman of China Television Company, Ltd. Chairman of China Times Weekly General Manager of INFOTIMES Chairman of Ching Shih Finance Media Corporation	Chairman of Ching Shih Finance Media Corporation Director of Taiwan Sakura Co., Ltd. Independent Director of Mediera Co., Ltd. Independent Director of China Television Company, Ltd. Independent Director of Advantek Enterprise Co., Ltd.	-	-	-	-

Note 1: The Chairman and the CEO of the Company are the same person. As the CEO mainly directs the management team, establishes vision, strategies, and implements various business activities, having the same person serving as the Chairman and the CEO will facilitate the efficiency of the Company's leadership. More than 90% of the Company's directors are not also concurrently employees or managers and the number of independent directors for the 10th Board of Directors was increased to 4 seats when the shareholders' meeting were held on May,26 2022.

(2) Major Shareholders of Institutional Shareholders

April 28, 2026

Name of institutional shareholder	Major Shareholders of Institutional Shareholders
Feng Hsin Steel Co., Ltd.	Chengchuang Investment Co., Ltd. (5.91%); Fengshuo Investment Co., Ltd. (3.91%); Lin Chang, Shu-Wen (2.44%);Lai, San-Ping (2.18%); Jin Fuli Investment Co., Ltd. (2.09%); Lin, Meng-Bi (2.03%); Mark Lin (1.85%), Chung, Ching-Lin (1.84%), Lin Hsu, Yu-Mei(1.77%), Golden Empire Investment Co., Ltd.(1.74%)
Tung Ho Steel Enterprise Corp.	Shenyuan Investment Co., Ltd. (14.89%); Maosheng Investment Co., Ltd. (8.92%); Hezhao Investment Co., Ltd. (8.61%); Yuanta Taiwan Dividend Plus ETF (4.67%), Yuanta Taiwan High Dividend Low Volatility ETF (1.95%), Yutai Investment Co., Ltd. (1.78%), Yutai Huanyu Investment Co., Ltd.(1.18%), Public Service Pension Fund Management Board (1.08%), Jicheng Investment Co., Ltd.(1.04%), Liang Cheng Investment Co., Ltd.(1.03%)
Hai Kwang Enterprise Corporation	Haiming Investment Co., Ltd. (22.81%); Youming Investment Co., Ltd. (7.06%); Zongli Investment Co., Ltd. (5.93%); Huang, Yu-Ching (2.94%); Passion Trading Co., Ltd. (2.16%), Huang, Yu-Hsueh (1.58%), Huang, Yu-Yen(1.23%), Huang, Wei-Han(1.05%), Yuzhan Investment Co., Ltd.(0.98%), Huang, Cheng-Han(1.00%)
Shyeh Sheng Fuat Steel & Iron Works Co., Ltd.	Xiehuan Co., Ltd. (9.855%); Xieren Co., Ltd. (9.855%); Huang, Huang-Chang (38.55%); Huang Tien, Yu-Yun (25.84%); Xiechengfa Co., Ltd. (8.3%); Xiexi Co., Ltd. (6.2%); Huang,Chao-Huan(0.7%); Huang,Chao-Ren(0.7%)
Chien Shun Steel Co., Ltd.	Tongshun Investment Co., Ltd. (91.15%); Tong Shun Steel Co., Ltd. (7.43%); Wang Li, Hsiu-Chao (0.63%); Wang, Chi-Sheng (0.59%); Wang, Pi-Tzu (0.16%); Wang, Yu-Chun (0.04%)
Chengchuang Investment Co., Ltd.	Lin, Chen-Wei (22.97%); Lin, Cheng-Te (22.97%); Lin, Cheng-Hao (22.97%); Lin Chang, Shu-Wen (15.87%); Lin, Chin-Hsuan (7.49%); Lin, Liang-Hsuan (7.49%)

(3) Major Shareholders of Institutional Shareholders with Corporations as Their Major Shareholders

April 28, 2026

Name of institutional shareholder	Major shareholders of juridical persons
Chengchuang Investment Co., Ltd	Lin, Chen-Wei (22.97%); Lin, Cheng-Te (22.97%); Lin, Cheng-Hao (22.97%); Lin Chang, Shu-Wen (15.87%); Lin, Chin-Hsuan (7.49%); Lin, Liang-Hsuan (7.49%)
Fengshuo Investment Co., Ltd.	Feng Hsin Steel Co., Ltd. (18.2%); D&H Enterprises Co., Ltd. (15.75%); Mark Lin (10.00%); Chung, Ching-Lin (4.00%); Chung, Chao-Chuan (4.00%); Lin, Ling-Yu (3.13%); Lin, Chen-Ju (3.13%); Lin, Shan-I (3.13%); Lin, Ta-Chiao (3.13%), Lin Hsu, Yu-Mei(3.00%)
Jin Fuli Investment Co., Ltd.	Lin, Cheng-Feng (24.73%); Lin, Cheng-Chang (24.47%); Lin, Chiu-Huang (16.67%); Lin, Pei-Fang (16.67%)
Golden Empire Investment Co., Ltd.	Lin ,Tsai-Hsiang(40.04%), Lin ,Chen-Wei(49.31%)
Shenyuan Investment Co., Ltd.	Hou,Chieh-Teng (47.52%) Hou, Yu-Shu(47.48%)
Maosheng Investment Co., Ltd.	Hou,Chieh-Teng (77.86%) Hou, Yu-Shu(5.76%)
Hezhao Investment Co., Ltd.	Hou, Yu-Shu(77.85%), Shenyuan Investment Co., Ltd.(16.39%)
Yuanta Taiwan Dividend Plus ETF	N/A
Yuanta Taiwan High Dividend Low Volatility ETF	N/A
Yutai Investment Co., Ltd.	Huang, Chih-Ming (42.5%); Huang, Tsung-Ling (17%); Cheng, Mei-Chu (8.1%)
Yutai Huanyu Investment Co., Ltd.	Huang, Zhi-hao (28%), Guo, Ya-qi (24%)
Public Service Pension Fund Management Board	N/A
Jicheng Investment Co., Ltd.	Chen, Pao-Ho(1%)
Liang Cheng Investment Co., Ltd.	JUSTIN Investment Management Limited, BVI(100%)
Haiming Investment Co., Ltd.	Huang, Wei-Han (21.1%); Huang, Cheng-Han (20.4%); Huang, Yu-Ching (9.6%); Huang, Yu-Yen (8.9%); Huang,

Name of institutional shareholder	Major shareholders of juridical persons
	Yu-Hsueh (7.9%); Huang, Hsiao-Wen (7.5%); Huang, I-Cheng (6%); Huang, Yu-Ping (4.9%); Lin, Wen-Chang (4.9%); Wu, Yung-Tzu (3.4%)
Youming Investment Co., Ltd.	Passion Trading Co., Ltd. (96%); Huang, Hsiao-Wen (3%); Huang, Wei-Han (0.5%); Huang, I-Cheng (0.5%)
Zongli Investment Co., Ltd.	Passion Trading Co., Ltd. (20%); Huang, Hsiao-Wen (39%); Huang, Wei-Han (11%); Huang, Cheng-Han (20%); Huang, I-Cheng (10%)
Passion Trading Co., Ltd.	Huang, Hsiao-Wen (1.4%); Huang, Wei-Han (0.4%); Huang, Cheng-Han (0.7%); You Ming Investment Co., Ltd. (67.9%); Zongli Investment Co., Ltd. (29.6%)
Yuzhan Investment Co., Ltd.	Huang, Yu-Yen (32%), Wu, Cheng-Han(18%), Wu, Wei-Chi(17%), Wu, Tai-Jung(17%), Wu, Yung-Tzu(16%)
Xiehuan Co., Ltd.	Huang, Chao-Huan (99.97%); Huang, Huang-Chang (0.015%); Huang Tian, You-Yun (0.015%)
Xieren Co., Ltd.	Huang, Chao-Jen (99.97%); Huang, Huang-Chang (0.015%); Huang Tian, You-Yun (0.015%)
Xiechengfa Co., Ltd.	Huang, Huang-Chang (99.96%) and Huang Tian, You-Yun (0.04%)
Xiexi Co., Ltd.	Huang Tian, You-Yun (99.95%) and Huang, Huang-Chang (0.05%)
Tongshun Investment Co., Ltd.	Wang Li, Hsiu-Chao (58.539%); Wang, Pi-Chang (34.565%); Wang, Chien-Chih (6.881%); Wang, Pi-Tzu (0.005%); Wang, Chi-Sheng (0.005%); Li, Hsueh-Ju (0.005%)
Tong Shun Steel Co., Ltd.	Tung Hong Flaking Bran Industry Co., Ltd. (99.96%); Wang, Pi-Chang (0.02%); Wang, Pi-Tzu (0.02%)

(4) Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

April 28, 2026

Qualifications Name	Professional Qualifications and Experience	Independency	Number of other public companies where the individual concurrently serves as an independent director
Lin, Tsai Hsiang	Director of the Chinese National Federation of Industries Chairman of Taiwan Steel Union Co., Ltd.	Not applicable, not an independent director	
Liu, Ming-Tsung	Production Vice General Manager of Tung Ho Steel Enterprise Corp.		
Hsiao, Yao-ying	Manager Miaoli Plant of Tung Ho Steel Enterprise Corp.		
Huang, Wei-Han	Chairman of Hai Kwang Enterprise Corporation		
Huang, Huang-Chang	Chairman and General Manager of Shyeh Sheng Fuat Steel & Iron Works Co., Ltd.		
Chen, Mei-Hui	Salesperson of Chien Shun Steel Co., Ltd.		
Lin, Kai-Ming	Managing Director, Pao Li Industrial Co., Ltd. National President, Taiwan Chamber of Commerce and Industry in Malaysia (TWCHAM) National President, Asia Taiwanese Chambers of Commerce (ASTCC)		
Wu, Chuan-Chuan	CPA of KPMG in Taiwan	1. The individual, spouse, and relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliated companies. 2. The individual, spouse, and relatives within the second degree of kinship (or under the name of others) do not hold shares in the Company.	1
Chang, Tien-Chin	Professor, Institute of Environmental Engineering and Management, National Taipei University of Technology, Managing Director of Taiwan Power Company	3. Not a director, supervisor or employee of a company with specific relationship with the Company (please refer to Article 3, paragraph 1, subparagraphs 5~8 of the	-

Qualifications Name	Professional Qualifications and Experience	Independency	Number of other public companies where the individual concurrently serves as an independent director
Huang, Xiao-Xin	Chairman of The Formosa Association of Resource Recycling	Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). Not a professional individual that has provided commercial, legal, financial, accounting services or consultations to the Company over the past 2 years.	2
Wu, Gen-Cheng	Chairman of Ching Shih Finance Media Corporation		3

Note 1: None of the Company's directors (including independent directors) meet any of the criteria described in Article 30 of the Company Act.

(5) Diversity and Independence of the Board of Directors:

A. Diversity of the Board of Directors

To strengthen corporate governance and facilitate the sound development of the composition and structure of the Board, the Company stated in 4.5.3. of the Corporate Governance Best Practice Principles “In addition to considering the Company’s business model, future development needs, and major shareholders’ shareholdings, the Company shall evaluate various aspects of diversity of Board members, such as basic criteria and value (such as gender, nationality, age, and culture), professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

The current Board of Directors of the Company is composed of 11 directors, including four independent directors. All members have extensive experience and expertise in the fields of industry knowledge, financial accounting, business, and management. Moreover, the Company pays attention to gender equality in the composition of the Board. We hope that there shall be at least one female director on the Board to bring the ratio of female directors to 9% or higher. The proportion of female directors on the Company’s board does not reach one-third, primarily due to the nature of the environmental protection industry, which traditionally employs a higher proportion of male personnel. To promote gender diversity, the Company has adopted measures to ensure compliance with relevant regulations by including at least one female director in board appointments, thereby supporting gender diversity at the board level. At present, the female director of the 11th Board of Directors is Ms. Chen, Mei-Hui. The implementation of the diversity of Board members is as follows:

- Basic composition, background, and experience

Name of director	Gender	Serves as an employee of the Company concurrently	Professional background	Professional skill	Industry experience
Lin Tsai Hisang	Male	✓	✓	✓	✓
Liu, Ming-Tsung	Male		✓	✓	✓
Hsiao, Yao-ying	Male		✓	✓	✓
Huang, Wei-Han	Male		✓	✓	✓
Huang, Huang-Chang	Male		✓	✓	✓
Lin, Kai-Ming	Male		✓	✓	✓
Chen, Mei-Hui	Female		✓	✓	✓
Wu, Chuan-Chuan (independent director)	Male		✓	✓	✓
Chang, Tien-Chin (independent director)	Male		✓	✓	✓
Huang, Xiao-Xin (independent director)	Male		✓	✓	✓
Wu Gen-Cheng(independent director)	Male		✓	✓	✓

- Diverse core capabilities

Name of director	Gender	Operational judgment	Accounting and financial analysis	Business management	Crisis management	Industry knowledge	International market perspective	Leadership	Decision-making
Lin Tsai Hisang	Male	✓	✓	✓	✓	✓	✓	✓	✓
Liu, Ming-Tsung	Male	✓	✓	✓	✓	✓	✓	✓	✓
Hsiao, Yao-ying	Male	✓	✓	✓	✓	✓	✓	✓	✓
Huang, Wei-Han	Male	✓	✓	✓	✓	✓	✓	✓	✓
Huang, Huang-Chang	Male	✓	✓	✓	✓	✓	✓	✓	✓
Lin, Kai-Ming	Male	✓	✓	✓	✓	✓	✓	✓	✓
Chen, Mei-Hui	Female	✓	✓	✓	✓	✓		✓	✓
Wu, Chuan-Chuan (independent director)	Male	✓	✓	✓	✓		✓	✓	✓
Chang, Tien-Chin (independent director)	Male	✓		✓	✓	✓	✓	✓	✓
Huang, Xiao-Xin (independent director)	Male	✓		✓	✓	✓	✓	✓	✓
Wu Gen-Cheng(independent director)	Male	✓		✓	✓	✓	✓	✓	✓

B. Independence of the Board of Directors

The Board of Directors of the Company consists of 4 independent directors and 7 directors, with independent directors making up approximately 36% of the Board. None of the Company's directors are related to each other as spouses or within the second degree of kinship.

2. Information on the Company's CEO, President, Vice Presidents, and the Heads of All the Company's Departments and Branch Units

March 31, 2026

Title	Nationality	Name	Gender	Date taking office	Shareholding		Spouse & minor shareholding		Shareholding by nominees		Experience (education)	Other position concurrently held at other companies	Managers who are spouses or within the second degree of kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chief Executive Officer	R.O.C.	Lin, Tsai-Hsiang	Male	2025.05.27	444,000	0.4%	763,000	0.69%	1,205,000	1.08%	Cal. State University Fullerton Marketing Assistant Administrator of the Business Department of Dragon Steel Corporation General Manager of Taiwan Steel Union Co., Ltd.	Director of Feng Hsin Steel Co., Ltd. Chairman of Taiwan Steel Resources Co., Ltd. Director of Chengchuang Investment Co., Ltd. Director of Fengshuo Investment Co., Ltd. Director of Dao-Zu Co., Ltd. Director of FengYu Resources Co., Ltd. Directors of Gwo Huei Iron & Steel Co., Ltd. Directors of Gwo Uei Metals Industry Co., Ltd. Chairman of Golden Empire Investment Co., Ltd.	-	-	-	-
General Manager	R.O.C.	Hsieh, Tsung-Lin	Male	2025.05.27	-	-	-	-	-	-	Master's in Environmental Engineering, National Cheng Kung University Assistant Project Manager of AECOM Taiwan Corporation Director of Manufacturing, Manager of Environmental Safety Department of Taiwan Steel Union Co., Ltd.	None	-	-	-	-
Deputy General Manager	R.O.C.	Lin, Kun-Chieh	Male	2025.05.27	-	-	-	-	-	-	Department of Accounting, Tamkang University Master's, Department of Accounting, College of Management, National Changhua University of Education Assistant Manager of the Audit Department of Deloitte & Touche Manager of Administration Department of Taiwan Steel Union Co., Ltd.	None	-	-	-	-
Manager of Sales Department No. 1	R.O.C.	Chen, Yen-Chun	Female	2023.04.01	-	-	-	-	-	-	Master's in Environmental Engineering, National Chung Hsing University Director of Laboratory of Taiwan Steel Union Co., Ltd.	None	-	-	-	-
Manager of Sales Department No.2	R.O.C.	Yao, Fu-Jen	Male	2025.09.01	-	-	-	-	-	-	Department of Environmental Engineering, Kun Shan University Business Administrator of Sales Department No.2 and EHS Specialist of Taiwan Steel Union Co., Ltd.	None	-	-	-	-
Head of Maintenance Department	R.O.C.	Yu, Ching-Nan	Male	2000.01.01	-	-	-	-	-	-	Department of Electrical Engineering, Affiliated College of Continuing Education, National Formosa University Engineer, Mechanical and Electrical Environmental Engineering Department, BES Engineering Inc.	None	-	-	-	-
Manager of Procurement Department	R.O.C.	Chang, Chih-Yang	Male	2004.05.06	13,000	0.01%	12,000	0.01%	-	-	Department of Navigation, National Taiwan Ocean University Sales Director of Taiwan Kansai Paint Co., Ltd.	None	Head of Audit Department	Chao, Yu-Chiao	Couple	-
Head of Audit Department	R.O.C.	Chao, Yu-Chiao	Female	2015.04.01	12,000	0.01%	13,000	0.01%	-	-	Department of Public Finance, Feng Chia University; auditor of Asia Pacific & Co., CPAs Leader of Cost Accounting Team, Lianxun Computer Co., Ltd.; Section Chief/Assistant Manager in Finance, Lianxun Computer Co., Ltd. Manager of Administration Department of Taiwan Steel Union Co., Ltd.	None	Manager of Procurement Department	Chang, Chih-Yang	Couple	-
Manager of Administration Department	R.O.C.	Chen, Hsiang-Wei	Female	2025.05.27	1,000	0.00%	-	-	-	-	Master's, Department of Accounting, National Chengchi University Deputy leader of the Audit Department of Deloitte & Touche Senior Accountant of Taiwan Steel Union Co., Ltd.	None	-	-	-	-

Title	Nationality	Name	Gender	Date taking office	Shareholding		Spouse & minor shareholding		Shareholding by nominees		Experience (education)	Other position concurrently held at other companies	Managers who are spouses or within the second degree of kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Manager of Environmental Safety Department	R.O.C.	Su, Wen-Hung	Male	2024.01.01	-	-	-	-	-	-	Executive Master of Business Administration in Accounting, National Changhua University of Education	None	-	-	-	-
Long-jing Factory Director	R.O.C.	Chen, Meng-Chia	Male	2025.09.01	-	-	-	-	-	-	Ph.D in Department of Environmental Engineering, National Taiwan University Manager of Sales Department No. 2 of Taiwan Steel Union Co., Ltd.	None	-	-	-	-
Manager of Information Management Department	R.O.C.	Kang, Chih-Chiang	Male	2022.08.12	-	-	-	-	-	-	Master's Program in Artificial Intelligence and Data Science, National Chung Hsing University Technical Manager of Hyweb Technology Co., Ltd Program Manager of Knowledge & Service Information Copr.	None	-	-	-	-
Section Chief of Warehouse Department	R.O.C.	Lu, Jui-Fu	Male	2021.02.27	-	-	-	-	-	-	Master's in of Human Resource and Public Relations, Dayeh University Warehouse management worker of Taiwan Steel Union Co., Ltd.	None	-	-	-	-

Note 1: The Chairman and the CEO of the Company are the same person. As the CEO mainly directs the management team, establishes vision, strategies, and implements various business activities, having the same person serving as the Chairman and the CEO will facilitate the efficiency of the Company's leadership. More than 90% of the Company's directors are not also concurrently employees or managers and the number of independent directors for the 10th Board of Directors was increased to 4 seats when the shareholders' meeting were held on May,26 2022.

II. Remuneration Paid During the Most Recent Fiscal Year to Directors, President, and Vice Presidents

1. Remuneration to Directors and Independent Directors

Unit: NT\$1,000

Title	Name	Remuneration								Sum of A, B, C, and D as amount and a percentage of net income		Relevant remuneration received by directors who are also employees								Sum of A, B, C, D, E, F, and G as amount and a percentage of net income		Compensation paid to directors from an investee other than the Company's subsidiaries or parent company
		Base compensation (A)		Severance pay and pension (B)		Directors' compensation (C)		Business execution expenses (D)				Salary, bonuses, and allowances (E)		Severance pay and pension (F)		Employee compensation (G)						
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman	Representative of Feng Hsin Steel Co., Ltd.: Mark Lin																					
Chairman	Representative of Feng Hsin Steel Co., Ltd.: Lin, Tsai Tsiang																					
Director	Representative of Tung Ho Steel Enterprise Corp.: Liu, Ming-Tsung																					
Director	Representative of Tung Ho Steel Enterprise Corp.: Hsiao, Yao-ying																					
Director	Representative of Hai Kwang Enterprise Corporation: Huang, Wei-Han	-	-	-	-	6,300	6,300	205	215	6,505/ 0.95%	6,515/ 0.95%	3,007	7,280	8,732	8,732	3,473	-	3,473	-	21,717/ 3.16%	26,000 3.79%	None
Director	Representative of Shyeh Sheng Fuat Steel & Iron Works Co., Ltd.: Huang, Huang-Chang																					
Director	Representative of Chien Shun Steel Co., Ltd.: Chen, Mei-Hui																					
Director	Representative of United Steel Corporation: Yeh, Chun-Sheng																					
Director	Chengchuang Investment Co., Ltd Corporation: Lin, Kai Ming																					
Independent Director	Lin, Hung-Tuan																					
Independent Director	Wu, Chuan-Chuan																					
Independent Director	Chang, Tien-Chin	3,600	3,600	-	-	-	-	168	168	3,768/ 0.55%	3,768/ 0.55%	-	-	-	-	-	-	-	-	3,768/ 0.55%	3,768/ 0.55%	None
Independent Director	Huang, Xiao-Xin																					
Independent Director	Wu, Gen-Cheng																					

1. Please state the policy, system, standards, and structure of the remuneration paid to independent directors, and specify the connection between the amount of remuneration paid and their responsibilities and risks assumed, time invested, and other factors: Directors' remuneration is determined based on each director's contribution to the Company's operational performance.
2. Except as disclosed in the above table, the remuneration received by the Company's directors for services rendered to all companies included in the financial statements (such as serving as a consultant in a non-employee capacity) in the most recent year: NTS0.

Note 1: The remuneration paid to the Chairman's chauffeur in 2025 was NT\$629,000.

Range of remuneration

Range of remuneration paid to directors	Name of director			
	Sum of (A+B+C+D)		Sum of (A+B+C+D+E+F+G)	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Less than NT\$1,000,000	Feng Hsin Steel Co., Ltd. Representative: Mark Lin Feng Hsin Steel Co., Ltd. Representative: Lin, Tsai-Hiang Tung Ho Steel Enterprise Corp. Representative: Liu, Ming-Tsung Tung Ho Steel Enterprise Corp. Representative: Hsiao, Yao-ying Hai Kwang Enterprise Corporation Representative: Huang, Wei-Han Shyeh Sheng Fuat Steel & Iron Works Co., Ltd. Representative: Huang, Huang-Chang Chien Shun Steel Co., Ltd. Representative: Chen, Mei-Hui United Steel Corporation Representative: Yeh, Chun-Sheng Chengchuang Investment Co., Ltd Corporation: Lin, Kai Ming Lin, Hung-Tuan, Wu, Chuan-Chuan, Chang, Tien-Chin, Huang, Xiao-Xin, Wu, Gen-Cheng	Feng Hsin Steel Co., Ltd. Representative: Mark Lin Feng Hsin Steel Co., Ltd. Representative: Lin, Tsai-Hiang Tung Ho Steel Enterprise Corp. Representative: Liu, Ming-Tsung Tung Ho Steel Enterprise Corp. Representative: Hsiao, Yao-ying Hai Kwang Enterprise Corporation Representative: Huang, Wei-Han Shyeh Sheng Fuat Steel & Iron Works Co., Ltd. Representative: Huang, Huang-Chang Chien Shun Steel Co., Ltd. Representative: Chen, Mei-Hui United Steel Corporation Representative: Yeh, Chun-Sheng Chengchuang Investment Co., Ltd Corporation: Lin, Kai Ming Lin, Hung-Tuan, Wu, Chuan-Chuan, Chang, Tien-Chin, Huang, Xiao-Xin, Wu, Gen-Cheng	Tung Ho Steel Enterprise Corp. Representative: Liu, Ming-Tsung Tung Ho Steel Enterprise Corp. Representative: Hsiao, Yao-ying Hai Kwang Enterprise Corporation Representative: Huang, Wei-Han Shyeh Sheng Fuat Steel & Iron Works Co., Ltd. Representative: Huang, Huang-Chang Chien Shun Steel Co., Ltd. Representative: Chen, Mei-Hui United Steel Corporation Representative: Yeh, Chun-Sheng Chengchuang Investment Co., Ltd Corporation: Lin, Kai Ming Lin, Hung-Tuan, Wu, Chuan-Chuan, Chang, Tien-Chin, Huang, Xiao-Xin, Wu, Gen-Cheng	Tung Ho Steel Enterprise Corp. Representative: Liu, Ming-Tsung Tung Ho Steel Enterprise Corp. Representative: Hsiao, Yao-ying Hai Kwang Enterprise Corporation Representative: Huang, Wei-Han Shyeh Sheng Fuat Steel & Iron Works Co., Ltd. Representative: Huang, Huang-Chang Chien Shun Steel Co., Ltd. Representative: Chen, Mei-Hui United Steel Corporation Representative: Yeh, Chun-Sheng Chengchuang Investment Co., Ltd Corporation: Lin, Kai Ming Lin, Hung-Tuan, Wu, Chuan-Chuan, Chang, Tien-Chin, Huang, Xiao-Xin, Wu, Gen-Cheng
NT\$1,000,000 (inclusive)– NT\$2,000,000 (not inclusive)	None	None	None	None
NT\$2,000,000 (inclusive)– NT\$3,500,000 (not inclusive)	None	None	None	None
NT\$3,500,000 (inclusive)– NT\$5,000,000 (not inclusive)	None	None	Feng Hsin Steel Co., Ltd. Representative: Mark Lin Feng Hsin Steel Co., Ltd. Representative: Lin, Tsai-Hiang	Feng Hsin Steel Co., Ltd. Representative: Mark Lin Feng Hsin Steel Co., Ltd. Representative: Lin, Tsai-Hiang
NT\$5,000,000 (inclusive)– NT\$10,000,000 (not inclusive)	None	None	None	None
NT\$10,000,000 (inclusive)– NT\$15,000,000 (not inclusive)	None	None	None	None
NT\$15,000,000 (inclusive)– NT\$30,000,000 (not inclusive)	None	None	None	None
NT\$30,000,000 (inclusive)– NT\$50,000,000 (not inclusive)	None	None	None	None

Range of remuneration paid to directors	Name of director			
	Sum of (A+B+C+D)		Sum of (A+B+C+D+E+F+G)	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
NT\$50,000,000 (inclusive)– NT\$100,000,000 (not inclusive)	None	None	None	None
NT\$100,000,000 or more	None	None	None	None
Total	14 people in total	14 people in total	14 people in total	14 people in total

2. Remuneration to the President and Vice Presidents

Unit: NT\$1,000

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Employee compensation (D)				Sum of A, B, C, and D as amount and a percentage of net income (%)		Compensation paid to directors from an investee other than the Company's subsidiaries or parent company
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Chief Executive Officer(Note1)	Mark Lin	5,087	6,359	8,848	8,848	465	465	8,165	-	11,165	-	22,565/ 3.29	26,837/ 3.91	None
Chief Executive Officer(Note1)	Lin, Tsai-Hsiang													
General Manager(Note 2)	Lin, Tsai-Hsiang													
General Manager(Note 2)	Hsieh, Tsung-Lin													

Note1: Lin, Tsai-Hsiang has been promoted from General Manager to CEO, effective May 27, 2025. Mark Lin stepped down as CEO due to retirement, effective May 26, 2025.
 Note2: Hsieh, Tsung-Lin has been promoted from Director of Manufacturing to General Manager, effective May 27, 2025.
 Note3: The remuneration paid to the CEO's chauffeur in 2025 was NT\$629,000.

Range of remuneration

Range of remuneration paid to the president and vice presidents	Name of president and vice presidents	
	The Company	All companies in the consolidated financial statements
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive)– NT\$2,000,000 (not inclusive)	-	-
NT\$2,000,000 (inclusive)– NT\$3,500,000 (not inclusive)	-	-
NT\$3,500,000 (inclusive)– NT\$5,000,000 (not inclusive)	-	-
NT\$5,000,000 (inclusive)– NT\$10,000,000 (not inclusive)	Lin, Tsai-Hsiang Hsieh, Tsung-Lin	Hsieh, Tsung-Lin
NT\$10,000,000 (inclusive)– NT\$15,000,000 (not inclusive)	Mark Lin	Lin, Tsai-Hsiang Mark Lin
NT\$15,000,000 (inclusive)– NT\$30,000,000 (not inclusive)	-	-
NT\$30,000,000 (inclusive)– NT\$50,000,000 (not inclusive)	-	-
NT\$50,000,000 (inclusive)– NT\$100,000,000 (not inclusive)	-	-
NT\$100,000,000 or more	-	-
Total	3 people in total	3 people in total

3. Remuneration to Managers

Unit: NT\$1,000

	Title	Name	Stock	Cash	Total	Ratio of total amount to net income (%)
Managerial Officer	Chief Executive Officer	Lin, Tsai-Hsiang	-	16,581	16,581	2.41
	General Manager	Hsieh, Tsung-Lin				
	Deputy General Manager	Lin, Kun-Chieh				
	Special assistant of Production Department	Yang, Ming-Chu				
	Manager of Sales Department No. 1	Chen, Yen-Chun				
	Head of Maintenance Department	Yu, Ching-Nan				
	Manager of Procurement Department	Chang, Chih-Yang				
	Head of Audit Department	Chao, Yu-Chiao				
	Long-jing Factory Director	Chen, Meng-Chia				
	Manager of Administration Department	Chen, Hsiang-Wei				

4. Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

(1) Remuneration paid to Directors, President, and Vice Presidents of the Company paid by the Company and companies included in the individual financial statements in proportion to the net income after tax referred to in the parent company only financial statements in the most recent two years:

Item \ Year	2025		2024	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director	3.71%	4.34%	1.64%	1.64%
CEO, General Manager, and Vice General Managers	3.29%	3.91%	1.37%	1.37%

(2) Policy, standard, and combination for payment of remuneration, establishment of procedure of remuneration, and correlation between the business performance and future risk:

A. Policy, standard and combination for payment of remuneration

1. With regard to the remuneration of directors of the Company, according to Article 22 of the Articles of Incorporation, for the remuneration of all directors, the board of directors is authorized to determine remuneration of directors and independent directors based on the participation level and contribution value to the operation of the Company along with the consideration of the remuneration standards adopted in the domestic and foreign industries. In addition, according to Article 25 of the Articles of Incorporation, when there is a surplus earning after the final account of a fiscal year, less than 3% of the surplus shall be appropriated as the remuneration of directors. The Company periodically assesses the remuneration of directors according to the "Regulations for Performance Evaluation of Board of Directors", and relevant performance evaluation and remuneration policy, system, standard and structure are reviewed by the Remuneration and Nomination Committee and the Board of Directors.
2. The number of months in which year-end bonuses are paid to all employees is linked to the company's operating performance (EPS). The higher the EPS, the more months the company will pay. With regard to

the remuneration of managerial officers of the Company, the Company's Regulations for Salaries specify various job allowances and bonuses, in order to provide care and reward to employees for their effort and contribution at work(end-of-year assessment results). Relevant bonuses are also issued according to the annual business performance, financial status, operation status of the Company and individual job performance. Furthermore, when the Company has profit for the current year, an amount not less than 1% of such profit is appropriated as the remuneration of employees according to Article 25 of the Articles of Incorporation of the Company. The Company uses the performance evaluation result (end-of-year assessment results) of the "Regulations for Performance Evaluation and Three-holiday Bonuses" as the reference basis for the issuance of bonuses of managerial officers. The managerial officers' performance evaluation items are classified into financial indicators and non-financial indicators. A managerial officer's target achievement rate and each unit's target achievement result are reviewed in order to calculate his or her remuneration. In addition, the remuneration system is reviewed timely according to the actual operation status and relevant laws and regulations.

3. The combination of remuneration payment of the Company is specified according to the Remuneration and Nomination Committee Charter and includes the cash remuneration, pension welfare and severance pay, various allowances and other measures for substantial rewards. Its scope is consistent with the remuneration of directors and managerial officers specified in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

B. Procedure for remuneration establishment

1. To periodically evaluate the remuneration of directors and managerial officers, the evaluation results performed according to the "Regulations for Performance Evaluation of Board of Directors" and the "Regulations for Performance Evaluation and Three-holiday Bonuses" applicable to managerial officers and employees are used as the determination basis. In addition, presently, the Company's annual operation indicator results related to operation, governance and financial results are used as the measurement basis.
2. Relevant performance evaluation and remuneration reasonableness of directors and managerial officers of the Company are periodically evaluated and reviewed by the Remuneration and Nomination Committee and the Board of Directors annually. In addition to the review of individual performance achievement rate and contribution to the Company, the overall operation performance, industry future risk and development trend of the Company are also considered. Furthermore, the actual operation status and relevant laws and regulations are reviewed timely with respect to the remuneration system, thus achieving balance between sustainable operation and risk control of the Company. The actual issuance amount of the 2025 remuneration of directors and managerial officers are reviewed by the Remuneration and Nomination Committee, followed by submission to the Board of Directors for resolution.

C. Correlation between business performance and future risk

1. The review of the remuneration policy related payment standard and system of the Company is mainly based on the overall operation status of the Company, and the payment standard is determined according to the performance achievement rate and contribution level, in order to improve the overall organization and team performance of the Board of Directors and management departments. In addition, the remuneration standard adopted in the industry is also considered, in order to ensure that the remuneration for the management of the Company is competitive, thus retaining outstanding management talents.
2. The managerial officer performance goal of the Company is integrated with the risk control, in order to ensure that possible risks within the responsible scope may be managed. In addition, it is also linked to each relevant human resource and relevant remuneration policy according to the rating result of actual performance evaluation. For important decisions made by the management of the Company, various risk factors are considered in advance, and the performance of relevant decisions reflect in the profit status of the Company, in order to control the remuneration of risks of the management level.

III. Implementation of Corporate Governance

1. Operation of the Board of Directors

In the most recent year (2025), the Board of Directors had held 6 meetings (A), and the directors' attendance is as follows:

Title	Name	Attendance in person B	By proxy	Attendance rate (%) [B/A]	Remark
Chairman	Representative of Feng Hsin Steel Co., Ltd. Mark Lin	3	-	100	Note 2
Chairman	Representative of Feng Hsin Steel Co., Ltd. Lin, Tsai Tsiang	3	-	100	Note 1
Director	Representative of Tung Ho Steel Enterprise Corp. Liu, Ming-Tsung	5	-	83	-
Director	Representative of Tung Ho Steel Enterprise Corp. Hsiao, Yao-ying	5	-	83	-
Director	Representative of Hai Kwang Enterprise Corporation Huang, Wei-Han	5	-	83	-
Director	Representative of Shyeh Sheng Fuat Steel & Iron Works Co., Ltd. Huang, Huang-Chang	5	-	83	-
Director	Representative of Chien Shun Steel Co., Ltd. Chen, Mei-Hui	6	-	100	-
Director	Representative of United Steel Corporation Yeh, Chun-Sheng	3	-	100	Note 2
Director	Representative of Chengchuang Investment Co., Ltd Lin, Kai Ming	3	-	100	Note 1
Independent Director	Lin, Hung-Tuan	3	-	100	Note 2
Independent Director	Wu, Chuan-Chuan	6	-	100	-
Independent Director	Chang, Tien-Chin	6	-	100	-
Independent Director	Huang, Xiao-Xin	6	-	100	-
Independent Director	Wu, Gen-Cheng	3	-	100	Note 1
<p>Note1: Assumed office following the full re-election at the Annual General Meeting on May 27, 2025; required to attend 3 meetings.</p> <p>Note2: Stepped down following the full re-election at the Annual General Meeting on May 27, 2025; required to attend 3 meetings.</p> <p>Other matters:</p> <p>I. With regard to the operations of the Board of Directors, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all independent directors' opinions and the Company's handling of such opinions shall be specified:</p> <p>(I) Matters referred to in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, in accordance with the provisions of Article 14-5 of the Securities Exchange Act, so the provisions of Article 14-3 of the Securities Exchange Act do not apply.</p> <p>(II) Any recorded or written Board resolutions to which independent directors have objections or reservations to be noted in addition to the above: None.</p>					

II. Regarding recusals of directors from voting due to conflicts of interests, the names of the directors, contents of motions, reasons for recusal, and results of voting shall be specified:

Date of board meeting	Session/Term	Name of director	Content of motion	Reasons for recusal	Participation in voting
2025.01.20	16 th meeting of the 10 th Board of Directors	Mark Lin, Hsiao, Yao-ying, Liu, Ming-Tsung, Huang, Wei-Han, Huang, Huang-Chang, Chen, Mei-Hui, Yeh, Chun-Sheng	Discussion on the distribution of remuneration to directors for 2024	Involving self-interest	Except for the recusal of the director with a conflict of interest, the remaining directors present passed the motion as it was without objection.
		Mark Lin	Discussion on compensation for employees and managers		
			Adjustment of the company's basic salary table		
2025.04.23	18 th meeting of the 10 th Board of Directors	Mark Lin	Proposal for the Retirement Benefit Plan for the Chairman (CEO)	Involving self-interest	
			Proposal regarding the Change of Chief Executive Officer		
			Proposal regarding the Change of General Manager		
2025.05.27	1 st meeting of the 11 th Board of Directors	Chang, Tien-Chin Wu, Chuan-Chuan Huang, Xiao-Xin Wu, Gen-Cheng	Proposal for the Re-election of the Remuneration Committee	Involving self-interest	

III. A publicly listed company shall disclose the cycle and period, scope, method, and content of the self-evaluation (or peer evaluation) of the Board of Directors:

Implementation of performance evaluation of the Board of Directors				
Cycle	Period	Scope	Method	Content
Once a year	The performance of the Board of Directors and functional committees from January 1, 2025 to December 31, 2025.	The performance of the Board of Directors, functional committees, and individual directors.	Internal self-evaluation of the Board of Directors and directors' self-evaluation.	(1) Board performance evaluation: It includes the degree of participation in the Company's operations, the quality of the Board's decisions, the composition and the structure of the Board, the selection and continuing education of directors, and internal control. (2) Performance evaluation of individual directors: It includes perception of the Company's goals and missions, awareness of directors' responsibilities, the degree of participation in the Company's operations, internal relationship management and communication, directors' professional and continuing education, and internal control.

					(3) Functional committee performance evaluation: The degree of participation in the Company's operations, awareness of the functional committees' responsibilities, the decision-making quality of the functional committees, the composition of the functional committees, the selection of members, and internal control.
<p>IV. The goals of strengthening the functions of the Board of Directors in the year and the most recent year (such as setting up an audit committee or enhancing information transparency), and evaluation of the implementation:</p> <ol style="list-style-type: none"> 1. The Company adopts a candidate nomination system for directors and independent directors, have re-elected such directors comprehensively on May 27, 2025 with the term of office from May 27, 2025 to May 26, 2028. 2. The Company's extraordinary shareholders' meeting resolved a decision to establish an audit committee and to abolish the system of supervisors on September 22, 2016 3. To strengthen the management mechanism and improve the supervisory function, the Board of Directors has established three functional committees: the Sustainable Development Committee, the Remuneration and Nomination Committee and the Audit Committee, which convene meetings in accordance with the committee charters adopted by the Board of Directors to review and discuss relevant issues. They submit their conclusions and suggestions to the Board of Directors for resolution, and the operations are effective. The committee charters company adopted by the Board of Directors cover the number of committee members, term of office, powers and responsibilities, rules of meeting procedures, and resources that the Company shall provide when executing duties. 4. The Company formulated, with the approval from the Board of Directors, the Rules of the Performance Evaluation of the Board of Directors. Performance evaluation of the Board of Directors and functional committees are conducted at the beginning of each year. The 2025 annual assessment results were approved by the board of directors on February 25, 2026. All directors are professional and responsible, and diligently perform their duties 5. Please refer to the sections dedicated to "Investors", "Shareholder Services", and "Corporate Governance" on the Company's website (http://www.tsutw.com.tw) for more information on the Company's corporate governance. 6. The Company's Board of Directors adopted a resolution to engage a corporate governance officer on February 23, 2021 to manage the corporate governance business comprehensively and provide the support required by the Board. <p>V. Succession planning for Board members and critical management personnel:</p> <ol style="list-style-type: none"> 1. Succession planning for Board members: Regarding the succession planning of the Board of Directors, the Company's directors are appointed by institutional shareholders, who designates personnel with relevant abilities in business, financial accounting, or corporate governance. As independent directors shall have work experience required for the fields of business, legal affairs, finance, accounting, or the Company's business in accordance with the law, they are selected by professionals from the domestic academic circle and the domestic industry. 2. Succession planning for management personnel: The Company regularly reviews and selects a list of employees with potential at all levels, and offers internal/external training programs on professional skills, management skills, communication skills, or job rotation. 					

2. Operation of the Audit Committee

In the most recent year (2025), the Audit Committee had held 4 meetings (A), and the independent directors' attendance is as follows:

Title	Name	Attendance in person (B)	By proxy	Attendance rate (%) (B/A)	Remark
Independent Director	Lin, Hung-Tuan	2	0	100	Note 2
Independent Director	Wu, Chuan-Chuan	4	0	100	-
Independent Director	Chang, Tien-Chin	4	0	100	-
Independent Director	Huang, Xiao-Xin	4	0	100	-
Independent Director	Wu, Gen-Cheng	2	0	100	Note 1

Note1: Assumed office following the full re-election at the Annual General Meeting on May 27, 2025; required to attend 2 meetings.

Note2: Stepped down following the full re-election at the Annual General Meeting on May 27, 2025; required to attend 2 meetings.

Other matters:

I. Main focus of annual work of the Audit Committee:

The committee is composed of four independent directors with the main focus of the annual work to assist the Board in supervising the Company's fair expression of relevant financial statements; the selection (dismissal), independence, and performance of CPAs; the effective implementation of the Company's internal control system; compliance with the Company's relevant laws and regulations (such as internal control system, acquisition or disposition of assets, derivative trading, loans to others, endorsements/guarantees provided to others); management and control of the Company's existing or potential risks, and to execute other duties as required by law (appointment and dismissal of chief financial officer or chief internal auditor supervisor).

II. If any of the following circumstances occur to the Audit Committee during its operations, it shall state the date and period of the Audit Committee meeting, the content of the motion, the content of the objections, reservations or material recommendations of the independent directors, the results of the Audit Committee's resolutions and the Company's handling of the Audit Committee's opinions.:

(I) Matters referred to in Article 14-5 of the Securities and Exchange Act:

Date of Audit Committee meeting	Content of motion	Audit Committee's resolution results, and the Company's handling of such opinions	Resolution results of the Board of Directors
12 th meeting of 3 rd term on 2025.02.21	Discussions on the Company's 2024 financial statements and business report	Submitted to the Board of Directors with the consent of all members present	Approved by all the directors present at the 17 th meeting of the 10 th Board of Directors on February 24, 2025
	The Company's 2024 Earnings Distribution Proposal.		
	Submitted a proposal for issue of the Company's 2024 statement on the internal control system		
	Amendments on part of "Articles of Incorporation"		
	Proposal for appointment of Hsu, Jui-Lung and Tseng, Done-Yuin, CPAs at Deloitte & Touche, to audit the 2025 financial statements and tax reports and their professional audit fees		
	Proposed pre-approval of CPAs, their firms and their affiliates to provide non-assurance services to the Company and its subsidiaries		
	Proposed application for endorsement and guarantee of short-term financing for the Company's subsidiary Taiwan Steel Resources, Co., Ltd.		
	Proposed application for loaning of funds for the Company's subsidiary Taiwan Steel Resources, Co., Ltd.		
13 th meeting of 3 rd term on 2025.04.22	Report on preparation of consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the first quarter of 2025.	Submitted to the Board of Directors with the consent of all members present	Approved by all the directors present at the 18 th meeting of the 10 th Board of Directors on April 23, 2025
	Amendments on part of "Internal Control System – General Principles"		
	Amendments on part of "Articles of Incorporation"		
	Proposal regarding Personnel Changes		
1 st meeting of 4 th term on 2025.7.23	Proposal for the Election of the Convener of the 4 th Audit Committee	Submitted to the Board of Directors with the consent of all members present	Approved by all the directors present at the 2 nd meeting of the 11 th Board of Directors on July 24, 2025
	Proposal to designate the Audit Committee as the Company's representative for signing contracts with directors involving self-dealing.		
	Report on preparation of consolidated balance sheets, consolidated statements of comprehensive income, consolidated		

	statements of changes in equity, and consolidated statements of cash flows for the second quarter of 2025.		
	Proposed application for endorsement and guarantee of short-term financing for the Company's subsidiary Taiwan Steel Resources, Co., Ltd.		
	Proposed application for loaning of funds for the Company's subsidiary Taiwan Steel Resources, Co., Ltd.		
2 nd meeting of 4 th term on 2025.10.22	Report on preparation of consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the third quarter of 2025.	Submitted to the Board of Directors with the consent of all members present	Approved by all the directors present at the 3 rd meeting of the 11 th Board of Directors on October 23, 2025
	Amendments on part of "Procedures for Asset Acquisition and Disposal"		
	Amendments on part of "Internal Control System –Payroll Cycle"		
	Amendments on part of "Internal Control System –Information System Processing"		
	Amendments on part of "Implementation Rules for Internal Auditing"		
	Report on the Company's FY2026 annual audit plan		

Note: The independent directors have no objections, reservations or significant recommendations on the above proposals.

- (II) Except for the above matters, other matters that have not been approved by the Audit Committee and approved by more than two-thirds of all directors: None.
- III. Regarding recusals of directors from voting due to conflicts of interests, the names of the independent directors, contents of motions, reasons for recusal, and results of voting shall be specified: None.
- IV. Communications between the independent directors, the Company's chief internal auditor, and CPAs (shall include the material matters, methods, and results of communication on the Company's financial and business status).

1. Communication between the Internal Audit Manager and the Audit Committee:

- (1) **Periodic Communication:** The Internal Audit Manager reports on audit findings and the status of improvement on non-conformities to the Audit Committee. During these sessions, the manager addresses inquiries from independent directors and enhances the scope of audit work based on their directives, ensuring the effectiveness of the internal control system.
- (2) **Non-periodic Communication:** The Internal Audit Manager maintains ongoing communication with independent directors via telephone, email, or in-person meetings to discuss audit findings and explore ways to continuously enhance the value of the internal audit function. In the event of any significant violations, independent directors are notified immediately.
- (3) A summary of the key communications between independent directors and the Internal Audit Manager during the current year is provided in the table below:

Date	Communication item	Communication results
2025.10.22	2025Q3 Internal Auditing report	The Independent Directors had no comments or objections regarding the audit results presented.
2025.07.23	2025Q2 Internal Auditing report	
2025.04.22	2025Q1 Internal Auditing report	
2025.02.21	2024Q4 Internal Auditing report	

2. Communication between the CPAs and the Audit Committee:

- (1) **Periodic Communication:** The certified public accountant (CPA) communicates with the Audit Committee before and after the audit of the semi-annual and annual financial reports, focusing on audit plans, implementation status, and audit results.
- (2) **Non-periodic Communication:** Meetings are arranged as needed to discuss specific matters related to business operations or internal control systems whenever timely communication is required.
- (3) A summary of the key communications between independent directors and the Internal Audit Manager during the current year is provided in the table below:

Date	Communication item	Communication results
2025.10.22	Audit Plan and Key Audit Matters (KAMs) Report for 2025	The CPAs provided an explanation regarding the 2025

			audit plan, covering the audit scope and methodology, fraud risk assessment, identification of significant risks, key audit matters (KAMs), and the implications of amendments to the Company Act. Following discussion and communication, the Independent Directors expressed no objections to the audit results reported.
	2025.02.21	Audit Conclusion on the 2024 Financial Statements	The 2024 financial statements were approved by the Audit Committee and subsequently ratified by the Board of Directors, followed by timely announcement and filing with the competent authority

3. Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
I. Does the Company establish and disclose its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established the Corporate Governance Best-Practice Principles as approved by the Board of Directors on August 16, 2016, and approved the seventh version of said principles on April 25, 2023 in accordance with the amended Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies in the Taiwan Stock Exchange Official Letter No. 11100243661 dated December 23, 2022. The fourth version is also disclosed under "Corporate Governance" on MOPS.	No difference.
II. Shareholding structure & shareholders' rights				
(I) Has the Company established internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigations, and does the Company implement the procedures in accordance with the procedure?	✓		The Company has set up the Procedures for Processing Internal Material Information, and has engaged a spokesperson and a deputy spokesperson to respond to shareholders' suggestions, doubts, disputes, litigation, and other relevant matters, and appoint a stock affairs agency to handle relevant business.	No difference.
(II) Does the Company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	✓		The Company keeps abreast of the list of directors, managers, and major shareholders holding more than 10% of our shares, and files a report on changes in their shareholdings as scheduled every month.	No difference.
(III) Has the Company established, and	✓		The Company has formulated the Regulations on Relevant Financial	No difference.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
does it execute, a risk management and firewall system within its affiliated companies?			Operations between Affiliated Enterprises and implemented them in accordance with the relevant regulations, to manage the risk control between the affiliated companies.	
(IV) Has the Company established internal rules against insiders using undisclosed information to trade with?	✓		The Company has formulated the Insider Trading Prevention Management Regulations and the Code of Ethical Conduct to regulate the use of undisclosed information on the market by the Company's insiders to buy and sell securities.	No difference.
III. Composition and responsibilities of the Board of Directors (I) Has the Board of Directors set a diversity policy, specific management objectives and implementation plans?	✓		According to the Corporate Governance Best Practice Principles approved by the Company's Board of Directors, in addition to considering the Company's business models, future development needs, and major shareholders' shareholdings, the Company shall evaluate various aspects of diversity of Board members. The Company's current Board of Directors is composed of seven institutional directors and four independent directors with professional backgrounds, professional skills, and industry experience. The institutional directors all appoint representatives with sufficient expertise to participate in the Company's Board meetings. The Company has disclosed information on individual directors on the Company's website - Diversity of the Board of Directors, and the relevant information is available in the " Information on Directors " in the annual report.	No difference.
(II) In addition to the legally-required Remuneration Committee and Audit		✓	The Company has established the Remuneration Committee and the Audit Committee since 2016. And voluntarily set up the	No difference.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																		
	Yes	No	Description																			
Committee, has the Company voluntarily established other functional committees?			Sustainability committee on January 21, 2022. In 2026, the Company renamed the Remuneration Committee to the Remuneration and Nomination Committee.																			
(III) Has the Company established standards to measure the performance of the Board, and does the Company implement such annually? And does the Company report the results of the performance evaluation to the Board, and use them as a reference for individual directors' remuneration and nomination for re-election?	✓		The Company has formulated the Rules of the Performance Evaluation of the Board of Directors on February 23, 2017, which has been approved by the Board of Directors. The 2025 performance evaluation of the Board of Directors was conducted at the beginning of 2026. All directors are professional and responsible, and diligently perform their duties. The result was reported to the Board of Directors on February 25, 2026, as a reference for the remuneration and nomination of individual directors for re-election.	No difference.																		
(IV) Does the Company regularly evaluate the independence of the CPAs?	✓		<p>The Company's Audit Committee and Board of Directors evaluate the independence and competence of CPAs with reference to the Audit Quality Indicators (AQIs), complete the CPA Independence Assessment Form, and obtain the Statement on Independence regularly every year in accordance with the Company's Corporate Governance Best Practice Principles. The evaluation results this year are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Evaluation item</th> <th colspan="2">Evaluation results</th> <th rowspan="2">Independence</th> </tr> <tr> <th>Yes</th> <th>No</th> </tr> </thead> <tbody> <tr> <td>1. Obtained the Statement on Independence.</td> <td>✓</td> <td></td> <td>Yes</td> </tr> <tr> <td>2. The CPA has not been replaced for seven consecutive years.</td> <td>✓</td> <td></td> <td>Yes</td> </tr> <tr> <td>3. Does not serve as a director, supervisor, or manager at the Company.</td> <td>✓</td> <td></td> <td>Yes</td> </tr> </tbody> </table>	Evaluation item	Evaluation results		Independence	Yes	No	1. Obtained the Statement on Independence.	✓		Yes	2. The CPA has not been replaced for seven consecutive years.	✓		Yes	3. Does not serve as a director, supervisor, or manager at the Company.	✓		Yes	No difference.
Evaluation item	Evaluation results		Independence																			
	Yes	No																				
1. Obtained the Statement on Independence.	✓		Yes																			
2. The CPA has not been replaced for seven consecutive years.	✓		Yes																			
3. Does not serve as a director, supervisor, or manager at the Company.	✓		Yes																			

Evaluation item	Implementation status				Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof												
	Yes	No	Description														
			<table border="1"> <tr> <td>4. Is not a shareholder of the Company, and does not receive salary from the company.</td> <td>√</td> <td></td> <td>Yes</td> </tr> <tr> <td>5. Deloitte & Touche is not an affiliate of the Company.</td> <td>√</td> <td></td> <td>Yes</td> </tr> <tr> <td>6. The CPA does not provide non-audit services that may affect his/her independence.</td> <td>√</td> <td></td> <td>Yes</td> </tr> </table>	4. Is not a shareholder of the Company, and does not receive salary from the company.	√		Yes	5. Deloitte & Touche is not an affiliate of the Company.	√		Yes	6. The CPA does not provide non-audit services that may affect his/her independence.	√		Yes		
4. Is not a shareholder of the Company, and does not receive salary from the company.	√		Yes														
5. Deloitte & Touche is not an affiliate of the Company.	√		Yes														
6. The CPA does not provide non-audit services that may affect his/her independence.	√		Yes														
			<p>After assessment, CPA Ricky Hsu and CPA Rock Tseng of Deloitte Taiwan, except for the audit and tax related service fees, have no other financial benefit and business relationship with the Company. the family members of the CPAs have not violated the independence requirements and comply with the aforementioned independence evaluation standard. In addition, in accordance with the AQI indicator information, the CPAs and the accounting firm are verified to perform at a level higher than the average standard of the same industry with respect to the improvement request letters issued by the competent authority. Moreover, in the most recent three years, the audit innovative tools have also been implemented to improve the audit quality, such that they are assessed to be competent to act as the CPAs of the Company. Thus, on February 25, 2026, the appointment of the CPAs was approved at the 3rd meeting of the 4th Audit Committee, and was submitted to the 4th meeting of the 11th Board of Directors on February 25, 2026.</p>														
IV. Has the Company appointed a appropriate number of suitable corporate governance personnel, and designated a corporate governance officer to be responsible for	√		<p>In 2021, the Company designated the Administration Department and its personnel to be in charge of corporate governance. In addition, Deputy General Manager Lin, Kun-Chieh in the Administration Department was approved at the 11th meeting of the</p>		No difference.												

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
corporate governance-related matters (including but not limited to providing information to directors and supervisors to perform their functions, handling matters related to Board meetings and shareholders' meetings according to the law, and producing minutes of the Board meetings and shareholders' meetings)?			<p>9th Board of Directors on February 23, 2021 to serve as the Company's corporate governance officer concurrently to protect shareholders' rights and interest, and to strengthen the functions of the Board of Directors. Manager Lin, Kun-Chieh has the qualifications of a CPA and has been in charge of the Company's affairs related to finance, stock affairs, and corporate governance for at least three years. The corporate governance officer's main responsibilities are: (1) handling company registration and change registration; (2) handling matters related to the Board meetings and shareholders' meetings in accordance with the law, and assisting the Company in complying with relevant laws and regulations on the Board meetings and shareholders' meetings; (3) producing minutes of the Board meetings and shareholders' meetings; (4) providing information required for directors to perform their duties, and the latest developments in laws and regulations related to the Company to assist directors in complying with laws and regulations; (5) handling matters related to investor relations.(6) Legality review of independent director qualifications (7) Handle matters related to director changes °</p> <p>The business execution in 2025 is as follows:</p> <ol style="list-style-type: none"> 1. Assisted independent directors and directors in performing their duties, provided them with necessary information, and arranged continuing education for directors: <ol style="list-style-type: none"> (1). Provided necessary company information to directors, and maintained smooth communication and exchange with 	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			<p>directors and business executives.</p> <p>(2). Assisted independent directors in arranging relevant meetings when they needed to have a meeting with chief internal auditor or CPAs to understand the Company's financial business in accordance with the Corporate Governance Best Practice Principles.</p> <p>(3). Please refer to "2025 Directors' Continuing Education" of this annual report for information on at least 6 credits of continuing education courses taken by Board members every year.</p> <p>(4). Evaluated the purchase of appropriate directors' liability insurance.</p> <p>2. Assisted with the procedures of the Board meetings and shareholders' meetings and legal compliance related to resolutions.</p> <p>3. Set the agenda of the Board meetings and notified the directors seven days in advance, convened such meetings and provide directors with meeting materials, and reminded them in advance if any motions require recusal, and completed the meeting minutes within 20 days after such meetings.</p> <p>4. Handled the pre-registration of the date of the shareholders' meeting in accordance with the law, prepared the meeting notice, the meeting handbook, and meeting procedure prior to the legal deadline, and handled change registration for any amendments to the Articles of Incorporation or the re-election</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																									
	Yes	No	Description																										
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V. Has the Company established communication channels and built a dedicated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?

✓

The Company has set up sections dedicated to "Investors" and "Corporate Social Responsibility" on the official website with a detailed description of our efforts in governance, environment, and society. In addition, we have engaged a spokesperson and disclosed contact information of various business-related units on the Company's official website, allowing stakeholders to contact corresponding contact points based on different business activities while we can respond to various issues, including corporate social responsibility, appropriately. The relevant information is as follows:

Category	Item	Issue of concern	Contact point	Communication channel	Communication frequency
Shareholders	Business overview and operational performance	Deputy General Manager-Lin #111 Administration Department Manager Chen #200	Spokesperson and deputy spokesperson system	Ongoing	
			"Shareholder Services" on the Company's official website	Ongoing	
			Shareholders' meetings	Once a year	
			Investor conference	Several times a year	
Customers	Customers' ideas and opinions	Sales Department No. 1 (Zinc oxide sales, EAF dust, zinc-containing resources, waste filtration bags) Manager Chen #800 Sales Department No. 2 (Incineration fly ash, electroplating sludge, contaminated soil) Manager Yao #880	Customer satisfaction survey	Once a year	
			Telephone calls from time to time	Ongoing	
			Emails from time to time	Ongoing	
			Dedicated contact points	Ongoing	
Employees	Employees' opinions and satisfaction	Manager Chen at the Administration Department #200	Remuneration Committee meetings	Twice a year	
			Employees' Welfare Committee meetings	Once a quarter	
			Labor-management meetings	Once a quarter	
			Employee feedback mailbox	Ongoing	
			Grievance mailbox	Ongoing	
Suppliers	Supplier availability	Manager Chang at the Procurement Department #300	Training & education	Ongoing	
			Supplier survey	Ongoing	
			Assessment of suppliers	Once a year	
			Supplier meetings	Once a year	

No difference.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
VI. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed the Transfer Agency of CTBC Bank Co., Ltd. to handle the affairs of our shareholders' meetings.	No difference.
VII. Information disclosure				
(I) Does the Company have a website to disclose both the Company's financial standing and corporate governance status?	✓		The Company has set up a website to disclose the scope of our business and business-related information, and has set up a section dedicated to Investors.	No difference.
(II) Does the Company have other information disclosure channels (e.g., setting up an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and webcasting investor conferences)?	✓		The Company has designated dedicated personnel responsible for the collection and disclosure of the Company's information, and has engaged a spokespersons and a deputy spokesperson. We also disclose the information on our financial business to shareholders and investors on MOPS while implementing the spokesperson system.	No difference.
(III) Has the Company announced and filed its annual financial report within two months after the end of a fiscal year, and announced and filed the financial reports for the first, second, and third quarters and a report on the operational situation of each month prior to a specified deadline?	✓		We have uploaded the Company's 2025 financial report to MOPS on February 25, 2026. We have also announced and filed our financial reports for the first, second, and third quarters and report on the operational situation of each month in advance before the specified deadline.	No difference.
VIII. Is there any other important information to	✓		(1) Employee rights and employee wellness	No difference.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
facilitate better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and purchase of liability insurance for directors and supervisors)?			<p>The Company has set up sound and complete systems, including a pension system and an Employees' Welfare Committee system; our employees are entitled to labor and health insurance, group insurance for accidents, medical insurance, and bonuses for three major holidays in Taiwan; irregular employee gatherings, hospitalization allowances, parking spaces, and regular employee health examination and on-the-job training from time to time every year. In addition, we manage to learn about employees' opinions through labor-management meetings and employee suggestion mailboxes to ensure a harmonious labor-management relationship.</p> <p>(2) Investor relations The Company discloses information on MOPS honestly according to laws and regulations to protect our investors' rights and interest. Email for investors and the contact information of the spokesperson are available on the Company's website to maintain a healthy and harmonious relationship between the Company and shareholders.</p> <p>(3) Supplier relations We have maintained a positive collaborative relationship with our suppliers, and worked with at least two suppliers for the same material; as such, we can respond quickly to maintain the stability of the delivery in the case of abnormal quality. The Company's material procurement is conducted through bidding, and the principle of winning the bid is the lowest price. The</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			<p>change in suppliers is because of changes in market supply and demand that influence the increase or decrease of the purchase amount.</p> <p>(4) Directors' continuing education In accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies, we invite relevant units to offer courses on corporate governance, finance, and law occasionally for directors to continue their education, and assist them to sign up for relevant courses as appropriate.</p> <p>(5) Implementation of the risk management policy and the risk measurement standards We have identified our risk factors based on the operational goals, and formulated corresponding internal control procedures, and implements them to alleviate the risk impact. Please refer to "Risk Analysis" of this annual report for other details.</p> <p>(6) Implementation of the customer policy To ensure that customer complaints are responded to, and to prevent the recurrence of customer complaints while understanding customers' satisfaction with our services, the Company conducts a satisfaction survey at the end of each year, and discusses improvement suggestions internally to make improvements accordingly.</p> <p>(7) Purchase of liability insurance for directors The Company has purchased liability insurance for our directors,</p>	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			and submitted a report on the important contents, such as the insured amount, coverage, and contribution rates, to the Board of Directors.	
<p>IX. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved:</p> <p>The Company will prioritize improvements based on the corporate governance evaluation results, focusing on the completeness of information disclosed on the company's website and in the annual report, as well as presenting the sustainability report to the Board of Directors for discussion.</p>				

4. Composition and Operation of the Remuneration and Nomination Committee

To improve the salary and remuneration system for directors and managers, the Board of Directors resolved a decision to formulate the Remuneration Committee Charter and to establish the Remuneration Committee in accordance with the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange on August 4, 2016. To strengthen the functions of the Board of Directors, the Company passed the amendment to the 'Organization Charter of the Remuneration Committee' at the 5th meeting of the 11th Board of Directors on February 25, 2026. Consequently, the committee was renamed to the 'Remuneration and Nomination Committee,' and the charter was accordingly renamed the 'Organization Charter of the Remuneration and Nomination Committee'. The number of members of this committee is four, and should include at least one independent director, all of whom are appointed by a resolution of the Board of Directors.

(1) Professional Qualifications and Independence Analysis of Remuneration and Nomination Committee Members

Qualifications		Professional Qualifications and Experience	Independency	Number of other public companies where the individual concurrently serves as a remuneration committee member
Title	Name			
Independent Director (Convener)	Huang, Xiao-Xin	Please refer to "Disclosure of Professional Qualifications of Directors and Independence of Independent Directors".		
Independent Director	Chang, Tien-Chin			
Independent Director	Wu, Chuan-Chuan			
Independent Director	Wu, Gen-Cheng			

(2) Operation of the Remuneration and Nomination Committee

A. There are four members of the Company's Remuneration Committee.

B. The term of office of the current term is from May 27, 2025 through May 26, 2028. In the most recent year (2025), the Remuneration and Nomination Committee had held four meetings(A), and the qualifications and the attendance of the members are as follows:

Title	Name	Attendance in person (B)	By proxy	Attendance rate (%) (B/A)	Remark
Convener	Huang, Xiao-Xin	4	0	100	-
Member	Chang, Tien-Chin	4	0	100	-
Member	Lin, Hung-Tuan	2	0	100	Note 2
Member	Wu, Chuan-Chuan	4	0	100	-
Member	Wu, Gen-Ceng	2	0	100	Note 1

Note1: Assumed office following the full re-election at the Annual General Meeting on May 27, 2025; required to attend 2 meetings.

Note2: Stepped down following the full re-election at the Annual General Meeting on May 27, 2025; required to attend 2 meetings.

Other matters:

- I. Key Focus Areas of the Remuneration and Nomination Committee for the Year:
The Committee is composed of four independent directors. Its main responsibilities during the year included reviewing the performance evaluation criteria for the Company's directors and managerial officers, as well as both annual and long-term performance goals. The Committee also reviewed the policies, systems, standards, and structure of remuneration to ensure that the Company's compensation arrangements comply with relevant regulations and are sufficient to attract and retain top talent.
- II. If the Board of Directors refuses to adopt or amend a suggestion of the Remuneration Committee, the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the suggestion of the Remuneration and Nomination Committee, the circumstances and cause for the difference shall be specified) shall be specified: None.
- III. If there were resolutions of the Remuneration and Nomination Committee to which members objected or expressed reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None.
- IV. The function of the Company's Remuneration and Nomination Committee is to evaluate the salary and remuneration policy and system of our directors and managers from a professional and objective perspective, and to make suggestions to the Board of Directors as a reference for decision-making. The powers and responsibilities of the Company's Remuneration and Nomination Committee include:
 - (1). Review the Company's remuneration policy and propose amendments regularly.
 - (2). Formulate and review the Company's performance evaluation standards for directors and managers, annual and long-term performance targets, as well as policy, system, standards, and structure of remuneration regularly.
 - (3). Evaluate the achieving of the performance targets of the Company's directors and managers regularly, and determine the content and amount of their individual remuneration based on the evaluation results on the basis of the performance evaluation standards.
- V. The Remuneration and Nomination Committee's motions, resolution results, and the Company's handling of such opinions in the most recent year:

Date of the Remuneration and Nomination Committee meeting	Content of motion	Resolution results	The Company's handling of the Remuneration and Nomination Committee's opinions
8 th meeting of 4 th term on 2025.01.20	Discussion on the Distribution of Directors' Remuneration for 2024	Passed by all members of the committee	Submitted to the Board of Directors and approved by all the directors present
	Discussion on the Distribution of Employees' Remuneration for 2024		
	Review of the Employees' Remuneration for Executive Officers for 2024		
	Proposal for Adjustments to the Company's Base Salary Grade Table		

9 th meeting of 4 th term on 2025.04.22	Proposal for the Pension Payment Plan for the Chairman (CEO)	Passed by all members of the committee	Submitted to the Board of Directors and approved by all the directors present
	Proposal for the Change of CEO		
	Proposal for the Change of GM		
	Proposal for the Appointment of Deputy General Manager		
	Proposal for Personnel Changes		
1 st meeting of 5 th term on 2025.07.23	Proposal to Elect the Convener of the 5 th Remuneration and Committee.		
	Proposal for Personnel Changes		
	Proposal for Personnel Changes		
2 nd meeting of 5 th term on 2025.10.22	Proposal for the Salary Adjustment of the Sales Department No.2		

5. Sustainable Development Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies						
	Yes	No	Description							
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (part-time) unit for implementation of sustainable development measures, which is authorized by the board of directors to be carried out by senior management, and supervised by the Board of Directors?	✓		<p>At the 15th board meeting of the 9th session on January 21, 2022, the Company approved the establishment of the "Sustainable Development Committee", which is fully composed of independent directors and consists of two functional groups, Corporate Sustainable Development and Sustainable Governance, under the responsibility of the Production Division and the Management Division respectively. Through oversight by senior executives with expertise in different fields to review the company's core operational capabilities, the Company seeks to develop medium- and long-term sustainability plans.</p> <p>The "Sustainable Development Committee" serves as a cross-departmental communication platform that integrates vertically and links horizontally to identify sustainability issues of concern to the Company's operations and stakeholders, formulates corresponding strategies and directions, plans and implements annual programs, and tracks the effectiveness of implementation to ensure that sustainability strategies are fully implemented in the Company's daily operations.</p> <p>The "Sustainable Development Committee" reports semi-annually to the Board of Directors on the results of sustainability implementation and future work plans. In 2025, a total of three meetings were held, and the proposal content included (1) Evaluation of the material issues requiring special attention of the management team and feasibility of response actions;(2) Amendment to the "Sustainability Committee Charter" of the Company; (3) Review of the 2024 ESG Report, evaluation of the Company's ESG implementation status, and report of the aforementioned matters in the board of directors' meeting.</p> <p>The Board must evaluate the likelihood of success of these strategies and frequently reviews the progress of the strategies, while urging the management team to make adjustments when necessary.</p>	No difference.						
II. Has the Company established a governance structure to promote sustainable development and conducted risk assessments on environmental, social and corporate governance (ESG) issues related to the Company's operations in accordance with the principle of materiality, and formulated relevant risk management policies or strategies?		✓	<p>This disclosure information covers the performance of the Company's sustainable development in its major business operations from January 2025 to December 2025. The risk assessment boundary is based on the Company and includes the subsidiary Taiwan Steel Resources Co., Ltd. based on its relevance to its operations and the extent of its impact on major topics.</p> <p>The Sustainable Development Committee conducts analysis based on the materiality principle of the Company's sustainability report, communicates with internal and external stakeholders, and evaluates ESG issues of materiality by integrating assessment information from various departments and subsidiaries, and formulates risk management policies and takes specific action plans to effectively identify, measure, evaluate, monitor and control these issues in order to reduce the impact of related risks. Based on the evaluated risks, the relevant risk management policies or strategies are formulated as follows.</p> <table border="1" data-bbox="1064 1161 1803 1372"> <thead> <tr> <th>Material issue</th> <th>Risk assessment item</th> <th>Risk management policy or strategy</th> </tr> </thead> <tbody> <tr> <td>Environmental</td> <td>Climate strategy</td> <td> 1. Formulating greenhouse gas management policies, conducting climate change risk assessment, and implementing action plans under the TCFD framework. 2. Disclosing key performance indicators in the corporate social responsibility report, and tracking and reviewing the progress of each target regularly to ensure that the target is achieved. 3. Implementing energy conservation and carbon reduction measures, and improving the efficiency of process equipment. 4. Promoting renewable energy and built solar power panels on the rooftop. </td> </tr> </tbody> </table>	Material issue	Risk assessment item	Risk management policy or strategy	Environmental	Climate strategy	1. Formulating greenhouse gas management policies, conducting climate change risk assessment, and implementing action plans under the TCFD framework. 2. Disclosing key performance indicators in the corporate social responsibility report, and tracking and reviewing the progress of each target regularly to ensure that the target is achieved. 3. Implementing energy conservation and carbon reduction measures, and improving the efficiency of process equipment. 4. Promoting renewable energy and built solar power panels on the rooftop.	No difference.
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III. Environmental issues											
(I) Has the Company established environmental management systems proper to its industry's characteristics?	✓		The Company is governed by the Environmental Impact Assessment Act and has set up a relevant environmental management systems in accordance with the contents of the approved Environmental Impact Assessment Act, in addition to establishing an environmental management system in accordance with ISO 14001, and conducting annual inventory checks and registrations in accordance with the EPA's greenhouse gas emissions inventory registration guidelines and ISO 14064-1 organizational greenhouse gas inventory quantification and verification standards. Emission reduction results are tracked and publicly disclosed in the Company's Sustainability Report and on the Company's website.	No difference.							
(II) Does the Company endeavor to utilize all energy resources more efficiently and choose to use renewable materials with low impact on the environment?	✓		<p>To implement energy conservation and carbon reduction, the Company continuously promotes various energy-saving action plans to improve energy efficiency and continuously enhance energy performance. As a designated energy user, the Company must comply with the "Regulations Governing the Establishment of Energy Conservation Targets and Execution Plans for Energy Users." Based on our contract capacity, we are required to achieve an average annual power saving rate of at least 1% from 2025 to 2028. In 2025, the Company achieved an average power saving rate of 2.52%, resulting in energy savings of 1.65 TJ.</p> <p>The Company has also implemented the ISO 50001 Energy Management System to establish energy performance indicators and a mechanism for continuous improvement. We have completed a systematic inventory of major energy-consuming equipment across the entire plant, serving as the foundation for our energy-saving projects.</p> <p>Regarding energy-saving measures in 2025, we upgraded to high-efficiency air compressors and optimized our lighting systems. The replacement of old air compressors with high-efficiency models resulted in total energy savings of 41,573 kWh. Furthermore, by replacing high-energy-consuming sodium lamps with high-efficiency LED lighting, we saved 29,200 kWh. In terms of process equipment, we introduced permanent magnet air compressors for the No. 2 kiln air system</p>	No difference.							

			<p>to enhance operational efficiency and reduce energy consumption, with estimated annual power savings of 374,528 kWh.</p> <p>In addition, TSU (Taiwan Steel Union) is actively deploying renewable energy to increase the proportion of green electricity used. Our self-generated and self-consumed electricity totaled 1,721,168 kWh, effectively reducing our reliance on traditional power sources, strengthening operational resilience, and mitigating carbon emission risks. In 2025, the total energy saved reached 2,180,357.3 kWh. Based on the 2024 electricity emission factor of 0.474 kg CO₂e/kWh, as announced by the Energy Administration, this resulted in a reduction of approximately 1,033 metric tons of greenhouse gas emissions.</p> <p>Since 2018, the Company has been executing the "Coke Energy Efficiency Improvement Program." By adjusting basicity to appropriately increase the volume of contaminated soil reuse, we have gradually reduced coke input and optimized the ratio of coke to dust during processing. This has allowed the furnace reactions to achieve a more stable and balanced operation. TSU continues to lower the ratio of coke to Electric Arc Furnace Dust (EAFD) in both No. 1 and No. 2 kilns. The coke consumption per ton of treated material has steadily declined from 303 kg in 2017 to 203 kg in 2025, achieving a cumulative reduction of 43%.</p>	
(III) Has the Company assessed the potential risks and opportunities arising from climate change to the Company now and in the future, and taken measures to respond to climate-related issues?	✓		<p>Taiwan Steel Union follows the management framework advocated by the Task Force on Climate-Related Financial Disclosures (TCFD) in the development of climate change management and information disclosure.</p> <p>Taiwan Steel Union uses its "Sustainable Development Best Practice Principles" in assessment and management of risks and opportunities due to climate change, formulates, identifies and evaluates strategies, and conducts action plans on climate change. The purpose is to adapt to and mitigate climate change impacts. Corresponding adaptation and action plans are mapped out according to risk analysis and assessment. Emerging business opportunities are explored.</p> <p>A detailed description of the Company's analysis of climate change risks and opportunities is included in the Company's Sustainability Report: https://esg.tsutw.com.tw/</p>	No difference.
(IV) Has the Company compiled statistics on greenhouse gas emissions, water consumption, and total waste weight in the past two years, and formulated policies on energy conservation and carbon reduction, greenhouse gas reduction, water reduction, or other waste management?	✓		<p>Please refer to the Company's Sustainability Report: https://esg.tsutw.com.tw/</p>	No difference.
IV. Social issues (I) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		<p>To fulfill our corporate social responsibility and protect the basic human rights of our employees, customers, and stakeholders, we support and follow the principles of the United Nations Universal Declaration of Human Rights and other international human rights conventions, respect internationally recognized basic human rights policies, and implement our responsibilities for respecting and protecting human rights. Meanwhile, we treat and respect our employees in a dignified manner, and abide by the labor laws and regulations where the Company is located. The Company's human rights policy applies to the Company and our subsidiaries, the human rights issues and policies about which we are concerned as follows:</p> <p><u>Providing a Fair Working Environment</u> We prohibit any form of unfair or discriminatory treatment based on gender, race, socio-economic status, nationality, age, marital status, family status, language, religion, political affiliation, physical appearance, disability, or any other personal characteristic.</p> <p><u>Providing a Safe Working Environment</u> The Company prioritizes the safety and health of our employees. We have implemented the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System. We are committed to the continuous improvement of workplace conditions</p>	No difference.

		<p>and hygiene, aiming to minimize occupational hazards and safeguard the physical and mental well-being of our employees.</p> <p><u>Respecting Workplace Human Rights</u> The Company strictly complies with government labor laws and regulations. We prohibit child labor and strive to prevent excessive overtime and overwork. We maintain open and transparent communication channels and hold regular labor-management meetings to protect the rights of both parties and foster a harmonious workplace environment.</p> <p><u>Implementing Information Security</u> To respect the privacy of all stakeholders and ensure the legal collection and use of personal data, the Company has established a robust information security management mechanism. This system controls data access and prevents data breaches to ensure information integrity.</p>	
<p>(II) Has the Company formulated and implemented reasonable employee benefit measures (including salary, leave, and other benefits), and reflect operational performance or results in employee compensation appropriately?</p>	<p>✓</p>	<p><u>Employee Remuneration</u> The Company has established complete employee benefits and retirement benefits, and shares the Company's profits with its employees. The Company's year-end bonus system reflects the performance and results of the Company's operations in the remuneration to employees, and the number of months of bonus payment is calculated based on earnings per share. In addition, the annual performance evaluation of the employees will be considered and distributed to the employees in order to motivate them to work hard to realize the Company's goals. The Articles of Incorporation also stipulate that no less than 1% of any profit made during the year shall be set aside for employee remuneration. Details of the remuneration policy are as follows:</p> <ul style="list-style-type: none"> ➢ Production performance bonus The Company has established the production performance standard according to the monthly production quantity and quality result. If the production result of the current month exceeds the standard, 30%-45% of production performance bonus is issued according to the equation calculation, in order to provide a return to employees contributing at work. ➢ Number of months for year-end bonus Since 2018, the Company has linked the number of months of the year-end bonus with the Company's business performance (EPS). When the EPS is higher, the number of months for the year-end bonus issuance is greater; provided that there are upper and lower limits to the issuance. <p><u>Employee Welfare Measures</u> The Company issues birthday gift money and subsidies for weddings and funerals, and hosts year-end dinner parties. In terms of the leave system, the Company provides employees with leave policies that comply with the Labor Standards Act. In the event that employees need to take leave for a longer period of time due to childcare or a major accident, they can apply for leave without pay in order to take care of their personal and family needs.</p> <p><u>Employee Pension System</u> The Company's pension system is a defined pension plan administered by the government in accordance with the Labor Standards Act. The Company contributes 8% of each employee's total monthly salary to the Supervisory Committee of Labor Retirement Reserve as pension to deposit it into a special account with the Bank of Taiwan in the name of the Committee. We have implemented the new pension system since July 1, 2005. The Company contributes no less than 6% of each employee's monthly salary to his/her labor pension account in accordance with the Labor Pension Act. The Company handles pension-related matters in accordance with the relevant provisions of the Labor Pension Act and the Company's Appointment and Dismissal Regulations.</p> <p><u>Diversity and Equality in the Workplace</u> There is no difference in remuneration due to gender or ethnicity for new hires of the same roles and the same levels. Basic salary ratio for female and male employees is 1:1. As our company is involved in the high-tech environmental protection industry, the majority of our employees are male, while the average percentage of female employees is 18% and the average percentage of female supervisors is 25%.</p>	<p>No difference.</p>

<p>(III) Does the Company provide a healthy and safe work environment, and does it offer health and safety training for its employees on a regular basis?</p>	<p>✓</p>	<p><u>Occupational Safety and Health Policy</u> To create a healthy and safe workplace for employees, Taiwan Steel Union revised its occupational health and safety management system into ISO 45001. The Company strives to create a healthy and safe organizational culture, and is committed to improving and offering a healthy and safe work environment so that our employees and their families can have peace of mind. Taiwan Steel Union's annual statistics on occupational disasters are based on the disability indicators published by the Ministry of Labor. A comprehensive reporting procedure and an event investigation mechanism are in place, to report the investigation findings to relevant departments. Corrective and preventive measures are initiated to reduce the likelihood of the same events and continue to improve workplace safety. Taiwan Steel Union reported no major occupational disasters in 2025. Our contractors reported no occupational injury during the year.</p> <p><u>Occupational Safety and Health Education</u> To enhance the caliber, technical and core competencies of the Company's personnel, to establish awareness in health and safety and the ability to prevent hazards, the Company organizes periodical and ad-hoc training and education in health and safety while holding fire drills every six months. All the internal training, external training and license acquisitions are in compliance with laws and regulations.</p> <p>In addition, the Company signed a temporary on-site nursing and occupational doctor services contract with Chang Bing Show Chwan Memorial Hospital to provide employees with health consultation and analysis of personnel health problems and provide professional advice.</p> <p><u>Fire incident Disclosure</u> There is no fire incident in 2025.</p>	<p>No difference.</p>
<p>(IV) Has the Company established effective career development and training plans for its employees?</p>	<p>✓</p>	<p>The Company plans and provides complete functional and competency training for supervisors and employees at all levels, including the implementation of various educational trainings or hiring professional technicians from abroad to assist in guiding the technical staff in the plants to improve their professional skills; the Company also encourages employees to participate in various training, lectures and professional training outside the factory and trains new employees to take various certification tests to obtain operational qualifications.</p> <p>A detailed description of the implementation of the Company's education and training is disclosed in the Company's Sustainability Report: https://esg.tsutw.com.tw/</p>	<p>No difference.</p>
<p>(V) Does the Company follow relevant laws and regulations and international standards regarding customer health and safety, customer privacy, as well as marketing and labeling of products and services, and has the Company formulated relevant consumer protection policies and complaint procedures?</p>	<p>✓</p>	<p>Upholding the concept of honesty and integrity, we always keep our promises. We provide customers with the technology, rigorous production, as well as excellent quality and services in line with their requirements.</p> <p>The Company's sales department conducts annual satisfaction surveys for EAF dust, polluted earth and zinc oxide customers, and has established "Customer Service Management Regulations" to verify the implementation of various customer policies and to receive and handle customer complaints in order to protect customer rights.</p>	<p>No difference.</p>
<p>(VI) Has the Company formulated a supplier management policy to require suppliers to comply with relevant regulations on issues, such as environmental protection, occupational safety and health, and labor human rights, and how is the implementation?</p>	<p>✓</p>	<p>The Company has also established a "Code of Business Conduct" that clearly communicates expectations to our suppliers and service providers in terms of ethics, health, safety, environment, labor and human rights.</p> <p>To enhance the sustainability management of supply chains, the Company has put in place "Supplier Management and Assessment Guidelines" to regulate suppliers and provide a standard for contractor whitelisting and assessment.</p> <p>The contents of the contracts between the Company and our suppliers include that the suppliers must meet the Company's environmental safety requirements. Any violators shall be punished as required in the contract, and the violation will be included in the Company's annual supplier evaluation.</p>	<p>No difference.</p>
<p>V. Does the Company refer to the internationally accepted standards or guidelines for preparing reports to prepare Sustainable Development reports and other reports that disclose the Company's non-financial information? Has the Company obtained the assurance or an assurance opinion form a third-party certification unit about said reports?</p>	<p>✓</p>	<p>The Company has prepared the 2024 Sustainability Report in accordance with the latest GRI guidelines and has passed the SGS external assurance procedures to meet the AA1000 AccountAbility Series of Standards v3Type1 medium assurance level, which has been published on the Company's website.</p>	<p>No difference.</p>
<p>VI. If the Company has the Sustainable Development Best Practice Principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, describe the implementation and any deviations from the principles:</p>			

The Company has established the Sustainable Development Best Practice Principles, and duly implements the principles without any difference.

VII. Other important information to facilitate better understanding of the Company's sustainable development practices:

1. The Company has passed the ISO14001, ISO14064, and ISO 45001 environmental safety and health management system , ISO50001energy management system certification, and obtained CDP B management level, with a complete management system.
2. To respond to the policy of energy conservation, environmental protection, and waste heat recovery, the Company installed slag and waste heat recovery facilities in the rotary kiln to collect, recycle, and reuse waste heat from the process to reduce the use of coke and greenhouse gases from oil fuels, to achieve the purpose of carbon reduction.
3. To ensure the environmental quality of the area where the Company's plants are located, the Company allocates a certain amount of a fund to the Shengang Township and the Xianxi Township, Changhua County, every month based on the actual volume of EAF dust, to enhance the harmony and prosperity of the local community.
4. The Company is actively installing rooftop solar energy systems and utilizing renewable energy to achieve energy-saving and carbon-reduction goals.

6. Implementation of Climate-Related Information

Item	Implementation status								
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p> <p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p> <p>3. Describe the financial impact of extreme weather events and transformative actions.</p> <p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>1.~4.</p> <p>1. Governance :The Company has established the Sustainable Development Committee, composed of all independent directors. The committee confirm environment performances, climate change issues and corporate concerns each year. The committee formulates GHG policies and continues to promote energy conservation and carbon reduction. The Company offers incentives for proposals of improvement measures regarding climate change. Bonuses of an appropriate amount are provided to the reviewed and adopted proposals in energy,water conservation and cost reduction. Employees are encouraged to enhance awareness and enthusiasm in work efficiency, energy saving and carbon reduction.</p> <p>2. Strategy: The Company formulates its climate change strategies on products, low-carbon investments and operating activities.</p> <table border="1" data-bbox="958 778 2029 983"> <thead> <tr> <th data-bbox="958 778 1301 831">Strategic aspects</th> <th data-bbox="1301 778 2029 831">The Company's responding strategy</th> </tr> </thead> <tbody> <tr> <td data-bbox="958 831 1301 884">Products</td> <td data-bbox="1301 831 2029 884">Circular economy product: crude zinc oxide</td> </tr> <tr> <td data-bbox="958 884 1301 936">Low-carbon investments</td> <td data-bbox="1301 884 2029 936">Low-carbon transition projects to achieve carbon reduction goals</td> </tr> <tr> <td data-bbox="958 936 1301 983">Operating activities</td> <td data-bbox="1301 936 2029 983">Continued energy conservation and carbon reduction</td> </tr> </tbody> </table> <p>➤ <u>Response to climate change impact on financials</u> The Company anticipates potential increases in operating expenses due to climate change strategic impacts, including carbon management levies and future regulatory fees arising from cap-and-trade programs.</p> <p>➤ <u>NDC scenario analysis-transition risk assessment</u> Regarding the carbon reduction targets of the Company, the plan is to achieve a 34% reduction of greenhouse gas in 2030" compared to 2012 and to achieve zero emission in 2050 in accordance with the "Climate Change Response Act. Set this as a scenario analysis of the Company's transformation risks.</p>	Strategic aspects	The Company's responding strategy	Products	Circular economy product: crude zinc oxide	Low-carbon investments	Low-carbon transition projects to achieve carbon reduction goals	Operating activities	Continued energy conservation and carbon reduction
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Item	Implementation status																								
	<p>➤ <u>SSP5-8.5- Physical Risk Scenario Assessment</u></p> <p>The purpose of future climate scenario analysis is primarily to enhance decision-making quality by adopting "climate change risk and opportunity assessments," followed by mitigation and adaptation actions based on the results. The physical risk scenario uses the "Shared Socioeconomic Pathways" (SSPs) model, specifically the SSP5-8.5 scenario, to analyze the potential physical risks and opportunities that may impact the company's strategy, in order to evaluate or adjust relevant response strategies.</p> <p>3. Risk and Opportunity: The Company uses its Practical Guides on Sustainable Development in assessment and management of risks and opportunities due to climate change, formulates, identifies and evaluates strategies, and conducts action plans on climate change. The purpose is to adapt to and mitigate climate change impacts. Corresponding adaptation and action plans are mapped out according to risk analysis and assessment. Emerging business opportunities are explored.</p> <p>4. Assessment of key risks, potential financial impacts and risk management measures</p> <table border="1" data-bbox="958 762 2029 1369"> <thead> <tr> <th colspan="3" data-bbox="958 762 2029 810">TSU's climate change risk assessments and action plans</th> </tr> <tr> <th data-bbox="958 810 1205 863">Risk type</th> <th colspan="2" data-bbox="1205 810 2029 863">Transition risks</th> </tr> </thead> <tbody> <tr> <td data-bbox="958 863 1205 916">Item</td> <td data-bbox="1205 863 1619 916">Policies and regulations</td> <td data-bbox="1619 863 2029 916">Market</td> </tr> <tr> <td data-bbox="958 916 1205 968">Time</td> <td data-bbox="1205 916 1619 968">Long-term</td> <td data-bbox="1619 916 2029 968">Mid-term</td> </tr> <tr> <td data-bbox="958 968 1205 1031">Climate related risks</td> <td data-bbox="1205 968 1619 1031">Higher GHG emission prices</td> <td data-bbox="1619 968 2029 1031">Rising raw material costs - rising electricity prices</td> </tr> <tr> <td data-bbox="958 1031 1205 1093">Potential financial impacts</td> <td data-bbox="1205 1031 1619 1093">Increase of operating costs</td> <td data-bbox="1619 1031 2029 1093">Increase of operating costs</td> </tr> <tr> <td data-bbox="958 1093 1205 1321">Financial impact analysis (Quantitative explanations)</td> <td data-bbox="1205 1093 1619 1321">Expected costs and expenses Short-term 2025~2026 of approximately NT\$2 million Mid-term 2027~2030 of approximately NT\$16 million Long-term 2031~2035 of approximately NT\$27 million</td> <td data-bbox="1619 1093 2029 1321">Expected costs and expenses Short-term 2025~2026 of approximately NT\$4 million Mid-term 2027~2030 of approximately NT\$58 million Long-term 2031~2035 of approximately NT\$166 million</td> </tr> <tr> <td data-bbox="958 1321 1205 1369">Responses</td> <td data-bbox="1205 1321 1619 1369">1. Risk transfer (price increase)</td> <td data-bbox="1619 1321 2029 1369">Risk mitigation:</td> </tr> </tbody> </table>	TSU's climate change risk assessments and action plans			Risk type	Transition risks		Item	Policies and regulations	Market	Time	Long-term	Mid-term	Climate related risks	Higher GHG emission prices	Rising raw material costs - rising electricity prices	Potential financial impacts	Increase of operating costs	Increase of operating costs	Financial impact analysis (Quantitative explanations)	Expected costs and expenses Short-term 2025~2026 of approximately NT\$2 million Mid-term 2027~2030 of approximately NT\$16 million Long-term 2031~2035 of approximately NT\$27 million	Expected costs and expenses Short-term 2025~2026 of approximately NT\$4 million Mid-term 2027~2030 of approximately NT\$58 million Long-term 2031~2035 of approximately NT\$166 million	Responses	1. Risk transfer (price increase)	Risk mitigation:
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Responses	1. Risk transfer (price increase)	Risk mitigation:																							

Item	Implementation status		
		2. Risk mitigation (energy saving, carbon reduction, low-carbon investment)	I. Increasing the utilization of waste-derived materials as substitutes for raw materials. II. Replacing aged, energy-intensive equipment and implementing the ISO 50001 Energy Management System, with estimated annual power savings of approximately 290,000 kWh. III. Expanding solar power installations, with a projected increase in green electricity usage to 32%.
	Estimated costs of responding measures	1. Carbon reduction investment of approximately NT\$190 million (including renewable energy projects and mechanical slag removal engineering). 2. Taiwan Industry Innovation Platform, with approximately NT\$60 million invested in process improvements.	Estimated investment in energy-saving measures is approximately NT\$180 million (including costs for replacing air compressors and the construction of Phases 1 to 3 of the solar power project)
	Potential financial impact assessment and risk management measures for the real opportunities:		
TSU's climate change opportunity assessments and action plans			
Opportunities	Slag/zinc oxide/other new waste	Energy sources	
Time	Short-term	Short-term	
Climate related risks	Recycle and reuse	Use of low-carbon energy	

Item	Implementation status		
	Potential financial impacts	Increased incomes	Capital expenditures
	Financial impact analysis (Quantitative explanations)	By increasing the processing volume of incinerator fly ash, electroplating sludge, and zinc-waste, the Company has successfully boosted revenue while simultaneously reducing the input requirements for raw materials such as coke and lime.	The solar power system is estimated to generate approximately 6.48 million kWh of electricity annually. Given an average electricity cost of NT\$2.3 per kWh, which is 50% lower than the standard rate from Taipower, the project is expected to save approximately NT\$14.9 million in annual electricity costs.
	Responses	Expanding the sources and volumes of resource waste recycling to drive revenue growth.	Additional installation of solar energy generation facility to increase the energy source
	Estimated costs of responding measures	No additional cost incurred.	Investment of approximately NT\$170 million for the installation of rooftop solar panels.

Item	Implementation status
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p> <p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p> <p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p> <p>9. Greenhouse gas inventory and assurance status , reduction targets, strategies and specific action plans (separately fill out in point 1-1 and 1-2 below).</p>	<p>5.~9. :None.</p>

7. Greenhouse gas inventory and assurance status of the company for the past two years

(1). Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years							
<p>In accordance with the "Sustainable Development Roadmap for Listed Companies" issued by the Financial Supervisory Commission in March 2022, the Company, being a listed company with paid-in capital under NT\$5 billion, is required as a standalone entity (i.e., the parent company) to comply with greenhouse gas inventory requirements in Phase 3 (i.e., the 2025 inventory data must be disclosed in 2026, and the 2027 inventory data along with verification results must be disclosed in 2028). Subsidiaries included in the consolidated financial statements are required to comply in Phase 4 (i.e., the 2026 inventory data must be disclosed in 2027, and the 2028 inventory data along with verification results must be disclosed in 2029). The parent company has already completed its greenhouse gas inventory and assurance. The consolidated subsidiaries will continue to manage the completion schedule for greenhouse gas inventory and verification disclosures in accordance with reference guidelines and relevant regulations issued by the competent authorities.</p>							
Year	Scope	Scope 1		Scope 2		Scope 3	
		Emissions (Tons of CO2e)	Intensity (Tons of CO2e/NT\$ Million)	Emissions (Tons of CO2e)	Intensity (Tons of CO2e/NT\$ Million)	Emissions (Tons of CO2e)	Intensity (Tons of CO2e/NT\$ Million)
2023	TSU	73,130.9103	35.8232	9,399.6703	4.6044	61,053.5103	29.9071
2024	TSU	79,961.1884	33.6189	8,166.8574	3.4337	55,992.9091	23.5417
2025	TSU	76,162.2331	34.4507	7,601.4432	3.4384	58,410.7935	26.4212

Note 1: Direct emissions (Scope 1: Direct emissions from sources that are owned or controlled by the Company), energy indirect emissions (Scope 2: Indirect greenhouse gas emissions from imported electricity, heat or steam) and Other indirect emissions (Scope 3: Indirect emissions from company activities, not from energy indirect emissions, but from sources that are owned or controlled by Other).

Note 2: The data coverage of direct and indirect energy emissions shall be processed according to the schedule specified in Paragraph 2 of Article 10 of

this Code, and the information of indirect other emissions may be disclosed on a voluntary basis.

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

Note 4: The intensity of greenhouse gas emissions can be calculated by each unit of product/service or turnover, but at least the data calculated by turnover (NT \$million) should be stated.

Note 5: The greenhouse gas emissions for 2025 are based on the Company's internal inventory results and have not yet been externally verified. The complete and assured data will be disclosed in the sustainability report.

(2). Greenhouse Gas Assurance Information

Describe the assurance situation for the most recent two years as of the publication date of the annual report, including the assurance scope, assurance agency, assurance standards and assurance opinions.				
Year	Assurance scope	Assurance agency	Assurance standards	Assurance opinions
2023	TSU	SGS	ISO14064-1:2018	Unqualified opinion
2024	TSU	SGS	ISO14064-1:2018	Unqualified opinion
2025	Complete assurance information will be disclosed in sustainability report			

(3). Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Explanation of Greenhouse Gas Reduction Baseline Year, Data, Reduction Targets, Strategies, Specific Action Plans, and Progress Toward Targets
<p>1. Greenhouse Gas Emission Reduction Base Year and Targets</p> <p>To achieve the targets stipulated in the "Climate Change Response Act," which operates in five-year phases, the central competent authority coordinates with relevant central-level authorities to set regulatory targets for each phase. The Ministry of Environment has coordinated with relevant authorities to establish the third phase of national regulatory targets (2026–2030), planning for a 2030 Nationally Determined Contribution (NDC) emission reduction target of "24% ± 1%." In alignment with the NDC reduction scenarios, TSU has formulated its own emission reduction plan. Using 2012 as the base year, we have implemented various</p>

**Explanation of Greenhouse Gas Reduction Baseline Year, Data, Reduction Targets, Strategies, Specific Action Plans, and Progress
Toward Targets**

decarbonization action plans, achieving a 30% reduction in greenhouse gas emissions in 2024 compared to the base year.

2. Greenhouse Gas Reduction Strategies and Concrete Action Plans

TSU has established new key performance indicators (KPIs) and targets for greenhouse gas management, including: national phase-based total emission targets, Scope 1 emission intensity targets (ton CO₂e/ton of waste), and Scope 2 emission intensity targets (ton CO₂e/ton of waste). The performance indicators and targets are outlined in the table below. On April 22, 2022, TSU publicly announced its "Net-Zero Emission Strategy and Roadmap for Waste Resource Circulation and Reuse." The roadmap includes initiatives such as utilizing alternative reducing agents, increasing the use of renewable energy, replacing diesel vehicles with electric vehicles, promoting energy management, optimizing production processes, and implementing carbon capture and storage (CCS) solutions to realize our emission reduction goals.

Greenhouse Gas Management: Key Performance Indicators (KPIs) and Targets	
Key Performance Indicators	Targets
National Phase-based Total Emission Targets (Reduction percentage relative to the base year)	31% reduction by 2026 34% reduction by 2030 35% reduction by 2035
Scope 1 Emission Intensity Targets (tons CO ₂ e / tons of waste treated)	2026 Target: 0.56 2030 Target: 0.53 2035 Target: 0.52
Scope 2 Emission Intensity Targets (tons CO ₂ e / tons of waste treated)	2026 Target: 0.061 2030 Target: 0.058 2035 Target: 0.058

8. Ethical Corporate Management Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the Company formulate an ethical corporate management policy approved by the Board of Directors, and declare its ethical corporate management policies and procedures in its guidelines and external documents? Do the Board of Directors and the management work proactively to implement their commitment to those management policies?	✓		The Company's Board of Directors has approved the formulation of the Principles of Ethical Business and placed it on the MOPS, demonstrating the Company's Board of Directors' and management's commitment to ethical management to the society.	No difference.
(II) Has the Company established policies to prevent unethical conduct, analyzed and evaluated business activities with a high risk of unethical conduct within the business scope regularly, and established an appropriate prevention program against unethical conduct, which contains the preventive measures for activities stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company shall not provide or promise any bribery, and requires our personnel to avoid engaging in business dealings with distributors, suppliers, customers, or other business partners with unethical conduct. Upon discovery of unethical conduct in business transactions or partners, we stop business dealings with them immediately and blacklist them accordingly. In addition, with a whistleblowing system and internal audits for irregular monitoring, we ensure that our employees are not engaged in business activities with a risk of unethical conduct.	No difference.
(III) Has the Company clearly specified relevant procedures, conduct guidelines, punishments for violation, and rules for appeal in said prevention program, and does the Company implement it accordingly and review and revise it regularly?	✓		The Company's Board of Directors has adopted the Procedures for Ethical Management and Guidelines for Conduct to clearly regulate the procedures for avoidance of personal interest and improper interest, and to duly implement them in accordance with the measures while reviewing and revising such measures regularly based on actual operations or amendments to laws and regulations.	No difference.
II. Fulfillment of Ethical Corporate Management				
(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?	✓		When the Company signs a contract with a supplier, the contract contains the clauses of ethical conduct. In addition, we conduct investigations into customers' credit to avoid unethical conduct that harm the Company's interests.	No difference.
(II) Has the Company established an exclusively (or concurrently) dedicated unit under the Board to implement ethical corporate management, and report to the Board regularly (at least once a year) on its ethical management policy, the unethical conduct prevention program, and the supervision and implementation status?	✓		The Company designated the Administration Department as a dedicated unit to be responsible for assisting the Board of Directors and the management in formulating and supervising the implementation of the ethical management policy and the prevention program to ensure the implementation of the Principles of Ethical Business. The dedicated unit reported on the implementation of the 2025 ethical management operations at the 4 th meeting and 11 th Board of Directors on February 5, 2026. 1. Training & education To strengthen ethical management and ethical concepts, we hold awareness-raising events and tests regarding the Principles of Ethical Business, material information processing procedures, and insider trading-related regulations every year, and offered the online learning class "Ethical Management Regulations Compliance, Internal Material Information Processing Procedures, and Insider Trading Prevention Policy" and required our employees to take an online test after the class in 2025. The completion rate was 100%, and the class and the test lasted for around one hour. 2. Whistleblower system We have established a specific whistleblower system in the Corporate Governance Best Practice Principles, the Principles of Ethical Business, and the Procedures for Ethical Management and	No difference.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
			Guidelines for Conduct, to prevent unethical conduct actively and encourage internal and external personnel to report unethical conduct or improper behavior. We have designated the Administration Department to be responsible for accepting reports of employees engaging in unethical conduct. In "Contact Us" on the official website, we have set up "Illegal or Unethical Conduct Reporting System" and we ensure the confidentiality of the informant's identity and the content of the report and promises that the informant will not be treated improperly for such reporting. In 2025, we received zero report.	
(III) Has the Company established policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	✓		In addition to formulating the Principles of Ethical Business and operating guidelines for all employees to follow, the Company raises employees' awareness from time to time to prevent conflicts of interest.	No difference.
(IV) Has the Company established effective systems for both accounting and internal control to implement ethical corporate management, and the internal audit unit devised relevant audit plans based on the assessment results of unethical conduct risks, and audited the compliance with the unethical conduct prevention program accordingly, or appointed a CPA to perform the audit?	✓		The Company has an accounting system in place, which is revised in a timely manner in response to the laws and regulations of the competent authority, the International Financial Reporting Standards and International Accounting Standards endorsed by the Financial Supervisory Commission (FSC), or actual business needs. The Company's internal control system is revised in response to the operational situation, and changes in the environment and relevant laws and regulations to ensure that our system continues to be effective. This year's internal audit was based on the risk assessment results and therefore was not included in the annual audit plan.	No difference.
(V) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	✓		The Company duly implements the ethical management policy. To strengthen ethical management and ethical concepts, we hold awareness-raising events and tests regarding the Principles of Ethical Business, material information processing procedures, and insider trading-related regulations every year, and offered the online learning class "Ethical Management Regulations Compliance, Internal Material Information Processing Procedures, and Insider Trading Prevention Policy" and required our employees to take an online test after the class in 2025. The completion rate was 100%, and the class and the test lasted for around one hour.	No difference.
III. Operation of the Whistleblowing System	✓			No difference.
(I) Has the Company established both a whistleblowing/reward system and convenient whistleblowing channels? Are appropriate personnel assigned to investigate the accused party?	✓		The Company has established a specific whistleblower system in the Corporate Governance Best Practice Principles, the Principles of Ethical Business, and the Procedures for Ethical Management and Guidelines for Conduct, to prevent unethical conduct actively and encourage internal and external personnel to report unethical conduct or improper behavior. We have designated the Administration Department to be responsible for accepting reports of employees engaging in unethical conduct. In "Contact Us" on the official website, we have set up "Illegal or Unethical Conduct Reporting System" and we ensure the confidentiality of the informant's identity and the content of the report and promises that the informant will not be treated improperly for such reporting. In 2025, we received zero report.	No difference.
(II) Has the Company established standard operating procedures for the investigation into reported matters, subsequent measures to be taken after the investigation is completed, and relevant confidentiality mechanism?	✓		The Company has established the Procedures for Ethical Management and Guidelines for Conduct, which specifies the whistleblowing investigation procedures and the confidentiality mechanisms.	No difference.
(III) Does the Company provide protection to whistleblowers against receiving improper treatment?	✓		The Company keeps whistleblowers' personal information confidential, and promises to protect whistleblowers from improper treatment due to whistleblowing.	No difference.
IV. Enhanced disclosure of corporate social responsibility information	✓			No difference.
(I) Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	✓		The Company discloses the content of the Company's Principles of Ethical Business and the implementation thereof during the year under the Corporate Governance of the MOPS and the Company's official website.	No difference.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
V. V. If the Company has established its own ethical corporate management principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe the implementation and any deviations from the Principles: The Company has established the Principles of Ethical Business, and duly implements the principles without any difference.				
VI. VI. Other important information to facilitate better understanding of the Company's ethical corporate management (e.g., review of and amendments to ethical corporate management policies) None.				

9. Other important information to facilitate better understanding of the operation of the Company's corporate governance

(1) The Company's internal material information processing operating procedures:

The Company has established the Procedures for Processing Internal Material Information, which clearly regulates the handling and disclosure mechanism of internal material information as the guidelines for our directors, managers, and employees to follow. Relevant regulations have been submitted to and approved by the Board of Directors, and have been announced inside the Company while relevant education and training have been offered to all employees.

(2) The licenses designated by the competent authority obtained by the Company's personnel related to financial and internal audit:

License	Financial accounting and internal audit
Certified Public Accountant of the Republic of China	4 people

(3) Directors' continuing education in 2025

Title	Name	Date	Organizer	Class title	Training hours
Chairman	Lin, Tasi-Hsiang	2025/02/24	Taiwan Corporate Governance Association	Understanding Related Party Transactions and Non-Arm's Length Transactions through Practical Case Studies.	3
Director	Liu, Ming-Tsung				
	Hsiao, Yao-ying				
	Huang, Huang-Chang				
	Chen, Mei-Hui				
Independent Director	Wu, Chuan-Chuan				
	Chang, Tien-Chin				
	Huang, Xiao-Xin				
Chairman	Lin, Tasi-Hsiang	2025/07/24	Taiwan Corporate Governance Association	Prevention of Labor Disputes and Corporate Governance (including the Act of Gender Equality in Employment)	3
Director	Lin, Kai-Ming				
	Huang, Huang-Chang				
	Chen, Mei-Hui				
Independent Director	Chang, Tien-Chin				
	Wu, Gen-Cheng				
Director	Huang, Wei-Han	2025/05/09	Taiwan Corporate Governance Association	Analysis of the New Corporate Governance Blueprint and Key Regulatory Compliance Requirements	3
		2025/08/08		Operational Practices of the Sustainability Committee (including the Chief Sustainability Officer and Working Groups)	3
Independent Director	Huang, Xiao-Xin	2025/03/11	Corporate Management and Sustainable Development Association	Corporate Governance and Securities Regulations: Insights for Executives of Listed Companies on Regulatory Oversight	3
		2025/11/10		Corporate Risk and Corporate Social Responsibility (CSR)	3
Chairman	Lin, Tsai-Hsiang	2025/04/29	Securities and Futures Institute	Legal Risks and Mitigation of Insider Trading: A Focus on Asset Disposal Events	3
		2025/05/28		Current Status and Trends in Carbon Pricing and Carbon Trading	
Independent Director	Wu, Chuan-Chuan	2025/08/06	Accounting Research and Development Foundation	Copyright Disputes and Legal Liability Analysis in the Age of AI	3
		2025/11/03		Analysis of Three Core ESG Sustainability Issues: Greenwashing, Human Rights, and Corporate Integrity	3
Independent Director	Wu, Gen-Cheng	2025/06/23	Greater China Financial and Economic Development Association	The Arrival of the AI Era: Opportunities and Challenges for Enterprise Digital Transformation	3
Director	Liu, Ming-Tsung	2025/11/07	Taiwan Corporate Governance Association	Corporate Governance Officers and Board of Directors Evaluation & Development	3
Director	Hsiao, Yao-ying	2025/10/28	Taiwan Corporate Governance Association	Board of Directors and Corporate Governance Practices	3
Director	Lin, Kai-Ming	2025/10/17	Taiwan Corporate Governance Association	Professional Training for Corporate Governance Officers: Corporate Governance and Sustainability Governance	3

		2025/10/28		Board of Directors and Corporate Governance Practices	3
		2025/11/07		Corporate Governance Officers and Board of Directors Evaluation & Development	3

10. Implementation of Internal Control System

(1) Statement on Internal Control System

TAIWAN STEEL UNION CO., LTD **Statement of Internal Control System**

February 25, 2026

Based on the findings of a self-assessment, Taiwan Steel Union CO., LTD (TSU) states the following with regard to its internal control system during the year 2025:

- I. TSU's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and TSU takes immediate remedial actions in response to any identified deficiencies.
- III. TSU evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control:
 1. control environment,
 2. risk assessment,
 3. control activities,
 4. information and communication, and
 5. monitoring activities.Each component also includes several items which can be found in the "Regulations".
- IV. TSU has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
- V. Based on the findings of such evaluation, TSU believes that, on December 31, 2025, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.
- VI. This Statement is an integral part of TSU's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
- VII. This Statement was passed by the Board of Directors in their meeting held on February 25, 2026, with none of the eleven attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Taiwan Steel Union CO., LTD
Lin, Tsai-Hsiang
Chairman
Hsieh, Tsung-Lin
General Manager

(2) If a CPA has been hired to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: The Company did not appoint a CPA to review the internal control system.

11. Major resolutions of shareholders' meeting and the Board meetings during the most recent fiscal year up to the date of publication of the Annual Report

(1) Major Resolutions of Shareholders' Meeting and Implementation

Date/Meeting	Major resolutions	Implementation
	Ratification the 2024 business report and financial statements.	N/A
May 27, 2025	Ratification of the 2024 earnings distribution proposal.	The ex-dividend record date is April 2, 2025, and cash dividends were be paid out on April 25, 2025.
2025 Annual Shareholders' Meetings	Amendment to the Company's "Articles of Incorporation"	Proceeded in accordance with the amended procedures.
	Proposal for the Comprehensive Re-election of Directors (including Independent Directors)	Execute based on election results.
	Proposal for the Removal of Non-Competition Restrictions on Directors (including Independent Directors) of the Company.	

(2) Important resolutions of the Board of Directors

Meeting Date	Major resolutions
January 20, 2025	<ol style="list-style-type: none"> 1. Proposal for the operating budget for the FY2025 2. Established "Fengli Interconnect Co., Ltd." with Fenghsin Steel, Co., Ltd and FengYu Resources Co., Ltd. 3. Discussions on the distribution of remuneration to Directors for FY2024 4. Discussions on the distribution of remuneration to employees for FY2024 5. Review of the remuneration of the Company's managerial officers for FY2024 6. Proposal for the adjustment of the Company's base salary schedule 7. Taichung Bank Financing Application
February 24, 2025	<ol style="list-style-type: none"> 1. Discussions on the Company's FY2024 financial statements and business report 2. Proposal for the Company's FY2024 earnings distribution 3. Proposal for payout of the Company's FY2024 cash dividends 4. Submitted a proposal for issue of the Company's FY2043 statement on the internal control system 5. Amendments on part of "Articles of Incorporation" 6. Taishin International Commercial Bank Financing Application 7. Proposal for holding of the Company's 2025 annual shareholders' meeting, acceptance of shareholders' proposals, and other relevant matters 8. Discussion on the general re-election of directors (including independent directors) and the acceptance of shareholders' nomination rights

Meeting Date	Major resolutions
	<ol style="list-style-type: none"> 9. Proposed approval of the Board of Directors to nominate candidates for election as directors (including independent directors) 10. Release of managerial officers from non-compete agreements 11. Assignment of corporate representative director and supervisor to the Company's investee company, Taiwan Steel Resources Co.,Ltd. 12. Appointment of attesting CPAs Hsu, Jui-Lung and Tseng, Done-Yuin of Deloitte & Touche Taiwan to audit the 2025 annual tax return and public expenditures 13. Proposal for non-assurance services by CPA, their firms and their affiliates to the company and its subsidiaries 14. Proposed application for endorsement and guarantee of short-term financing for the Company's subsidiary Taiwan Steel Resources, Co., Ltd. 15. Proposed application for loaning of funds for the Company's subsidiary Taiwan Steel Resources, Co., Ltd. 16. Application for extension of general loans for working capital
April 23, 2025	<ol style="list-style-type: none"> 1. Report on preparation of consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the 1st quarter of 2025. 2. Amendments on part of "Internal Control System - General Principles" 3. Amendments on part of "Articles of Incorporation" 4. Application for extension of general loans for working capital 5. Proposal for the Retirement Benefit Plan for the Chairman (CEO) 6. Proposal regarding the Change of Chief Executive Officer 7. Proposal regarding the Change of General Manager 8. Proposal for the Appointment of Deputy General Manager 9. Proposal regarding Personnel Changes
May 27, 2025	<ol style="list-style-type: none"> 1. Proposal for the Election of the Company's New Chairperson 2. Proposal for the Re-election of the Compensation and Nomination Committee 3. Proposal for the Appointment of President Mark Lin as Consultant 4. Proposal for the Remuneration of President Mark Lin in his Capacity as Consultant
July 24, 2025	<ol style="list-style-type: none"> 1. Report on preparation of consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the 2nd quarter of 2025 2. Proposal for the Amendment to the "Sustainability Committee Charter" 3. Taishin International Bank Credit Loan Application 4. Far Eastern International Bank Credit Loan Application 5. Proposed application for endorsement and guarantee of short-term financing for the Company's subsidiary Taiwan Steel Resources, Co., Ltd. 6. Proposed application for loaning of funds for the Company's subsidiary Taiwan Steel Resources, Co., Ltd. 7. Proposal for the Change of Custodian for the Guarantee Seal 8. Proposal for the Change of Deputy Spokesperson 9. Application for extension of general loans for working capital 10. Proposal for Personnel Changes 11. Proposal for Personnel Changes

Meeting Date	Major resolutions
	12. Proposal for the 2024 Sustainability Report
October 23, 2025	<ol style="list-style-type: none"> 1. Report on preparation of consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the third quarter of 2025. 2. Amendments on part of " Procedures for Asset Acquisition and Disposal " 3. Amendments on part of " Internal Control System –Payroll Cycle" 4. Amendments on part of " Internal Control System –Information System Processing" 5. Amendments on part of " Implementation Rules for Internal Auditing" 6. Submission of the Company's 2026 annual audit plan 7. Shin Kong Commercial Bank Credit Loan Application 8. Application for extension of general loans for working capital 9. Proposal for the Salary Adjustment of the Sales Department No.2
February 5, 2026	<ol style="list-style-type: none"> 1. Proposal for the operating budget for the FY2026 2. Application for extension of general loans for working capital 3. Discussions on the distribution of remuneration to Directors for FY2025 4. Discussions on the distribution of remuneration to employees for FY2025 5. Review of the remuneration of the Company's managerial officers for FY2025 6. Proposal for Personnel Changes
February 25, 2026	<ol style="list-style-type: none"> 1. Discussions on the Company's FY2025 financial statements and business report 2. Proposal for the Company's FY2025 earnings distribution 3. Proposal for payout of the Company's FY2025 cash dividends 4. Submitted a proposal for issue of the Company's FY2025 statement on the internal control system 5. Proposal for holding of the Company's 2025 annual shareholders' meeting, acceptance of shareholders' proposals, and other relevant matters 6. Amendments on part of " Table of Authorization Limits" 7. Amendments on part of "Charter of the Compensation and Nomination Committee" 8. Amendment to the "Internal Control System – Payroll Cycle" 9. CTBC Bank Financing Application 10. Proposal for the Change of the Company's CPA 11. Appointment of attesting CPAs Hsu, Jui-Lung and Wu, Shao-Chun of Deloitte & Touche Taiwan to audit the 2026 annual tax return and public expenditures 12. Proposal for non-assurance services by CPA, their firms and their affiliates to the company and its subsidiaries 13. Proposed application for endorsement and guarantee of short-term financing for the Company's subsidiary Taiwan Steel Resources, Co., Ltd.
	12. Any dissenting opinion expressed by a director with respect to a major resolution passed by the Board of Directors during the most recent fiscal year and up to the date of publication of the Annual Report, where said dissenting opinion has been recorded or prepared as a written declaration: None.

IV. Information on CPA Professional Fees:

Unit:NT\$1,000

CPA Firm	Name of CPAs		Audit period	Audit Fee	Non-Audit Fee	Total	Remarks
Deloitte & Touche	Hsu,Jui-Lung	Tseng, Done-Yuin	January 1, 2025 through December 31, 2025	2,200	15	2,215	—

1. When the company has replaced its accounting firm and the audit fees paid for the fiscal year in which such replacement took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the replacement and the reasons shall be disclosed: None.
2. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) thereof shall be disclosed: None.

V. Information on Replacement of CPAs:None.

VI. Where Company Chairman, President, or Any Manager in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the Company's CPA Firm or at an Affiliated Enterprise of Such CPA Firm, Name, Title, and Period of Employment in Such Firms Shall be Disclosed: None.

VII. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by a Director, Manager, or Shareholder with a Stake of More than 10 Percent:

1. Share changes by directors, managers, and major shareholders

Unit: Shares

Title	Name	2025 (Note 1)		2026 (as of March 31, 2025)	
		Shareholding increase (decrease)	Pledged share increase (decrease)	Shareholding increase (decrease)	Pledged share increase (decrease)
Chiarmen and major shareholder	Feng Hsin Steel Co., Ltd. Representative: Lin, Tasi-Hsiang	—	—	—	—
Director and major shareholder	Tung Ho Steel Enterprise Corp. Representative: Liu, Ming-Tsung	—	—	—	—
Director and major shareholder	Tung Ho Steel Enterprise Corp. Representative: Hsiao, Yao-Ying	—	—	—	—
Director	Hai Kwang Enterprise Corporation Representative: Huang, Wei-Han	—	—	—	—
Director	Shyeh Sheng Fuat Steel & Iron Works Co., Ltd. Representative: Huang, Huang-Chang	—	—	—	—
Director	Chien Shun Steel Co., Ltd. Representative: Chen, Mei-Hui	—	6,000,000	—	—
Director	Chengchuang Investment Co., Ltd. Representative: Lin, Kai-Ming(Note1)	5,000	—	5,000	—
Independent Director	Wu, Chuan-Chuan	—	—	—	—
Independent Director	Chang, Tien-Chin	—	—	—	—
Independent Director	Huang, Xiao-Xin	—	—	—	—
Independent Director	Wu, Gen-Cheng(Note1)	—	—	—	—
CEO	Lin, Tsai-Hsiang(Note1)	—	—	—	—
General Manager	Hsieh, Tsung-Lin(Note1)	57,000	—	3,000	—
Deputy General Manager	Lin, Kun-Chieh(Note1)	—	—	—	—
Manager of Procurement Department	Chang, Chih-Yang	1,000	—	—	—
Head of Audit Department	Chao, Yu-Chiao	—	—	—	—
Special Assistant of Production Department	Yang, Ming-Chu	—	—	—	—
Head of Maintenance Department	Yu, Ching-Nan	—	—	—	—
Long-jing Factory Director	Chen, Meng-Chia(Note2)	—	—	—	—
Manager of Sales Department No. 1	Chen, Yen-Chun	—	—	—	—
Manager of Administration Department	Chen, Hsiang-Wei(Note1)	—	—	—	—

Note1: Effective May 27, 2025.

Note2: Effective September 1, 2025.

2. Information on the counterparty of the share transfer: None.

3. Information on the counterparty of the share pledged: None.

VIII. Relationship among the Company's 10 Largest Shareholders, Who Are Related Parties, Spouses, or Relatives within Second Degree of Kinship to Each Other:

Record date: March 31, 2026; unit: share/%

Name	Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Among the ten largest shareholders, name and relationship if they are related parties, spouses, or relatives within the second degree of kinship to each other.		Remark
	Shares	%	Shares	%	Shares	%	Name	Relation	
Feng Hsin Steel Co., Ltd. Representative: Lin, Ta-Chun	26,758,587	24.05	—	—	—	—	None	None	
	181,000	0.16	—	—	61,000	0.05	Lin, Yu-Li	Brother and sister	
Tung Ho Steel Enterprise Corp. Representative: Hou, Chieh-Teng	24,829,009	22.31	—	—	—	—	None	None	
	—	—	—	—	—	—	None	None	
Hai Kwang Enterprise Corporation Representative: Huang, Wei-Han	9,691,512	8.71	—	—	—	—	None	None	
	—	—	—	—	—	—	None	None	
Shyeh Sheng Fuat Steel & Iron Works Co., Ltd. Representative: Huang, Huang-Chang	9,677,573	8.70	—	—	—	—	None	None	
	18,000	0.02	54,000	0.05	—	—	None	None	
Chien Shun Steel Co., Ltd. Representative: Wang, Pi-Chang	6,116,469	5.50	—	—	—	—	None	None	
	—	—	—	—	—	—	None	None	
Cheng Chuang Investment Co., Ltd Representative: Lin, Yu-Li	4,158,000	3.74	—	—	—	—	None	None	
	42,000	0.04	190,000	0.17	—	—	Lin, Ta-Chun	Brother and sister	
Lung Ching Steel Enterprise Co., Ltd. Representative: Hsieh, Chin-Nan	4,037,637	3.63	—	—	—	—	None	None	
	—	—	—	—	—	—	None	None	
Li, Yen-Ching	3,950,000	3.55	—	—	—	—	None	None	
United Steel Corporation Representative: Yeh, Shih-Cheng	3,767,671	3.39	—	—	—	—	None	None	
	—	—	—	—	—	—	None	None	
Wei Chih Steel Industrial Co., Ltd. Representative: Kuo, Su-Hui	3,351,449	3.01	—	—	—	—	None	None	
	—	—	—	—	—	—	None	None	

IX. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company:

Unit: Shares/%

Investee (Note)	Investment by the Company		Investment by directors/managers and by companies directly or indirectly controlled by the Company		Total investment	
	Shares	%	Shares	%	Shares	%
Taiwan Steel Resources	149,000,000	100	—	—	149,000,000	100
Fengli Internet Co., Ltd.	900,000	30	1,560,000	52	2,460,000	82

Note: Long-term investment made by the Company using the equity method.

Three. Capital Overview

I. Capital and Shares

1. Sources of capital

(1) Capital formation process

Unit: NT\$1,000/1,000 shares

Month / year	Issue price (NTD)	Authorized capital		Paid-in capital		Remark		
		Shares	Amount	Shares	Amount	Sources of capital	Capital increase by assets other than cash	Others
5/1995	10	5,000	50,000	1,500	15,000	Capital for incorporation	None	Note 1
12/1996	10	50,000	500,000	30,000	300,000	Capital increase in cash by issue of 28,500,000 shares	None	Note 2
9/1998	10	50,000	500,000	40,000	400,000	Capital increase in cash by issue of 10,000,000 shares	None	Note 3
8/2005	10	100,000	1,000,000	91,560	915,600	Capital increase in cash by issue of 50,000,000 shares and capitalization of earnings by issue of 1,560,000 shares	None	Note 4
7/2007	10	120,000	1,200,000	112,436	1,124,357	Capitalization of earnings by issue of 20,876,000 shares	None	Note 5
7/2008	10	130,000	1,300,000	128,402	1,284,015	Capitalization of earnings by issue of 15,966,000 shares	None	Note 6
8/2013	10	160,000	1,600,000	135,592	1,355,920	Capitalization of earnings by issue of 7,190,000 shares	None	Note 7
7/2014	10	160,000	1,600,000	142,778	1,427,784	Capitalization of earnings by issue of 7,186,000 shares	None	Note 8
12/2015	10	160,000	1,600,000	99,945	999,449	Capital reduction in cash by cancellation of 42,833,000 shares	None	Note 9
2/2018	86	160,000	1,600,000	111,271	1,112,709	Capital increase in cash by issue of 11,326,000 shares	None	Note 10

Note 1: Incorporation was approved by the Letter Jian-San-Yi-(84) No. 342715 dated May 24, 1995

Note 2: Approved by Letter Jing-(85)-Shang No. 121465 dated December 20, 1996.

Note 3: Approved by Letter Jing-(087)-Shang No. 087124918 dated September 1, 1998.

Note 4: Approved by Letter Jing-Shou-Shang No. 09401153940 dated August 12, 2005.

Note 5: Approved by Letter Jing-Shou-Shang No. 09601156390 dated July 6, 2007.

Note 6: Approved by Letter Jing-Shou-Shang No. 09701160200 dated July 4, 2008.

Note 7: Approved by Letter Jing-Shou-Shang No. 10201175800 dated August 27, 2013.

Note 8: Approved by Letter Jing-Shou-Shang No. 10301148930 dated July 28, 2014.

Note 9: Approved by Letter Jing-Shou-Shang No. 10401266360 dated December 14, 2015.

Note 10: Approved by Letter Jing-Shou-Shang No. 10701016820 dated February 13, 2018.

(2) Types of shares

Unit: Shares

Types of shares	Authorized capital			Remark
	Outstanding shares	Unissued shares	Total	
Ordinary shares	111,270,887	48,729,113	160,000,000	Listed stock

(3) Information related to the shelf registration system: None.

2. List of major shareholders

March 31, 2026

Shareholding	Shares	%
Name of shareholder		
Feng Hsin Steel Co., Ltd.	26,758,587	24.05%
Tung Ho Steel Enterprise Corp.	24,829,009	22.31%
Hai Kwang Enterprise Corporation	9,691,512	8.71%
Shyeh Sheng Fuat Steel & Iron Works Co., Ltd.	9,677,573	8.70%
Chien Shun Steel Co., Ltd.	6,116,469	5.50%
Cheng Chuang Investment Co., Ltd.	4,158,000	3.74%
Lung Ching Steel Enterprise Co., Ltd.	4,037,637	3.63%
Li, Yen-Ching	3,950,000	3.55%
United Steel Corporation	3,767,671	3.39%
Wei Chih Steel Industrial Co., Ltd.	3,351,449	3.01%

3. Dividend policy and implementation

(1) Dividend policy:

If there is a surplus at the end of a fiscal year, the Company shall first pay taxes to compensate the cumulative deficit; then, allocate 10 percent for the legal reserve unless the legal reserve has reached the amount of Company's paid-in capital. Then, the Company shall allocate an amount for or reverse the special reserves in accordance with relevant laws and regulations or the regulations of the competent authority. Any remaining balance and the undistributed earnings accumulated from the past shall be the earnings that can be distributed to shareholders. If the Company has no major capital expenditures, it shall appropriate at least 70% of the net income after tax for the year as dividends for shareholders.

The Company's dividend can be distributed in the form of cash dividends and stock dividends. However, considering the company's current and future investment environment, capital needs, domestic and overseas competition conditions, and capital budgets, as well as shareholders' interest, and balance of dividends and the Company's long-term financial planning, the ratio of cash dividend for distribution shall not be less than 10% of the total dividends to be distributed.

(2) Proposed dividend distribution for this year's shareholders' meeting:

The Company's Board of Directors, on February 25, 2026, proposed to distribute a dividend of NT\$589,735,701 with NT\$5.3 per share to shareholders, all of which is distributed in cash. If subsequent repurchases of the Company's shares or the transfer, conversion, or cancellation of treasury

shares affects the number of outstanding shares, and changes the shareholder's payout ratio as a result, the Company will propose to request the shareholders' meeting to authorize the Chairman to handle it with full authority.

The Company will propose to request the shareholders' meeting to ratify the earnings distribution proposal, and to authorize the Chairman to determine the record date and the payout date of cash dividends.

- (3) In the case of an expected major change in the dividend policy, the distribution shall be further explained: N/A.
4. Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: N/A.
5. Compensation of employees and directors

- (1) The percentages or ranges with respect to employee and director compensation, as set forth in the Company's Articles of Incorporation:

The Company shall allocate not less than 1% of annual net income before tax before employee and director compensation is deducted as employee compensation, at least 1% of the compensation will be distributed to non-executive employees. The Board of Directors resolves a decision to distribute it in stock or cash, and the recipients include employees of controlling or affiliated companies who meet the criteria set by the Board of Directors. The Company's Board of Directors may resolve a decision to allocate no more than 3% of said net income before tax as director compensation. If the Company still has a cumulative deficit (including adjustments to the amount of undistributed earnings), it shall reserve an amount for compensation in advance, and then allocate an amount for employee and director compensation based on the percentages in the preceding paragraph.

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

The compensation payable by the Company to employees and directors is estimated based on the provisions set forth in the Company's Articles of Incorporation, with the past experience and the amount that may be paid in the future considered, and is recognized as the current year's expenses. The discrepancy is treated by being recognized as the changes in accounting

estimates in the profit or loss of the year in which the resolution of the Board of Directors took place when the Board of Directors passed the resolution. If there is a significant discrepancy between the amount as resolved by the Board of Directors and the estimated amount, the original annual expenses will be adjusted. If there is still a change in the amount after the financial report has been passed, it will be treated as a change in accounting estimates and adjusted and recognized in the following year.

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

I. The amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

As per the resolution adopted by the Board of Directors on February 5, 2026, the Company will distribute NT\$36,794,200 for employee compensation and NT\$6,300,000 for director compensation for 2025 in accordance with the Company's Articles of Incorporation, both of which will be paid in cash.

There is no discrepancy between the employee and director compensation approved by the Board of Directors and the amount recognized for 2025.

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

The amount of employee compensation distributed in stocks is NT\$0, accounting for 0 percent of the sum of the after-tax net income stated in the parent company-only financial reports for the current period and total employee compensation.

(4) The actual distribution of employee and director compensation for the previous fiscal year (2024) (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee and director compensation, the discrepancy, cause, and how it is treated shall be

specified: As per the resolution adopted by the Board of Directors on January 20, 2025, the Company will distribute NT\$36,724,043 for employee compensation and NT\$6,300,000 for director compensation for 2024 in accordance with the Company's Articles of Incorporation, both of which will be paid in cash.

- 6. Share repurchases: None.
- II. Corporate Bonds: None.
- III. Preference Shares: None.
- IV. Global Depository Shares: None.
- V. Employee Stock Options: None.
- VI. New Restricted Employee Shares: None.
- VII. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies: None.
- VIII. Implementation of the fund utilization plan: As of the quarter prior to the publication date of the Annual Report, the Company did not have any unfinished issue or any issue completed within the last three years with the benefits not yet happening, hence not applicable.

Four. Operational Highlights

I. Business Activities

1. Scope of Business

(1) Principal business activities

- J101030 Waste Disposing
- J101040 Waste Treatment
- CA01990 Other Non-ferrous Metal Basic Industries
- C901030 Cement Manufacturing
- C901040 Manufacture of Ready-mix Concrete
- C901050 Cement and Concrete Products Manufacturing
- C901990 Other Non-Metallic Mineral Products Manufacturing
- J101080 Resource Recycling
- J101090 Waste Disposal
- I199990 Other Consulting Service
- ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

(2) Proportion of main products

Unit: NT\$1,000

Product \ Year	2025		2024	
	Amount	%	Amount	%
Sales of zinc oxide	1,489,530	67	1,619,231	68
Removal and reuse	654,169	30	712,613	30
Sales of concrete	40,539	2	38,596	2
Others	26,520	1	8,021	-
Total	2,210,758	100	2,378,461	100

(3) The Company's current products (services)

- A. Sale of crude zinc oxide.
- B. Clearance and reuse of EAF dust, reducing slags, and oxidizing slag.
- C. Reuse of EAF dust from steel mill plant (including Stainless Steel Dust).
- D. Reuse of EAF dust collected at disposal sites.
- E. Reuse of waste alkaline zinc-manganese batteries.
- F. Reuse of other zinc products.
- G. Reuse of other zinc-containing waste.
- H. Reuse of zinc-containing(Zn/Pb-bearing) dewatered sludge from electroplating processes.
- I. Reuse of incineration fly ash.
- J. Reuse of off-site contaminated soil (contaminated soils, such as heavy metals and TPH, treated off-site).
- K. Recycling of High-Calcium Substitute Materials (Sludge, Dust/Ash, and Slag)
- L. Reuse of waste filtration bags from electric furnace steel mills.
- M. Recycled Aggregates.
- N. Sales of Controlled Low-Strength Materials (CLSM), Non-Structural Concrete, and Non-Load-Bearing Concrete.
- O. Recycling of Co-combustion Ash.
- P. Recycling of Spent Refractory Materials.

(4) New products (services) planned to be developed

- A. Reuse of other waste sources as approved by government agencies.

2. Industry Overview

(1) Current situation and development in the industry

After decades of overdevelopment and overuse, global resources are increasingly depleted. Countries around the world are gradually coming to terms with the limitedness of metal resources. Therefore, the pursuit of sustainable utilization and development of resources has become a key determinant of economic activities going forward. Among the various greenhouse gas reduction measures, resource regeneration is regarded as a low-cost and more effective way of reduction. Therefore, all countries in the world have adopted "effective use of resources" as the new direction and the focus of their environmental policies.

The amount of waste generated is highly correlated with the effective use of resources. Considering the variety and complex composition of industrial waste, the resource regeneration industry plays a critical role in how to transform such waste into a new resource for various industries as an alternative raw material to allow resources to be recycled between industries, thereby moving towards a recycling-oriented society with sustainable development of resources.

With the global environmental protection trend, waste recycling has become one of the important emerging industries in this century. The term "waste recycling" refers to the recycling of various industrial waste sources to produce raw materials or products.

In accordance with the "Regulations Governing the Permission and Management of Public and Private Waste Clearance and Disposal Organizations" and the "Regulations for the Management of the Reuse of Industrial Waste," industrial waste-related organizations can be classified into clearance organizations, disposal organizations, and reuse organizations. A clearance organization refers to an entity entrusted with transporting waste either abroad or to a disposal facility designated by the client. A disposal organization is responsible for handling and processing waste. A reuse organization is capable of recovering waste into resource-recyclable products. The Company is a comprehensive organization qualified to conduct clearance, disposal, and reuse operations.

A. Current situation of the EAF steel mill waste treatment industry

In recent years, our country's industrial and business development has

been rapid, and the amount of industrial waste has also surged. In the face of several pollution incidents caused by hazardous waste in our country and other industrially advanced countries, people have come to realize the seriousness of improper disposal of hazardous waste. In addition, from the viewpoint of effective use of resources, with high population density in Taiwan, it is very difficult to obtain sites for landfill. Faced with the dilemma of shortage of land for landfill, waste reduction and recycling are the only feasible methods. Moreover, there is a thin line between "waste" and "resources". Effective use of resources can not only reduce the burden on the environment but also reduce the cost of raw materials and create business opportunities. As such, the resources on Earth can be fully utilized. At present, domestic EAF steel mill plants produce around 120,000 to 140,000 metric tons of EAF dust a year. However, in the early days, there was not adequate treatment equipment to recycle EAF dust and domestically, resulting in a storage of over 500,000 tons of EAF dust. If there are no proper treatment facilities, there will be more frequent illegal dumping by unscrupulous businesses.

The EAF steel mill plants generate smoke and dust during the steelmaking process. After the smoke and dust are collected by dust collectors, they are called EAF dust. The EAF dust is classified as hazardous industrial waste in the Standards for Defining Hazardous Industrial Waste, so it must be treated properly to prevent impact on the environment. As the EAF dust produced by the EAF steel mill plants is small in particle size and contains hazardous substances, if it is discarded at will or disposed of improperly, it will cause a significant impact on the environment. Therefore, Article 20 of the Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste stipulates that the dust from the steel industry shall first undergo intermediate treatment, and shall be treated through recycling, stabilization, or solidification to avoid secondary pollution caused by the hazardous waste. However, the final disposal sites for solidification and stabilization are insufficient, and the facilities of the disposal sites will also cause subsequent environmental problems, so the treatment method is generally based on recycling. To cooperate with the government's environmental protection policy, the Company disposes of hazardous industrial waste dust and ash generated from the EAF steel mills industry actively. Under the joint guidance of the Ministry of Environment (EPA) and the Industrial Development Administration Ministry of Economic

Affairs (Industrial Development Bureau), the EAF dust recycle plant of the Taiwan Electric Arc Furnace Steel Mill Industry Waste Joint Treatment System was established in May 1995, and is an environmental protection business to treat such dust. In addition to solving the problem of disposing of domestic EAF dust, it can recycle valuable heavy metals, such as zinc and lead, in the dust. The slag produced from the process, as determined by Toxicity Characteristic Leaching Procedure (TCLP), belongs to general industrial waste as No. 35 rotary kiln slag in line with the type and management method listed in the table under Article 3 of the Reuse of Industrial Waste Management Regulations of the Ministry of Economic Affairs, which is a good material and resource for the sand and gravel or concrete industry.

At present, only a very small portion of EAF dust around the world is treated by solidification and landfill, and most of the dust is recycled for the regeneration of valuable resources. The EAF dust is rich in 18%-24% of valuable metal—zinc, which is much higher than the 5%-6% of zinc contained in zinc minerals, so the value of recycling is high. At present, China ranks first in the world's demand for zinc ingots. Therefore, with the limited resources of zinc mines in the world, the recycling of EAF dust for zinc has become more important, and the trend is gaining traction around the world.

The product after treatment of dust by the Company is crude zinc oxide, which is a recycled material. We mainly supply it to foreign zinc smelters to replace part of zinc ore as raw material for zinc smelting. The product is in short supply, and the prices are linked to the price of zinc on the London Metal Exchange (LME), hence they are greatly influenced by the international business and zinc prices.

B. Overview of Domestic Waste And Contaminated Soil Remediation

Domestic industrial waste mainly comes from industry, construction, agriculture, medical care, schools, and national defense. Among them, the land pollution caused by the petrochemical and the chemical industries and the waste earthwork from the construction industry all fall within the scope of waste and contaminated soils as stipulated in the environmental protection regulations. Therefore, the market for remediating major domestic companies' contaminated factory sites has emerged.

In recent years, due to improper landfill or discarding, the soil and

groundwater at illegal dumpsites in various regions have been polluted indirectly, all of which has been caused by improper disposal of industrial waste. After the Soil and Groundwater Pollution Remediation Act has been adopted in Taiwan, in the investigations into the impact of long-term storage of waste at low-hazard sites on nearby soils and groundwater have been conducted, and sites with the soils and groundwater polluted have been found. According to the latest announcement by the EPA on March 16, 2023, there are 344 sites controlled, 104 sites for remediation, and 33 areas with restricted access to groundwater among the sites with soil and groundwater under watch. It shows that there are still many dumpsites with contaminated soils that need to be remediated in the future.

The following problems exist with the disposal of contaminated soils in domestic landfills:

- (A) The capacity of the existing domestic final disposal facilities will be insufficient gradually: The landfills in operation will limit the volume of waste or shorten its useful years due to the insufficient remaining useful years and insufficient landfill capacity.
- (B) The problem of the sales of products after the intermediate treatment and reuse of contaminated soil: Domestic heavy metal-contaminated soil treatment professional technology is inadequate, and the wastewater from wet treatment will lead to secondary pollution. The cement kiln fire is stable but the requirements on the quality and quantity of waste to be treated are strict, and the public has a poor perception of the existing treatment companies and doubts about their quality. All of this has made it difficult to sell the products, so the reuse channels are limited.

The Company's production is conducted at a high temperature in the rotary kiln, so the quality is relatively stable compared to traditional wet technology. The Company also leads the industry because of our professional technical talents and excellent treatment capabilities, and our excellent corporate image is recognized by all parties in society.

- (2) The relations between the up-, mid-, and downstream sections of the industry

technology of stabilization is to make f-CaO and f-MgO react with water in a high-temperature autoclave for three to six hours to decompose into stabilized calcium hydroxide and magnesium hydroxide. After stabilization, the volume of the slag will not expand when it meets water. The stabilization time is shortened significantly compared to natural storage in the open air in foreign countries (it takes 6 to 12 months for stabilization). Thus, the production of stabilized aggregates can be achieved in a short time, and the sales can also be accelerated.

The Company's downstream businesses are mainly international zinc smelters and chemical plants at home and abroad mainly because of the fact that crude zinc oxide products can be sold to zinc smelters to produce zinc ingots, or sold to chemical plants to refine ZnO and ZnCO₃. We also supply our products to rubber, footwear, industrial products and ceramic products as additives to achieve the purpose of recycling.

The Company's main customers are the largest zinc smelters in Japan, Thailand, Belgium, and Poland, which together accounts for 89% of the Company's sales of crude zinc oxide products. We also have several domestic and foreign chemical plants, accounting for 11% of our sales.

The final product of the Company's process—slag—is general industrial waste with stable properties and reusable properties as No. 35 rotary kiln slag in line with the type and management method listed in the table under Article 3 of the Reuse of Industrial Waste Management Regulations of the Ministry of Economic Affairs. The slag is rich in ferric oxide, lime, and silica sand. Therefore, our slag is made by Taipei Steel Resources Co., Ltd., a 100% invested subsidiary of the company, for use as recycled aggregates, controlled low-strength materials (CLSM), non-structural concrete, and non-load-bearing concrete.

(3) Development Trends of Products

Zinc oxide produced by the Company is an oxide of zinc, which is hardly soluble in water, but soluble in acids and strong bases. Zinc oxide is a commonly used chemical additive, and mainly applied in rubber, ceramics, chemicals, pharmaceuticals, cosmetics, personal care, and agriculture. It is widely used in tires, rubber, electronic products, chemicals, coatings, agriculture, and ceramics.

With the stable supply of materials, our zinc oxide is stable in the composition, and our delivery time is stable compared with mining

companies. As the demand for zinc increases and the number of zinc concentrates mines decreases, recycling is very crucial when zinc resources are running short in the future, and resource regeneration equipment and technology are also the key to success. In recent years, the Company has continuously improved equipment to reduce costs. The zinc oxide produced by us is less expensive than the zinc ore purchased from international zinc smelters. The Company's products are high in purity, and price is lower than recycled zinc oxide powder imported from overseas or chemical zinc oxide made directly using pure zinc ingots. Therefore, our supply cannot barely meet the demand of the two domestic zinc oxide chemical plants.

(4) Competition

Our country is paying more attention to environmental protection, such as promoting energy conservation and carbon reduction, and resource recycling. As EAF dust is rich in heavy metals, including zinc, iron, lead, and cadmium, the treatment method at home and abroad is mainly recycling and reuse. The main technology is pyrometallurgical process, which is applied in 90% of the cases in the world. The process is the technology adopted by the domestic treatment/reuse institutions. The domestic dust treatment/reuse organizations are detailed in the table below:

Domestic dust pyrometallurgical process treatment/reuse organizations

Company	Taiwan Steel Union	Katec Creative Resources Corp.	Shin Hwa Silup Co., Ltd.	China Steel Corporation
Waste	Dust from carbon steel	Dust from stainless steel	Dust from stainless steel	Dust from on-stop operation of steelmaking
Treatment technology	Waelz process (rotary kiln)	JRCM process (appliances melting)	Inmetco process (Rotary kiln and open hearth furnace and RHF)	DRyIron Process (Rotary kiln and open hearth furnace and RHF)
Product and zinc content	55-62% of zinc oxide and slag	40-55% of zinc oxide, reducing iron, and slag	Reduceing iron, slag, and zinc	40-55% of zinc oxide, reduced iron, and slag

Source: Compiled by Taiwan Steel Union.

The Company is currently one of the three largest EAF dust and zinc recycling plant in Asia. In 2025, we removed and reused 98,075 metric tons of EAF dust. At present, more than 80% of the total output of EAF dust in Taiwan is treated by the Company. Thus, we occupy a leading position in the recycling market for domestic EAF dust from steel mill plants, which brings many business opportunities to the Company.

3. Technology and R&D Overview

(1) Technological level, and R&D of the Company's business

The Company is engaged in the removal of hazardous industrial waste and

the recycling and reuse of resources. The Waelz kiln process adopted by the Company is well-developed, and has been developed for more than 50 years; 90% of the world adopts this technology to recycle EAF dust in the steelmaking industry. The Company is the only one in the country that has introduced this critical technology, and our technological level has reached the top level internationally, so technological factors have little impact on our development in this industry.

(2) R&D personnel and their education and experience

Unit: Person

Item		Year		
		2024	2025	April 28, 2026
Distribution of education levels	Ph.D	2	1	1
	Master's	1	1	1
	University	9	9	9
Total		12	11	11

(3) R&D Expenses Invested Each Year in the Last Five Years

Unit: NT\$1,000

Year	Item	Amount
2020	Research project on reducing slag as a raw material	500
2020	Backfill material ratio design	600
2022	Test on impact of SRP grain size on products	500
2023-2025	High-value technology for low-carbon smelting of zinc by-products	70,178
2023	Research on Incineration plant incineration fly ash reuse	850
2023	Research on the effectiveness of reducing slag application to road construction	1,000
2024-2025	Feasibility Assessment of CO Emission Reduction in the Electric Arc Dust Recovery Process	1,714

(4) Successfully Developed Technologies or Products

Except for the used batteries and reducing slag as a raw material in the brick kilns in the preceding paragraph, other technologies have been developed successfully and introduced into two rotary kilns or our subsidiary's processes for control and application. Among them, the R&D of waste heat recovery equipment has not only improved the overall efficiency but also saved energy and reduced carbon emissions, thereby cutting costs by more than 50%. The effect is excellent.

(5) Future R&D Plans

As environmental protection laws and regulations become more stringent, and the government's enforcement stricter, the demand for waste treatment in the future is expected to increase year by year in the future. The Company will enhance R&D of the reuse of other waste sources that are difficult to be treated through industry-academia collaboration, to move towards the goal of diversification of the business.

4. Long-term and Short-term Business Development Plans

(1) Short-term Business Development Plan

With the rising awareness of environmental protection at home and abroad in recent years, environmental protection issues have attracted the attention of the public, and businesses have all been under pressure. Having adhered to the business philosophy of environmental protection since the incorporation, the Company has spared no effort to continue to invest in improvements to our environmental protection equipment, thereby fulfilling our corporate social responsibility. The Company's plan for the improvement to environmental protection technologies in the future is as follows:

- A. With reference to the evolution of relevant processes in Europe, the Company has adopted the alkaline operating process model on a trial basis and developed new process equipment in March 2011. At present, our alkaline process technology has been significantly improved, not only increasing the treatment volume of dust but reducing the consumption of coke and other indirect materials, which is positively beneficial to environmental sustainability.
- B. The Company plans to continue to strengthen technical exchanges with relevant industries at home and abroad, and will arrange relevant operators to visit businesses abroad as appropriate to learn from other factories' experience and to improve our professional techniques. In addition, we have been committed to the improvement to the pyrometallurgical process of the rotary kilns and the improvement of the treatment technology of dust in recent years. We have hired German professional technicians to guide our personnel at our plants for years. We have improved our process equipment, and offered education and training on operation of relevant processes to improve our process operators' skills. The Company has not only improved the dust reuse capabilities of the rotary kiln facilities greatly but also reduced coke consumption and operating costs. With advancements in EAF

dust reuse technology, we have already achieved successful cases of technology export. Looking ahead, these improvements are expected to attract international partners interested in similar newly established processes, thereby increasing the potential for further technology exports.

- C. In the short term ,an application will be submitted to increase the types and quantities of waste treated.
- D. Expand the market for recycling the waste slag from our plant’s process through our subsidiary, and study the feasibility of recycling other difficult-to-treat waste materials.

(2) Long-term Business Development Plan

- A. Promote the reuse of other waste resources that are difficult to be treated.
- B. We do not rule out the feasibility of seeking technical cooperation with businesses abroad or joint ventures to build plants overseas.

II. Analysis of the Market as Well as Production and Marketing Situation

1. Market analysis

(1) Sales (provision) regions of major products (services)

Unit: NT\$1,000

Sales region		2025		2024	
		Sales	Percentage (%)	Sales	Percentage (%)
Zinc oxide (export)	Japan	887,865	40.16	882,786	37.12
	Europe	187,728	8.49	280,836	11.81
	Thailand	219,278	9.92	278,393	11.70
	Korea	35,155	1.59	68,884	2.90
	Others	-	-	-	-
Zinc oxide (domestic sales)		159,504	7.21	108,332	4.55
Clearance and reuse		694,708	31.42	712,613	29.96
Others		26,520	1.21	46,617	1.96
Total		2,210,758	100.00	2,378,461	100.00

(2) Market share

A. Domestic clearance and recycle of EAF dust

Unit: Ton

Year	Total domestic disposal volume	Taiwan Steel Union	Domestic competitors	Market share of Taiwan Steel Union	Market share of domestic competitors
2018	152,649	146,152	6,497	95.74%	4.26%
2019	152,642	145,125	7,517	95.08%	4.92%
2020	145,673	142,022	3,651	97.49%	2.51%
2021	165,008	145,075	19,933	87.92%	12.08%
2022	156,557	135,976	20,581	86.85%	13.15%
2023	133,201	124,369	8,832	93.37%	6.63%
2024	126,905	116,900	10,005	92.12%	7.88%
2025	106,363	97,442	8,921	91.61%	8.39%

Note : Source of data: Environmental Management Administration Ministry of Environment and compiled by Taiwan Steel Union.

B. Zinc oxide

At present, the domestic zinc oxide manufacturers are very few on a relatively small scale. Their downstream customers are mainly scattered in the global market. Therefore, it is not easy to collect information on the market share of the industry. If it is estimated based on recycling of zinc resource from dust, the domestic market share of the zinc oxide recycled by the Company exceeds 80%.

(3) Future Supply and Demand and Growth of the Market

A. Treatment and reuse of dust

Due to weak domestic demand, declining steel prices, and the impact of overcapacity in mainland China, domestic steel production has declined, which in turn has affected the supply volume of EAF dust. In the future, we will continue to increase customers and sources of materials in terms of other waste resources that are difficult to be treated, and to increase the volume of treatment/reuse. This will not only give us an excellent advantage in the domestic competition but also diversify our operational risks.

B. Acceptance of EAF dust collection from other domestic EAF steel mill plant (carbon steel and stainless steel furnaces)

On July 21, 2017, the Company was approved by the Industrial Development Bureau of the Ministry of Economic Affairs to transform into a general-purpose EAF dust collection and reuse facility, and therefore the

Company can receive EAF dust from all domestic sources (waste code: A-7101). Grounded on the purpose of recycling waste resources and in line with the government's "circular economy" policy, the Company received EIA approval in 2022 to accept EAF dust collected from other EAF steel mill plant. Upon verification, other domestic EAF steel plants, such as Luodong Carbon Steel Plant, Tang Eng Stainless Steel Plant, GMTC Stainless Steel Plant and Walsin Lihwa Stainless Steel Plant, produces EAF dust that features the same characteristics as the EAF dust from the 12 steel plants that the Company currently receives, and the source entities had to use overseas or other treatment methods due to the Company's insufficient capacity in the past. However, the Company currently still has a surplus EAF dust processing capacity of about 60,000 metric tons/year, and the recycling technology is mature and stable, which will help reduce the comprehensive environmental risks of the Hazardous industrial waste and long-distance transportation.

C. Acceptance of EAF dust from various disposal sites in Taiwan

In view of the fact that the EAF collected from EAF plants has been found to be disposed of at various sites in Taiwan, and that such dust is still essentially dust collected from steel production in electric arc furnaces, and is therefore similar in nature to the dust collected by the Company, the Company can provide another proper disposal pipeline for the EAF dust collected from the disposed sites. The Company has also assisted in the recycling of EAF dust collected from disposal sites in Hsinfeng Township, Hsinchu County and Dadu River, Changhua County. This is expected to accelerate the removal of EAF dust from domestic disposal sites, revitalize the use of land, and benefit the overall environment of Taiwan.

D. Sales of zinc oxide

In 2025, zinc oxide benefited from rising LME zinc prices and lower processing costs. The improvement in the global industrial production environment and production disruptions at major mines increased demand for metallic zinc under supply pressure. Additionally, the continued rise of the USD index contributed to the Company's zinc oxide revenue growth compared to the previous year. In 2025, the annual average LME zinc price was USD 2,867.05, an increase of 3% from the annual average zinc price of USD 2,777.34 in 2024, such that the zinc oxide sales unit price of the current period increased by NTD 1,842 from the same period of last year, an increase of 6%. Total revenue from zinc oxide sales decreased by NTD 129,701, an decrease of 8% compared to the same period last year.

The Company's product after treating the dust is crude zinc oxide, which

is a recycled material. It can mainly supply foreign zinc smelters to replace part of zinc ore as a raw material for zinc smelting, so the product is in short supply.

E. Acceptance of scrap zinc (R-1303)

The source of this material is waste zinc from various industrial processes, and it is a waste single metal (zinc) R-1303, which is recognized by the Industrial Development Bureau of the Ministry of Economic Affairs as a directly reusable material for industry, and its characteristics need to meet the following requirements: (a) It does not contain mercury components. (b) Metallic in nature (e.g. metal, alloy or electroplated metal). (c) Does not contain powder, sludge, ash or hazardous waste liquids. (d) Should contain 40% or more of zinc content. Therefore, this type of reusable resource waste has high zinc content and is also classified as an urban mineral resource waste, which meets the target of zinc recycling in this resource recycling plant. Therefore, the Company can fully utilize the surplus capacity to recycle and reuse zinc resources by high temperature smelting together with EAF dust to produce crude zinc oxide products and achieve the purpose of complete resource recovery.

F. Acceptance of waste zinc-manganese alkaline batteries (Waste Code: R-2404)

Waste zinc-manganese alkaline batteries are also rich in zinc, carbon, iron and other resource components, but there is no domestic facility that can fully conduct resource recovery operations. In line with the environmental protection policy of the Environmental Protection Administration (EPA) to actively promote zero-waste resource recycling, and in accordance with the EPA's "Standards for Waste Dry Battery Recycling, Storage, Removal and Treatment Methods and Facilities", the Company is able to fully utilize the surplus energy and EAF dust to recover the valuable metal zinc in waste manganese zinc/cylinder alkaline manganese dry batteries or other similar small batteries (excluding button-type batteries and lithium batteries) by thermal treatment and resource recovery in our existing rotary kiln high-temperature smelting facilities, and produce crude zinc oxide products to provide a proper resource treatment channel to achieve the goal of complete resource recovery.

G. Acceptance of products with zinc content $\geq 2.5\%$

The domestic industry is often faced with the problem of insufficient purity of recycled zinc oxide/zinc flakes/zinc scraps, and the lack of relevant technology and equipment to improve the purity, which leads to the impairment of sales and environmental problems resulting from long-term storage. The

Company's rotary kiln high-temperature smelting process can provide a purification channel for lower purity zinc oxide/zinc flakes/zinc scraps, etc. The raw material can be mixed with EAF dust and then smelted together at high temperature in the rotary kiln to recover valuable heavy metal zinc, further purifying and refining the zinc purity to a fully marketable quality, achieving complete resource utilization and harmless reuse, thus helping to solve landfill and environmental problems that may arise from the difficulty of selling some low purity resource products in Taiwan.

H. Acceptance of waste with zinc content $\geq 2.5\%$.

The dust or sludge containing zinc produced by the domestic hardware industry and zinc-copper alloy industry. This type of waste is similar to lead-zinc ore and EAF dust, and has value for further industrial purification. It is an urban mineral resource waste, so it can make full use of the surplus capacity to receive the resource waste and reuse the zinc resource through high-temperature smelting together with the EAF dust to produce crude zinc oxide products, and achieve the purpose of complete resource recovery, and also help solve the environmental pollution problem that may arise from the resource waste having no means to be recycled or disposed of.

I. Acceptance of electroplating sludge (containing zinc and lead)

There are many electroplating factories in central Taiwan and there is also a specialized electroplating zone in the Changbin Industrial Park. All electroplating factories have wastewater treatment facilities, and the wastewater generated from the electroplating process in factories of the electroplating zone are processed by the Changbin Industrial Park Service Center for treatment. Dewatered sludge (A-8801) are produced after treatment at the aforementioned electroplating wastewater treatment plant. The main composition of electroplating wastewater dewatering sludge waste is heavy metals, which can be recovered by the Company's rotary kiln high-temperature smelting process to produce crude zinc oxide products from the low melting point heavy metals such as zinc, lead, cadmium, etc., while the high melting point heavy metals such as chromium, copper, nickel, etc. are sintered at high temperature into reusable rotary kiln slag (R-1207). In this way, not only are the valuable metals in the waste recovered, but also 100% of the waste can be properly treated and disposed.

J. Reuse of incineration fly ash

In line with the EPA's active promotion of source reduction, the introduction of Sustainable Material Management (SMM) and the Cradle to Cradle (C2C) concept, and the gradual promotion of Taiwan's environmental

protection policy towards resource recycling and zero waste. In the future, the Company will strive for the recycling of incineration fly ash from waste incineration plants and incinerators set up by public and private waste treatment institutions. It can not only greatly reduce the problems arising from the existing incineration fly ash that must be solidified and buried for a long period of time, but also reduce the demand for land for domestic landfill sites to extend their life and revitalize the land resources, and achieve the goal of zero waste of waste resources.

K. Recycling of High-Calcium Substitute Materials (Sludge, Dust/Ash, and Slag)

To fulfill our commitment to zero-waste resource recycling and to expand our sources of alternative raw materials, thereby reducing the need for virgin material extraction, we have analyzed the 'Annual Statistical Report on Industrial Waste' published by the Ministry of Environment. The data reveals that the storage volume of inorganic sludge (D-0902) has reached 2 million metric tons over the past three years, with approximately 20,000 metric tons currently disposed of via landfill. Consequently, the Company plans to broaden its acceptance of high-calcium substitute materials—including dust/waste collected from lime-processing baghouse filters, as well as high-calcium sludge or powder generated by the stone processing and lime manufacturing industries. Furthermore, we intend to incorporate reduction slag and inorganic sludge from washing processes. This initiative aims to lower the carbon footprint of our recycled products and provide an environmentally sound disposal pathway for these waste materials.

(4) Competitive niche

Taiwan Steel Union adopts Waelz kiln process, which has been in use in the US, Europe, and Japan for dust treatment for over five decades, so it is a commercially mature technology. Furthermore, the Company is an EAF dust removal and recycling organization for the steelmaking industry under the guidance of the Ministry of Economic Affairs, which is equivalent to the Grade A waste clearance and disposal organization certified by the EPA. The Company is currently the largest EAF dust recycling plant in Asia, and is also the largest and the only domestic company that has introduced the Waelz kiln process technology. Due to its low cost, we have a leading position in Taiwan without comparable competitors.

(5) Favorable and Unfavorable Factors of Development Prospects and Countermeasures

A. Favorable factors:

- (A) Due to the rising public awareness of environmental protection, the government's policy has become stricter for enterprises, which is beneficial for the Company to expand the waste treatment business.
- (B) We adopt the highest standards and have introduced the most advanced German Waelz rotary kiln process for heat recovery. After years of investment in and R&D of new equipment and operating technology, our cost is low and technology in the lead without comparable domestic competitors.
- (C) The crude zinc oxide recycled and reused by the Company is excellent and stable in quality and high in purity, and is preferred by domestic and foreign customers. We are the seller of first choice, so the crude zinc oxide is in short supply.
- (D) The 1300°C of the pyrometallurgical process of the rotary kilns can simultaneously treat/recycle domestic waste sources that are difficult to be treated/disposed, such as incineration fly ashes, used dry cells, organic sludge, and highly toxic contaminated soils, and our treatment cost is lower than our domestic competitors.
- (E) We have complete management mechanisms and implemented ISO-9000, ISO-14000, ISO-14064, ISO-45000 and ISO50001.
- (F) We fully recycle waste with zero waste, invest in factory facilities, and conduct excellent management, has become a model plant selected by the Industrial Development Administration Ministry of Economic Affairs(Industrial Development Bureau) and the Ministry of Environment (EPA).

B. Unfavorable Factors and Countermeasures

- (A) The source of raw materials is affected by the business of the iron and steel industry:

The Company mainly treats EAF dust produced during the steelmaking process. Generally, as the volume of smoke and dust generated is roughly 1.2%–1.8% of the steel output, the source of raw materials is affected by the business of the iron and steel industry and the volume of EAF dust.

Countermeasures

As our treatment technology is mature, we are actively seeking other dust sources (stainless steel plants, dumpsites, etc.) and other hazardous industrial waste sources (containing zinc or with high calorific value),

which can be used as alternative materials for natural silica sand, slaked lime, or lime, to reduce the consumption of natural resources and to increase our revenue. At present, We have successfully secured 13 reuse permits for contaminated soil and, in 2021 and 2025, obtained approval from the Ministry of Environment's Environmental Impact Assessment (EIA) committee for our environmental impact difference analyses (EIDA). These achievements allow us to expand the sources and intake capacity of zinc-bearing resources, thereby maximizing the utilization of our remaining production capacity and aligning with the government's 'Promotion Plan for Sustainable Resource Circulation'

(B) Local residents' lack of knowledge of the green environmental protection industry:

As the general public has stricter requirements for the quality of living, they cannot accept that factories treating hazardous industrial waste are located around their living environment as they are concerned about the negative impact on their health. Therefore, they call on groups to stage protests, prompting such factories to engage in continuous communication and explanation.

Countermeasures

The Company has always attached great importance to environmental protection. In the principles of openness and transparency, we opened our plants to local environmentalists and local residents, and they also praised our efforts in environmental protection. We also allowed the inspection and testing companies designated by the Shengang and the Xianxi Township Offices to measure the exhaust volume from our smokestacks to assure the public. In addition, we took the initiative to place the monitoring information on our official website for free access by the public, to demonstrate the Company's determination to protect the environment.

(C) The price of zinc oxide is affected by the fluctuation of the LME zinc price

The price of zinc oxide from the dust collected by the Company is positively correlated with the LME international zinc price. When the LME zinc price rises or falls, the price of zinc oxide sold to customers also rises or falls with the LME zinc price, which will further affect the Company's overall revenue and gross profit.

Countermeasures

As the LME zinc price depends on the supply and demand of the global zinc market and the flow of capital in the capital market, it is difficult to predict the price trend. Therefore, we tend to focus on our core business, continue our existing technological advantages, continue to strive to develop diverse products and services and customer groups, and expand and increase the waste sources that can be reused. The Company also has a competitive advantage in raising the treatment fees with the aim of reducing the impact of zinc oxide on the overall profitability.

2. Important Functions and Production Process of Main Products

(1) Important Functions of Main Products

The main and by-products produced from the pyrometallurgical process of EAF dust are zinc oxide and slag. After the zinc oxide produced from the rotary kilns was collected by dust collection equipment (cyclone and bag filter dust collectors), around 89% of it is exported and sold to metal refining companies in Japan, Europe, and other countries in 2025 to extract zinc ingots for recycling and reuse. Reuse (refined into zinc ingots with 99.995% of purity), and the remaining 11% was sold to Taiwan to be made into zinc white as an additive for the footwear and tire industries.

The slag produced in the production process is a non-hazardous recyclable resource as defined in the Ministry of Economic Affairs Announcement No. 35. After crushing, magnetic separation, and recycling of iron, the remaining tailings are used as alternative materials for CLSM concrete and general concrete aggregates and road and subgrade filling-graded materials.

(2) Production process

EAF dust recycling and treatment process is mainly conducted through the pyrometallurgical process of the rotary kiln facility to process the EAF dust, and to recycle the crude zinc oxide from the dust. The treatment method adopted is based on the nature and characteristics of the dust collected and the international general technology trends, so we invested in the introduction of the pyrometallurgical process from Germany at a high price 20 years ago to treat the EAF dust in the steelmaking industry, the total annual processing capacity of the two kilns approved is 198,900 metric tons. The Company adopts Waelz kiln process, which has been in use in the US, Europe, and Japan for dust treatment for decades, so it is a commercially mature and stable technology.

3. Supply of main raw materials

The Company's current supply of main raw materials is as follows:

Main raw materials	Supplier	Supply
Coke	Diafriend Corporation, China Steel Chemical Corporation, and Ta Ease Industrial Co., Ltd. Ever Low International Co., Ltd.	Good and stable
Slaked lime	Lime-Crown Industrial Co., Ltd., Ho Hsing Lime Factory Co., LTD., Shin Foo Sheng Co., Ltd. First Edition Enterprise Co., Kung Jung Lime Works Co., Ltd.	Good and stable
Quick lime	Lime-Crown Industrial Co., Ltd., Kun Yan Trading Co., Ltd., Shin Foo Sheng Co., Ltd., and Kuanyu Development Co., LTD.	Good and stable

4. Names of Customers Who Have Accounted For at Least 10% of Total Purchases (Sales) in Any of the Last Two Years, the Purchase (Sales) Amount and Proportion, and the Reasons for the Increase or Decrease

(1) Information on major suppliers in the last two years

Unit: NT\$1,000

Item	2024				2025				Quarter 1 of 2026			
	Name	Amount	Proportion to annual net purchases (%)	Relation with the issuer	Name	Amount	Proportion to annual net purchases (%)	Relation with the issuer	Name	Amount	Proportion to net purchases as of the previous quarter in the current year (%)	Relation with the issuer
1	Diafriend Corporation	88,552	25.82	None	Diafriend Corporation	83,987	22.21	None	Diafriend Corporation	32,140	37.84	None
2	Ta Ease	41,212	12.02	None	Kung Jung	42,401	11.21	None	Shin Foo Sheng	10,250	12.07	None
3	China Steel Chemical	36,499	10.64	None	Ever Low	42,320	11.19	None	Others	42,539	50.09	
4	Others	176,695	51.52		Others	209,444	55.39					
	Net purchase	342,958	100.00		Net purchase	378,152	100.00		Net purchase	84,929	100.00	

We have maintained a positive collaborative relationship with our suppliers, and worked with at least two suppliers for the same material; as such, we can respond quickly to maintain the stability of the delivery in the case of abnormal quality. The Company's material procurement is conducted through bidding, and the principle of winning the bid is the lowest price. The change in suppliers is because of changes in market supply and demand that influence the increase or decrease of the purchase amount.

(2) Information on major customers in the last two years

Unit: NT\$1,000

Item	2024				2025				Quarter 1 of 2026			
	Name	Amount	Proportion to annual net sales (%)	Relation with the issuer	Name	Amount	Proportion to annual net sales (%)	Relation with the issuer	Name	Amount	Proportion to net sales as of the previous quarter in the current year (%)	Relation with the issuer
1	MMS	653,671	27.48	None	MMS	670,954	30.35	None	MMS	127,238	33.86	None
2	GCC	278,393	11.70	None	Others	1,539,804	69.65	None	TFG	95,147	25.32	None
3	Others	1,446,397	60.82						HAI	41,760	11.11	None
4									Others	111,677	29.71	
	Net Sales	2,378,461	100.00		Net Sales	2,210,758	100.00		Net Sales	375,822	100.00	

The changes in the Company's zinc oxide customers were mainly attributed to the customers' adjustment to the Company's zinc oxide shipments to respond to the changes in market supply and demand, and the impact of international zinc prices.

III. Number of Employees for the Two Most Recent Fiscal Years, and During the Current Fiscal Year Up to the Date of Publication of the Annual Report, Their Average Years of Service, Average Age, and Education Levels (Including Percentage of Employees at Each Level)

Year		2024	2025	April 28, 2026
No. of employees	Managerial Officer	23	23	23
	General employee	40	42	42
	Operator	123	119	120
	Total	186	184	185
Average age		40.87	41.56	41.85
Average years of service		7.40	8.04	8.05
Distribution of educational level	Ph.D	1.6%	1.1%	1.1%
	Master's	7.5%	8.7%	8.6%
	University	53.3%	54.3%	55.1%
	Senior high school	30.1%	27.7%	25.9%
	Below senior high school	7.5%	8.2%	9.2%

IV. Disbursements for Environmental Protection

In the most recent year and up to the publication date of the Annual Report, any losses suffered due to environmental pollution (including damages and violation of environmental protection laws and regulations in the environmental protection inspection results, the date of penalty, the document number, the laws and regulations violated, the content of violations, and the content of the penalty shall be specified), and the estimated amount and countermeasures that may occur now and in the future shall be disclosed. If it cannot be estimated reasonably, the fact that it cannot be estimated reasonably shall be specified:None.

V. Labor Relations

1. The Company's employee benefit measures, continuing education, training, pension system, and the implementation thereof, as well as the agreements between labor and management and protection measures for employees' rights and interest:

(1) Implementation of employee benefit measures, and continuing education and training

A. Group accident insurance.

B. Year-end party.

C. Bonuses upon three major holidays.

D. Regular employee health examination.

E. Education and training subsidies.

F. Childcare Allowance

G. Seniority Allowance

H. The Employees' Welfare Committee has been established in accordance with the law, and the benefit measures are as follows:

(A) Marriage cash gift, birthday cash gift, and funeral condolence money.

(B) Scholarships for employees and their children.

(2) Pension system and implementation

A. The Company's pension system belongs to the government-managed defined benefit pension plan in accordance with our country's Labor Standards Act. The Company contributes 8% of each employee's total monthly salary to the Supervisory Committee of Labor Retirement Reserve as pension to deposit it into a special account with the Bank of Taiwan in the name of the committee.

B. We have implemented the new pension system since July 1, 2005. The Company contributes no less than 6% of each employee's monthly salary to his/her labor pension account in accordance with the Labor Pension Act.

C. We handle pension-related matters in accordance with the relevant

provisions of the Labor Pension Act and the Company's Appointment and Dismissal Regulations.

(3) Agreements between labor and management and protection measures for employees' rights and interest

- A. Hold regular labor-management meetings.
- B. Set up employee suggestion mailboxes to motivate employees to make suggestions at any time.
- C. Established the Work Rules.

2. In the most recent year and up to the publication date of the Annual Report, any losses suffered due to labor disputes (including violation of the Labor Standards Act in the labor inspection results, the date of penalty, the document number, the laws and regulations violated, the content of violations, and the content of the penalty shall be specified), and the estimated amount and countermeasures that may occur now and in the future shall be disclosed. If it cannot be estimated reasonably, the fact that it cannot be estimated reasonably shall be specified: None.

3. Protection measures for work environment and employees' personal safety:

(1) Monitoring of work environment: The Company's main processes are to treat hazardous industrial waste, and the work environment is at a high temperature with dust. We conduct risk assessments of hazardous operational environments with noise, dusts and ionizing radiation. Relevant health and safety operational standards are set up accordingly. Operational environmental monitoring plans are drawn in line with regulations. The sampling items and frequencies for operational environmental monitoring are listed in the table below. Environmental monitoring and inspection and personnel health checks are conducted regularly by commissioned external parties. Specialty doctors are hired to visit the sites and observe the operational environment, in order to provide health and safety assessments and suggestions for improvement.

No.	Item	Monitoring frequency	
1	Total dust amount	Once every six months	
2	Respirable dust	Once every six months	
3	Heavy metals	Lead	Once every six months
4		Manganese	Once every six months
5		Cadmium	Once every six months
6		Zinc	Once every six months
7	CO ₂	Once every six months	
8	Oxygen	Once every six months	
9	Noise	Once every six months	
10	Wet Bulb Globe Temperature (WBGT)	Once a quarter	
11	Sulfuric acid	Once every six months	
12	Wind velocity	Once every six months	
13	Health examination for employees in special	Once a year	

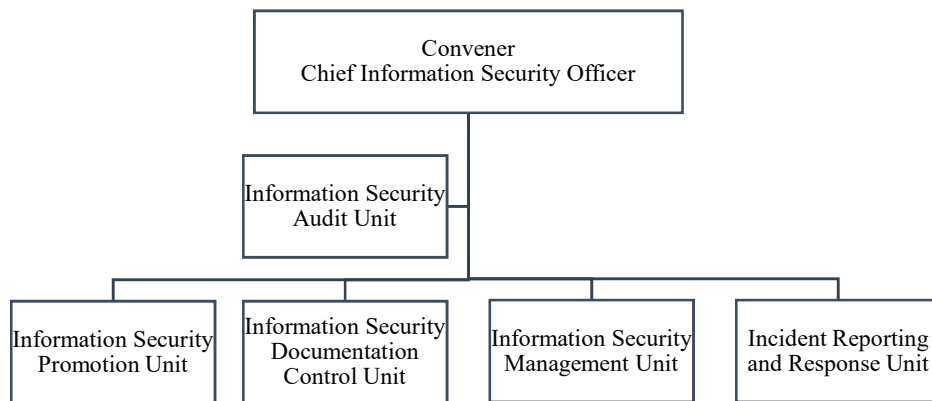
No.	Item	Monitoring frequency
	operations	

- (2) Employees' personal safety protection: The Company provides periodical health checks and personal protective equipment to employees. This is to protect the health of employees and avoid injury to physical health due to work process or damage to laborers' right to life. The jobs with high risks or high incidence of specific diseases include slag removal from rotary kilns, process air pipe (PAP) replacement, corrugated roof sheet replacement, replacement of fire-retardant materials and filter bags for rotary kilns during annual maintenance. Strict management is exercised on occupational health and safety.
- (3) To enhance the caliber, technical and core competences of our personnel, to establish awareness in health and safety and the ability to prevent hazards, the Company organizes periodical and ad-hoc training and education in health and safety while holding fire drills every six months. All the internal training, external training and license acquisitions are in compliance with laws and regulations.
- (4) Taiwan Steel Union's annual statistics on occupational disasters are based on the disability indicators published by the Ministry of Labor. A comprehensive reporting procedure and an event investigation mechanism are in place, to report the investigation findings to relevant departments. Corrective and preventive measures are initiated, to reduce the likelihood of the same events and continue to improve workplace safety.

VI. Information Security Management

1. Information Security Risk Management Framework

In accordance with Article 3 of the "Information Security Control Guidelines for Listed Companies" for this year, an "Information Security Management Promotion Committee" has been established as the functional organization for the governance and operational management of the company's information security. A PDCA (Plan-Do-Check-Act) cyclical management approach is adopted to ensure the achievement and continuous improvement of the reliability objectives of the information security risk management framework.



- A. With the approval of the General Manager, the company has established the Information Security Management Promotion Committee.
- B. Responsible for establishing policies, processes, and procedures for managing core business, core business systems, and system risks.
- C. Ensure that the information security management policies are clearly communicated to employees at all levels.
- D. Clearly define the responsibilities and hierarchical reporting relationships regarding risk management across all management levels of the company.
- E. Supervise and assist in the planning and integration of information security initiatives and the promotion of information security affairs.
- F. Periodically submit information security execution reports for the Board's review.

2. Information Security Policy

The "Information Security Management Promotion Committee," in order to ensure the smooth operation of the company's business and to prevent unauthorized access, use, control, disclosure, destruction, alteration, or other violations of information or information systems, as well as to ensure their confidentiality, integrity, and availability, hereby establishes this policy for all employees to follow:

- A. In response to changes in information security threat landscapes, employees shall participate in relevant information security education and training to enhance the overall awareness of information security within the company.
- B. Protect the confidentiality and integrity of the company's sensitive information and information systems, preventing unauthorized access and tampering.
- C. Establish and publish various information security management procedures

and measures, and review and adjust them periodically based on actual circumstances.

- D. Conduct regular internal audits to ensure the effective implementation of all operations.

3. Information Security Objectives

- A. All personnel operating information systems shall receive information security training once per year, with a 95% participation rate.
- B. All information security personnel shall receive professional information security training once per year, meeting the annual hourly requirements mandated by regulations.
- C. Vulnerability scans shall be conducted once per year, with 95% of high-risk vulnerabilities controlled within one quarter.
- D. Penetration testing shall be conducted once per year, with 95% of high-risk vulnerabilities controlled within one quarter.
- E. Social engineering drills shall be conducted once per year, with 100% pass rate.
- F. Upon awareness of an information security incident, reporting, response, and recovery must be completed within the specified timeframe (no more than 1 major incident per year).
- G. The number of unresolved information security-related findings from the previous internal audit shall be ≤ 2 items.

4. Specific management plan

The Information Security Management Promotion Committee has planned and will execute the following items:

- A. Compliance assessment and planning based on the "Information Security Control Guidelines for Listed Companies."
- B. Establishment of the company's "Information Security Management Promotion Committee," defining personnel responsibilities, and setting information security policies and objectives.
- C. Incorporation of information security incident reporting procedures and internal major information notifications.
- D. Inventory of core business and information systems, conducting risk assessments, and planning for management-level reporting.
- E. Inventory of legal and contractual requirements, planning of a confidentiality classification system, and human resources requirements.
- F. Information security education, training, and social engineering drills.
- G. Collection of cyber threat intelligence and establishment of a vulnerability patching framework.

- H. Information security testing operations for core information systems.
- I. Personnel device usage regulations and equipment usage and decommissioning procedures.
- J. System and equipment monitoring, access code management, and physical area access control operations.
- K. System security planning and testing, data processing and storage protection, and account review operations.
- L. Information security protection controls and continuity of core business operations.
- M. Outsourced security management and planning for internal and external information security audits.

5. Resources Invested in Information Security Management

Manpower	Designation of 3 personnel for the company's information security management.
	Information security awareness training for 100% of system users (90 people).
	Professional information security training for 100% of information security management personnel (3 people).
Actions	Social engineering drills / vulnerability scanning of core information systems / penetration testing of core information systems.
Budget	Maintenance and management fees for EDR/MDR and other related services.

The company will continue to evaluate and adopt information security technologies to enhance and refine its information security management practices.

6. For the most recent year and as of the publication date of the annual report, the losses suffered as a result of major information security incidents, their possible effects and the measures taken in response. If it cannot be reasonably estimated, the reason why it cannot be reasonably estimated should be stated: None.

VII. Important Contracts

Nature of contract	Party involved	Contract period	Main content	Restrictive clause
Harmonious Neighborhood Environmental Protection Agreement	Shengang and the Xianxi Township Offices	2006.11.03 until the end of the operation	Providing a fund money to the Shengang and the Xianxi Township Offices based on the monthly tons of treatment	None

Five. Review and Analysis of the Company's Financial Position and Financial Performance, and Risks

I. Financial Position:

Unit: NT\$1,000

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	1,052,937	1,192,857	(139,920)	(12)
Non-current assets	4,368,643	4,242,460	126,183	3
Total assets	5,421,580	5,435,317	(13,737)	-
Current liabilities	445,311	441,366	3,945	1
Non-current liabilities	489,414	527,878	(38,464)	(7)
Total liabilities	934,725	969,244	(34,519)	(4)
Share capital	1,112,709	1,112,709	-	-
Capital surplus	999,216	999,216	-	-
Retained earnings	2,374,930	2,354,148	20,782	1
Total equity	4,486,855	4,466,073	20,782	-
<p>The analysis of any change in the financial ratios by 20% or more, and the changes in the amount by at least NT\$10 million are as follows:</p> <p>There are no items this year with a change percentage of 20% or more and a change amount of NT\$10 million or greater.</p>				

II. Financial Performance:

- The main reasons for the major changes in operating revenue, net operating income, and net income before tax in the last two years:

Unit: NT\$1,000

Item \ Year	2025	2024	Difference	
			Amount	%
Operating revenue	2,210,758	2,378,461	(167,703)	(7)
Operating cost	1,082,513	1,108,970	(26,457)	(2)
Gross profit	1,128,245	1,269,491	(141,246)	(11)
Operating expenses	275,068	282,810	(7,742)	(3)
Net operating income	853,177	986,681	(133,504)	(14)
Non-operating income and expenses	3,745	23,485	(19,740)	(84)
Net income before tax	856,922	1,010,166	(153,244)	(15)
Income tax	170,169	179,081	(8,912)	(5)
Net income for the year	686,753	831,085	(144,332)	(17)
<p>The analysis of any change in the financial ratios by 20% or more, and the changes in the amount by at least NT\$10 million are as follows:</p> <ol style="list-style-type: none"> The decrease in non-operating income and expenses for the current year is primarily due to an increase in losses on the disposal of fixed assets. 				

- The expected sales volume and the basis therefor, the potential impact on the Company's future financial business and our response plan:

The Company has not prepared and announced financial forecasts, so the estimated sales volume and the basis therefor do not apply, and the Company as a whole did not encounter any major unusual circumstances, so there should be no need to draw up a response plan.

III. Cash Flow:

1. Cash flow analysis for the recent years:

Unit: NT\$1,000

Item \ Year	2025	2024	Difference	
			Amount	%
Net cash inflows from operating activities	984,233	1,063,724	(79,491)	(8)
Net cash outflows from investing activities	(358,499)	(937,163)	578,664	62
Net cash inflows (outflows) from financing activities	(706,268)	78,150	(784,418)	(1,004)
Analysis of changes in cash flow:				
1. Decrease in net cash inflow from operating activities: Primarily due to a decline in sales, resulting in lower cash receipts from customers.				
2. Decrease in net cash outflow from investing activities: Primarily due to the land acquisition in the previous year.				
3. Increase in net cash outflow from financing activities: Primarily due to the increase in long-term borrowings for land acquisition in the previous year, combined with higher cash dividend payments in the current period.				

2. Improvement plan for insufficient liquidity: The Company's current borrowing facilities are still around NT\$1.07 Billion, which should be sufficient to cope with the risk of short-term insufficient liquidity.
3. Analysis of Cash Liquidity in the Coming Year (2026):

Unit: NT\$1,000

Opening balance of cash (1)	Estimated annual net cash flow from operating activities (2)	Estimated annual cash flows from investing and financing activities (3)	Estimated cash surplus (deficit) (1)+(2)+(3)	Remedial measures for estimated cash shortage	
				Investment plan	Financing plan
676,454	2,100,168	(2,293,502)	483,120	-	-
Analysis and explanation:					
1. Estimated annual net cash inflow from operating activities: Continuous profitability is estimated in 2026.					
2. Estimated net cash outflows from investing activities and financing activities throughout the year: It is mainly related to the purchase of property, plant and equipment, and payout of cash dividends.					
3. Remedial measures for estimated inadequate cash flow and liquidity risk: None.					

IV. Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year: None.

V. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Reinvestment Profitability, and Investment Plans for Coming Year:

1. Reinvestment policy for the most recent year: The Company's reinvestment in Taiwan Steel Resources is conducted in accordance with the Procedures for Acquisition or Disposal of Assets, and we evaluated and the benefits and implemented the policy after it was approved by the Board of Directors. In addition, the Board of Directors approved the investment in Feng-Li Internet Co., Ltd. in January 2025. With a 30% equity stake, this investment aims to support the group's integration of AI and smart manufacturing systems.
2. The main reason for profit or loss: The invested subsidiary, Taiwan Steel Resources Co., Ltd., started its trial operation in November 2019, and started to operate at a profit in 2022, which was mainly due to that its production process improvement result met the expectation. In 2025, the steel industry faced a downturn characterized by reduced production capacity, driven by the slump in the real estate market and the impact of U.S. tariffs. Facing these severe external challenges, our subsidiary, Taiwan Steel Union Co., Ltd., experienced a phased decline in profitability this year. Meanwhile, Feng-Li Internet Co., Ltd. reported a loss in 2025 as it was in its initial startup phase.
3. Investment plan for the coming year: As of March 2021, the Company's estimated budget for the investment in the subsidiary Taiwan Steel Resources was NT\$2.3 billion. Feng-Li maintains its original capital contribution of NT\$9 million.

VI. Risk Analysis:

1. The impact of changes in interest rate and exchange rate, and inflation on the Company's profit or loss and future countermeasures:

(1) Interest rate changes:

The Company's net interest expenses in 2025 and 2024 were NT\$3,957 thousand and NT\$488 thousand, respectively, which accounted for 0.18% and 0.02% of the net operating revenue of 2025 and 2024, respectively; thus, interest expenses had little impact on the Company's profit or loss.

Building on a stable and conservative financial foundation, the Company has maintained close contact with our correspondent banks, and monitored changes in market interest rates, to dispatch funds and adjust borrowing rates at any time appropriately, thereby reducing the impact of changes in interest

rates on the Company's profit or loss.

(2) Exchange rate:

The Company is mainly export-oriented, and our operating revenue is denominated in USD, so exchange rate changes have a certain impact on the Company's profit or loss. The Company's exchange lossess for 2025 and exchange gain for 2024 were NT\$398 thousand and NT\$12,009 thousand, respectively, which accounted for 0.02% and 0.5% of the net operating revenue of 2025 and 2024, respectively. The Company's personnel in charge of the financial affairs keep abreast of the information on foreign exchange markets to take advantage of situations that are more beneficial to the Company.

(3) Inflation:

The Company's profit or loss was not significantly impacted by inflation.

2. Policy for engaging in high-risk and high-leverage investments, loans to others, endorsements/guarantees, and derivatives trading, the main reasons for profit or loss, and future countermeasures:

(1) High-risk and high-leverage investments:

The Company is focused on running our core business without engaging in high-risk and high-leverage investments.

(2) Loans to others:

As of the end of 2025, the Company has short-term financing loans and actual working expenditure for the subsidiary's (Taiwan Steel Resources Co., Ltd.) operating turnover requirements of NT\$0 (Thousands of New Taiwan Dollars). The maximum amount of the Company's loan is 40% of the net value; The credit limit for a single enterprise is 40% of net worth, the Company's loaning of funds to others are handled in accordance with the "Procedures for Extending Loans to Others" of the Company and its subsidiaries

(3) Endorsements/Guarantees:

The Company has formulated the Regulations on Endorsements and Guarantees as the basis for endorsements/guarantees by the Company. The Company only provided to endorsements/guarantees to our wholly-owned subsidiary Taiwan Steel Resources Co., Ltd. (hereinafter referred to as "Taiwan Steel Resources") for bank loans in the most recent year and up to the publication date of the Annual Report, and the risk assessment procedures were conducted in accordance with the Regulations on Endorsements and Guarantees.

(4) Derivatives trading:

The Company's financial hedging strategy aims to avoid the risk of exchange rate fluctuations for our net assets and liabilities denominated in foreign currencies, and the relevant operations are conducted in accordance with the Company's Procedures for Engaging in Derivatives Trading. The Company did not engage in derivatives trading in the most recent year and upto the publication date of the Annual Report.

3. Future R&D plan and estimated R&D expenses:

(1) Future R&D plan:

A. Increase waste to partially replace auxiliary raw materials to reduce the consumption of natural resources.

B. Improve processes to reduce material consumption and operating costs

(2) Estimated R&D expenses:

The amount of investment in R&D expenses will be budgeted gradually based on the research progress. In the future, funds will be allocated for R&D based on operating conditions to support future R&D plans and to increase the Company's competitiveness in the industry and the market.

4. The impact of important domestic and foreign policies and legal changes on the Company's financial business and countermeasures:

The Company's operations are in compliance with relevant domestic and foreign laws and regulations. We always pay attention to domestic and foreign policy development trends and changes in laws and regulations, consult relevant professionals, and collect relevant information and provide it to the management as a reference for decision-making, to fully keep abreast of and respond to changes in the market environment, and to adjust our relevant operating strategies in due course. There was no major changes in the domestic and foreign policies and legal changes with a material impact on the Company's financial business in the most recent year and up to the publication date of the Annual Report.

5. The impact of technological and industrial changes (Including information security risks) on the Company's financial business and countermeasures:

The Company has been working in the industry for many years, adopted the highest standards, and introduced the most advanced German Waelz rotary kiln heat recovery process technology, so we have occupied a place in the industry. We always pay attention to the development and evolution of industrial technologies, and evaluate the impact of such development on the Company's operations to make

adjustments accordingly. We currently adopt a stable financial management strategy and business model to respond to the impact of technological changes on the Company. Technological and industrial changes did not have material impact on the Company's financial business and operations in the most recent year and up to the publication date of the Annual Report. Please refer to pages 104~107 “VI. Information Security Management “for the impact of information security risks on the Company’s financial business and countermeasures.

6. The impact of changes in corporate image on corporate crisis management and countermeasures:

The establishment of the Company aims to recycle EAF dust in the steelmaking industry, to achieve the goal of zero waste. We have been sticking with the goal along the way, and fulfilling our social responsibilities for environmental protection, to contribute our share for the sustainable "blue sky, green land, green mountains, and clean water" in Taiwan. The Company did not have any changes in corporate image that caused any crisis in the most recent year and up to the publication date of the Annual Report.

7. Estimated benefits and potential risks of mergers and acquisitions, and countermeasures:

The Company had no plan for merging/acquiring other companies in the most recent year and up to the publication date of the Annual Report.

8. Estimated benefits and potential risks of factory expansion, and countermeasures:

In May 2024, the company acquired a total of 4,468.53 ping of land in Longjing District, Taichung City. Moving forward, we will focus on providing water-washing services for zinc oxide products to enhance purity and achieve product premiumization, thereby meeting international market demands and expanding our revenue streams and customer base. Full-scale operations are expected to commence in 2027.

Due to the high capital requirements and longer payback period of the plant expansion, the company faces financial and subsequent operational risks. However, the company maintains sound financial health, with continued profitability from the current plant and appropriate use of bank financing facilities to support operations. Additionally, the company is the largest and only domestic facility utilizing rotary kiln technology for the resource recycling of EAF dust. It has also begun to diversify its operations and maintains strong cost control, ensuring competitive market pricing.

9. Risks associated with any supplier or customer concentration, and countermeasures:

The Company's sources of suppliers are evenly distributed, with multiple material supply channels, without concentrated on single supplier. To achieve the purpose of diversified sources of suppliers, we also maintain certain opportunities for collaboration with other suppliers. With long-term and stable partnership, there is no risk associated with shortage of supply sources.

The Company's major customers are large zinc smelters in Japan. Our orders and quality are relatively stable, and our largest customer does not exceed half of our total operating revenue, and our customers that account for more than half of our revenue have established a long-term cooperative partnership with the Company, so the risk of customer concentration is relatively low. However, the Company will continue to pay attention to and evaluate the market conditions in each region to develop potential customers.

10. Effect upon and risk to the Company in the event a major quantity of shares belonging to a director or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and countermeasures:

The Company did not experience substantial transfer or change of hands by any director or a major shareholder holding at least 10% of our shares in the most recent year and up to the publication date of the Annual Report.

11. Effect upon and risk to the Company associated with any change in governance personnel or the top management, and countermeasures:

The Company did not any change in governance personnel or the top management in the most recent year and up to the publication date of the Annual Report.

12. Regarding litigation or non-litigation events, major litigation, non-litigation, or administrative dispute cases that have been closed or are still on trial in which the Company and the Company's directors, General Manager, de facto persons in charge, major shareholders with at least 10% of the shareholding, or any affiliated companies are involved shall be listed. If the result may have a material impact on shareholders' equity or securities prices, the facts in dispute, the amount of the case, the date of the commencement of the litigation, the main parties involved in such cases, and the handling of the situation as of the publication date of the Annual Report shall be disclosed: None.

13. Other important risks and countermeasures: None.

VII. Other Important Matters: None.

Six. Special Disclosure

- I. Information on the Company's Affiliated Company: Please refer to the Market Observation Post System (MOPS) > Single Company > Electronic Document Download > Related Party Transaction Disclosure Forms Section(https://mopsov.twse.com.tw/mops/web/t57sb01_q10).
- II. Private Placement of Securities During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.
- III. Other Supplementary Information: None.

Seven. Other Matters

Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities Occurring During the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report: None.

Taiwan Steel Union Co., Ltd.

Chairman: Lin, Tsai-Hsiang