

**Stock Code: 2020**

**MAYER STEEL PIPE CORPORATION**

# **2024 Annual Report**

**This annual report is available at: <http://mops.twse.com.tw/>**

**Company website:<http://www.mayer.com.tw/>**

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CPA firm: Crowe (TW) CPAs

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VI. Company website: <http://www.mayer.com.tw>

## [Table of Contents]

### Page

### **One. Message to Shareholders**

Foreword.....	2
I. Operating results for the previous year (2024).....	4
II. Summary of the 2025 business plan.....	4
III. Future development strategy of the Company.....	8
IV. Impacts from the external competitive environment, regulatory environment and overall business environment .....	8

### **Two. Corporate Governance Report**

I. Information on Directors, President, Vice Presidents, Assistant Managers, and Heads of Departments and Branches.....	10
II. Remuneration to Directors, President and Vice Presidents.....	21
III. Operations of corporate governance.....	34
IV. Information on CPA fees.....	103
V. Replacement of CPAs.....	103
VI. Chairman, President, financial or accounting managers of the Company who have worked in the accounting firm or any of its affiliated company in the most recent year.....	103
VII. Transfer of Equity Interests and Changes in Pledge of Equity Interests by Directors, Managers, and Shareholders Holding More Than 10% of Shares in the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report .....	103
VIII. Related Party, Spouse, or Relative within the Second Degree of Kinship Among the Top Ten Shareholders.....	106
IX. Number of Shares and Total Shareholding in a Single Company Invested by the Company, its Directors, Managers, and Companies Controlled Either Directly or Indirectly by the Company.....	108

### **Three. Capital Overview**

I. Capital and shares.....	110
II. Issuance of corporate bonds.....	115
III. Preferred shares.....	115
IV. Overseas depository receipts.....	115
V. Employee stock options and employee restricted shares.....	115
VI. Issuance of New Shares for Mergers and Acquisitions or Acceptance of Shares of Other Companies.....	116
VII. Execution of the Plan for Utilization of Funds.....	117

## **Four. Operational Overview**

I. Business contents.....	117
II. Overview of the market, production and sales.....	120
III. Employees.....	127
IV. Information on environmental protection expenditure.....	127
V. Labor-Management Relations.....	128
VI. Information communication security management.....	132
VII. Important contracts.....	135

## **Five. Review and Analysis of Financial Position and Business Performance, and Risk Management Issues**

I. Financial status.....	137
II. Financial performance.....	138
III. Cash flow .....	139
IV. The impact of material capital expenditures in the most recent year on financial operations .....	140
V. The policy on investments in the most recent year, the main reason for profit or loss, improvement plans, and investment plans for the year ahead.....	140
VI. Analysis and assessment of risk matters.....	140
VII. Other important matters.....	144

## **Six. Special Disclosure**

I. Information on affiliated companies.....	145
II. Private placement of securities in the last year up till the publication date of this annual report.....	145
III. Other matters for supplementary information.....	145
IV. Matters with material influence on shareholders' equity or securities prices as defined in Subparagraph 2, Paragraph 3, Article 36 of the Most Recent Fiscal Year up to the Date of Publication of the Annual Report.....	145

## **[One. Message to Shareholders]**

[Foreword]

Dear Shareholders,

Welcome to the 2025 Shareholders' Meeting of Mayer Steel.

According to the World Economic Outlook report published by the International Monetary Fund (IMF) in January 2025, the global growth rate for 2025 and 2026 is expected to be 3.3%, lower than the historical average of 3.7% from 2000 to 2019. It is expected that the global inflation rate will drop to 4.2% in 2025 and then to 3.5% in 2026. The developed economies will return to the target level earlier than the emerging and developing economies.

According to the Taiwan Economic Forecast 2025 published by Chung-Hua Institution for Economic Research on January 16, 2025, which predicted that Taiwan's economic growth rate in 2025 will be about 3.22%, and the growth rate will rise quarter by quarter due to the base period factor. The growth rate will rise from 1.91% in Q1 to 4.02% in Q4. The growth model is both internal and external. Domestic demand contributes 2.43 percentage points, and foreign net demand contributes 0.79 percentage points. As for the inflation trend, assuming that the domestic public service business rate has not been adjusted, the estimated annual CPI growth rate in 2025 is approximately 1.93%, which is lower than 2.0%.

The revenue of Mayer Steel Pipe in 2024 was reduced by about 27% compared to the previous year (for the steel sales, the revenue decreased by about NT\$1,280 million; for the real estate sales, the revenue decreased by about NT\$490 million due to the lack of new projects). The operating revenue in 2024 was NT\$1,280 million less than the previous year due to the absence of real estate income. However, the sales of steel and iron increased by NT\$56 million from the previous year due to the adjustment of product portfolios and effective inventory control.

In the coming year, we shall embrace our challenges with caution and optimism. As the demand for steel for public construction and real estate construction in Taiwan is still stable, the international conflicts between the U.S. and Russia may cease and the business opportunities for reconstruction may begin. The reduction of steel production in China may drive the global demand for steel.

All management team members of the Company would like to thank the shareholders for their long-term trust and support. We are duty-bound to work harder and wish the Shareholders' Meeting a great success.

Chairman: Chun-Fa Huang

## I. Operating results for the previous year (2024)

### (I) Implementation results of the 2024 business plan:

The Company has implemented and promoted the concept of manufacturing services for a long time, which has enabled the trust and mutual assistance relationship with customers to be supported, and the supply and demand relationship between customers and the Company has been carefully maintained for a long time, which continues to protect the Company's leading position in the market.

In response to the effective implementation and negotiation of various international tariff and trade agreements, in the face of the international political reality that it is difficult for Taiwan to participate, and the international market will become more unfavorable for competition and development, the Company has a number of corresponding strategies which achieved good results as expected.

As a professional manufacturer of steel pipes of the No. 1 brand in Taiwan, the maintenance of quality assurance and sustainable improvement, as well as the continuous promotion of product upgrades and equipment transformation are necessary means to ensure the leading product quality of Mayer, and are also the active management measures that Mayer is promoting at all times as.

1. The Company's operating revenue for 2024 was NT\$4,798,816 thousand (consolidated NT\$5,241,842 thousand), representing a decrease of approximately 27% compared to the 2023 operating revenue of NT\$6,568,35 thousand (consolidated NT\$7,009,437 thousand).
2. In 2024, U.S. inflation did not ease as expected, and the Fed repeatedly postponed interest rate cuts. The global steel market also underperformed expectations, primarily due to China's excess production capacity being dumped at low prices. Statistics show that weak domestic demand in China led to increased exports, with more than 100 million tons exported in the first 11 months of 2024. This caused global steel prices to decline continuously and made it difficult to maintain price stability, with the impact being most severe in the Asian market. Despite the challenging business environment, the Company's 2024 revenue decreased by approximately 27% compared to the previous year. This includes a decline of about NT\$1,280 million in steel sales revenue and approximately NT\$490 million in property sales revenue due to the absence of new real estate projects. The operating revenue in 2024 was NT\$1,280 million less than the previous year due to the absence of real estate income. However, the sales of steel and iron increased by NT\$56 million from the previous year due to the adjustment of product portfolios and effective inventory control.

(II) Budget implementation:

Unit: NTD thousands

Item	2024 Actual numbers (consolidated)	2024 Actual numbers (parent company only)	2024 Budget (parent company only)	Differences (parent company only)	Fulfillment rate (parent company only)
Net operating revenue	5,241,842	4,798,816	6,070,230	-1,271,414	79.05
Operating cost	4,445,533	4,147,815	5,273,630	-1,125,815	78.65
Gross operating profit, net	797,142	651,834	796,600	-144,766	81.83
Operating expenses	309,070	272,963	275,527	-2,564	99.07
Operating profit	488,072	378,871	521,073	-142,202	72.71
Net income before tax	984,955	974,500	979,771	-5,271	99.46

Note: The net gross profit includes the realized (unrealized) profit (loss) from sales.

(III) Financial income and expenditure:

Unit: NTD thousands

Item	2024 (consolidated)	2024 (parent company only)
Net operating revenue	5,241,842	4,798,816
Operating cost	4,445,533	4,147,815
Gross operating profit, net	797,142	651,834
Operating profit	488,072	378,871
Total non-operating income and expenses	496,883	595,629
Other income	334,490	320,373
Other gains and losses, net	98,246	95,207
Financial cost	-41,770	-28,710
Net share of profit or loss of affiliated companies and joint ventures under equity method	105,917	208,759
Net profit before tax from continuing operations	984,955	974,500
Net income for the period	826,942	826,068

Note: The net gross profit includes the realized (unrealized) profit (loss) from sales.

(IV) Profitability analysis:

Item		2024 (consolidated)	2024 (parent company only)
Profitability	Return on assets (%)	10.91	11.57
	Return on shareholders' equity (%)	19.09	19.10
	EBT to Paid-in capital ratio (%)	36.89	36.49
	Net profit margin (%)	15.78	17.21
	Earnings per share (NT\$)	3.09	3.09

(V) Research and development status:

1. Equipment

The main focus for 2025 is the planning and execution of renovation and repair works at the plant housing the galvanizing equipment, including the modification and technological upgrade of the galvanizing line. Upon completion, these improvements are expected to significantly enhance the production efficiency of the Company's galvanizing operations and further ensure the quality of galvanized steel pipe products. In 2024, the Company successfully completed the replacement and technological upgrade of several outdated stainless steel pipe production lines, thereby improving the quality assurance of its stainless steel pipe products. Since 2021, the Company has successively acquired and upgraded various factory equipment, including threading machines, straightening machines, heat treatment systems, and hydrostatic testing machines. Additionally, the Company applied to the Bureau of Standards, Metrology and Inspection (BSMI), Ministry of Economic Affairs, for certification review of hot-dip galvanized carbon steel pipes under the CNS standards. On September 24, 2021, the Company was awarded the CNS certification, with the registration effective from January 1, 2022, and extended through December 31, 2027.

2. Skills

Research and improvement of the welding skills of medium and low-carbon alloy steel and further improvement of the tensile quality of small-diameter thick-walled inner seam drawn steel pipes are the long-term and ongoing tasks of the Company.

3. Environmental protection

For industrial pollution sources such as sewage, air, noise, etc., we implement operations that comply with environmental protection standards, and continue to make improvements to fulfill the Company's social responsibility.

II. Summary of the 2025 business plan

(I) Operational guidelines:

1. In-depth cultivation and promotion of new concepts in the manufacturing service industry.
2. Development of diversified business strategies.
3. To create an organizational climate of dynamism and good communication and coordination.



4. Maintenance and sustainable improvement of the quality assurance system.
5. Continue to promote product upgrades and equipment renovation.
6. Strengthen the cultivation of middle and senior management talents.
7. Implement and promote ESG to make enterprises sustainable.

(II) Expected sales volume and basis thereof:

1. The sales target for 2025 is 63,200 tons of carbon steel pipe and 3,927 tons of hot-rolled coils, 5,704 tons of stainless steel pipe and 26,400 tons of stainless steel coils.

2. Basis for forecast

- (1) Global economy

According to the World Economic Outlook report published by the International Monetary Fund (IMF) in January 2025, the global growth rate for 2025 and 2026 is expected to be 3.3%, lower than the historical average of 3.7% from 2000 to 2019. It is expected that the global inflation rate will drop to 4.2% in 2025 and then to 3.5% in 2026. The developed economies will return to the target level earlier than the emerging and developing economies. According to the latest report published by the International Monetary Fund (IMF) on October 22, 2024, the global economic growth forecast will remain unchanged at 3.2%, but the percentage of economic growth will be adjusted down by 0.1% from 3.3% to 3.2% in 2025. The steel and aluminum tariff policy of the US President, Trump, has been fully effective since March 12, 2025. This tariff not only reinstated the 25% tariff rate on all imported steel and aluminum products, but also expanded to 100 downstream metals. The full implementation of steel and aluminum tariffs represents the further escalation of the US trade protectionism, which has a destructive impact on the global trade system and the US and its partners. The potential countermeasures of each country may trigger a new round of trade war, further intensifying the uncertainty of the global economy.

- (2) Taiwan's economy

The Taiwan Institute of Economic Research (TIER) has revised its forecast for Taiwan's 2025 economic growth to 3.42%, marking the most optimistic projection among domestic think tanks. According to the latest economic forecast published by the TIER, the full-year economic growth rate in 2025 is expected to be 3.42%, an upward revision of 0.27 percentage points from the forecast in November last year. TIER's Director of the Macroeconomic Forecasting Center, Sun Ming-Te, noted that an optimistic business outlook often leads to increased investment. If investment momentum extends from upstream semiconductor applications driven by artificial intelligence (AI) to downstream assembly and further stimulates related sectors such as machinery and electronic components, it could provide additional momentum for economic growth. Meanwhile, the Chung-Hua Institution for Economic Research (CIER) released its own forecast on January 16, 2025, projecting Taiwan's annual economic growth rate at approximately 3.22%. Due to base effect considerations, growth is expected to rise gradually each quarter, from 1.91% in Q1 to 4.02% in Q4 of 2025. The growth model is both internal and external. Domestic demand contributes 2.43 percentage points, and foreign net demand contributes 0.79 percentage points. As for the inflation trend, assuming that the domestic public service business rate has not been adjusted, the estimated annual CPI growth rate in 2025 is approximately 1.93%, which is lower than 2.0%.

- (3) Global steel demand

According to the forecast of World Steel Association, global demand for steel is expected to increase by 2,060 million tons or 1.2% per year in 2025 compared to 2024. The only decline is in China. The World Steel Association has a positive outlook for the demand for steel in 2025, meaning that the impact of the weakening demand in India, Southeast Asia, Central and South America, and the Middle East has gradually waned. It is expected that the global demand for steel in 2025 will rebound.

(4) China's steel demand

According to the report of S&P Global in January 2025, China's steel industry will face the situation of sluggish domestic demand again in the coming year, and the export relief pressure will also gradually disappear. However, the price spread of iron and steel is stable, indicating that the industry is gradually adapting to the downward environment. The real estate market is expected to recover moderately, and the investment in infrastructure will also decline, meaning that the domestic demand for iron and steel will remain weak. The rise of trade protectionism around the world will also undermine the effectiveness of the "pressure valve" in exports. According to the global rating of the steelmakers, the head-end steelmakers will benefit from the focus on production of high value-added products and the reduction of the total production volume in Taiwan, but the overall industry will still be oversupplied. The outlook of the two main domestic demand columns is not good, and it is expected that the domestic consumption of iron and steel in China will decline by 1% in 2025. This decline was smaller than the estimated decline of 2% in 2024 mainly because the decline in the demand for steel in the real estate industry will narrow down. Real estate is a significant pillar of consumption of iron and steel. Even though it is narrowing, the decline in demand for iron and steel in the real estate industry in 2025 is still likely to reach 6.5%, and it will become the main factor for the overall demand. The increase in demand for the manufacturing of automobiles, energy and shipbuilding will mitigate the overall decline in the demand for steel to a certain extent.

(5) Steel demand in Taiwan

The domestic steel industry leader, China Steel, announced that the sales of steel products in February 2025 will be 1.654 million tons, which is lower than the same period of last year. However, the high rise said that China Steel's orders in the second quarter will gradually improve, and the first half of the year will be good. It is necessary to grasp the opportunity of the market's reversal this year with fast, bold and flexible practices. After the US President, Trump, launched a tariff war, the steel price increased. As of now, the hot-rolled steel price in the US has gone up to USD 1,000 per tonne. In the past two months, the hot-rolled steel price in Europe has also gone up by USD 70 per tonne. The steelmakers in Asia, including China Steel, may also increase their prices. This year, the industry is relatively optimistic. World Steel and Iron Industries forecasts that the global demand for steel in 2025 will increase by 20.6 million tonnes compared to this year, getting rid of the recession in the past two years, which shows the steady growth of the economy. Taiwan's economic performance is stable. The Directorate-General of Budget, Accounting and Statistics forecasts that Taiwan's economic growth rate will reach 3.14% in 2025. The growth of exports will drive domestic demand and investment.

- (6) In 2022, our country implemented CNS verification and registration of hot-dip galvanized steel pipes.

After years of collaborative efforts in the industry, the Company was finally approved the Jing-Biao-San-Zi No. 11000042043 issued by the Bureau of Standards, Metrology and Inspection, M.O.E.A. on June 30, 2021, stating that starting from January 1, 2022, all products under 406.4mm of CNS2606/4626/6445 inspection standards for hot-dip galvanized steel, all of which are subject to mandatory inspection for imports and domestic production. A certificate is obtained before the products are imported or shipped from the factory, and can only be displayed and sold in the domestic market. After the implementation of this announcement, the hot-dip galvanizing electric wire conduit and piping without the verification, registration and inspection specified in CNS 2606/4626/6445 shall be prohibited from being sold in the domestic market starting from January 1, 2022. Domestically produced hot-dip galvanizing carbon steel pipes will have a fair operating environment in the domestic construction market, which will help to further improve the Company's operating performance. After years of collaborative efforts in the industry, the Company was finally approved the Jing-Biao-San-Zi No. 11000042043 issued by the Bureau of Standards, Metrology and Inspection, M.O.E.A. on June 30, 2021, stating that starting from January 1, 2022, all products under 406.4mm of CNS2606/4626/6445 inspection standards for hot-dip galvanized steel, all of which are subject to mandatory inspection for imports and domestic production. A certificate is obtained before the products are imported or shipped from the factory, and can only be displayed and sold in the domestic market. After the implementation of this announcement, the hot-dip galvanizing electric wire conduit and piping without the verification, registration and inspection specified in CNS 2606/4626/6445 shall be prohibited from being sold in the domestic market starting from January 1, 2022. Domestically produced hot-dip galvanizing carbon steel pipes will have a fair operating environment in the domestic construction market, which will help to further improve the Company's operating performance.

- (7) Risk exists

As of 2025, the worst of the global challenges—high inflation, elevated interest rates, and slowed economic growth—have gradually begun to ease. However, new uncertainties loom on the horizon, particularly stemming from the economic and trade policies of newly inaugurated U.S. President Donald Trump. Key issues, such as the potential escalation of tariffs, signal a resurgence of trade protectionism in the United States. This shift could pose significant disruptions to the global trade system and strain relationships between the U.S. and its allies. The prospect of retaliatory measures from other nations raises the risk of a renewed trade war, further exacerbating economic uncertainty worldwide. In addition to trade tensions, geopolitical volatility remains a significant concern. The ongoing U.S.–China trade conflict, the unresolved war between Russia and Ukraine, persistent instability in the Middle East, and escalating tensions between China and other Indo-Pacific nations all contribute to a fragile global political environment with potential economic repercussions. Simultaneously, the era of carbon reduction and green steel has officially begun. The transition brings with it unavoidable cost and technological challenges, demanding close attention and proactive strategic planning by businesses and governments alike. The above-mentioned risk development and the corresponding policies of various countries in the world are expected to have an

impact on the industrial operating environment of the Company and have a far-reaching impact.

(III) Important production and marketing policies:

1. Actively invest in the automation of production equipment to reduce human factors, improve product quality, and increase unit production capacity.  
Reduce production costs.
2. Strengthen inventory control, reduce costs, and improve operating efficiency.
3. Intensify sales service, enhance customer satisfaction, and consolidate market share.
4. Actively develop new customers and new products to expand market share.
5. Enhance mutually beneficial cooperation between upstream and downstream companies to ensure a stable and sufficient supply of raw materials.

III. Future development strategy of the Company:

- (I) Deep cultivation of technology: The Company will continue to cultivate and study in the professional field of steel pipe manufacturing technology to maintain its leading position in the industry.
- (II) New product development: The Company strives to develop new products and new applications to extend the life of the Company's products.
- (III) Channel expansion: Develop new sales channels at home and abroad to expand market share and diversify sales risks.
- (IV) Diversified operations: The Company will prudently develop diversified business operations and pursue a new path for further growth.
- (V) Sustainability: The Company will implement and promote ESG for continuous growth and sustainable operation of the Company.

IV. Impacts from the external competitive environment, regulatory environment and overall business environment:

- (I) Recently, due to global geopolitical risks and the impact of the trade conflict between China and the United States, the European and American countries have increased trade protectionism, and continue to investigate unfair competition such as steel dumping and government subsidies, which has caused the circulation price of steel in the Asian market to continue to drop.
- (II) International economic and trade integration is sidelined
- (III) The integration of the RCEPT regional economic cooperation has been completed and launched, but our country is still excluded, with no breakthrough in the impasse. The high barriers to exporting our products remain unavoidable. The disadvantage of not being able to join regional economic and trade cooperation organizations puts our country's steel products at a competitive disadvantage in the face of high tariffs on exports in the future. Additionally, non-tariff barriers such as import verification in most export markets further impact the operations of Taiwan's manufacturing and export activities. The Company faces the reality squarely and in recent years, its development strategy has focused on the investment and construction of overseas production bases, which has been able to effectively respond to the bucking trend.
- (IV) The impact of China's iron and steel industry on global steel prices  
According to data released by the General Administration of Customs of China, China's steel exports reached 110.72 million tons in 2024, marking an increase of 20.46 million tons or 22.7% year-on-year. This is the first time China's steel exports have exceeded

100 million tons, setting a new high since 2016. However, this surge in exports comes as steel prices continue to decline, significantly compressing profit margins across the steel industry. China's crude steel production volume is huge, and if it exports at low prices for a long time, it will shake the global steel market. If China can properly reduce production in 2025, the global steel price will be supported.

(V) Global iron and steel overcapacity remains unchanged

Overcapacity will become a common burden for the global steel industry for a long time, affecting the price fluctuation of raw materials and the market supply and market price of products at any time. The sudden and unpredictable fluctuation of price and quantity in the industry will be regarded as the normal state of operation in the future, increasing the unpredictability of the industry.

(VI) The growing importance of carbon neutrality

The United States, the European Union, and China have separately declared that they take carbon neutrality seriously, revealed that the national goal of achieving zero emissions by year is unavoidable, and the cost and technology challenges derived from the iron and steel industry can no longer be avoided. The trend of the times for green steel and high-priced steel has become clear.

(VII) New expectations for the investment environment

As European and American countries gradually control inflation and high price levels, central banks around the world have gradually switched to a cycle of interest rate cuts at an appropriate time point, thereby boosting consumption and various investments. This is bound to boost the demand for steel materials.

## [Two. Corporate Governance Report]

### I. Information on Directors, President, Vice Presidents, Assistant Managers, and Heads of Departments and Branches:

**Table 1**

(I) Directors:

#### Director information (I)

March 30, 2025

Title (Note 1)	Nationality or place of registration	Name	Gender Age	Date elected	Term of office	Date of initial election (Note 2)	Shareholding at the time of appointment		Current shareholding		Shares held by spouse and minor children		Shares held by nominees		Main experience (academic) (Note 3)	Positions in the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree kinship			Note (Note 4)
							Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %			Title	Name	Relationship	
	The Republic of China	Yuan Chuan Steel Co., Ltd.		2022.6.14	3	2024.6.23	36,962,353	16.46	44,354,823	16.61	0	0.00	0	0						
Director	The Republic of China	Representative: Chun-Fa Huang	Male 68	2022.6.14	3	2001.6.23	0	0.00	0	0.00	0	0.00	0	0.00	Business College, Hsing Wu University Department of International Trade	Chairman of Mayer Steel Pipe Corporation Chairman of Mei Kong Development Co., Ltd. Director of VIETNAM MAYER CORP., LTD Chairman of De An Development Co., Ltd. Chairman of TZE SHIN INTERNATIONAL CO., LTD. Chairman of THE SINCERE DEPARTMENT STORE LTD. Chairman of Beautiful Bay Resort Co., Ltd. Director of Miramar Hotel Corporation Director of Yuan Chuan Steel Co., Ltd Chairman of Du Centre Co., Ltd. Chairman of MAYER INN CORPORATION Chairman of DUBLIN ENTERPRISE CO., LTD. Director of Taiwan Navigator Asset Investment Co., Ltd. Director of MIRAMAR	Director Director	Chun-Chao Huang Hsiu-Mei Huang Yung-Chieh Huang	Brother Sister and brother Father and son	

Title (Note 1)	Nationality or place of registration	Name	Gender Age	Date elected	Term of office	Date of initial election (Note 2)	Shareholding at the time of appointment		Current shareholding		Shares held by spouse and minor children		Shares held by nominees		Main experience (academic) (Note 3)	Positions in the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree kinship			Note (Note 4)
							Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %			Title	Name	Relationship	
																DEVELOPMENT (HK) CO.,LTD. Supervisor of Dewei Investment Co., Ltd. Chairman of Ying Shun Construction Co., Ltd. Director of Singlitong Logistics Co., Ltd.				
	The Republic of China	Representative: Hsiu-Mei Huang	Female 71	2022.6.14	3	2007.6.25	0	0.00	0	0.00	0	0.00	0	0.00	Department of Chinese Literature, National Taiwan University Thunderbird American Graduate School of International Management	Director of Mayer Steel Pipe Corporation Supervisor of Miramar Hotel Corporation Director of Beautiful Bay Resort Co., Ltd. Chairman of Dewei Investment Co., Ltd. Supervisor of Athena Information Systems Ltd., Co. Supervisor of Ying Shun Construction Co., Ltd.	Chairman Director	Chun- Fa Huang Chun- Chao Huang	Sister and brother Sister and brother	
	The Republic of China	Representative: Chun-Chao Huang	Male 64	2022.6.14	3	2007.6.25	0	0.00	0	0.00	0	0.00	0	0.00	1. Department of Electrical Engineering, Massachusetts Institute of Technology 2. Master of Information Management, National Taiwan University	Director of Mayer Steel Pipe Corporation Director of Miramar Hotel Corporation Director of TZE SHIN INTERNATIONAL CO., LTD. Supervisor of De An Development Co., Ltd. Supervisor of Mei Kong Development Co., Ltd. Supervisor of Yuan Chuan Steel Co., Ltd Director of MIRAMAR HOSPITALITY CO., LTD. Director of Du Centre Co., Ltd. Supervisor of Beautiful Bay Resort Co., Ltd. Director of Athena Information Systems Ltd., Co. Chairman of Yuhong Investment Co., Ltd.	Chairman Director	Chun- Fa Huang Hsiu- Mei Huang	Brother Sister and brother	

Title (Note 1)	Nationality or place of registration	Name	Gender Age	Date elected	Term of office	Date of initial election (Note 2)	Shareholding at the time of appointment		Current shareholding		Shares held by spouse and minor children		Shares held by nominees		Main experience (academic) (Note 3)	Positions in the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree kinship			Note (Note 4)
							Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %			Title	Name	Relationship	
Director																Director of Dewei Investment Co., Ltd. Director of Junan Information Co., Ltd.				
	The Republic of China	Representative: Yung-Chieh Huang	Male 44	2022.6.14	3	2013.6.19	0	0.00	0	0.00	0	0.00	0	0.00	Shih Hsin University Department of Journalism	Director of Mayer Steel Pipe Corporation Chairman of DURBAN DIVE CORPORATION Director of THE SINCERE DEPARTMENT STORE LTD. Director of De An Development Co., Ltd. Supervisor of MIRAMAR HOSPITALITY CO., LTD. Director of Mei Kong Development Co., Ltd. Director of Du Centre Co., Ltd.	Chairman	Chun- Fa Huang	Father and son	
Director	The Republic of China	Cheng-Ta International Investment Co., Ltd.		2022.6.14	3	2010.6.25	211,000	0.09	288,000	0.11	0	0.00	0	0.00						
Director	The Republic of China	Representative: Ta-Teng Cheng	Male 73	2022.6.14	3	1995.5.2	0	0.00	0	0.00	200	0.00	0	0.00	University of Dallas Institute of Business Administration	Director of Mayer Steel Pipe Corporation, Director of Glory Word Development Ltd., Director of VIETNAM MAYER CORP., LTD, Director of Sinowise Development Ltd., Director of Elternal Galaxy Ltd., Director of Grace Capital Group Ltd., Chairman of Yuanda Investment Co., Ltd., Director of Xianda Investment Co., Ltd.	Director	Yung- Fen Lin	Sister-in-law	
	The Republic of China	Representative: Yung-Fen Lin	Male 68	2022.6.14	3	2019.3.14	436	0.00	763	0.00	4,000	0.00	0	0.00	Law Institute, National Taipei University; President, Tainan District Court; Judge, Kaohsiung High Administrative Court	Director of Mayer Steel Pipe Corporation	Director	Ta- Teng Cheng	Brother-in- law	



Title (Note 1)	Nationality or place of registration	Name	Gender Age	Date elected	Term of office	Date of initial election (Note 2)	Shareholding at the time of appointment		Current shareholding		Shares held by spouse and minor children		Shares held by nominees		Main experience (academic) (Note 3)	Positions in the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree kinship			Note (Note 4)
							Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %			Title	Name	Relationship	
Independent Director	The Republic of China	Huang-Chi Liu	Male 53	2022.6.14	3	2016.6.21	0	0.00	0	0.00	3,600	0.00	0	0.00	Judge and Presiding Judge of Taipei District Court; Investigating Judge of Taiwan High Court; Director of Jhen Vei Electronic Co., LTD.; Director of UNITED FIBER OPTIC COMMUNICATION INC.; Director of Eastern Hotels & Resorts; Independent Director of CTBC Insurance Co., Ltd.; Independent Director of Taiwan Life Insurance Co., Ltd.	Principal Attorney- at-Law, Zuo Cheng Law Firm Supervisor of SUNEAST ENGINEERING AND DEVELOPMENT CO. Director of LIAN TEH INDUSTRIAL DEVELOPMENT FOUNDATION Vice Chairman of LONG BON INTERNATIONAL CO., LTD Director of Shengcheng Co., Ltd. Director of ET New Media Holding Co., Ltd. Director of Eastern Home Shopping & Leisure Co., Ltd. Director of Eastern Media International Co., Ltd. Chairman of WANZE Company Ltd. Independent Director of UNION INSURANCE CO., LTD., Director of TAISUN ENTERPRISE CO., LTD. Independent Director of CHUN YUAN STEEL INDUSTRY CO.,LTD., Independent Director of Mayer Steel Pipe Corporation	None	None	None	
Independent Director	The Republic of China	Chih-Wei Chang	Male 58	2022.6.14	3	2022.6.14	0	0.00	0	0.00	0	0.00	0	0.00	Case Western Reserve University (master of science) Director of Kang Jun Investment Ltd.; General Manager of Global Technology Services, IBM Taiwan; Director & Executive Vice President of Wistron Information Technology & Services	Chairman of Kang Jun Investment Co., Ltd. Chairman of YUWEI Information Technology Services Co., Ltd. CEO of Shanda Information CO., LTD.	None	None	None	

Title (Note 1)	Nationality or place of registration	Name	Gender Age	Date elected	Term of office	Date of initial election (Note 2)	Shareholding at the time of appointment		Current shareholding		Shares held by spouse and minor children		Shares held by nominees		Main experience (academic) (Note 3)	Positions in the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree kinship			Note (Note 4)
							Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %			Title	Name	Relationship	
Independent Director															Corporation; Supervisor of UVAT Technology Co., Ltd.; Adjunct Associate Professor of Providence University	Independent Director of Mayer Steel Pipe Corporation				
	The Republic of China	Shu-Tzu Chen	Female 60	2023.6.7	3	2023.6.7	0	0.00	0	0.00	0	0.00	0	0.00	Department of Accounting, National Taiwan University, Qualified CPA Examination of AICPA, Partner Account of Hsinyeh CPAs, Director of BIG SUNSHINE CO., LTD., Independent Director of Spirox Corp.	Partner Account of Hsinyeh CPAs Director of BIG SUNSHINE CO., LTD. Independent Director of Spirox Corp. Independent Director of MEGA International Development Co., Ltd. Independent Director of Mayer Steel Pipe Corporation	None	None	None	

Note 1: The institutional shareholders shall list the names of the institutional shareholders and their representatives (representatives of institutional shareholders shall indicate the name of the institutional shareholders), and fill in the following table 1.

Note 2: List the time when the person first serves as a director or supervisor of the Company; if there is any interruption, it should be explained in the notes.

Note 3: Experience related to the current position. If the employee served in a CPA firm or an affiliated company during the aforementioned period, the job title and responsibilities should be detailed.

Note 4: If the chairman of the board of directors and the President or equivalent (the highest manager) of the company are the same person, spouses or relatives within the first degree of kinship, it is necessary to explain the reason, rationality, necessity and measures in response (such as increasing the number of independent directors, and more than half of the directors do not serve as employees or managers concurrently).

**Table 1: Major shareholders of the corporate shareholder**

March 30, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders
Yuan Chuan Steel Co., Ltd.	Miramar Hotel Corporation (81.43%); TZE SHIN INTERNATIONAL CO., LTD.(18.57%)
Cheng-Ta International Investment Co., Ltd.	Fei-Hung Chen (89%), Ta-Teng Cheng(1%)

Note 1: If a director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder shall be filled in.

Note 2: Fill in the names and shareholding ratios of the major shareholders (top 10 shareholders) of the corporate shareholders. If the dominant shareholder is a juristic person, please complete the following table 2.

Note 3: If the institutional shareholder is not a company organizer, the names of shareholders and shareholdings that should be disclosed beforehand are the names of the contributors or donors and their contribution or donation ratio.

**Table 2: Where the major shareholders are corporations in Table 1, the major shareholders**

March 30, 2025

Name of corporate	Major shareholders of corporate entities
Miramar Hotel Corporation	Dewei Investment Co., Ltd.(46.97%), Yi-Yun Hong(16.43%), Hsiu-Mei Huang(11.59%), Kai-Sheng Huang(11.72%), Kai-Hsin Huang(1.77%), Mei-Fang Lu(1.62%), Cheng-Yuan Li(1.62%), Yung-Chieh Huang(6.14%), Wei-Li Cheng(1.41%)
TZE SHIN INTERNATIONAL CO., LTD.	Tienpin Development Co., Ltd(23.15%), Yuan Chuan Steel Co., Ltd(7.94%), MAYER STEEL PIPE CORPORATION(4.99%), De An Development Co., Ltd.(3.41%), Miramar Hotel Corporation(2.67%), Hsiu-Feng Wu(0.53%), Business Department of Standard Chartered in custody of Japan Securities(0.50%), Hui-Min Chen(0.33%), Chiang-Chi Chang(0.32%), Kun-Shan Chang(0.29%)

Note 1: If the major shareholder in Table 1 above is a juristic person, the name of the juridical person shall be filled in.

Note 2: Fill in the names of the major shareholders of the juristic person (whose shareholding ratio accounts for the top ten) and their shareholding ratio.

Note 3: If the institutional shareholder is not a company organizer, the names of shareholders and shareholdings that should be disclosed beforehand are the names of the contributors or donors and their contribution or donation ratio.

## Information of Directors (II)

I. Disclosure of information on directors' professional qualifications and independence of independent directors: Please refer to the information on directors (I), and the information is as follows:

Core Diversification  Name of Director (all directors Note 1) (Independent director Note 2)	Basic composition						Industry experience					Professional ability				
	Nationality	Gender	Age			Length of tenure of independent directors		Iron and steel industry	Real estate investment and development	Hotel and Leisure Industry	Finance and Banking	Transportation	Business and marketing	Laws	Accounting	Risk management
			Aged 40-50	Aged 51-65	Aged 66-75	Less than 3 years	6-9 years									
Yuan Chuan Steel Co., Ltd Representative: Chun-Fa Huang	The Republic of China	Male			V			V	V	V	V	V	V			V
Yuan Chuan Steel Co., Ltd Representative: Hsiu-Mei Huang	The Republic of China	Female			V			V	V	V			V			V
Yuan Chuan Steel Co., Ltd Representative: Chun-Chao Huang	The Republic of China	Male		V				V	V	V		V	V			V
Yuan Chuan Steel Co., Ltd Representative: Yung-Chieh Huang	The Republic of China	Male	V						V	V	V		V			V
Cheng-Ta International Investment Co., Ltd. Representative: Ta-Teng Cheng	The Republic of China	Male			V			V			V		V		V	V
Cheng-Ta International Investment Co., Ltd. Representative: Yung-Fen Lin	The Republic of China	Male			V									V		V
Huang-Chi Liu Independent Director	The Republic of China	Male		V			V	V	V		V			V		V
Chih-Wei Chang Independent Director	The Republic of China	Male		V			V	V		V						V
Shu-Tzu Chen Independent Director	The Republic of China	Female		V			V		V		V		V		V	V

Note 1: None of the directors has the circumstances described in Article 30 of the Company Act.

Note 2: All independent directors meet the requirements of Subparagraphs 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

## II. Diversification and independence of the Board of Directors

The Company has formulated the "Corporate Governance Best Practice Principles", which stipulates that the composition of the Board of Directors should take diversity into consideration. Except that the number of directors who are also the Company's managers should not exceed one-third of the Board. Appropriate diversification policies should include but are not limited to the following two major criteria:

I. Basic conditions and values: gender, age, nationality and culture, among others.

II. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Members of the Board of Directors shall generally possess the necessary knowledge, skills, and literacy to perform their duties. In order to achieve the ideal goal of corporate governance, the board of directors as a whole should have the following capabilities:

- I. Operational judgment.
- II. Accounting and financial analysis ability.
- III. Operation and management ability.
- IV. Crisis management capability.
- V. Industry knowledge;
- VI. The international market view.
- VII. Leadership.
- VIII. Decision-making ability.

The board of directors passed the establishment of "Corporate Governance Code of Conduct" during the meeting held on November 11, 2020, and the diversity guidelines have been mentioned in Chapter 3 - "Enhancement of Board Function." Furthermore, it is stated in the Articles of Incorporation that directors (including independent directors) are to be elected using the candidate nomination system. When nominating and selecting directors (including independent directors), the Company not only considers the professional background of the directors but also takes into account the diversity of board members.

The Company also pays attention to gender equality in the composition of the Board of Directors and maintains at least one female director. On June 14, 2022, the re-election of directors was held for the 22nd term of directors. The Company's Articles of Incorporation set the position for 9 directors (including 3 independent directors) and the candidate nomination system was adopted. There are currently a total of 9 directors incumbent (one independent director resigned on July 21, 2022 for personal reasons; the by-election for the vacant independent director was completed at the shareholders' meeting on June 7, 2023), of which 2 are directors are female; 1 current director is under the age of 50, 4 are between the ages of 51 and 65, and 4 are over the age of 66. None of the current independent directors have served consecutive terms for more than 3 terms. The professional background of the board members covers law, finance, science and technology, and business management, and they are equipped with industry, academia, and diversified knowledge in practice. They often analyze problems from other perspectives and provide professional opinions, which are of great help to the Company's business planning, management efficiency, and decision-making. In addition, Huang-Chi Liu, the managing attorney of Zuo Cheng Law Firm, was elected as an independent director, Chih-Wei Chang, former President of IBM Taiwan Global Technology Services Department, as an independent director, and Shu-Tzu Chen, a partner accountant of Hsinyeh CPAs, was elected as an independent director. They are all representatives from industry, academia, and law, aiming to achieve complementary diversity.

Accordingly, the Company has established the management target for director diversity, which is reviewed and adjusted every year. The current progress is as follows:

Diversification goals	Achievements in 2024
1. At least 50% of them have experience in the iron and steel industry.	Achieved
2. At least 50% of them have experience in the construction industry.	Achieved
3. At least 2 directors have industry experience other than the aforementioned.	Achieved
4. At least one female director is included.	Achieved

**If the number of female directors in the Board of Directors of the Company is less than one-third of the total number of directors, specify the reason and the measures to be taken to enhance the diversity of the Board of Directors:**

As of 2024, the Company's Board of Directors consisted of 9 seats, including 7 men and 2 women, representing 22.22% of the total number of directors. The number of female directors did not meet the requirement of at least 1/3 of the total number of directors as set forth in the “Corporate Governance Best Practice Principles.”

**Explanation:**

The Company is in the traditional manufacturing industry. The proportion of female senior management is low. In addition, the Board of Directors is composed of professionals in long-term service. The number of female director candidates is limited. Therefore, the proportion of female directors is not yet reaching the recommended standard.

**Measures planning for the diversification of directors' genders:**

1. In the future, the Company will actively include female candidates with professional abilities in the nomination of directors, and cooperate with external talent agencies to expand the female director talent pool.
2. Enhance the cultivation of female talent and increase the percentage of female senior executives.

(II) Presidents, Vice Presidents, assistant Vice Presidents, and supervisors of various departments and branches:

Table 1-1

**Information on the President, Vice Presidents, Assistant Vice Presidents, and department and branch managers**

March 30, 2025

Title (Note 1)	Nationality	Name	Gender	Date of inauguration	Number of shares held		Shares held by spouse and minor children		Shares held by nominees		Main experience/education (Note 2)	Positions in other companies	Managers who are a spouse or a relative within the second degree of kinship			Remarks (Note 3)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	The Republic of China	Min- Chi Hsiao	Male	2018.2.7	0	0.00%	0	0.00%	0	0.00%	Tunghai University Department of Accounting	Director of Mei Kong Development Co., Ltd. Director of GRAND TECH PRECISION MANUFACTURING (THAILAND) CORPORATION LIMITED Independent Director of UNIVERSAL VISION BIOTECHNOLOGY CO., LTD. Supervisor of MAYER INN CORPORATION Director of Meiyi Construction Co., Ltd.	None	None	None	
Vice President	The Republic of China	Chen- Chang Huang	Male	2014.1.1	0	0.00%	0	0.00%	0	0.00%	Department of Electrical Engineering, Chien Hsin Junior College of Engineering	Director of GRAND TECH PRECISION MANUFACTURING (THAILAND) CORPORATION LIMITED Director of VIETNAM MAYER CORP., LTD	None	None	None	
Vice President	The Republic of China	Jen- Chin Chiang	Male	2023.5.10	0	0.00%	0	0.00%	0	0.00%	Department of Business Administration, Tamkang University	Director of UNITED STEEL INTERNATIONAL DEVELOPMENT CORPORATION Director, Ningbo Huayang Aluminum Technology Co., Ltd.	None	None	None	

Vice President	The Republic of China	Yu-Chi Huang	Male	2023.5.10	8,937	0.00%	0	0.00%	0	0.00%	Department of Industrial Engineering, Tunghai University	Supervisor of Meiyi Construction Co., Ltd.	None	None	None	
Assistant VP	The Republic of China	Jin-Sheng Wang	Male	2024.1.2	0	0.00%	0	0.00%	0	0.00%	Department of Marine Engineering, Taipei University of Marine Technology	None	None	None	None	
Assistant VP	The Republic of China	Jeffrey Chen	Male	2025.1.1	0	0.00%	0	0.00%	0	0.00%	Department of International Trade, Tamkang University	None	None	None	None	
Audit Office Manager	The Republic of China	Kao, Jia-bao	Male	2021.7.31	0	0.00%	0	0.00%	0	0.00%	Department of Accounting, I-Shou University	None	None	None	None	

Note 1: Includes information on presidents, Vice Presidents, assistant Vice Presidents, and the heads of various departments and branch offices. Any position equivalent to a president, Vice President, or Assistant Vice President must also be disclosed, regardless of their job titles.

Note 2: Experience related to the current position. If the employee served in a CPA firm or an affiliated company during the aforementioned period, the job title and responsibilities should be detailed.

Note 3: If the President or equivalent (the highest manager) of the company are the same person, spouses or relatives within the first degree of kinship, it is necessary to explain the reason, rationality, necessity and measures in response (such as increasing the number of independent directors, and more than half of the directors do not serve as employees or managers concurrently).

(III) If the chairperson of the board of directors and the President or equivalent (top manager) are the same person, spouses or first-degree relatives of each other, the reason, reasonableness, necessity and measures to be taken in response shall be explained: None.



## II. Remuneration to Directors, President and Vice Presidents:

(I) Remuneration to general directors, independent directors, presidents, and Vice Presidents:

(II) The Company shall disclose the name and remuneration of its director or supervisor individually if any of the following The title, name and amount of each job title are filled in separately, and there is no need to fill in the remuneration scale table):

1. The parent company only financial statements of the last three years that have incurred after-tax losses, the names and remunerations of "directors and supervisors" should be disclosed separately, but the parent company only financial statements of the most recent year have generated after-tax net profits that are sufficient to offset the cumulative losses is not subject to this restriction. [Note 1]
2. In the most recent year, where the instances of insufficient shareholding by directors have continued for more than three months, the remuneration paid to individual directors shall be disclosed; in the most recent year, the instances of insufficient shareholdings by supervisors have continued for more than three months, and the remunerations paid to individual supervisors shall be disclosed. [Note 2]
3. If the average pledge of more than 50% of directors or supervisors in the most recent three months in office, the remuneration to individual directors or supervisors with pledges of more than 50% in each month should be disclosed. [Note 3]
4. The amount of remuneration paid to directors and supervisors by all directors and supervisors for all of the companies included in the financial reports, and their remuneration accounts for more than 2% of the net income after tax, and individual directors and supervisors receive remuneration exceeding NT\$15 million, the remuneration of such individual director or supervisor must be disclosed. (Note: The above remuneration to directors and supervisors is calculated based on "Remuneration to Directors" and "Remuneration to Supervisors" in the attached table, excluding the related remuneration received as employees.)
5. Listed and OTC companies that ranked in the bottom two tiers in the most recent corporate governance evaluation, or companies that have been subject to changes in trading methods, trading suspension, delisting/termination of OTC trading during the most recent fiscal year and up to the publication date of the annual report, or those deemed ineligible for evaluation by the Corporate Governance Evaluation Committee. [Note 4]
6. The average annual salary of a full-time non-managerial employee of a company listed on TWSE or TPEx who held non-managerial positions in the most recent year did not reach NT\$500,000. [Note 5]
7. The net profit after tax of a TWSE/TPEx listed company in the most recent year has increased by more than 10%, but the average annual salary of full-time non-managerial employees has not increased compared to the previous year. [Note 6]

8. The loss after tax of a TWSE/TPEX listed company in the most recent year has declined by 10% and exceeded NT\$5 million, and the average remuneration per director (excluding the remuneration of employees) has increased by 10% and exceeded NT\$100,000.

[Note 7]

(III) If a company listed on TWSE or TPEX has any of the circumstances described in (I) or (V) above, the remuneration to the top five executives (e.g., President, Vice President, CEO, or financial officer) with the highest remuneration shall be disclosed separately.

[Note 1] For example, if the 2019 annual report is prepared for the 2020 shareholders' meeting, the Company's after-tax losses in the parent company only or individual financial statements of any of the years from 2017 to 2019 shall be disclosed individually; however, if there is after-tax loss in the parent company only or individual financial statements of 2017 or 2018, but the net profit after tax in the parent company only or individual financial statements of 2019 is sufficient to compensate for the accumulated losses, the individual disclosure shall not be adopted.

[Note 2] For example, taking the 2009 shareholders' meeting preparing the 2008 annual report as an example, if during the period from January 2009 to December 2009, there were instances where directors or supervisors had insufficient shareholding percentages that continued for more than 3 consecutive months, these should be disclosed individually. Additionally, if in January 2009, there were instances where directors or supervisors had insufficient shareholding percentages that continued for more than 3 consecutive months (i.e., November and December 2008, and January 2009 consecutively for 3 months), these should also be disclosed individually.

[Note 3] For example, if the Company is assumed to have been in February, May and August of 2009 for three months, and the average pledge ratio of all directors in each month is higher than 50%, the remuneration of each director with a pledge ratio of more than 50% in February, May and August of 2009 should be disclosed; if the supervisor has an average pledge ratio of more than 50% for three months, the remuneration of each supervisor with a pledge ratio of more than 50% should be disclosed.

※The average monthly pledge ratio of all directors is calculated as: Total number of shares pledged by all directors ÷ Total number of shares held by all directors (including shares held under a trust with retained decision-making authority); The average monthly pledge ratio of all supervisors is calculated as: Total number of shares pledged by all supervisors ÷ Total number of shares held by all supervisors (including shares held under a trust with retained decision-making authority).

[Note 4] For example, the 2023 Annual Report is prepared for the 2024 Shareholders' Meeting. According to the corporate governance evaluation results, the annual report is published in April of each year. If the corporate governance evaluation results of the most recent year (2023) have not been announced, the latest corporate governance evaluation results (such as 2022) can be used as the basis, and the annual report of the shareholders' meeting should be amended and uploaded to

the MOPS for disclosure of the remuneration in the form of names if the Company is in the last two levels of the corporate governance evaluation and the name is disclosed in the form of remuneration.

- [Note 5] For example, if the 2021 Annual Report is prepared for the 2022 Shareholders' Meeting, the Shareholders' Meeting is prepared by the TWSE/TPEX-listed company at the end of the most recent year (2021). As the average salary of full-time non-managerial employees in the most recent year (2021) is available, the data in the most recent year (2021) should be used to assess whether the average is less than NT\$ 500,000, and the remuneration of individual directors and supervisors should be disclosed.
- [Note 6] For example, if the 2023 annual report is prepared for the 2024 shareholders' meeting, the 2022 financial statements of TWSE/TPEX-listed companies with a 10% increase in net income after tax compared to 2022 (if the company in 2022 is a deficit, and the profit in 2023 is applicable), but if the average annual salary of full-time non-managerial employees is not higher than that in 2022, the remuneration of directors should be disclosed individually. Net profit after tax refers to the net profit after tax of the entity or individual financial report of the most recent year. The definition and calculation of full-time employees and their salaries are based on the "Regulations Governing the Filing of Information by TWSE Listed Companies and Offshore Index Stock Funds Listed on the TPEX" and the "Regulations Governing the Filing of Information by TPEX Listed Companies" regarding the "Information on Full-time Non-Managerial Employees' Salaries.
- [Note 7] For example, if the 2023 Annual Report is prepared for the 2024 General Meeting of Shareholders, the financial statements of TWSE/TPEX-listed companies for 2023 show a decline of more than 10% in the net income after tax compared to 2022, and the amount reaches NT\$5 million or more (applicable to both net income after tax or loss after tax), and the average remuneration of each director increases by 10% (excluding the remuneration of employees), and if the amount exceeds NT\$100,000, the remuneration of each director should be disclosed. Profit and loss after tax refers to the profit and loss after tax of the entity or individual financial report of the most recent year.

Table 1-2 (Remuneration disclosure method)

## (1-1) Remuneration to the general directors and independent directors (disclose the name and remuneration separately)

Unit: NTD thousands

Title	Name	Remuneration of Directors								The sum of A, B, C and D as a percentage of net income (Note 10)		Remuneration for concurrently serving as an employee								The sum of A, B, C, D, E, F and G as a percentage of net income (Note 10)		Remuneration received from invested businesses other than subsidiaries or from the parent company (Note 11)
		Remuneration (A) (Note 2)		Retirement pension (B)		Remuneration for directors (C) (Note 3)		Service execution expenses (D)(Note 4)				Salaries, bonuses and allowances (E) (Note 5)		Severance pay and pension (F)		Remuneration for employees (G) (Note 6)						
		The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)			The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company		All companies included in the financial report (Note 7)				
										Cash amount	Amount of shares					Cash amount	Amount of shares					
	Yuan Chuan Steel Co., Ltd.	0	0	0	0	22,698	22,698	0	0	2.75	2.75	0	0	0	0	0	0	0	0	2.75	2.75	None
Chairman	Representative: Chun-Fa Huang	600	600	0	0	0	0	180	180	0.09	0.09	2,498	2,498	0	0	4,933	0	4,933	0	0.99	0.99	5,216
Director	" : Hsiu-Mei Huang	0	0	0	0	0	0	160	160	0.02	0.02	0	0	0	0	0	0	0	0	0.02	0.02	None
Director	" : Chun-Chao Huang	0	0	0	0	0	0	160	160	0.02	0.02	0	0	0	0	0	0	0	0	0.02	0.02	1,204
Director	" : Yung-Chieh Huang	0	0	0	0	0	0	140	140	0.02	0.02	0	0	0	0	0	0	0	0	0.02	0.02	146
	Cheng-Ta International Investment Co., Ltd.	0	0	0	0	9,079	9,079	0	0	1.10	1.10	0	0	0	0	0	0	0	0	1.10	1.10	None
Director	Representative: Ta-Teng Cheng	1,080	1,080	0	0	0	0	180	180	0.15	0.15	0	0	0	0	0	0	0	0	0.15	0.15	None
Director	" : Yung-Fen Lin	0	0	0	0	0	0	180	180	0.02	0.02	0	0	0	0	0	0	0	0	0.02	0.02	None
Independent Director	Huang-Chi Liu	720	720	0	0	0	0	180	180	0.11	0.11	0	0	0	0	0	0	0	0	0.11	0.11	None
Independent	Chih-Wei	720	720	0	0	0	0	180	180	0.11	0.11	0	0	0	0	0	0	0	0	0.11	0.11	None

Title	Name	Remuneration of Directors								The sum of A, B, C and D as a percentage of net income (Note 10)		Remuneration for concurrently serving as an employee								The sum of A, B, C, D, E, F and G as a percentage of net income (Note 10)		Remuneration received from invested businesses other than subsidiaries or from the parent company (Note 11)
		Remuneration (A) (Note 2)		Retirement pension (B)		Remuneration for directors (C) (Note 3)		Service execution expenses (D)(Note 4)				Salaries, bonuses and allowances (E) (Note 5)		Severance pay and pension (F)		Remuneration for employees (G) (Note 6)						
		The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company		All companies included in the financial report (Note 7)		The Company	All companies included in the financial report			
Director	Chang																					
Independent Director	Shu-Tzu Chen	720	720	0	0	0	0	100	100	0.11	0.11	0	0	0	0	0	0	0	0	0.11	0.11	None

Note 1: The names of directors should be listed separately (for corporate shareholders, the name of the corporate shareholder and its representatives should be listed separately), and the general directors and independent directors should be listed separately, and the amount of each payment should be disclosed in an aggregated manner. This form and the following table (3-1) or (3-2-1) and (3-2-2) should be filled out if the director is also the President or Vice President.

Note 2: Refers to the directors' remuneration in the most recent year (including directors' salaries, allowances, severance pay, various bonuses, incentives, etc.).

Note 3: It refers to the amount of directors' remuneration approved by the board of directors in the most recent year.

Note 4: Refers to directors' business-related expenses in the most recent year (including travel, special allowances, various subsidies, accommodation, vehicles, and other in-kind benefits). For example, when providing houses, cars and other means of transportation or personal expenditures, the nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed. If there is a driver, please explain in a note the remuneration paid to the driver, but it is not included in the remuneration. The remuneration to the Company's directors with chauffeurs was approximately NTD 900 thousand.

Note 5: This refers to the remuneration received by directors who concurrently serve as employees (including the President, Vice President, other managers, and employees) in the most recent fiscal year. This includes salaries, job allowances, severance pay, various bonuses, incentives, transportation allowances, special allowances, various subsidies, dormitories, company vehicles, and other benefits in kind. For example, when providing houses, cars and other means of transportation or personal expenditures, the nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed. If there is a driver, please explain in a note the remuneration paid to the driver, but it is not included in the remuneration. In addition, salary expense recognized under IFRS 2, "Share-based Payment," including the acquisition of employee stock options, new restricted employee stock, and participation in cash capital increase to subscribe for shares, should also be included in remuneration.

Note 6: Refers to the amount of employee remuneration distributed to employees (including shares and cash) as approved by the board of directors for directors who served concurrently as employees (including concurrently serving as president, Vice President, manager, and employee) in the most recent year. If it is impossible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the Table 1-3 shall be filled in separately.

Note 7: The total amount of remuneration paid to directors of the Company by all companies included in the consolidated financial statements (including the Company) should be disclosed.

Note 8: The total amount of each remuneration paid by the Company to each director is disclosed with the name of the director in the bracket.

Note 9: The total amount of remuneration paid to each director of the Company by all companies (including the Company) in the consolidated report should be disclosed, and the name of the director should be disclosed in the range to which he belongs.

Note 10: Net profit after tax refers to the net profit after tax of the entity or individual financial report of the most recent year.

Note 11: a. This column should clearly state the amount of remuneration received by the Company's directors from invested businesses other than subsidiaries or from the parent company (if none, please enter "None").

b. If the company director receives remuneration from the invested business other than the subsidiaries or the parent company, the remuneration received by the company director from the invested business other than the subsidiaries or the parent company shall be included in the remuneration level column I. and changed the name of the column to "Parent Company and all investees."

c. Remuneration refers to the remuneration, remuneration (including remuneration of employees, directors, and supervisors) and professional service expenses received by the Company's directors for serving as directors, supervisors or managers in invested businesses other than subsidiaries or the parent company remuneration.

\*The concept of remuneration disclosed in this table is different from that of income tax law. Therefore, this table is for information disclosure and not for tax purpose.

## Remuneration of supervisors

The Company established an Audit Committee to replace supervisors on June 21, 2016, and thus no remuneration to supervisors.

### (3-1) Remuneration of president, and vice president (individual disclosure of compensation by name and amount)

Unit: NTD thousands

Title	Name	Salary (A) (Note 2)		Severance pay and pension (B)		Bonuses and allowances (C) (Note 3)		Employees' remuneration (D) (Note 4)				Sum of A, B, C and D as a percentage of net income (Note 8)		Remuneration received from invested businesses other than subsidiaries or from the parent company (Note 9)
		The Company	All companies included in the financial report (Note 5)	The Company	All companies included in the financial report (Note 5)	The Company	All companies included in the financial report (Note 5)	The Company		All companies included in the financial report (Note 5)		The Company	All companies included in the financial report	
								Cash amount	Amount of shares	Cash amount	Amount of shares			
President	Min-Chi Hsiao	4,440	4,440	388	388	1,287	1,287	7,745	0	7,745	0	1.68	1.68	1,334
CEO	Chun-Fa Huang	2,024	2,024	0	0	474	474	4,933	0	4,933	0	0.90	0.90	5,216
Vice President	Chen-Chang Huang	1,776	1,776	108	108	637	637	3,988	0	3,988	0	0.79	0.79	1,321
Vice President	Jen-Chin Chiang	1,608	1,608	0	0	598	598	2,275	0	2,275	0	0.54	0.54	0
Vice President	Yu-Chi Huang	1,608	1,608	107	107	598	598	3,024	0	3,024	0	0.65	0.65	0

\*Disclosure is mandatory for persons who hold positions equivalent to a President or vice president (e.g. group president, CEO, general manager etc).

Note 1: The names of the President and Vice Presidents should be listed separately, and the amounts of each payment should be disclosed in an aggregated form.

If the director is also the President or Vice President, this table and the above table (1-1), or (1-2-1) and (1-2-2) should be filled out.

Note 2: Fill in the salary, duty allowance and severance pay of the President and Vice President in the most recent year.

Note 3: Fill in the amount of various bonuses, incentives, transportation allowances, special expenses, various allowances, dormitory, vehicles and other in-kind benefits and other remuneration for the President and Vice Presidents in the most recent year. For example, when providing houses, cars and other means of transportation or personal expenditures, the nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed. If there is a driver, please explain in a note the remuneration paid to the driver, but it is not included in the remuneration. In addition, salary expense recognized under IFRS 2, "Share-based Payment," including the acquisition of employee stock options, new restricted employee stock, and participation in cash capital increase to subscribe for shares, should also be included in remuneration. The remuneration to the managers with chauffeurs was approximately NT\$792 thousand.

- Note 4: It refers to the amount of employee remuneration distributed to the President and Vice Presidents (including stocks and cash) approved by the board of directors in the most recent year. If it is impossible to estimate, the proposed distribution amount for this year will be calculated based on the actual distribution amount last year, and a separate Fill out Table 1-3.
- Note 5: The total amount of remuneration paid to the Company's president and vice presidents by all companies (including the Company) in the consolidated financial statement should be disclosed.
- Note 6: Disclose the name of the total amount of various remunerations to each president and vice presidents paid by the Company in the scale to which they belong.
- Note 7: The total amount of each remuneration item paid by all companies (including the Company) in the consolidated report to each president and Vice President of the Company should be disclosed, and the name of the president and Vice President should be disclosed in the scale to which they belong.
- Note 8: Net profit after tax refers to the net profit after tax of the entity or individual financial report of the most recent year.
- Note 9: a. This column should clearly state the amount of remuneration paid to the Company's President and Vice Presidents from the reinvested business other than the subsidiaries or the parent company (if none, please indicate "None").
- b. If the Company's President and Vice Presidents receive remuneration from invested enterprises, other than subsidiaries, or the parent company, the remuneration received by the Company's President and Vice Presidents from invested enterprises, other than subsidiaries, or the parent company, Incorporated into Column E of the Remuneration brackets table and renamed the column as "Parent Company and all investees."
- c. Remuneration refers to the remuneration, remuneration (including remuneration to employees, directors, and supervisors) and remuneration received by the Company's President and Vice Presidents for serving as directors, supervisors, or managers of invested businesses other than subsidiaries or of the parent company. Business execution expenses and other related remuneration.
- \*The concept of remuneration disclosed in this table is different from that of income tax law. Therefore, this table is for information disclosure and not for tax purpose.

(III) If a company listed on TWSE or TPEx has any of the circumstances described in 1 or 5 above, the remuneration to the top five executives (e.g., President, Vice President, CEO, or financial officer) with the highest remuneration shall be disclosed separately information.

Based on the 2024 Corporate Governance Evaluation results (the Company is ranked in Tier 3), such disclosure is not required.



(4-1) Remunerations paid to the top five executives of TWSE/GTSM listed companies (the name and remuneration of each company is disclosed individually)

(Note 1) Unit: NT\$ thousand; %

Title	Name	Base salary (A) (Note 2)		Severance pay and pension (B)		Bonus and special charges, etc. (C) (Note 3)		Remuneration for employees (D) (Note 4)				Sum of A, B, C and D as a percentage of net income (%) (Note 6)		Remuneration received from reinvested businesses or the parent company other than subsidiaries (Note 7)
		The Company	All companies included in the financial report (Note 5)	The Company	All companies included in the financial report (Note 5)	The Company	All companies included in the financial report (Note 5)	The Company		All companies included in the financial report (Note 5)		The Company	All companies included in the financial report	
								Cash amount	Amount of shares	Cash amount	Amount of shares			
Disclosure not required														

Note 1: The term "top five highest-paid executives" refers to the company's managers. The criteria for identifying these managers are based on the definition of "manager" as stipulated in the letter issued by the Financial Supervisory Commission of the Ministry of Finance on March 27, 2003, under document number Tai-Cai-Zheng-San-Zi No. 0920001301. The principle of determining the "Top 5 with the highest remuneration" is that the company's managers receive salaries, Severance pay and pension, bonuses, and special expenditures from all companies included in the consolidated financial statements, and the total amount of employees' remuneration (i.e. A + total of B + C + D ), and the top five remunerations shall be determined according to the highest remuneration. If the director is also an officer mentioned above, this table and the above table (1-1) should be completed.

Note 2: Filled with salaries, duty allowances, and severance pay of the top five executives with the highest remuneration in the most recent year.

Note 3: The amount of various bonuses, incentives, transportation allowances, special allowances, various allowances, accommodation, vehicles and other in-kind benefits and other remunerations to the top five executives in the most recent year. For example, when providing houses, cars and other means of transportation or personal expenditures, the nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed. If there is a driver, please explain in a note the remuneration paid to the driver, but it is not included in the remuneration. In addition, salary expense recognized under IFRS 2, "Share-based Payment," including the acquisition of employee stock options, new restricted employee stock, and participation in cash capital increase to subscribe for shares, should also be included in remuneration.

Note 4: The amount of employee remuneration (including stocks and cash) approved by the board of directors for the top five executives with the highest remuneration in the most recent year. If it is impossible to estimate, the proposed distribution amount for this year will be calculated based on the actual distribution amount last year, and a separate Fill out Table 1-3.

Note 5: The total amount of remuneration paid by all companies (including the Company) to the top five executives of the Company in the consolidated report should be disclosed.

Note 6: Net profit after tax refers to the net profit after tax of the entity or individual financial report of the most recent year.

Note 7: a. This column should clearly state the amount of remuneration received by the top five executives with the highest remuneration from reinvested businesses other than subsidiaries or the parent company (if none, please indicate "None").

b. Remuneration refers to the return received by the Company's top five officers with the highest remuneration for serving as directors, supervisors or managers of reinvested enterprises other than subsidiaries or the parent company, remuneration (including remuneration to employees, directors and supervisors) and Business execution expenses and other related remuneration.

\*The concept of remuneration disclosed in this table is different from that of income tax law. Therefore, this table is for information disclosure and not for tax purpose.

**Table 1-3**

**Name of managers receiving employee remuneration and distribution** Unit: NT\$ thousands; %  
May 6, 2025

	Job title (Note 1)	Name (Note 1)	Amount of shares	Cash amount	Total	Total as a percentage of net income after tax (%)
Managerial Officer	President	Min-Chi Hsiao	0	25,090	25,090	3.04
	CEO	Chun-Fa Huang				
	Vice President	Chen-Chang Huang				
	Vice President	Jen-Chin Chiang				
	Vice President	Yu-Chi Huang				
	Assistant VP	Jin-Sheng Wang				

	Head of Accounting Department	Hui-Wen Li				
	Corporate Governance Officer	Shui-Chun Wang				

Note 1: Individual names and job titles should be disclosed; however, profit distribution may be disclosed in aggregate form.

Note 2: Represents the amount of employee remuneration (including stock and cash) distributed to managerial officers in the most recent year, as approved by the board of directors. If it is impossible to estimate, the proposed distribution amount for this year will be calculated based on the actual distribution amount last year. The net profit after tax refers to the net profit after tax of the most recent year; if the IFRSs are adopted, the net profit after tax refers to the net profit after tax of the entity or individual financial report in the most recent year.

Note 3: The applicable scope of managerial officers, in accordance with the provisions of Jin-Guan-Zheng-Guan-Zi No. 1120384295 dated October 4, 2023, is as follows:

- (1) President and equivalent level (2) Vice President and equivalent level (3) Assistant Vice President and equivalent level
- (4) Head of the financial department; (5) Head of the accounting department; (6) Other persons authorized to manage affairs and sign on behalf of the Company

Note 4: If the directors, President and Vice Presidents have received employee remuneration (including shares and cash), in addition to Table 1-2, this table should be filled out.

- (IV) Comparison and explanation of the total remunerations paid to the directors, supervisors, president, and Vice Presidents of the Company in the most recent two years by the Company and all companies in the consolidated financial statements as a percentage of the after-tax net profits stated in the parent company only financial statements, and explanation of the policies for payment of remuneration, Standards and packages, the procedure for determining remuneration, and its association with operating performance and future risks.

**Analysis of the percentage of total remunerations paid by the Company to the directors, supervisors, president, and Vice Presidents in the most recent two years to the net income stated in the parent company only financial statement:**

Unit: NTD thousand; %

Item  Title	The Company				All companies included in the consolidated financial statements			
	2023		2024		2023		2024	
	Total amount	As a percentage of net income after tax	Total amount	As a percentage of net income after tax	Total amount	As a percentage of net income after tax	Total amount	As a percentage of net income after tax
Director	42,288	3.96	44,589	5.40	42,288	3.96	44,589	5.40
President and Vice Presidents	32,727	3.06	30,288	3.67	32,727	3.06	30,288	3.67
Net profit after tax	1,067,784	-	826,068	-	1,067,784	-	826,068	-

Explanation:

The net profit after tax in 2024 decreased compared to that in 2023, and the total amount of remuneration to managers decreased compared to that in 2023. The total amount of remuneration to directors increased slightly due to the directors who also serve as employees in the current year.

1. The remuneration to directors can be roughly divided into (A) remuneration, (C) director's remuneration and (D) professional service fees.

(A) The remuneration primarily consists of directors' salaries, which are based on Article 21 of the company's Articles of Incorporation, authorizing the board to consider their participation and contribution value to the company's operations, and to refer to the board's performance evaluation method for regular assessments (e.g., grasp of company goals and missions, participation in company operations, internal relationship management and communication, directors' professional contributions). The performance evaluation results of the board in 2024: the self-assessment score of the board was 4.58, and the average self-assessment score of board members was 4.83, both rated as excellent or above, and referenced the usual standards in the industry for payment.

(C) The remuneration of directors is distributed in accordance with Article 40 of the Company's Articles of Incorporation. If there is a profit in the year, no more than 3% of the remuneration shall be set aside as remuneration of directors, so it is highly correlated with the operating performance of the Company.

(D) Business execution expenses are mainly transportation expenses.

2. The remuneration paid to managers (including President and Vice Presidents) by the Company can be roughly divided into (A) salaries, (B) Severance pay and pension, (C) bonuses and (D) employee remuneration. Remuneration for executives (including the general manager and deputy general manager), in addition to salary and retirement

benefits, is based on the company's operational performance. Article 40 of the company's Articles of Incorporation stipulates that if the company is profitable in a given year, 1% to 5% should be allocated for employee remuneration.

Consider the managerial officers' performance evaluation items, including: financial indicators: the company's revenue, the achievement rate of net income before and after tax, the calculation and payment method of the Company's performance bonus (excerpted below): calculation method (1). and the performance bonus, which is the basis of cash dividend calculation.  $=A+B+C+D$  (A.Total shipment of carbon steel pipes; B.Total shipment of stainless steel pipe; C.Total shipment of carbon steel, D.Total shipment of stainless steel ; Calculated based on operating income; (2) Operating income before directors' monthly remuneration \* 2%. Total amount of performance bonus = (1) + (2). The multiples of bonus for supervisors are given according to the grade of supervisor. After the factory manager has reviewed the bonuses and reported them to the Company, the bonuses are disbursed by the 25th day of the following month.

Non-financial indicators: Moral hazard incidents for managers or other negative impact on the Company's image or goodwill; influence, internal management misconduct, personnel abuse, etc.; compliance or operational risk of the department where any significant deficiencies are identified, appropriate adjustments and distributions are made. The Company's Remuneration Committee assesses the salaries of managerial officers on a regular basis, therefore it is highly correlated to the Company's operating performance.

3. The Company established the Audit Committee to replace supervisors on June 21, 2016.

### III. Operations of corporate governance

#### (I) Operation of the Board of Directors

Table 2

#### (1) Information on the operation of the Board of Directors

A total of 9 board meetings were held in 2024 (A). The attendance of directors is as follows:

Title	Name (Note 1)	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note 2)	Remarks
Chairman	Yuan Chuan Steel Co., Ltd. Representative: Chun-Fa Huang	9	0	100	
Director	Yuan Chuan Steel Co., Ltd. Representative: Hsiu-Mei Huang	8	0	88.9	
Director	Yuan Chuan Steel Co., Ltd. Representative: Chun-Chao Huang	7	0	77.8	
Director	Yuan Chuan Steel Co., Ltd. Representative: Yung-Chieh Huang	9	0	100	
Director	Cheng Ta International Investment Co., Ltd. Representative: Ta-Teng Cheng	9	0	100	
Director	Cheng Ta International Investment Co., Ltd. Representative: Yung-Fen Lin	9	0	100	
Independent Director	Huang-Chi Liu	9	0	100	
Independent Director	Chih-Wei Chang	9	0	100	
Independent Director	Shu-Tzu Chen	9	0	100	
Other information to be disclosed:					
I. If the operation of the board of directors meets any of the following circumstances, the date and session of the board of directors, the contents of the motions, the opinions of all independent directors, and the Company's handling of the opinions of the independent directors shall be stated:					
II. (I) Matters listed in Article 14-3 of the Securities and Exchange Act.					
Date of Board Meeting	Term	Agenda		Opinions of all	The Company's handling of

			independent directors	independent directors' opinions
2024.1.9	The 22nd board 13th meeting	Proposal to increase the endorsement/guarantee limit of NT\$72,820,000 by the subsidiary, Meiyi Construction Co., Ltd. (90% owned by the Company) was submitted for voting.	Agreed and passed	Agreed and passed
		The Company's 2024 business plan was submitted for discussion.	Agreed and passed	Agreed and passed
2024.3.13	The 22nd board 14th meeting	Proposal for the Company's 2023 "Internal Control System Statement" submitted for voting.	Agreed and passed	Agreed and passed
		The Company's 2023 distribution of remunerations to employees and directors was submitted for discussion.	Agreed and passed	Agreed and passed
		Propose to the Company's 2023 business report, parent company only financial statements, and consolidated financial statements submitted for review.	Agreed and passed	Agreed and passed
		The Company's 2023 Proposal of Earnings Distribution, Base Date and Date of Cash Dividend Distribution was submitted for discussion.	Agreed and passed	Agreed and passed
		Proposal for capitalization of earnings by the Company by issuing new shares was submitted for discussion.	Agreed and passed	Agreed and passed
		The 2024 annual shareholders' meeting of the Company is scheduled to be held on June 7, 2024 was submitted for discussion.	Agreed and passed	Agreed and passed
		Regular assessment of the independence and suitability of the CPAs submitted for review.	Agreed and passed	Agreed and passed
		Proposal for the appointment and remuneration of the Company's 2024 financial statement auditors submitted for voting.	Agreed and passed	Agreed and passed
		Proposal of loaning of NT\$300 million to the subsidiary Mei Kong Development Co., Ltd. was submitted for discussion.	Agreed and passed	Agreed and passed

2024.4.25	The 22nd board 15th meeting	In response to the need for business expansion and to strengthen corporate governance, the company proposes the creation of the position of Chief Executive Officer (CEO), to be concurrently held by Chairman Chun-Fa Huang. Please proceed to discuss.	Agreed and passed	Agreed and passed
2024.5.10	The 22nd board 16th meeting	The Company's 2024 first quarter consolidated financial statement was submitted for discussion.	Agreed and passed	Agreed and passed
2024.7.12	The 22nd board 17th meeting	Proposal to provide endorsement and guarantee for a subsidiary, 100% owned by the Company, USI Corporation, to a related party, Mei Kong Development Co., Ltd., in the amount of NT\$2.35 billion.	Agreed and passed	Agreed and passed
		Proposal of capitalization of 2024 earnings by way of issue of new shares submitted for voting.	Agreed and passed	Agreed and passed
2024.8.9	The 22nd board 18th meeting	The Company's 2024 second quarter consolidated financial statement was submitted for discussion.	Agreed and passed	Agreed and passed
		Discussion of the Company's 2023 third-quarter consolidated financial statements.	Agreed and passed	Agreed and passed
2024.10.16	The 22nd board 19th meeting	Proposal to add the endorsement and guarantee amount of Yuanyi Construction Co., Ltd., NT\$196,900,000 submitted for voting.	Agreed and passed	Agreed and passed
		Proposal to have the Company subscribe to the cash issue of 90%-held subsidiary - Mei Yi Construction Co., Ltd. submitted for discussion.	Agreed and passed	Agreed and passed
2024.11.11	The 22nd board 20th meeting	The Company's 2024 third quarter consolidated financial statement, submitted for review.	Agreed and passed	Agreed and passed
		The Company's "2025 Annual Internal Audit Plan", was submitted for discussion.	Agreed and passed	Agreed and passed
		Amendment to the Company's "Internal Control System" and "Internal Audit Implementation Rules" was submitted for discussion.	Agreed and passed	Agreed and passed



2024.12.19	The 22nd board 21st meeting	Proposal to purchase land for the construction of residential buildings for sale through urban renewal was submitted for discussion.	Agreed and passed	The proposal was approved by all attending directors, and the proposal of the Audit Committee was adopted: (1) Before signing the contract, it was confirmed that Jing-Cheng Construction and Development has the right to dispose of the project, i.e. directly transferring to the Company under the trust structure, to ensure the rights and interests of the Company. (2) For the land purchase, please obtain the urban renewal approval from the landlord, Yang, for the subsequent urban renewal, and the Company's rights and interests are protected.
<p>(II) Except for the aforementioned matters, any other resolutions of the Board of Directors to which independent directors objected or had reservations that were recorded or stated in a written statement: None.</p> <p>III. For the recusal of a director from a proposal because of a conflict of interest, the name of the director, the content of the proposal, the reason for recusal, and the participation in voting should be stated:</p>				

1. 2024.3.13 In the 14th meeting of the 22nd the Board of Directors, except for independent directors who do not have the conflict of interest in the distribution of directors' remuneration, all other directors did not participate in the discussion and voting of this agenda, and all of them sidestepped from the discussion and voting of this agenda. The chair appointed the independent director, Shu-Tzu Chen, as the deputy to preside over the meeting. The proposal was approved by all directors attending the meeting without objections.
  2. 2024.4.25 In the 15th meeting of the 22nd Board of Directors, the chairperson, Chun-Fa Huang, had a conflict of interest and did not participate in the discussion or voting of this agenda - the addition of CEO. He also withdrew from the discussion and voting of this agenda. The chairperson appointed the independent director, Huang-Chi Liu, as the acting chairperson. The meeting was chaired by the independent director, Huang-Chi Liu. The proposal was unanimously approved by all directors attending the meeting without objections.
  3. 2024.7.10 In the 17th meeting of the 22nd Board of Directors, as Chairperson Chun-Fa Huang, Director Hsiu-Mei Huang, and Director Yung-Chieh Huang were involved in a potential conflict of interest regarding the agenda item on endorsements and guarantees, they did not participate in the discussion or voting of the proposal and recused themselves during the deliberation and resolution process. Chairperson Chun-Fa Huang designated Independent Director Huang-Chi Liu to act as the chair and preside over the meeting. After Independent Director Huang-Chi Liu consulted the attending directors, the proposal was approved unanimously without objection.
- IV. The TWSE/TPEX listed company shall disclose the evaluation cycle and period, evaluation scope, method and evaluation content of the board of directors' self-evaluation (or peer evaluation), and fill in Table 2 (2) the implementation of the board of directors evaluation.
- V. Enhancements to the functionality of the Board of Directors in the current year and the most recent year (e.g. establishment of an Audit Committee, enhancement of information transparency, etc.) and evaluation of their implementation:
1. Implement corporate governance and enhance information transparency: The Board of Directors operates in accordance with the "Corporate Governance Best-Practice Principles" and "Rules of Procedure for Board of Directors Meetings", and the Company's board meetings are convened in accordance with these regulations, with a sound implementation.
  2. The Company adheres to the principle of operational transparency and publishes important resolutions on the Market Observation Post System immediately after a board meeting to protect the rights and interests of investors.
  3. The Company has purchased liability insurance for all directors, and has declared its insurance coverage in accordance with the regulations.
  4. The Company has established the Remuneration Committee, which can effectively plan the optimal remuneration system.
  5. The Company elected independent directors and established the Audit Committee at the general shareholders' meeting 2016 to strengthen corporate governance.
- Performance evaluation: Good.

6. Continuing education for directors: The Company arranges continuing education courses for directors so that directors can easily obtain relevant information and maintain their core values and professional advantages and capabilities. The courses required for directors are as follows:

Director	Corporate entity	Representative	Course name	Number of hours
Director	Yuan Chuan Steel Co., Ltd.	Chun-Fa Huang	2024 New Corporate Governance and Board of Directors Performance Evaluation Practice Interpretation	3
			Taiwan's future under the US-China conflict	3
		Hsiu-Mei Huang	2024 New Corporate Governance and Board of Directors Performance Evaluation Practice Interpretation	3
			Sustainable Supply Strategies under the Increasing Global Risks	3
		Chun-Chao Huang	2024 New Corporate Governance and Board of Directors Performance Evaluation Practice Interpretation	3
			Economic Condition and Business Opportunities for the New Southbound	3
		Yung-Chieh Huang	2024 New Corporate Governance and Board of Directors Performance Evaluation Practice Interpretation	3
			Taiwan's future under the US-China conflict	3
	Cheng-Ta International Investment Co., Ltd.	Ta-Teng Cheng	2024 New Corporate Governance and Board of Directors Performance Evaluation Practice Interpretation	3
			Taiwan's future under the US-China conflict	3
		Yung-Fen Lin	2024 New Corporate Governance and Board of Directors Performance Evaluation Practice Interpretation	3
			Taiwan's future under the US-China conflict	3
Independent Director	Individual	Huang-Chi Liu	2024 Economic Outlook	1
			Shareholders' Meetings, Management Rights, and Equity Strategies	3
			Directors' Responsibilities in Management Rights Disputes	3
			Vision and Trends in ESG Evaluation	1
			2024 New Corporate Governance and Board of Directors Performance Evaluation Practice Interpretation	3
			Senior-Friendly Services and Prevention of Financial Exploitation from the Perspective of Fair Customer Treatment	3
			ESG Sustainability Trends and the Natural Risk TNFD Framework	3
	Individual	Chih-Wei Chang	2024 New Corporate Governance and Board of Directors Performance Evaluation Practice Interpretation	3
			Taiwan's future under the US-China conflict	3

			Case Study and Legal Analysis of Corporate Management Rights Disputes	3
			International Trends and Practices in Anti-Money Laundering	3
	Individual	Shu-Tzu Chen	2024 New Corporate Governance and Board of Directors Performance Evaluation Practice Interpretation	3
			Development and Outlook of Domestic and International Carbon Trading Markets	3
			Taiwan's future under the US-China conflict	3

Note 1: If a director or supervisor is a juristic person, the name of the juridical person shareholder and the name of its representative shall be disclosed.

Note 2: (1) If a director resigns before the end of the year, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is based on the number of board meetings convened during service, and the actual presence of the board of directors are counted.

(2) Before the end of the year, if there is a re-election of directors or supervisors, the new and old directors and supervisors shall be listed down, and whether the director or supervisor is old, new, or re-elected and the re-election date shall be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Board of Directors and the actual number of attendance during his/her term of office.

## (2) Implementation of the evaluation of the Board of Directors

Evaluation Cycle (Note 1)	Evaluation period (Note 2)	Scope of Evaluation (Note 3)	Evaluation Method (Note 4)	Evaluation Content (Note 5)
Annually	Board of directors: (2024.01.01 ~ 2024.12.31)  Individual board members and functional committees: (2024.01.01 ~ 2024.12.31)	1. The overall board of directors. 2. Individual board members. 3. Functional committees (including Audit Committee and Remuneration Committee).	The methods of evaluation include the internal self-evaluation of the board of directors, the self-evaluation of directors, appointment of external professional institutions, experts, or other appropriate means to conduct performance evaluation. Commissioned the Taiwan Investor Relations Institute for the performance evaluation of the external board of directors in the previous year (2022). The institution and its	1. The Board of Directors' performance is evaluated in five major aspects: "Participation in the Company's operations", "Improvement of the Board's decision-making quality", "Board of directors composition and structure", "Election and continuing education of directors", and "Internal control". 2. The performance evaluation of board

		<p>executive experts have no business dealings with the Company and are independent. Executive member: Lin Shih-Chang, Wang Si-Guo, and Jian Shi-hsiung, who have issued a declaration of independence. The Company has completed the performance evaluation of the Board of Directors for 2024, (in this case, the internal performance evaluation), individual board members, and functional committees, and reported to the board of directors on March 12, 2025. The results of this evaluation are presented on a five-point scale, where 1 is very poor (strongly disagree), 2 is poor (disagree), 3 is moderate (average), 4 is good (agree), and 5 is excellent (strongly agree).</p> <p>Outcome of 2024 evaluation: the board scored 4.58 while individual directors scored an average of 4.83 (based on self-assessment); as for the functional committees, the Audit Committee scored 5 and the Remuneration Committee scored 5, both of which were rated Excellent and above.</p> <p>In addition, the Company's board of directors has resolved to have the evaluation</p>	<p>members covers the following aspects: "Awareness of the Company's goals and missions", "Awareness of directors' duties", "Involvement in the Company's operations", "Internal relationship management and communication", "Directors' professionalism and continuing education", and the six major aspects of "internal control."</p> <p>3. The performance evaluation of the functional committees includes five aspects of "participation in the company's operations", "awareness of the duties of the functional committees", "improvement of the decision-making quality of the functional committees", "formation of the functional committees and election of members", and "internal control", etc.</p>
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			conducted by an external professional independent institution or an external team of experts and scholars at least once every three years.	
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Note 1: Fill in the execution cycle of the evaluation of the board of directors, e.g. once a year.

Note 2: Fill in the evaluation period of the Board of Directors, for example: Evaluation of the Board's performance from January 1, 2024 to December 31, 2024.

Note 3: The scope of evaluation includes the performance evaluation of the Board of Directors, individual board members and functional committees.

Note 4: The evaluation methods include the internal self-evaluation of the Board of Directors, the self-evaluation of directors, peer evaluation, performance evaluation by external professional institutions, experts, or other appropriate methods.

Note 5: Depending on the scope of the evaluation, the evaluation shall include at least the following items:

- (1) Performance evaluation of the Board of Directors: including at least the degree of participation in the Company's operations, the quality of the Board's decision-making, the composition and structure of the Board of Directors, the election and continuing education of directors, and internal control.
- (2) Individual board member's performance evaluation: including at least mastery of the company's goals and mission, awareness of directors' responsibilities, participation in company operations, management of internal relations and communication, directors' professionalism and continuing education, and internal control.
- (3) Evaluation of the performance of the functional committees: participation in the company's operations, awareness of the duties of the functional committees, quality of the decisions made by the functional committees, composition of the functional committees and election of members, internal control, etc.

(II) The operation of the Audit Committee or the participation of supervisors in the operation of the Board of Directors:

Table 2-1

### Operations of the Audit Committee

The Audit Committee held 9 meetings in 2024 (A), with the attendance of independent directors as follows:

Title	Name (Note 1)	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) <small>(B/A)</small> (Note 2)	Remarks
Independent Director	Huang-Chi Liu	9	0	100	
Independent Director	Chih-Wei Chang	9	0	100	
Independent Director	Shu-Tzu Chen	9	0	100	
A: The functions and powers of the Audit Committee: 1. Review of financial statements and communication of key audit matters. 2. Auditing and accounting policies and procedures.					

3. Internal control system and related policies and procedures.
  4. Corporate risk management.
  5. A major asset or derivative trade.
  6. Material loans or endorsements/guarantees.
  7. Appointment, dismissal or remuneration, independence and performance evaluation of CPAs.
  8. Financial derivatives and cash investment.
  9. Appointment and dismissal of financial, accounting or internal auditing officers.
  10. Compliance with laws and regulations.
- The focus of work in 2024:
1. Review of loaning of funds and endorsements/guarantees.
  2. Review of the business report, financial statements, and earnings distribution: The business report, financial statements, and earnings distribution have been reviewed by the Audit Committee, and the convener of the Audit Committee has issued a report.
  3. Establish and amend organizational procedures and related operating procedures.
  4. Assess the effectiveness of the internal control system.
  5. Appointment of CPAs (assessment of independence of CPAs): The Audit Committee has prepared an independence and suitability evaluation form with reference to the contents of Bulletin of Norm of Professional Ethics for Certified Public Accountant No. 10 "Independence of Audits and Reviews," which was reviewed and approved by the Board of Directors. CPAs Lin, Chun-Chi and Wu, Meng-Ta of Crowe (TW) CPAs were considered to have met the standards of independence and suitability and were qualified to act as CPAs of the Company.
  6. Review of major asset transactions.
  7. Appointment and remuneration of CPAs.

B: Other information to be disclosed:

I. If the operation of the Audit Committee is under any of the following circumstances, the date and session of the Board of Directors' meeting, the contents of the motions, the contents of independent directors' suggestions or objections, the Audit Committee's resolution, and the Company's handling of the Audit Committee's opinions shall be stated.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act.

Date of Board Meeting	Term	Agenda	Resolution of the Audit Committee	The Company's handling of the Audit Committee's opinions
2024.1.9	The 22nd board 13th meeting	Proposal to increase the endorsement/guarantee limit of NT\$72,820,000 by the subsidiary, Meiyi Construction Co., Ltd. (90% owned by the Company) was submitted for voting.	Agreed and passed	Agreed and passed
		The Company's 2024 business plan was submitted for discussion.	Agreed and passed	Agreed and passed

2024.3.13	The 22nd board 14th meeting	Proposal for the Company's 2023 "Internal Control System Statement" submitted for voting.	Agreed and passed	Agreed and passed
		Propose to the Company's 2023 business report, parent company only financial statements, and consolidated financial statements submitted for review.	Agreed and passed	Agreed and passed
		The Company's 2023 Proposal of Earnings Distribution, Base Date and Date of Cash Dividend Distribution was submitted for discussion.	Agreed and passed	Agreed and passed
		Proposal for capitalization of earnings by the Company by issuing new shares was submitted for discussion.	Agreed and passed	Agreed and passed
		Regular assessment of the independence and suitability of the CPAs submitted for review.	Agreed and passed	Agreed and passed
		Proposal for the appointment and remuneration of the Company's 2024 financial statement auditors submitted for voting.	Agreed and passed	Agreed and passed
		Proposal of loaning of NT\$300 million to the subsidiary Mei Kong Development Co., Ltd. was submitted for discussion.	Agreed and passed	Agreed and passed
2024.5.10	The 22nd board 16th meeting	The Company's 2024 first quarter consolidated financial statement was submitted for discussion.	Agreed and passed	Agreed and passed
2024.7.12	The 22nd board 17th meeting	Proposal to provide endorsement and guarantee for a subsidiary, 100% owned by the Company, USI Corporation, to a related party, Mei Kong Development Co., Ltd., in the amount of NT\$2.35 billion.	Agreed and passed	Agreed and passed
		Proposal of capitalization of 2024 earnings by way of issue of new shares submitted for voting.	Agreed and passed	Agreed and passed
2024.8.9	The 22nd board 18th meeting	The Company's 2024 second quarter consolidated financial statement was submitted for discussion.	Agreed and passed	Agreed and passed



2024.10.16	The 22nd board 19th meeting	Proposal to add the endorsement and guarantee amount of Yuanyi Construction Co., Ltd., NT\$196,900,000 submitted for voting.	Agreed and passed	Agreed and passed
		Proposal to have the Company subscribe to the cash issue of 90%-held subsidiary - Mei Yi Construction Co., Ltd. submitted for discussion.	Agreed and passed	Agreed and passed
2024.11.11	The 22nd board 20th meeting	The Company's 2024 third quarter consolidated financial statement, submitted for review.	Agreed and passed	Agreed and passed
		The Company's "2025 Annual Internal Audit Plan", was submitted for discussion.	Agreed and passed	Agreed and passed
		Amendment to the Company's "Internal Control System" and "Internal Audit Implementation Rules" was submitted for discussion.	Agreed and passed by all attending committee members.	Agreed and passed
2024.12.19	The 22nd board 21st meeting	Proposal to purchase land for the construction of residential buildings for sale through urban renewal was submitted for discussion.	The proposal was approved by all attending members unanimously; in addition, the business units were reminded that the Company has the right to dispose of the property before signing the contract, i.e. the property can be transferred directly to the Company under the trust structure, to ensure the rights and interests of the Company. (2) For the land purchase, please obtain the urban renewal approval from the landlord, Yang, for the	Agreed and passed

			subsequent urban renewal, and the Company's rights and interests are protected.	
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(II) Other than the aforesaid matters, any resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors: None.

II. The implementation status of the independent director's abstention from the conflict of interest resolution should include the independent director's name, the content of the resolution, the reasons for abstention, and the participation in the vote: None.

III. Communication between independent directors, chief internal auditor, and CPAs (including major issues, methods, and results of communication on the Company's financial and business status):

1. In the Audit Committee meetings held in March and November 2024, the Chief Auditor reported to the independent directors on the Company's 2023 "Statement on Internal Control System," the proposed "2025 Internal Audit Annual Plan," and the amendments to the Company's "Internal Control System" and "Internal Audit Implementation Rules." The Chief Auditor also provided explanations regarding the internal audit plan and improvement measures based on audit findings.
2. (1) On January 29, 2024, there was a separate discussion meeting with independent directors, in which the audit officer explained the implementation of the internal audit plan of the Company in November and December, 2023, and discussed the issues raised by independent directors. (2) On December 19, 2024, the Company held a separate meeting with independent directors, and the audit officer explained the implementation of the internal audit plan of November 2024 and discussed the questions raised by independent directors.
3. On January 29, 2024, the CPAs held a meeting with independent directors alone to report on the matters communicated with the governance unit during the 2023 audit and planning stage, and to discuss and communicate about the questions raised by the participants.

Note 1: Before the end of the year, if an independent director resigns, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) should be calculated based on the number of Audit Committee meetings held and the number of actual attendance during his/her service.

Note 2: Before the end of the year, if an independent director is re-elected, both new and old independent directors shall be listed, and whether the independent director is old, new, or re-elected and the re-election date shall be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of Audit Committee meetings held during active duty and the number of actual attendance.

## **Participation of Supervisors in the Operation of the Board of Directors**

The Company established an Audit Committee to replace supervisors on June 21, 2016.

(III) The implementation of corporate governance and the deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

**Table 2-2**

**The implementation of corporate governance and the deviation from the  
Corporate Governance Best-Practice Principles for TWSE/TPEX Listed  
Companies and the reasons therefor**

Evaluation Items	Implementation status (Note 1)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Has the Company established and disclosed its corporate governance best-practice principles in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has established Corporate Governance Best-Practice Principles.	No difference.
II. The Company's shareholding structure and shareholders' rights and interests				
(I) Does the Company have internal operating procedures to handle shareholders' suggestions, doubts, disputes and litigation matters, and have they implemented them in accordance with the procedures?	✓		(I) The Company has a spokesperson, deputy spokespersons, share registration agency and designated personnel to handle shareholders' suggestions and queries.	(I) No difference.
(II) Does the Company keep track of the list of major shareholders who actually control the Company and the ultimate controllers of such major shareholders?	✓		(II) The Company currently has good relationship with its major shareholders and is able to grasp the list of major shareholders at any time.	(II) No difference.
(III) Has the Company	✓		(III) The Company exercises	(III) No difference.

Evaluation Items	Implementation status (Note 1)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
<p>established and implemented risk control and firewall mechanisms with its affiliates?</p> <p>(IV) Does the Company establish internal regulations to prohibit insiders from trading securities using undisclosed information in the market?</p>	✓		<p>control through the prior approval mechanism.</p> <p>(IV) The Company has established the "Code of Ethical Conduct" to prevent the occurrence of insider trading.</p>	(IV) No difference.
III. Composition and duties of the Board of Directors				
(I) Does the board of directors have a diversity policy, concrete management goals, and implementation?	✓		<p>(I) 1. The Company passed the "Corporate Governance Best Practice Principles" at the 18th meeting of the 21st term of the Board of Directors on November 11, 2020. The diversification policy was formulated in Chapter 3 "Enhancing the Functions of the Board of Directors". The nomination and selection of the Company's Board members complies with the Articles of Incorporation and adopts the candidate nomination system. In addition to assessing the educational experience and qualifications of each candidate, the Company also takes the opinions of stakeholders and complies with the "Regulations Governing Election of Directors and Supervisors" and the "Regulations Governing the Election of Directors and Supervisors" Management Practice Principles" to ensure the diversity and independence of board members.</p>	(I) No difference.

Evaluation Items	Implementation status (Note 1)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(II) In addition to the Remuneration Committee and the Audit Committee, has the Company established other functional committees voluntarily?	✓		2. For the implementation of the diversification of the Board of Directors, please refer to <b>Information of Director (II)</b> - page 12. (II) The Company established the director-level Risk Management Committee on November 10, 2023, consisting of three independent directors.	(II) No difference.
(III) Does the Company establish the regulations and methods for evaluating the performance of the Board of Directors, and conduct the performance evaluation regularly every year, and submit the results of the performance evaluation to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination?	✓		(III) The Company has adopted the resolution of the 18th meeting of the Board of Directors of the 21st term on November 11, 2020 to stipulate the Board of Directors' performance evaluation measures. The evaluation shall be conducted by an external professional independent institution or an external team of experts and scholars at least once every three years. Pursuant to the Regulations, the Board of Directors of the Company shall conduct annual internal evaluation of the performance of the Board of Directors in accordance with the evaluation procedures and indicators set out in the Regulations. The results of the internal and external performance evaluation of the Board of Directors should be completed before the end of the first quarter of the following year. The Company has considered the Company's conditions and needs to formulate the measurement items of the Board of Directors' performance evaluation, including the following	(III) No difference.

Evaluation Items	Implementation status (Note 1)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>aspects:</p> <p>I. Degree of participation in the Company's operations.</p> <p>II. The quality of the Board's decision-making.</p> <p>III. Composition and structure of the Board of Directors.</p> <p>IV. Election and continuing education of directors.</p> <p>V. Internal control.</p> <p>VI. Others.</p> <p>The items measured in the performance evaluation of board members include the following aspects:</p> <p>I. Alignment of the Company's goals and mission.</p> <p>II. Awareness of the duties of directors.</p> <p>III. Degree of participation in the Company's operations.</p> <p>IV. Management of internal relationship and communication.</p> <p>V. The professionalism and continuing education of the directors.</p> <p>VI. Internal control.</p> <p>VII. Others.</p> <p>The items measured in the performance evaluation of functional committees include the following aspects:</p> <p>I. Degree of participation in the Company's operations.</p> <p>II. Recognition of the duties of the functional committee.</p> <p>III. Improving the quality of decision making by the functional committee.</p> <p>IV. Composition of the functional committee and election of its members.</p> <p>V. Internal control.</p> <p>VI. Others.</p>	

Evaluation Items	Implementation status (Note 1)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(IV) Does the Company evaluate the independence of CPAs on a regular basis?	✓		<p>Commissioned the Taiwan Investor Relations Institute for the performance evaluation of the external board of directors in the previous year (2022). The institution and its executive experts have no business dealings with the Company and are independent. The executive members: Lin Shih-Chang, Wang Si-Guo, and Jian Shi-hsiung, who have issued a declaration of independence.</p> <p>The Company has completed the performance evaluation of the Board of Directors for 2024, which covers the entire Board of Directors (internal performance evaluation this time), individual board members and functional committees, and reported to the Board of Directors on March 12, 2025. The results of this evaluation are presented on a five-point scale, where 1 is very poor (strongly disagree), 2 is poor (disagree), 3 is moderate (average), 4 is good (agree), and 5 is excellent (strongly agree).</p> <p>Outcome of 2024 evaluation: the board scored 4.58 while individual directors scored an average of 4.83 (based on self-assessment); as for the functional committees, the Audit Committee scored 5 and the Remuneration Committee scored 5, both of which were rated Excellent and above.</p> <p>(IV) The CPAs appointed by the Company are all independent and conduct regular evaluations in accordance with the "The Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10" (Note 2).</p> <p>The company conducts an annual self-assessment of the signing</p>	(IV) No difference. For the 2024 assessment of the independence and suitability of CPAs, in addition to the "Guidelines for

Evaluation Items	Implementation status (Note 1)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			accountant's independence and reports the results, along with the statement letter issued by the accounting firm, to the 22nd Meeting of the 3rd Audit Committee and the 23rd Board of Directors' meeting of the 22nd term on March 12, 2025, which are reviewed and approved. After assessment, CPAs Chun-Chi Lin and Meng-Ta Wu of Crowe (TW) CPAs met the independence evaluation criteria of the Company and were qualified to act as the Company's CPAs.	Interpretation of Audit Quality Indicators (AQI) by Audit Committees", the scale and reputation of the CPA firm, the scope of service distribution of the CPA clients, the scope of non-audit services provided, The nature and extent of audit service quality, the status of regular training of CPAs, communication with governance units, and the interaction Independence and adaptability.
IV. Have the TWSE/GTSM listed companies had an appropriate number of competent corporate governance personnel and appointed corporate governance executives to take charge of the affairs related to corporate governance	✓		It was resolved in the 18th meeting of the 21st Board of Directors on November 11, 2020 to designate Shui-Chun Wang as the corporate governance officer. Shui-Chun Wang has served in the Company's stock affairs and deliberations for many years as the Secretary of the Board of Directors. He has more than three years of experience in	No difference



Evaluation Items	Implementation status (Note 1)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(including but not limited to providing the directors and supervisors with materials necessary for business execution; assisting the directors and supervisors in abiding by laws and regulations, lawfully handling matters regarding matters of the Board of Directors and the shareholders' meetings, and preparing minutes of the Board of Directors and the shareholders' meetings)?			<p>compliance and stock affairs of a public company, which complies with "Guidelines for Compliance in the Establishment and Exercise of Powers of the Board of Directors of Listed Companies" No. 23</p> <p>Qualifications required for a corporate governance officer.</p> <p>The main responsibilities of the Corporate Governance Officer are to handle matters related to the meetings of the Board of Directors and Shareholders' Meetings in accordance with the law, prepare minutes of the Board of Directors and Shareholders' Meetings, assist directors in their inauguration and continuing education, provide directors with the information needed to carry out their duties, and assist directors in complying with laws and regulations.</p> <p>The key points of business implementation in 2024 are as follows: I. Assist directors to perform their duties, provide required information, arrange for directors to undergo further education and take out liability insurance: 1. Compile the latest laws and regulations related to the company's business operations and corporate governance, and arrange for them to be discussed in the board of directors, with education to board members from time to time. 2. According to the requirements of the directors, assist the directors to understand the laws and regulations that should be complied with when executing business. 3. Provide the company information required by the directors, and assist the directors in communication and exchange</p>	

Evaluation Items	Implementation status (Note 1)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>with various business executives. 4. When independent directors need to meet with the internal audit officer or CPAs to understand the Company's finance and business needs, assist in arranging relevant meetings. 5. Assist the board members in organizing at least 6 hours of refresher courses. 6. Confirm that the Company has taken the "Director, Supervisor and Key Officer Liability Insurance" for the members of the Board of Directors and reported it to the Board of Directors. II. Handling the procedures of board of directors and shareholders' meetings and confirming the legal compliance of resolutions:</p> <ol style="list-style-type: none"> <li>1. Production of board meeting notices and meeting agendas; if a director needs to be sidestepped for conflict of interest, a reminder will be given in advance; a meeting minute will be prepared within the statutory time limit.</li> <li>2. Handle the pre-registration of the date of the shareholders' meeting as required by law, and prepare meeting documents such as the meeting notice, meeting handbook, and meeting minutes within the statutory period.</li> <li>3. Confirm that the convening, resolution procedures and minutes of the board of directors and shareholders' meetings comply with relevant laws and regulations and the corporate governance best practice principles.</li> <li>4. Process change registration.</li> </ol>	

Evaluation Items	Implementation status (Note 1)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>III. Maintenance of investor relations: Update the information on the Company's website from time to time to enable investors to understand the Company's finance, business and corporate governance information to protect shareholders' rights and interests.</p> <p>Continuing education in 2024: According to Article 24 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers," the listed company shall arrange professional training for its corporate governance officer. Corporate Governance Officer shall take at least 18 hours of training within one year from the date of assumption of this position if they are new to the position, and shall take at least 12 hours of training each year.</p> <p>Note 3: Please refer to the attachment for the continuing education of the corporate governance officer.</p>	
V. Does the Company create channels for communication with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a stakeholder section on the Company's website, and appropriately respond to important corporate social concerns of stakeholders	✓		<p>The Company has set up a stakeholder section on the Company's official website. In addition to the contact information of the spokesperson and deputy spokesperson, people may contact the Company through the website if they have any needs. The Company will give due consideration to any reasonable concerns raised by stakeholders and respond appropriately. https://www.mayer.com.tw/2015/01/blog-post.html</p>	No difference.

Evaluation Items	Implementation status (Note 1)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
Responsibility issues?				
VI. Does the Company appoint a professional shareholder service agency to handle shareholders' meeting affairs?	✓		The Company entrusts the professional shareholder service agent, IBF Securities Co., Ltd., to handle all its stock affairs.	No difference.
VII. Information Disclosure (I) Does the Company set up a website to disclose financial, business and corporate governance information?	✓		(I) The Company has established a website ( <a href="http://www.mayer.com.tw/">http://www.mayer.com.tw/</a> ) that is linked to MOPS for simultaneous disclosure of relevant information.	(I) No difference.
(II) Has the Company adopted other means of information disclosure (e.g. setting up an English website, appointing dedicated personnel to collect and disclose information on the Company, implementing a spokesperson system, posting the process of investor conference on the Company's website, etc.)?	✓		(II) The Company has designated dedicated personnel to be responsible for the collection and disclosure of the Company's information, and implemented the spokesperson system. The audio and video files of the Company's investor conferences (the second investor conference in 2024) are placed in the investor section of the Company's website for the convenience of all parties; the financial and business operation information of the Company's investor conferences are published on the Company's website. In addition to the designated section, the information has also been entered into the Market Observation Post System (MOPS) in accordance with the regulations of the Stock Exchange.	(II) No difference.  (III) In the future, it will be handled in accordance with the Company's development needs and laws and regulations.

Evaluation Items	Implementation status (Note 1)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(III) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the financial statements for the first, second, and third quarters and the operating status of each month before the prescribed deadline?		✓	(III) The Company failed to announce and report the annual financial report within two months after the end of the year due to the schedule of the accounts and CPA's work; instead, the first, second, and third quarter financial statements and the operating status of each month were announced and reported earlier than the prescribed deadline and has all met the requirements.	
VIII. Does the Company have other important information that is helpful to understand the implementation of corporate governance (including but not limited to employees' rights and interests, employee care, investor relations, supplier relations, stakeholders' rights, directors' and supervisors' continuing education status, risk management policies and risk measurement standards, implementation of customer policies, and purchase of liability insurance for directors and supervisors)	✓		<p>(I) Employee rights: The Company has established the Employee Welfare Committee and implemented the pension system in accordance with the laws and regulations. In order to encourage employees to continue learning and enrich themselves, the Company has formulated the "Employee On-the-Job Training Incentive Measures".</p> <p>(II) Employee care: The Company provides employee travel subsidies, employee bonuses, year-end bonuses and other welfare measures, and protects the legal rights and interests of employees in accordance with the Labor Standards Act and other relevant laws and regulations.</p> <p>(III) Investor relations: The Company discloses information honestly on the Market Observation Post System in accordance with the laws and regulations, to protect the rights and interests of investors, and to specify the</p>	No difference.

Evaluation Items	Implementation status (Note 1)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>contact information of the spokesperson on the Company's website to maintain a positive and harmonious relationship between the Company and its shareholders.</p> <p>(IV) Supplier relations: The Company has good communication and coordination with its suppliers.</p> <p>(V) Rights of stakeholders: The Company's public website (www.mayer.com.tw) sets up an "Investor Section" and "Corporate Governance" section to disclose the Company's financial and business-related information Stakeholder reference. In addition, the Company's stock service agency, the Shares Affairs Agency Department of IBF Securities Co., Ltd., also assists with the handling of relevant questions and suggestions from shareholders and the Company's stakeholders.</p> <p>(VI) Continuing education for directors: The Company has implemented continuing education in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies." (Please refer to the 2024 Annual Report: Operations of the Board of Directors for further details)</p> <p>(VII) Implementation of risk management policies and risk measurement standards: The</p>	

Evaluation Items	Implementation status (Note 1)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>Company has established an internal control system whose implementation is effectively audited by auditors at any time.</p> <p>1. The company adopted the "Risk Management Policy and Procedures" at the 18th meeting of the 21st Board of Directors on November 11, 2020, to standardize the risk management operational procedures of each department and define risk measurement standards, and implemented risk management accordingly.</p> <p>2. On September 27, 2024, the President served as the convener and convened the heads of each department to convene the "Risk Management Committee" in 2024 to discuss potential risks and countermeasures.</p> <p>3. On November 11, 2024, the Audit Office reported the implementation status of risk management to the Board of Directors, and disclosed on the company's website.</p> <p>(VIII) Implementation of customer policy: The Company has set up a sales department to provide customers with services and answer questions about corporate products and maintain smooth communication channels with customers.</p> <p>(IX) The Company's purchase of liability insurance for directors and supervisors: The Company</p>	

Evaluation Items	Implementation status (Note 1)			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			has purchased liability insurance for directors (including independent directors).	
IX. Please describe the improvements made based on the corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange in the most recent year, and propose enhancement measures and priority measures for the areas that have not yet been improved: No such situation.				

Note 1: No matter whether "Yes" or "No" is selected for the operation status, it shall be explained in the summary description column.

Note 2:



Mayer Steel Pipe Corporation  
2024 CPA Independence Assessment Form

CPA independence assessment criteria		
Evaluation Items	Evaluation results	Independence
1. As of the most recent certification assignment, there has been no replacement within seven years.	Yes	Yes
2. There is no significant financial interest relationship with the client.	Yes	Yes
3. Avoidance of any inappropriate relationship with the client.	Yes	Yes
4. CPAs shall ensure the honesty, impartiality and independence of their assistants.	Yes	Yes
5. The financial statements of the service organization in the two years prior to practicing the law shall not be audited.	Yes	Yes
6. The name of the CPA shall not be used by another person.	Yes	Yes
7. Not holding shares of the Company and affiliated companies.	Yes	Yes
8. Not in any loan arrangement with the Company and its affiliated companies.	Yes	Yes
9. Does not have joint investment or profit-sharing relationship with the Company or its affiliated enterprises.	Yes	Yes
10. Does not receive fixed salary in regular jobs of the Company or affiliated enterprises.	Yes	Yes
11. Not involved in the decision-making management of the Company or its affiliated companies.	Yes	Yes
12. Not engaged in any other business that may lose its independence.	Yes	Yes
13. Not a spouse or a relative within the second degree of kinship to any of the Company's management personnel.	Yes	Yes
14. No business-related commission was received.	Yes	Yes
15. Up to now, there has been no punishment or violation of the independence principle.	Yes	Yes

- I. The certified public accountant appointed by the Company is not a director, supervisor, managerial officer, employee, or shareholder of the Company or any of its affiliated companies, and confirmation that the certified public accountant is not an interested party complies with the requirements of the competent authority for judgment of independence.
- II. The Company regularly assesses (once a year) the independence of the CPAs, and the CPAs have also issued a declaration of independence for the audited work entrusted. The appointment and remuneration of the 2024 financial and tax CPAs were approved by the board of directors on March 13, 2024. (The appointment and remuneration of the 2025 financial and tax CPAs were approved by the board of directors on March 12, 2025.)

Note 3: Continuing education of Corporate Governance Officer:

Serial number	Training institutions	Course name	Period of continuing education		Hours of continuing education
			From	To	
1	Taiwan Investor Relations Institute	2024 New Corporate Governance and Board of Directors Performance Evaluation Practice Interpretation	2024/08/09	2024/08/09	3
2	Securities & Futures Institute	Advocacy of prevention of insider trading in 2024	2024/10/04	2024/10/44	3
3	Taiwan Investor Relations Institute	Taiwan's future under the US-China conflict	2024/11/11	2024/11/11	3
4	Securities & Futures Institute	2024 Promotion Seminar on the Insider Equity Transaction in Compliance With Laws	2024/11/29	2024/11/29	3

(IV) Establishment of the Remuneration Committee, and its composition, duties and operation:

The Company's Remuneration Committee was established on December 26, 2011 with three members.

1. The Committee shall exercise the due care of a good administrator to faithfully perform the following duties, and submit its recommendations to the Board of Directors for discussion. However, the remuneration to directors is proposed to the board of directors for discussion, and the remuneration to directors is limited to those stipulated in the company's Articles of Incorporation or authorized by the board of directors through resolutions of the shareholders' meeting:
  - (1) Regularly reviewing the Articles of Incorporation and proposing amendments.
  - (2) Regularly review the policies, systems, standards and structures of the performance evaluation and remuneration of directors and managers.
  - (3) Regularly evaluate the salaries and remunerations of directors and managers.
2. When performing the functions and powers in the preceding paragraph, the Committee shall follow the following principles:
  - (1) The performance evaluation and remuneration of directors and managers shall be based on the general payment level of the industry, and the reasonableness of the connection between individual performance, the Company's operating performance and future risks shall be considered.
  - (2) Directors and managers shall not be induced to engage in behavior that exceeds the Company's risk appetite in order to seek remuneration.
  - (3) The percentage of remuneration to directors and senior managers for their short-term performance and the timing of payment of part of their variable salaries shall be determined in consideration of the characteristics of the industry and the nature of the Company's business.
3. Remuneration referred to in the preceding two paragraphs includes cash remuneration, stock options, bonus shares, retirement benefits or severance pay, various allowances and other

measures with substantive incentives; its scope shall be consistent with that required to be stated in the annual report of a public company. The remuneration to directors and managers is consistent with the standards.

4. When the board of directors discusses the committee's recommendations, it should comprehensively consider the amount of remuneration, payment method, and the company's future risks.
5. When the Board of Directors does not adopt or modifies the recommendations of this committee, it should be approved by more than two-thirds of all directors present and more than half of the attending directors, and the resolution should comprehensively consider and specifically explain whether the approved compensation is better than the recommendation of the committee.
6. If the remunerations approved by the Board of Directors are better than the recommendations of the Committee, the discrepancy and reasons shall be noted in the minutes of the Board Meeting, and announced on the information reporting website designated by the competent authority within two days from the date of the approval by the Board of Directors declaration.

Table 2-2-1

## (1) Members of the Remuneration Committee

March 30, 2025

By identity (Note 1)	Criteria Name	Professional qualification and experience	Status of independence (Note 2)	Number of other public companies serving as Remuneration Committee member concurrently
Independent Director (Convener of the Remuneration Committee)	Huang-Chi Liu	<ul style="list-style-type: none"> <li>● Over six years of experience as an independent director</li> <li>● Experience in leadership of functional committees</li> <li>● Member of the board of directors of other listed companies</li> <li>● Professional experience (legal/risk/management)</li> </ul>	Compliance of independence	None
Independent Director	Chih-Wei Chang	<ul style="list-style-type: none"> <li>● Experience of Independent Directors of the Company's Board of Directors</li> <li>● Experience with functional committees</li> <li>● Professional experience (risk/management)</li> </ul>	Compliance of independence	None
Independent Director	Shu-Tzu Chen	<ul style="list-style-type: none"> <li>● Years of experience of independent directors in other listed companies</li> <li>● Experience in leadership of functional committees</li> <li>● Member of the board of directors of other listed companies</li> <li>● Professional experience (accounting/risk/management)</li> </ul>	Compliance of independence	None

Note 1: All Remuneration Committee members are independent directors. Please refer to the Appendix for Directors' Information in this annual report.

Note 2 : Independence requirements:

Members meet the following conditions at any time during active duty and two years prior to election:

- (1) Not employed by the Company or its affiliates.
- (2) Directors and supervisors who are not directors or supervisors of the company or its related enterprises (provided that if they concurrently serve as independent directors of the company, its parent company, subsidiary, or subsidiary of the same parent company established under this law or local laws and regulations, they are not subject to this restriction).
- (3) Not a natural-person shareholder who holds 1% or more of the total number of issued shares of the Company in the name of himself/herself, his/her spouse, underage children, or someone else in shareholding, or ranks among the top 10 by shareholdings.
- (4) Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or direct blood relative within the third degree of kinship of any of the personnel listed in (2) or (3).
- (5) A director who is not an institutional shareholder who is not an institutional shareholder who directly holds 5% or more of the total number of issued shares of the company, ranks among

the top five in shareholding, or who designates a representative as a director or supervisor of the company in accordance with Article 27, Paragraph 1 or 2 of the Company Act; Supervisors or employees (not applicable to independent directors appointed by the Company and its parent company or subsidiary or a subsidiary of the same parent in accordance with the Act or the laws and regulations of the local country).

- (6) Directors, supervisors, or employees of other companies not controlled by the same person for which more than half of the Company's directors or voting shares are controlled by the same person (However, This restriction does not apply to independent directors appointed by the Company in accordance with the Act or the laws and regulations of the local country.
- (7) Not a director, supervisor, or employee of any other company or institution in which the Chairman, President or equivalents of the company are the same person or spouse (however, this restriction does not apply to independent directors appointed in accordance with the local Act or the laws and regulations by independent directors of a subsidiary or a subsidiary of the same parent). .
- (8) Not a director, supervisor, managerial officer, or shareholder holding more than 5% of the shares of any specified company or institution that has financial or business dealings with the Company. However, this restriction does not apply if the specified company or institution holds between 20% and 50% of the Company's issued shares and the directors or supervisors, including independent directors appointed in accordance with local laws and regulations, serve concurrently in the Company, its parent company, a subsidiary, or a subsidiary under the same parent company.
- (9) Non-professionals, sole proprietors, partnerships, companies, or institutions that provide commercial, legal, financial, or accounting services to the Company or its affiliates, or to receive cumulative remuneration less than NTD 500,000 in the most recent two years. Business owners, partners, directors, supervisors, managers and their spouses. Except for members of the remuneration committee, public acquisition review committee, or special committee for mergers and acquisitions performing their functions and powers in accordance with the Securities and Exchange Act or the Business Mergers And Acquisitions Act.
- (10) None of the conditions specified in Article 30 of the Company Act.

## (2) Operations of the Remuneration Committee

I. The Company's Remuneration Committee consists of 3 members.

II. The term of office of the current (fifth) term members: June 14, 2022 to June 13, 2025. The Remuneration Committee met three times in 2024 (A). The qualifications and attendance of members are as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Huang-Chi Liu	3	0	100	
Committee member	Chih-Wei Chang	3	0	100	
Committee member	Shu-Tzu Chen	3	0	100	

Other information to be disclosed:

- I. If the Board of Directors does not adopt or amend the suggestions of the Remuneration Committee, the date and term of the Board meeting, the contents of the motion, the resolutions of the Board of Directors, and the Company's handling of the Remuneration Committee's opinions shall be disclosed (e.g., the difference and the reason should be stated): Both were adopted.
- II. For resolutions adopted by the Remuneration Committee, to which a member has a dissenting or qualified opinion that is on record or stated in a written statement, state the meeting date, term, contents of motions, opinions of all members, and the handling of such opinions:  
No such situation.

III. Operation of the Remuneration Committee in the last year:

Date	Term	Agenda	Committee's opinions and resolutions	The Company's handling of the opinions of the Remuneration Committee
2024.1.29	The 5th committee The 5th meeting	Reviewed and approved the distribution of the Company's 2023 annual bonuses to managerial officers.	Agreed and passed by all attending committee members.	Agreed and passed
		Review and approval of salary adjustment for managers of the Company.	Agreed and passed by all attending committee members.	Agreed and passed
2024.3.13	The 5th committee The 6th meeting	Reviewed and approved the Company's 2023 distribution of remuneration to employees and directors.	Agreed and passed by all attending committee members.	Agreed and passed
		Review and approval of pension contribution for	Agreed and passed by all	Agreed and passed

		managers of the Company.	attending committee members.	
		Reviewed and approved the salary sharing between the Company's two new Associates.	Agreed and passed by all attending committee members.	Agreed and passed
2024.4.25	The 5th committee The 7th meeting	Review and approval of the remuneration to the Chairperson of the Board of Directors concurrently serving as the CEO.	Agreed and passed by all attending committee members.	Agreed and passed

#### IV. Regularly review the policy system of remuneration

(I) The Committee shall exercise the care of a good administrator to faithfully perform the following duties, and submit its recommendations to the board of directors for discussion. However, the proposal for the remuneration of supervisors to the board of directors for discussion is limited to those stipulated in the Articles of Incorporation of the company or authorized by the board of directors through resolutions of the shareholders' meeting:

1. Review the Procedures on a regular basis and propose amendments.
2. Regularly review the policy, system, standard and structure of the performance evaluation and remuneration of directors, supervisors and managers.
3. Regularly evaluate the remuneration to directors, supervisors and managers.

(II) When performing the functions and powers in the preceding paragraph, the Committee shall follow the following principles:

1. The remuneration to directors can be roughly divided into (1) remuneration, (2) director remuneration, and (3) service execution expenses.

(1) The remuneration primarily consists of directors' salaries, which are based on Article 21 of the company's Articles of Incorporation, authorizing the board to consider their participation and contribution value to the company's operations, and to refer to the board's performance evaluation method for regular assessments (e.g., grasp of company goals and missions, participation in company operations, internal relationship management and communication, directors' professional contributions). The performance evaluation results of the board in 2024: the self-assessment score of the board was 4.58, and the average self-assessment score of board members was 4.83, both rated as excellent or above, and referenced the usual standards in the industry for payment.

(2) The remuneration to Directors is distributed in accordance with Article 40 of the Articles of Incorporation of the Company. If there is profit in the year, no more than 3% of the remuneration shall be set aside as remuneration to directors. Therefore, it is highly correlated with the operating performance of the Company.

(3) Business execution expenses are mainly transportation expenses.

2. The remuneration paid to managers (including President and Vice Presidents) by the Company can be roughly divided into (1) salaries, (2) Severance pay and refund, (3) bonuses and (4) employee remuneration. Remuneration for executives (including the general manager and deputy general manager), in addition to salary and retirement benefits, is based on the company's operational performance. Article 40 of the company's Articles of Incorporation stipulates that if the company is profitable in a given year, 1% to 5% should be allocated for employee remuneration.

Consider the managerial officers' performance evaluation items, including: financial indicators: the company's revenue, the achievement rate of net income before and after tax, the calculation and payment method of the Company's performance bonus (excerpted below): calculation method (1). and the performance bonus, which is the basis of cash dividend calculation. =A+B+C+D (A.Total shipment of carbon steel pipes; B.Total shipment of stainless steel pipe; C.Total shipment of carbon steel, D.Total shipment of stainless steel ; Calculated based on operating income; (2) Operating income before directors' monthly remuneration \* 2%. Total amount of performance bonus = (1) + (2). The multiples of bonus for supervisors are given according to the grade of supervisor. After the factory manager has reviewed the bonuses and reported them to the Company, the bonuses are disbursed by the 25th day of the following month.

Non-financial indicators: Moral hazard incidents for managers or other negative impact on the Company's image or goodwill; influence, internal management misconduct, personnel abuse, etc.; compliance or operational risk of the department where any significant deficiencies are identified, appropriate adjustments and distributions are made. The Company's Remuneration Committee assesses the salaries of managerial officers on a regular basis, therefore it is highly correlated to the Company's operating performance.

(III) Remuneration referred to in the preceding two paragraphs includes cash remuneration, stock options, bonus shares, retirement benefits or severance pay, various allowances, and other measures with substantive incentives; The remuneration to directors, supervisors, and managers is consistent with the standard mentioned.

(IV) When the board of directors discusses the committee's recommendations, it should comprehensively consider the amount of remuneration, payment method, and the company's future risks.

(V) When the Board of Directors does not adopt or modifies the recommendations of this committee, it should be approved by more than two-thirds of all directors present and more than half of the attending directors, and the resolution should comprehensively consider and specifically explain whether the approved compensation is better than the recommendation of the committee.

(VI) If the remunerations approved by the Board of Directors are better than the recommendations of the Committee, the discrepancy and reasons shall be noted in the minutes of the Board Meeting, and announced on the information reporting website



designated by the competent authority within two days from the date of the approval by the Board of Directors declaration.
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- Note 1: If a member of the Remuneration Committee resigns before the end of the year, the resignation date should be noted in the remarks column, and the actual attendance rate (%) should be calculated based on the number of meetings of the Remuneration Committee during their tenure and their actual attendance.
- Note 2: If there is a change in the Remuneration Committee before the end of the year, both the outgoing and incoming members should be listed, and it should be noted in the remarks column whether the member is outgoing, incoming, or re-elected, as well as the date of the change. The actual attendance rate (%) is calculated based on the number of meetings of the Remuneration Committee and the actual number of attendance during the term of his or her employment.

(V) Implementation of Sustainable Development and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies, and the Reasons for Such Deviations; Companies meeting certain criteria shall disclose climate-related information (see Table 2-2-3).

Table 2-2-2

**Implementation of sustainable development and deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX-listed Companies and the reasons therefor:**

Items to be promoted	Status of implementation (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description (Note 2)	
I. Whether the Company has established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, and is the management authorized by the board of directors to handle it, and is it supervised by the board of directors?	✓		<p>According to the needs of operation and management, the Chairman authorized the establishment of the "Sustainable Development Committee", with the President as the chairman. Each functional team is established under the committee to be responsible for formulating strategies and work guidelines, planning and promoting implementation, and tracking the implementation results to ensure that sustainable development, and the Finance Department serves as a part-time unit to promote sustainable development. The "Sustainable Development Committee" reported to the Board of Directors on the implementation of sustainable development on January 29, April 25, August 9, and November 11, 2024.</p> <p>The Board of Directors convenes once every 2 months to review corporate operating performance, discuss important ESG strategy topics and key material events, including economic, environmental and social impacts, risks and opportunities.</p> <p>The "2023 Sustainability Report" prepared by the Company was verified by PwC Taiwan and the verification report was obtained.</p> <p>The "2023 Sustainability Report" was approved by the Board of Directors on August 9, 2024.</p>	No difference.
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and establish relevant	✓		<p>The data and risk assessment boundaries disclosed are based on the Company's sustainable development performance from January 2024 to December 2024 (excluding subsidiaries).</p> <p>In order to implement corporate governance, reduce the Company's operational risks, and reasonably ensure the achievement of goals, the "Risk Management Policy and Procedures" has been formulated for compliance, and was submitted to the <u>Board</u> of Directors on November 11, 2020 for discussion and approval.</p> <p>For the text of the "Risk Management Policy and Procedures," please refer to the "Risk Management"</p>	No difference.

Items to be promoted	Status of implementation (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies						
	Yes	No	Summary description (Note 2)							
risk management policies or strategies?			<p>section of the "Corporate Governance" on the Company's website.</p> <p>Major risk types identified, assessed items and relevant countermeasures:</p> <p>On September 27, 2024, the President (also Chairperson of the Sustainability Committee) acted as the convener and called the 2024 “Risk Management Meeting,” bringing together department heads to discuss potential risks and corresponding response strategies. On November 11, 2024, the results of each department’s risk management assessment and implementation for the year were reported to the Risk Management Committee (composed of three independent directors), which oversees risk management. A report was also presented to the Board of Directors on the same day, and the information was disclosed on the Company’s website.</p> <table><tr><th>Material Issues</th><th>Risk Assessment Items</th><th>Related Response Measures</th></tr><tr><td>Environment</td><td>Environmental Impact and Management</td><td>1. Waste is first reduced (by drying wastewater sludge, sorting garbage, recycling waste oil, and increasing hydrochloric acid utilization), and then gradually processed for reuse. 2. Develop a number of waste removal and transportation companies and treatment companies. 3. As the laws and regulations become stricter year by</td></tr></table>	Material Issues	Risk Assessment Items	Related Response Measures	Environment	Environmental Impact and Management	1. Waste is first reduced (by drying wastewater sludge, sorting garbage, recycling waste oil, and increasing hydrochloric acid utilization), and then gradually processed for reuse. 2. Develop a number of waste removal and transportation companies and treatment companies. 3. As the laws and regulations become stricter year by	
Material Issues	Risk Assessment Items	Related Response Measures								
Environment	Environmental Impact and Management	1. Waste is first reduced (by drying wastewater sludge, sorting garbage, recycling waste oil, and increasing hydrochloric acid utilization), and then gradually processed for reuse. 2. Develop a number of waste removal and transportation companies and treatment companies. 3. As the laws and regulations become stricter year by								

Items to be promoted	Status of implementation (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies	
	Yes	No	Summary description (Note 2)		
				year, the wastewater treatment equipment must regularly review the treatment efficiency. 4. Understand the latest treatment technology on the market to improve the efficiency of wastewater treatment. 5. Continue to implement carbon reduction measures and replace energy-consumed equipment based on the results of carbon inventory.	
			Society	Occupational safety	1. Management of contractors and in-plant maintenance personnel: (1) High-risk operations: Before the construction, the contractors and relevant units are convened to discuss the contents of the construction and purchase construction insurance. (2) General engineering operations: Supervise whether the contractors

Items to be promoted	Status of implementation (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies		
	Yes	No	Summary description (Note 2)			
					assist the vendor in various operation permit applications. 2. Implement orientation training for new recruits and employees undergoing job transfers. 3. Strengthen general occupational safety and health education and training for employees. 4. Conduct unscheduled daily inspections and notify relevant units. 5. Implement corrective measures for near-miss incidents to prevent recurrence.	
			Corporate governance	Integrity	1. Find the true cause of the product's failure to meet customer requirements, and propose corresponding improvement measures to gradually reduce the recurrence. 2. Continue to improve the quality system and implementation. 3. Assist new	

Items to be promoted	Status of implementation (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies	
	Yes	No	Summary description (Note 2)		
				recruits to adapt to the work environment and incorporate into the organization as soon as possible, and train the professional knowledge, techniques and abilities needed for their work. 4. Strengthen the labor-management communication channels to promote harmonious relations.	
			Operation	1. Review annual credit limits; adjust credit limits for customers with abnormal payment to reduce the risk of defaults. 2. Purchase materials at appropriate times according to customer needs to reduce the impact of cost fluctuations. 3. Regularly establish and control reasonable inventory levels based on production and sales targets.	
			Finance	1. Monitor the changes in the	

Items to be promoted	Status of implementation (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description (Note 2)	
				<p>interest rate market and negotiate the advantageous interest rate to control the Company's financing costs.</p> <p>2. To control the capital status and evaluate various financing methods and instruments to reduce the capital cost.</p> <p>3. Flexible control of the Company's funds and reducing the use of loan funds with high interest rates.</p>
			Information security	<p>1. Continue to update and introduce information security solutions to manage the usage behavior of the monitoring system, mainframe and network.</p> <p>2. The important and professional equipment is regularly inspected by manufacturers and maintained in a timely manner.</p> <p>3. Regularly check the operation of information equipment and make effective</p>

Items to be promoted	Status of implementation (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description (Note 2)	
			records.	
III. Environmental Issues				
(I) Has the Company established an appropriate environmental management system based on the characteristics of its industry?	✓		(I) The Company's factories have established environmental management guidelines.	(I) No difference.
(II) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment?	✓		(II) The Company has completed the construction of Phase I and II of solar power generation and is committed to improving the efficiency of utilization of various resources to achieve the goal of waste reduction in order to reduce the impact on the environment. In terms of daily affairs, the factory installs air compressor connection system, replaces energy-intensive air compressors and integrates factory air systems, replaces mercury-vapor bulbs with energy-saving bulbs, and promotes energy saving in offices and paper, electricity, and water consumption the importance of recycling and reuse of resources.	(II) No difference.
(III) Has the Company assessed the potential risks and opportunities posed by climate change to the Company at present and in the future, and taken relevant countermeasures?	✓		(III) The assessment of the risks and opportunities of climate change related to the Company and the countermeasures are listed in Table 2-2-3 of this annual report.	(III) No difference.
(IV) Does the Company keep statistics on the amount of greenhouse gas	✓		(IV) I. GHG Emissions The Company's direct and indirect emissions: The Company's (including all plants, but not including subsidiaries) annual greenhouse gas emissions are as follows:	(IV) No difference.



Items to be promoted	Status of implementation (Note 1)					Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies						
	Yes	No	Summary description (Note 2)									
emission, water consumption and total weight of waste in the past two years, and establish policies for greenhouse gas reduction, reduction of water consumption or management of other wastes?				2023 Emissions volume (tonnes of CO2e)	2024 Emissions volume (tonnes of CO2e)							
			Scope 1	3,666.41	3,090.72							
			Scope 2	5,601.03	5,407.45							
<p>The emission data for 2024 is the preliminary result, and it is expected that a third-party verification will be conducted at the end of May 2025. The complete and accurate information will be disclosed in the sustainable report.</p> <p>Greenhouse gas reduction management policy:</p> <p>(1) Pay attention to and follow the relevant laws and regulations of energy policy and greenhouse gas.</p> <p>(2) Establish a greenhouse gas management system to monitor, measure, analyze, and respond to greenhouse gas and energy management.</p> <p>(3) Regular maintenance, improvement and replacement of equipment, optimization of processes and integration of systems to improve energy efficiency and energy consumption.</p> <p><b>II. Water consumption</b></p> <p>The water consumption of the Company (including all plants, but not including subsidiaries) is as follows:</p> <table><tr><td>Year</td><td>Water usage (cubic meters)</td></tr><tr><td>2023</td><td>18,361</td></tr><tr><td>2024</td><td>12,818</td></tr></table> <p>Water Resource Management Policies:</p> <p>The Company values the sharing and protection of water resources, and pays special attention to the water resource environment of each production site. The Company manages and allocates water resources effectively and reduces resource consumption. We continue to move towards the "reduction -&gt; recycling -&gt; reuse" model to improve the efficiency of water</p>							Year	Water usage (cubic meters)	2023	18,361	2024	12,818
Year	Water usage (cubic meters)											
2023	18,361											
2024	12,818											

Items to be promoted	Status of implementation (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies												
	Yes	No	Summary description (Note 2)													
			<p>resource utilization, and:</p> <p>(1) All employees are encouraged to conserve water and promote water resources.</p> <p>(2) Recycle and reuse of water resources to reduce reliance on raw water.</p> <p>(3) The Company will give preference to water-saving designs and continue to improve water efficiency.</p> <p>(4) Pursuing water efficiency maximization.</p> <p><b>III. Total weight of waste</b></p> <p>Waste information of the Company (including all plants, but not subsidiaries) is as follows:</p> <table border="1"> <tr> <th>Year</th> <th>Non-Hazardous Industrial Waste (tonnes)</th> <th>Hazardous Industrial Waste (tonnes)</th> <th>Total weight (tonnes)</th> </tr> <tr> <td>2023</td> <td>832.27</td> <td>30.89</td> <td>863.16</td> </tr> <tr> <td>2024</td> <td>1,012.85</td> <td>14.68</td> <td>1,027.53</td> </tr> </table> <p>Waste reduction management policy:</p> <p>The Company has established a Waste Management Operations Manual, with the EHS management unit overseeing all aspects of waste management, including the organization and maintenance of storage areas and related facilities, as well as the subsequent delegation of waste disposal and treatment to authorized third-party entities. The Company ensures accurate reporting and compliance with relevant regulations to guarantee that all waste treatment activities adhere to local laws, and:</p> <p>(1) Strengthen waste management, increase the recycling ratio and sharing of resources.</p> <p>(2) Preference given to the use of recycled materials to reduce waste and facilitate recycling.</p> <p>(3) Commission legal vendors to dispose of waste.</p> <p>(4) Exercise stringent and cautious selection of raw materials and suppliers.</p> <p>(5) Continue to improve technology or seek eco-</p>	Year	Non-Hazardous Industrial Waste (tonnes)	Hazardous Industrial Waste (tonnes)	Total weight (tonnes)	2023	832.27	30.89	863.16	2024	1,012.85	14.68	1,027.53	
Year	Non-Hazardous Industrial Waste (tonnes)	Hazardous Industrial Waste (tonnes)	Total weight (tonnes)													
2023	832.27	30.89	863.16													
2024	1,012.85	14.68	1,027.53													

Items to be promoted	Status of implementation (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description (Note 2)	
			friendly materials. (6) Comply with environmental laws and regulations related to the Company's operations and product services, and customer regulations.	
IV. Social Issues				
(I) Does the Company establish relevant management policies and procedures in accordance with relevant laws and international human rights conventions?	✓		(I) The Company has established work rules in accordance with the Labor Standards Act and relevant government regulations with the approval of the government, which are sufficient to ensure the rights and obligations of employees.	(I) No difference.
(II) Does the Company establish and implement reasonable employee welfare measures (including remuneration, leave and other benefits), and appropriately reflect the business performance or results in the employee remuneration?	✓		(II) The Company's Employee Welfare Committee was established in October 1965. Since its establishment, all business activities have been implemented in accordance with the Articles of Incorporation of the Employee Welfare Committee. Benefits are summarized as follows: (1) Bonuses and benefits: overtime pay, holiday bonus, employee birthday cash gift, year-end bonus, and performance bonus. (2) Leave benefits: male employees' weekends off, paternity leave, childcare leave, menstruation leave, and annual leave. (3) Insurance benefits: labor insurance, national health insurance, accident insurance, employee/family group insurance, employee physical exam, employee pension, labor retirement contribution. (4) Dining benefits: employee meal allowance, unexpected meal expenses. (5) Clothing benefits: Employee uniforms. (6) Transportation benefits: employees' parking space or parking subsidies, and transportation subsidies for business trips. (7) Entertainment benefits: domestic travels, issuance of travel vouchers. (8) Benefits: subsidies for marriage, childbirth, education for children, on-the-job education and training, retirement planning (including pension and post-retirement benefits), funeral subsidies.	(II) No difference.

Items to be promoted	Status of implementation (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies				
	Yes	No	Summary description (Note 2)					
			(9) Employee remuneration: 1 to 5% of the employee remuneration is appropriated in accordance with the Articles of Incorporation. (10) Welfare funds: Welfare funds are appropriated at 0.05% of the net operating revenue, 20% of the scraps' income and 0.5% of the monthly base salary on a monthly basis. The Company has set up a labor opinion box to take suggestions from employees and expand communication channels. Regular labor-management meetings are also held in accordance with the Implementation Measures for Labor-Management Meetings. In order to protect the rights and interests of both parties, strengthen bilateral cooperation, improve work efficiency, enhance member welfare, and promote business development, the two parties signed a group agreement on March 1, 2023. This agreement is effective for 3 years, and the three shall immediately send representatives to each other to discuss the renewal of the contract or a separate conclusion of a new contract. Please refer to page 87, "Employee Rights Protection Measures" in this annual report for the main content of the agreements.					
(III) Does the Company provide employees with a safe and healthy work environment, and provide employees with safety and health education on a regular basis?	✓		(III) 1. The Company has obtained ISO14001 and ISO45001 certifications and has established a safety and health work code as well as an occupational safety and health management plan. It have also set up a labor safety and health committee in accordance with regulations to ensure the safety and health of the working environment during production and to prevent labor accidents. <table><tr><td>Plant</td><td>Training hours</td></tr><tr><td>Average training hours per employee</td><td>18.91</td></tr></table> 2. The Company has established a fire prevention management committee to prevent the occurrence of fire, earthquake and other disasters to ensure the safety of human life and reduce injuries. The Company also sends personnel to participate in fire	Plant	Training hours	Average training hours per employee	18.91	(III) No difference.
Plant	Training hours							
Average training hours per employee	18.91							

Items to be promoted	Status of implementation (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies									
	Yes	No	Summary description (Note 2)										
			prevention education and training on a regular basis. 3. Number of occupational injuries (disabling injuries) in 2024: <table><tr><td>Plant</td><td>Male</td><td>Female</td></tr><tr><td>Puxin Main Plant</td><td>2</td><td>1</td></tr><tr><td>Youth-Shih</td><td>3</td><td>0</td></tr></table>	Plant	Male	Female	Puxin Main Plant	2	1	Youth-Shih	3	0	
Plant	Male	Female											
Puxin Main Plant	2	1											
Youth-Shih	3	0											
(IV) Has the Company established an effective career development training program for its employees?	✓		(IV) Establishment of the "Regulations Governing On-the-job Training for Employees" to encourage employees to continue learning and enrich themselves; and to formulate regulations for the training and development of executives in line with the Company's long-term business policy. The training is divided into professionals, supervisors, and management personnel, to increase the management capacity and professionalism of the employees to facilitate the promotion of employees. (Please refer to the On-the-Job Training and Education for Labor-Management Relations - Table, p. 87 of this annual report)	(IV) No difference.									
(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant policies and complaint procedures to protect consumers' or customers' rights and interests?	✓		(V) The Company's products have been handled in compliance with relevant laws and regulations and international standards.	(V) No difference.									
(VI) Does the Company establish a supplier management policy that requires suppliers to comply	✓		(VI) Mayer collaborates with its suppliers and encourages them to jointly fulfill corporate social responsibility. This includes complying with the laws, regulations, and rules of the countries in which they operate,	(VI) No difference.									

Items to be promoted	Status of implementation (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description (Note 2)	
with relevant regulations on environmental protection, occupational safety and health, or labor human rights, and the implementation status thereof?			<p>adhering to ethical business practices, respecting labor and human rights, providing a positive working environment, and ensuring that products do not involve the use of conflict minerals.</p> <p><b>Assessment of new suppliers:</b> When new suppliers join, we will conduct written background checks and supplier assessments. The assessment mechanism includes but is not limited to raw material recognition and supplier assessment operations, supplier supply capacity, quality specifications, etc., in order to understand the supplier's operations and sustainable development. Encouragement and encouragement for suppliers to pass the certification of ISO 9001 quality management system, ISO 14001 environmental management system and ISO 45001 occupational safety and health management system.</p> <p><b>Supplier evaluation available now:</b> Suppliers are assessed for the quality of goods delivered, timeliness, service, and sustainability of goods delivered in accordance with the "Supplier Assessment Procedure" and "Supplier Operating Instructions" every year to ensure that they meet the requirements and have fulfilled corporate social responsibility.</p> <p><b>Rewards and punishments system:</b> Preference will be given to suppliers with good assessment results. Suppliers that exhibit defects in the assessment result will be terminated or reduced within the deadline.</p> <p><b>Compliance, ethical management and trading:</b> Suppliers are bound to comply with all applicable laws, regulations, contracts, and international standards in order to maintain business integrity and execute business in a sustainable manner. Suppliers should conduct business activities in a fair and transparent manner based on the principle of ethical management.</p> <p><b>Human rights protection:</b> Suppliers are bound to comply with local labor laws and regulations, protect employees' legal rights such</p>	

Items to be promoted	Status of implementation (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description (Note 2)	
			<p>as working environment, working hours and remuneration, freedom of association, and freedom of collective bargaining, and respect the basic labor human rights principles that are internationally recognized. The use of child labor, involvement in human trafficking, any form of forced labor, and other violations of human rights are prohibited. Employees employed by suppliers shall not be subject to discrimination or differential treatment based on gender, race, social class, age, marital status, or family status. Suppliers are required to respect employees' privacy and to take steps to protect their personal data.</p> <p><b>Occupational safety:</b> Suppliers are required to provide a safe and healthy work environment, provide employees with appropriate training, and establish preventive measures to ensure that their operations do not lead to occupational hazards or losses.</p> <p><b>No conflict minerals:</b> To fulfill its social responsibility in human rights protection and environmental protection, suppliers are required to promise not to use conflict minerals and to purchase minerals from qualified smelters.</p> <p><b>Green procurement:</b> Pay attention to the energy use and water resource management of suppliers to respond to the impact of extreme climate change on the supply chain. Preference is given to green and local suppliers to reduce energy consumption, water consumption, and carbon emissions. Green procurement is the first priority in the procurement assessment.</p> <p><b>Environmental protection:</b> Suppliers are required to comply with local and foreign environmental laws and regulations, obtain relevant certifications, properly protect the natural environment, and actively take measures to reduce environmental impacts. They are also required to avoid pollution to water, air, and land in their operations. Under the cost-effectiveness and technology feasibility, the Company shall spare no effort in reducing the adverse impact on human health and the environment, and adopt the best feasible</p>	

Items to be promoted	Status of implementation (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description (Note 2)	
			<p>pollution prevention and control measures. The Company will also commit to reducing or eliminating all kinds of wastes through energy saving and recycling measures.</p> <p><b>Suppliers:</b> We work with our suppliers to assume the responsibility for environmental protection, labor rights protection, health and safety, code of ethics, corporate management mechanism and system.</p>	
V. Does the Company prepare reports disclosing the Company's non-financial information, such as the Sustainability Report, with reference to international reporting standards or guidelines? Has the said reports been certified or guaranteed by a third-party verification unit?	✓		<p>The Company has prepared the "2023 Sustainability Report" in accordance with the general standards, industry standards and major theme standards published by the Global Reporting Initiative (GRI), and with reference to the Sustainability Accounting Standards Board (SASB) guidelines to disclose the information of industry indicators and SASB indicator corresponding report content index.</p> <p>The Company's "2023 Sustainability Report" was audited by Yi Hsin CPAs, and obtained a limited assurance report, through the Assurance Standards Bulletin No. 3000 "Assurances other than audit or review of historical financial information" issued by the Accounting Research and Development Foundation of the Republic of China.</p>	No difference.
VI. If the Company has established its own sustainable development principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe the current practices and any deviations from the Principles: Not applicable (not yet established by the Company).				
VII. Other important information that is helpful in understanding the status of implementation of sustainable development: None.				

Note 1: If "Yes" is selected for the implementation, please specify the important policies, strategies and measures adopted and the implementation; if "No" is selected for the implementation, please refer to the "Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" for explanations, as well as plans for the adoption of relevant policies, strategies and measures in the future.

Note 2: The principle of materiality refers to the environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders.

**Table 2-2-3**



## Information on climate of TWSE/TPEX listed companies

### 1. Implementation of Climate-Related Information

Item	Status of implementation		
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Company has a Sustainable Development Committee, under the supervision of the <u>Board of Directors</u> , the President acts as the Chairman, and the Head of Governance acts as the Executive Secretary, in charge of promoting the sustainable development of the Company (including the climate change risks that may affect the operation of the Company, energy and resource utilization efficiency, etc.). The status of promotion is reported to the Board of Directors every year.		
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy, and finance (short-term, medium-term, long-term).	<p><b>Short-term</b>  Transformation risk: Changes in energy prices and tightening of environmental regulations.  Physical risks: Increased severity of extreme weather events like typhoons and floods.  Opportunities: Use energy-saving equipment and reduce water resources.</p> <p><b>Mid-term</b>  Transformation risk: The total amount of greenhouse gas control and carbon fee, and the cost of raw materials are increasing.  Physical risks: Rising average temperatures  Opportunities: Improvement and simplification of the manufacturing process, and promotion of low-carbon green production</p> <p><b>Long-term</b>  Transformation risk: The brand reputation may decline due to products being replaced by low-carbon alternatives or insufficient action in response to climate change.  Physical risks: Greater severity of extreme weather events  Opportunities: Develop or expand low-carbon products and services to enhance the Company's reputation.  *Definition of the time of impact: Short-term 3 years, mid-term 4-5 years, long-term 5 years or more.</p>		
3. Describe the financial impact of extreme climate events and transformational actions.	<b>Transformation risk:</b>		
	Factors/Topics	Financial impact	Countermeasures
	Energy price fluctuations	If Taiwan uses renewable energy in lieu of nuclear energy, the Company's electricity purchase cost will increase.	1. Continue to implement energy-saving and carbon reduction projects to reduce energy consumption and improve production efficiency during the production process. 2. When purchasing or replacing equipment, priority is given to equipment that meet environmental protection or energy-saving marks.
	Environmental regulations	The cost of climate and environmental	The Company has hired legal advisors or

Item	Status of implementation		
	becoming more stringent	protection related laws and regulations has increased.	increased external training to understand the relevant laws and regulations of climate and environmental protection, and implement accordingly.
	Increase in Raw Material Costs	The supplier has invested more cost to increase the cost in response to the emerging laws and regulations related to carbon fees, resulting in an increase in the price of raw materials.	1. Enhance process yield, reduce waste of raw materials, and reduce procurement costs. 2. Establish multiple suppliers' material supply channels.
	Inadequate climate actions caused brand reputation to fall	Customers' request for reduction of carbon emission may affect customer relationship and revenue growth if not met.	1. Set greenhouse gas reduction targets and review them practically. 2. Continue to commit to improving and simplifying the manufacturing process to reduce carbon emissions.
	<b>Physical risks</b>		
	Factors/Topics	Financial impact	Countermeasures
	Increased severity of extreme weather events like typhoons and floods.	Typhoon and heavy rain, the suspension of work and interruption of raw materials from upstream companies affect the revenue growth.	1. Inspects and maintains the pumping machine and the pumping motor to ensure that the equipment can be used. 2. Maintain appropriate inventory of finished goods and raw materials.
	Greater severity of extreme weather events	An extreme water reduction model, such as an increase in the number of days without rain, increases the risk of water shortage, and investing in water-saving equipment increases operating costs.	1. Water recycling and reuse for production processes. 2. Investment in water-saving equipment.
	<b>Opportunities</b>		
	Factors/Topics	Financial impact	Countermeasures
	Use of energy-saving equipment and	Saving power and water and reducing long-term operating	1. Pay attention to water consumption, promote various water

Item	Status of implementation		
	water reduction	costs.	consumption improvement and water resource recycling programs, and reduce total water consumption. 2. Update high energy-consumption equipment from time to time.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>1. The Company has established the "Risk Management Policy and Procedures" and reported to the Board of Directors on November 11, 2020 for discussion and approval. The policy effectively manages the risk of climate change, specifies the implementation procedures of risk management, and the responsibilities of each unit.</p> <p>2. Climate-related risks have been listed as one of the report topics that the Company's Sustainable Development Committee will discuss from time to time.</p> <p>3. With the support of the Company, the Company integrates the climate-related risks and opportunities with the ISO14001 and ISO14064-1 procedures to effectively integrate the management mechanism. Through the internal and external environmental topic risk assessment procedures, all departments participate in the continuous tracking and control.</p>		
5. If scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	<p>1. In response to the impact of climate-related risks and opportunities on the Company's strategy and financial planning, the Company refers to the climate-related scenarios analysis of TCFD, and uses quantitative and qualitative climate-related scenarios analysis to adopt corresponding strategies.</p> <p>2. The Company discussed the 2°C scenario (2DS) during the Sustainable Development Committee meeting to describe the climate change risks and opportunities based on the transformation risks and physical risks of climate change. The Company eventually identified the climate risks and opportunities related to the Company's business scope.</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 and transition risks.	In terms of climate change mitigation, the Company uses greenhouse gas emissions as the key indicator for quantitative assessment, and sets indicators such as unit revenue electricity consumption and unit revenue water consumption.		
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	The Company's internal carbon pricing is still under planning.		
8. If climate-related targets are established, the activities covered, GHG emissions scope, planned timelines, and annual progress towards achieving	While managing the climate-related risks and opportunities, the Company is committed to improving its own energy and resource efficiency, and has also set the carbon emission reduction goals, waste reduction goals, and water conservation goals to fully reduce the environmental impact.		

Item	Status of implementation
these targets must be described. In cases where carbon offsets or Renewable Energy Certificates (RECs) are used to meet these targets, it is necessary to specify the source and amount of the carbon reductions achieved through offsets, as well as the number and details of RECs utilized.	
9. Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and specific action plans.	Please refer to 2. and 3. below for details.

## 2. Greenhouse Gas Inventory and Assurance for the Past 2 Years

2-1-1 Greenhouse gas inventory information: Describe the greenhouse gas emissions (tons of CO<sub>2</sub>e), intensity (tons of CO<sub>2</sub>e/NT\$ million), and data coverage for the last 2 years.

The minimum disclosure required by the TWSE/TPEX Sustainability Roadmap for TWSE/TPEX Listed Companies:

1. The parent company only company shall be inventoried from 2023.
2. The subsidiaries in the consolidated financial statements shall be inventoried starting from 2024.

		2023	2024
		Emissions volume (tonnes of CO <sub>2</sub> e)	Emissions volume (tonnes of CO <sub>2</sub> e)
The Company	Scope 1	3,666.41	3,090.72
	Scope 2	5,601.03	5,407.45
Subtotal		9,267.44	8,498.17
All subsidiaries included in the Consolidated Financial Statements	Scope 1	-	11.21
	Scope 2	-	1,469.85
Subtotal	Subtotal	-	1,481.06
Total		9,267.44	9,979.23
Intensity (ton CO <sub>2</sub> e/operating revenue in millions NTD)		1.32	1.90

Note 1: Direct emissions(Scope 1: Direct emissions from the Company's ownership or control)  
Indirect emissions (Scope 2: Indirect greenhouse gas emissions caused by input of electricity heat or steam)

Note 2: Greenhouse gas inventory standard: ISO 14064-1.

Note 3: Only the subsidiaries in the consolidated financial statements, i.e. the subsidiaries in the U.S. and Asia and Vietnam, U.S. and Asia, have emissions of greenhouse gas. All other subsidiaries do not have emissions.

2-1-2 Greenhouse gas assurance information: Describe the assurance status in the last two years up to the date of publication of the annual report, including the scope of assurance, the assurance organization, the assurance standards and the assurance opinions.

Year	Scope of Assurance	Assurance Body	Assurance Standards	Assurance opinion
2023	The Company	Taiwan Electric Research & Testing Center	ISO14064-1 : 2018	Reasonable assurance
2024	The Company	It is expected that by the end of May 2025, the Taiwan Electric Research & Testing Center will be commissioned to execute the test.	ISO14064-1 : 2018	The Company will disclose all information in full assurance in the sustainability report.

Note 1: The consolidated financial statements of subsidiaries have been examined since 2024, and no third-party verification has been conducted.

### 3. Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

The Company's greenhouse Gas Emissions Reduction Targets of the Company:

Base Year and Data: Total emissions of scope 1 and 2 were 9,688.39 tonnes CO<sub>2</sub>e. in 2022

Reduction Target: Since 2023, The Company aims to reduce annual carbon emissions by 1% compared to the base year. By 2030, the cumulative reduction will reach 10% of the base year emissions.

Greenhouse Gas Emissions Reduction Targets of the Subsidiary:

Base Year and Data: Total emissions of scope 1 and 2 were 1,481.06 tonnes CO<sub>2</sub>e. in 2022

Reduction Target: Since 2025, the Subsidiary aims to reduce annual carbon emissions by 1% compared to the base year. By 2030, the cumulative reduction will reach 6% of the base year emissions.

Greenhouse gas reduction Strategy:

(1) Pay attention to and follow the relevant laws and regulations of energy policy and greenhouse gas.

(2) Establish a greenhouse gas management system to monitor, measure, analyze, and respond to greenhouse gas and energy management.

(3) Regular maintenance, improvement and replacement of equipment, optimization of processes and integration of systems to improve energy efficiency and energy consumption.

Greenhouse Gas Reduction Specific Action Plans:

(1) Replaced all plant water bay bulbs (500W) with large power-saving bulbs (105 - 120W).

(2) Prioritize the use of high-efficiency light sources and fixtures certified with energy-saving labels.

(3) Regularly review contract capacity, air-conditioning division, lighting circuit, and strengthen energy utilization efficiency.

(4) Conduct routine maintenance of equipment to ensure optimal performance and reduce energy waste.

- (5) Maintain office area temperature at 26°C to lower the load on the chiller system and reduce electricity consumption.
- (6) Promote energy-saving and carbon-reduction initiatives, along with employee education and training, to reduce electricity usage.
- (7) Periodically replace outdated equipment to further improve energy efficiency.

Progress toward emission target:

The Company

Year	Total emission (Scope 1 and 2) (Tonnes CO <sub>2</sub> e )	Reduction	Reduction rate (%)	Progress
2022 (Base Year)	9,688.39	-	-	-
2023	9,267.43	420.96	4.34%	Achieve
2024	8,498.17	1,190.22	12.29%	Achieve

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

**Table 2-2-4**

**Performance of faithful business operations, the differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor.**

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
I. Establishment of ethical corporate management policies and plans (I) Has the Company formulated the ethical management policies approved by the board of directors, and stated in the	✓		(I) The Company has established self-regulations such as the "Corporate Governance Best Practice Principles", the "Ethical Corporate Management	(I) No difference.

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
<p>Articles of Incorporation and external documents the policies and practices of operating in good faith, and the commitment of the board of directors and senior management to actively implement business policies ?</p> <p>(II) Has the company established a mechanism for assessing the risk of dishonest behavior, regularly analyzing and evaluating business activities within its scope of business that carry a higher risk of dishonest behavior, and formulating measures to prevent dishonest behavior? This mechanism should cover at least the preventive measures for the behaviors specified in paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles."</p> <p>(III) Does the Company have the operational procedures, behavior guidelines, punishment and complaint systems clearly defined in the program to prevent unethical conduct, and implemented, and the program is regularly reviewed and amended?</p>	<p>✓</p> <p>✓</p>		<p>Best Practice Principles", and the "Code of Ethical Conduct". the ethical standards and code of conduct to be complied with from time to time.</p> <p>(II) The Company has regulations governing inspections, and the internal audit department also audits whether the Company, contractors, suppliers, and customers comply with relevant laws and regulations from time to time.</p> <p>(III) The Company requires all employees to inform the Company of matters of ethical concerns such as conflicts of interest or possible conflicts of interest. Key colleagues and senior managers must regularly check whether they are complying with this Code.</p> <p>The Company requires suppliers, contractors or other collaborators to provide a written commitment that they will not engage in any illegal business activities and will not provide improper benefits or bribes to the Company's colleagues.</p>	<p>(II) No difference.</p> <p>(III) No difference.</p>
II. Implementing ethical corporate management				



Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies		
	Yes	No	Summary description			
(I) Does the Company evaluate the ethical records of its trading counterparts, and specify the ethical conduct clauses in the contracts signed with its trading counterparts?	✓		(I) The Company has internal work rules and rewards and punishments management guidelines to regulate unethical behavior. When selecting suppliers in business activities, the Company upholds the principle of honesty and fairness, and selects the most competitive and ethical suppliers in all aspects; Unethical practices such as collecting kickbacks or other improper benefits from suppliers are prohibited.	(I) No difference.		
(II) Has the Company set up a dedicated unit under the Board of Directors to promote corporate ethical management, and has it reported to the Board of Directors regularly (at least once a year) on the implementation of ethical management policies and prevention of unethical conducts, and the supervision of such units ?	✓		(II) The Legal Affairs Division is the dedicated unit in charge of ethical management of the Company, responsible for the promotion of ethical management policies and preventive plans, and the amendment, implementation, interpretation and consultation services for the "Ethical Corporate Management Best Practice Principles" and the "Ethical Corporate Management Procedure and Code of Conduct"; The Company shall report the implementation status to the Board of Directors at least once a year. The Company's "Ethical Corporate Management Policy" Promotion and Implementation Report in 2024 The implementation status was reported at the 20th meeting of the 22nd term of Board of Directors, held on November 11, 2024. The implementation of ethical corporate management in 2024 is as follows: <table><tr><td>Education Training</td><td>1. A total of 108 people participated in the training and promotion of ethical management. (Target: Directors,</td></tr></table>	Education Training	1. A total of 108 people participated in the training and promotion of ethical management. (Target: Directors,	(II) No difference.
Education Training	1. A total of 108 people participated in the training and promotion of ethical management. (Target: Directors,					

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies	
	Yes	No	Summary description		
				managers, department heads, and employees). 2. Insider trading prevention education and promotion. A total of 108 people participated. (Target: directors, managerial officers, department heads, and staff).	
			Confidentiality	A total of 9 administrative grade employees hired in 2024 signed a confidentiality agreement.	
			Risk analysis	Propose countermeasures for risks such as waste and wastewater treatment, employee safety, noise, employment relations, and legal and information security.	
			Advocacy	Reporting method E-mail:audit@mayer.com.tw Whistleblowing hotline: (02) 2509-1199 audit or legal officer extension. Whistleblowing: To Chief Auditor, 12F, No. 2-1, Sec. 3, Minquan E. Rd., Zhongshan Dist., Taipei City	
(III) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	✓		(III) The Company requires the Directors and managers to prevent relatives within three kinships from interfering with the overall interests of the Company's operations to prevent conflicts of interest. Also, if an executive director has an interest in the proposal listed in the Board of Directors, or the legal person he/she represents, he/she should recuse himself during the discussion and voting.		(III) No difference.
(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal	✓		(IV) In order to ensure the implementation of ethical corporate management, the Company has established an effective accounting system and internal control system,		(IV) No difference.

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
<p>audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits ?</p> <p>(V) Does the Company organize internal and external training on ethical corporate management on a regular basis?</p>	✓		<p>and internal auditors will regularly audit all operations and report their operations to the board of directors.</p> <p>(V) The Company's dedicated unit shall hold an internal promotion once a year, and arrange for the chairman, President or senior management to convey the importance of integrity to directors, employees and appointees. This enables them to fully understand the norms governing ethical corporate management. Relevant education and training courses are also held if necessary. The Company held internal and external education and training on ethical management in 2023:</p> <p>1. Internally - ethical management education, training and promotion:  (1) Course content - establishment of the Company's culture of integrity, employee moral character, and corporate governance.  (2) Eligibility: Directors, managers, department heads, and employees.  (3) Person-time - 108.  (4) Total hours - 36 hours.</p> <p>2. Internal - insider trading prevention education and promotion:  (1) Course content - what is insider trading, the scope of insider trading regulations, the scope of material information, the timing and timing of disclosure, case sharing, and penalties for insider trading.</p>	<p>(V) No difference. In the future, it will be handled in a timely manner depending on the actual needs and regulations.</p>

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
			(2) Eligibility: Directors, managers, department heads, and employees. (3) Person-time - 108. (4) Total hours - 54 hours. 3. External training: None.	
<p>III. Implementation of Complaint Procedures</p> <p>(I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?</p> <p>(II) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</p> <p>Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company's employees or suppliers may explain any violation of integrity regulations to the Company's responsible department by phone, E-Mail or letter.</p> <p>(II) The Company has established the "Regulations Governing Whistleblowing" to handle related matters, and promises to protect the whistleblowers from improper treatment due to the matters reported. For related content, please refer to the Company's website: <a href="http://www.mayer.com.tw/2014/07/bl og-post_34.html">http://www.mayer.com.tw/2014/07/bl og-post_34.html</a></p> <p>(III) The Company shall strictly adhere to the principle of confidentiality through complaint handling channels. Any disclosure of the complaint without the complainant's consent will be punished in accordance with the Company's regulations.</p>	<p>(I) No difference.</p> <p>(II) No difference.</p> <p>(III) No difference.</p>
<p>IV. Strengthening information disclosure</p> <p>Does the company disclose its ethical corporate management policies and the results of their</p>	✓		The Company has disclosed the content of "Ethical Corporate Management Best-Practice	No difference.

Evaluation Items	Status of Operation			Deviation and causes of deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
implementation on its website and the Market Observation Post System (MOPS)?			Principles" and the operation of ethical management on the Company's website ( <a href="http://www.mayer.com.tw/2014/07/blog-post_34.html">http://www.mayer.com.tw/2014/07/blog-post_34.html</a> ) and Market Observation Post System.	
V. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: there has been no discrepancy.				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): none.				

Note 1: No matter whether "Yes" or "No" is selected for the operation status, it shall be explained in the summary description column.

(VII) Other important information that helps enhance understanding of the Company's corporate governance practices is disclosed on the Market Observation Post System and the Company's website (<http://www.mayer.com.tw>), along with other relevant information about the Company.

1. Strictly implement the spokesperson system to ensure the correct and transparent disclosure and release of information.
2. Actively arrange for directors to engage in continuing education in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies."
3. The Company complies with the internal control system, and the chief audit officer actually conducts inspections or verifications. The management also holds regular management meetings to review the major deficiencies of each department and the areas for improvement, in order to implement the spirit of corporate governance.

(VIII) Implementation of the internal control system:

1. Statement of Internal Control System: The statement has been announced and filed on the designated information reporting website. For relevant details, please refer to the Market Observation Post System (MOPS). Path: Corporate Governance > Internal Control Section, Company Code: 2020  
(Please see <https://mopsov.twse.com.tw/nas/cont06/c2020113011140313.pdf>)
2. If a CPA is commissioned to review the internal control system, the CPA's review report should be disclosed: None.

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

1. 2024.06.7-(Important resolutions of the 2024 shareholders' meeting and implementation status):

Date	Shareholders' Meeting Resolutions	Resolution	Status of implementation
2024.6.7	1. Ratification of the Company's 2023 year-end accounts.	The motion was approved after the votes were counted from both in-person and electronic voting. The total number of votes in favor was 99,503,131 (including 99,403,131 votes cast electronically); the total number of votes against was 49,814 (including 49,814 votes cast electronically); and the total number of abstentions/undecided votes was 16,738,859 (including 16,638,859 votes cast electronically). The approval rate was 85.56% (based on a total voting right of 116,291,804 votes).	Year-end accounts were acknowledged as per shareholders' resolution.
	2. Ratification of the Company's 2023 earnings distribution proposal.	The motion was approved after the votes were counted from both in-person and electronic voting. The total number of votes in favor was 99,593,129 (including 99,493,129 votes cast electronically); the total number of votes against was 51,813 (including 51,813 votes cast electronically); and the total number of abstentions/undecided votes was 16,646,862 (including 16,546,862 votes cast electronically). The approval rate was 85.64% (based on a total voting right of 116,291,804 votes).	The earnings distribution proposal was acknowledged as per shareholders' resolution. During the meeting held on March 13, 2024, the board of directors resolved to set the cash dividend baseline date at June 18, 2024 and the cash dividend payment date at July 5, 2024.
	3. Proposal for	The motion was approved after the	The Company's

capitalization of earnings by the Company by issuing new shares.	votes were counted from both in-person and electronic voting. The total number of votes in favor was 99,599,139 (including 99,499,139 votes cast electronically); the total number of votes against was 52,212 (including 52,212 votes cast electronically); and the total number of abstentions/undecided votes was 16,640,453 (including 16,540,453 votes cast electronically). The approval rate was 85.64% (based on a total voting right of 116,291,804 votes).	capitalization of earnings by way of issue of new shares was resolved during the shareholders' meeting.
4. Proposal to amend the Company's Articles of Incorporation.	The motion was approved after the votes were counted from both in-person and electronic voting. The total number of votes in favor was 99,582,138 (including 99,482,138 votes cast electronically); the total number of votes against was 53,558 (including 53,558 votes cast electronically); and the total number of abstentions/undecided votes was 16,656,108 (including 16,556,108 votes cast electronically). The approval rate was 85.63% (based on a total voting right of 116,291,804 votes).	The "Articles of Incorporation" was amended as resolved in shareholder meeting.

2. Major resolutions of the board of directors in the most recent year and up to the date of publication of the annual report:

Board of Directors	Date	Significant resolutions
The 22nd board 13th meeting	2024.1.29	<p>1. The Company's new construction project located at Lot No. 714, Aixing Section, Zhubei City, Hsinchu County, for the development project (Aixing Section, Zhubei City), to be entrusted to TAIWAN BUSINESS BANK,LTD., and authorized The chairperson has full authority to handle trust-related matters and submit them to a referendum.</p> <p>2. Proposal to increase the endorsement/guarantee limit of NT\$72,820,000 by the subsidiary, Meiyi Construction Co., Ltd. (90% owned by the Company) was submitted for voting.</p> <p>3. The Company's 2024 business plan was submitted for discussion.</p> <p>4. Proposal of the Company's "Risk Management Committee Charter" was submitted for discussion.</p> <p>5. Amendment to the "Risk Management Policies and Procedures" of the Company was submitted for discussion.</p>
The 22nd board	2024.03.13	1. Presentation of the Company's 2023 "Declaration of Internal Control System."

14th meeting		<p>2. The Company's 2023 distribution of remunerations to employees and directors was submitted for discussion.</p> <p>3. Propose to the Company's 2023 business report, parent company only financial statements, and consolidated financial statements submitted for review.</p> <p>4. The Company's 2023 Proposal of Earnings Distribution, Base Date and Date of Cash Dividend Distribution was submitted for discussion.</p> <p>5. Proposal for capitalization of earnings by the Company by issuing new shares was submitted for discussion.</p> <p>6. The 2024 annual shareholders' meeting of the Company is scheduled to be held on June 7, 2024 was submitted for discussion.</p> <p>7. The acceptance of shareholders' proposals for the Company's 2024 annual shareholders' meeting was submitted for discussion.</p> <p>8. Review on the regular assessment of financial statement auditors' independence and suitability.</p> <p>9. Proposal for the appointment and remuneration of the Company's 2024 financial statement auditors submitted for voting.</p> <p>10. Proposal of loaning of NT\$300 million to the subsidiary Mei Kong Development Co., Ltd. was submitted for discussion.</p> <p>11. The change of the Company's acting spokesperson was submitted for discussion.</p> <p>12. The Company's urban renewal project at Nanshi Section, Zhonghe District, New Taipei City, please discuss the whole project management service.</p>
The 22nd board 15th meeting	2024.04.25	<p>1. In response to the need for business expansion and to strengthen corporate governance, the company proposes the creation of the position of Chief Executive Officer (CEO), to be concurrently held by Chairman Chun-Fa Huang. Please proceed to discuss.</p> <p>2. Amendment to the Company's "Articles of Incorporation" was submitted for discussion.</p>
The 22nd board 16th meeting	2024.5.10	<p>1. The Company's 2024 first quarter consolidated financial statement was submitted for discussion.</p>
The 22nd board 17th meeting	2024.7.12	<p>1. Proposal to provide endorsement and guarantee for a subsidiary, 100% owned by the Company, USI Corporation, to a related party, Mei Kong Development Co., Ltd., in the amount of NT\$2.35 billion.</p> <p>2. Proposal of capitalization of 2024 earnings by way of issue of new shares submitted for voting.</p>
The 22nd board 18th meeting	2024.8.9	<p>1. The Company's 2024 second quarter consolidated financial statement was submitted for discussion.</p> <p>2. Discussion of the Company's 2023 Sustainability Report.</p>
The 22nd board 19th meeting	2024.10.16	<p>1. Proposal to add the endorsement and guarantee amount of Yuanyi Construction Co., Ltd., NT\$196,900,000 submitted for voting.</p> <p>2. Proposal to have the Company subscribe to the cash issue of 90%-held subsidiary - Mei Yi Construction Co., Ltd. submitted for discussion.</p>
The 22nd board	2024.11.11	<p>1. The Company's 2024 third quarter consolidated financial statement, submitted for review.</p>



20th meeting		<p>2. The Company's "2025 Annual Internal Audit Plan", was submitted for discussion.</p> <p>3. Amendment to the Company's "Internal Control System" and "Internal Audit Implementation Rules" was submitted for discussion.</p> <p>4. Proposal to purchase land for the construction of residential buildings for sale through urban renewal was submitted for discussion.</p>
The 22nd board 21st meeting	2024.12.19	<p>1. Proposal to purchase land for the construction of residential buildings for sale through urban renewal was submitted for discussion.</p>
The 22nd board 22nd meeting	2025.01.23	<p>1. The Company's 90% owned subsidiary, Mei Yi Construction Co., Ltd., intends to participate in the joint construction and separate sale of 12 dangerous and old buildings in the "Taipei City Zhongzheng District Gongyuan Section 2nd Section 592 land reconstruction project." Please vote.</p> <p>2. Acquisition or disposal of shares of IBF Financial Holdings Co.,Ltd. held by the Company.</p> <p>3. The Company's 2025 business plan was submitted for discussion.</p> <p>4. Payment of managers' 2024 year-end bonus.</p> <p>5. Proposal for the remuneration to the new Associates of the Company, please proceed to discuss.</p>
The 22nd board 23rd meeting	2025.03.12	<p>1. Presentation of the Company's 2024 "Declaration of Internal Control System."</p> <p>2. Review of the Company's 2024 business report, separate financial statements, and consolidated financial statements.</p> <p>3. Proposal to convene the Company's 2025 annual general meeting on May 28, 2025.</p> <p>4. Discussion regarding the acceptance of shareholders' proposals for the 2025 annual shareholders' meeting.</p> <p>5. Discussion regarding the acceptance of shareholders' nominations for director (including independent director) candidates for the 2025 annual shareholders' meeting.</p> <p>6. Election of the Company's 23rd board of directors.</p> <p>7. Discussion regarding the removal of non-compete clause for newly elected directors.</p> <p>8. Review on the regular assessment of financial statement auditors' independence and suitability.</p> <p>9. Proposal for the appointment and remuneration of the Company's 2025 financial statement auditors submitted for voting.</p>
The 22nd board 24th meeting	2025.04.17	<p>1. Allocation of 2024 employee remuneration and director remuneration.</p> <p>2. The Company's 2024 Proposal of Earnings Distribution, Base Date and Date of Cash Dividend Distribution was submitted for discussion.</p> <p>3. The definition and scope of the Company's entry-level employees was submitted for discussion.</p> <p>4. Amendment to the Company's "Articles of Incorporation" was submitted for discussion.</p> <p>5. Discussion regarding the list of director (including independent director) candidates nominated by the board of directors.</p>

		<p>6. Proposal of loaning of NT\$300 million to the subsidiary Mei Kong Development Co., Ltd., where the Company held 100% of shares, was submitted for discussion.</p> <p>7. The Company's urban renewal project in Chongde Section, Xizhi District, New Taipei City. Please discuss the management service of the project.</p> <p>8. Pension contribution (severance pay) for managers of the Company.</p>
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(X) Where, during the most recent year and up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, the principal content thereof: None.

#### IV. Information on CPA fees

(I) The amount of audit and non-audit remuneration paid to the certified public accountant, its firm and its affiliates, and the content of non-audit services.

Unit: NTD thousands

Name of CPA Firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Remarks
Crowe (TW) CPAs	Chun-Chih Lin	2024.01.01~2024.12.31	3,740	515	4,255	Non-audit fees: Business registration, English translation of financial statements and other fees
	Meng-Ta Wu	2024.01.01~2024.12.31				

\*Audit fees refer to the fees paid by the Company to the certified public accountants for the audit, review, review of financial statements and financial forecast reviews.

1. If a change of CPA firm resulted in a decrease in audit fees paid during the year of change compared to the previous year, the amount of audit fees before and after the change and the reason shall be disclosed: None.
2. When the audit remuneration is reduced by 15% or more from the previous year, the amount, percentage of reduction and the reasons in the audit remuneration shall be disclosed: None.

#### V. Replacement of CPA: The Company did not change any CPA in the last 2 years.

(I) Information about former CPAs: None.

(II) Information about the succeeding CPA: None.

(III) The Company shall send the matters specified in item 1 and item 3 above to the former CPA, and notify the former CPA that if there are any disagreements, they should respond in writing within 10 days. The Company shall disclose the reply of the former CPA. : None.

#### VI. Chairman, President, financial or accounting managers of the Company who have worked in the accounting firm or any of its affiliated company in the most recent year: None.

#### VII. Transfer of Equity Interests and Changes in Pledge of Equity Interests by Directors, Managers, and Shareholders Holding More Than 10% of Shares in the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report

**Table 3****Changes in shareholdings of directors, managers and major shareholders**

Job title (Note 1)	Name	2024		As of May 6, 2025	
		Increase (decrease) of shares held	Increase (decrease) in shares pledged	Increase (decrease) of shares held	Increase (decrease) in shares pledged
Chairman (major shareholder)	Yuan Chuan Steel Co., Ltd.	7,392,470	0	0	3,400,000
	Representative: Chun-Fa Huang	0	0	0	0
	Representative: Hsiu-Mei Huang	0	0	0	0
	Representative: Chun-Chao Huang	0	0	0	0
	Representative: Yung-Chieh Huang	0	0	0	0
Director	Cheng-Ta International Investment Co., Ltd.	48,000	0	0	0
	Representative: Yung-Fen Lin	127	0	0	0
	Representative: Ta-Teng Cheng	0	0	0	0
Independent Director	Huang-Chi Liu	0	0	0	0
Independent Director	Chih-Wei Chang	0	0	0	0
Independent Director	Shu-Tzu Chen	0	0	0	0
President	Min-Chi Hsiao	0	0	0	0
Vice President	Chen-Chang Huang	0	0	0	0
Vice President	Jen-Chin Chiang	0	0	0	0
Vice President	Yu-Chi Huang	1,489	0	0	0
Assistant VP	Jin-Sheng Wang	0	0	0	0
Assistant VP	Jeffrey Chen	0	0	0	0
Accounting Supervisor	Hui-Wen Li	5,080	0	0	0
Corporate Governance Officer	Shui-Chun Wang	0	0	0	0

Note 1: Shareholders holding more than 10% of the Company's total shares should be identified as major shareholders and listed separately.

Note 2: If the counterparty of equity transfer or equity pledge is a related party, the following table shall be filled out.

Note 3: For dismissed directors and supervisors, shareholding at the end of the period refers to the shareholding of the month they were dismissed; for new directors and supervisors, shareholding at the beginning refers to the month of new appointment.

### Information on share transfer

Name (Note 1)	Reason for share transfer (Note 2)	Transacti on date	Counterpart y of transaction	The relationship between the counterparty and the Company, its directors, supervisors, managers and shareholders holding more than 10% of the shares	Numb er of shares	Transac tion price
None	None	None	None	None	None	None

Note 1: List the names of the Company's directors, supervisors, managers, and shareholders holding more than 10% of the shares.

Note 2: Fill in the acquisition or disposal.

### Information on Share Pledge

Name (Note 1)	Reasons for pledge changes (Note 2)	Date of chan ge	Counter party of transact ion	The relationship between the counterparty and the Company, its directors, supervisors, managers and shareholders holding more than 10% of the shares	Share holdin g ratio	Pledg e ratio	Num ber of share s	Amount of pledge (redemptio n)
None	None	Non e	None	None	None	None	Non e	None

Note 1: List the names of the Company's directors, supervisors, managers, and shareholders holding more than 10% of the shares.

Note 2: Indicated as pledge or redemption.

VIII. Related Party, Spouse, or Relative within the Second Degree of Kinship Among the Top Ten Shareholders

Table 3-1

**The relationship between the top 10 shareholders who hold the highest shareholding percentages**

As of the date of book closure in the shareholders' meeting (March 30, 2025)

Name (Note 1)	Shares held by the owner		Shares held by spouse and minor children		Total shares held by nominees		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another (Note 3)		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Yuan Chuan Steel Co., Ltd.	44,354,823	16.61%	-	-	-	-	A. Miramar Hotel Corporation	A. The chairman of the board of directors is the same person	
Representative: Huang, An-di	0	0.00%	0	0	0	0			
TZE SHIN INTERNATIONAL CO., LTD.	20,500,000	7.68%	-	-	-	-	A. De An Development Co., Ltd.	A. The chairman of the board of directors is the same person	
Representative: Chun-Fa Huang	0	0.00%	0	0	0	0			
Xianda Investment Co., Ltd.	18,981,600	7.11%	-	-	-	-	A. Yuanda Investment Co., Ltd.	A. The person-in-charge is a relative within the second degree of kinship	
Representative: Ta-Yu Cheng	0	0.00%	0	0	0	0			
Miramar Hotel Corporation	10,314,132	3.86%	-	-	-	-	A. Yuan Chuan Steel Co., Ltd	A. The chairman of the board of directors is the same person	
Representative: Huang, An-di	0	0.00%	0	0	0	0			
Yuanda Investment Co., Ltd.	6,798,800	2.55%	-	-	-	-	A. Xianda Investment Co., Ltd.	A. The person-in-charge is a relative within the second degree of kinship	
Representative: Ta-Teng Cheng	0	0.00%	0	0	0	0			
Jianyu Industrial Co., Ltd.	3,045,600	1.14%	-	-	-	-	None	None	
Representative: Tseng, Ying-Che	0	0.00%	0	0	0	0			
HSBC Bank (Taiwan) Limited, as custodian of the Weisden Trust	2,493,000	0.93%	0	0	0	0	None	None	

Emerging Markets High Dividend Fund investment account									
De An Development Co., Ltd. Representative: Chun-Fa Huang	2,060,000 0	0.77% 0	- 0	- 0	- 0	- 0	A. TZE SHIN INTERNATIONAL CO., LTD.	A. The chairman of the board of directors is the same person	
Kang-Ning Lin	2,040,000	0.76%	0	0	0	0	None	None	
Bing Lin	1,897,200	0.71%	0	0	0	0	None	None	

Note 1: All of the top ten shareholders should be listed. For corporate shareholders, the names of the institutional shareholders and the representative should be listed separately.

Note 2: The calculation of shareholding refers to the calculation of shareholding in own name, spouse, underage children or in the name of others.

Note 3: The shareholders listed above include both juridical persons and natural persons, and their relationships with each other shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Issuers

IX. Number of Shares and Total Shareholding in a Single Company Invested by the Company, its Directors, Supervisors, Managers, and Companies Controlled Either Directly or Indirectly by the Company

Table 4

**Comprehensive shareholding ratio**

December 31, 2024  
Unit: Thousand Shares

Invested business (Note 1)	The Company's investment		Directors, Supervisors, Managers, and Directly or Indirectly Controlling Businesses		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Mayer Corporation Development International Limited(Note 1)	5,550	100.00	0	0	5,550	100.00
VIETNAM MAYER CORP., LTD	0	100.00	0	0	0	100.00
Mei Kong Development Co., Ltd.	505,000	100.00	0	0	505,000	100.00
MIRAMAR DEVELOPMENT (HK) CO.,LTD.	17,100	90.00	0	0	17,100	90.00
MAYER INN CORPORATION	10,000	100.00	0	0	10,000	100.00
GRAND TECH PRECISION MANUFACTURING (THAILAND) CORPORATION LIMITED	17,350	45.01	0	0	17,350	45.01
LUEN JIN ENTERPRISE CO., LTD.	6,525	30.00	0	0	6,525	30.00
Meiyi Construction Co., Ltd.	4,500	90.00	0	0	4,500	90.00
Diamond Precision Steel Corp.	3,528	42.50	0	0	3,528	42.50
Glory World Development Limited	8,882	50.21	0	0	8,882	50.21
Sinowise Development Limited(Note 2)	7,550	100.00	0	0	7,550	100.00
Eternal Galaxy Limited(Note 2)	9,350	100.00	0	0	9,350	100.00
Grace Capital Development Limited(Note 2)	70	100.00	0	0	70	100.00



Note 1: Mayer Corporation Development International Limited (BVI) was approved by the Court of the British Virgin Islands (BVI) on March 27, 2017 to enter the liquidation procedure and appointed a liquidator. As a result, the Company lost control and was excluded from the consolidated financial statements.

Note 2: Refers to the number of shares and shareholding ratio of the Company's subsidiary, Glory World Development Limited.

### [Three. Capital Overview]

#### I. Capital and shares:

Table 5

(I) Source of share capital: Types of shares issued during the most recent year and up to the publication date of this annual report.

Year/ month	Issuing price	Authorized share capital		Paid-in capital stock		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Property other than cash as payment for share payment	Others
2019.5		320,000,000	3,200,000,000	267,031,320	2,670,310,320			Note 1

Note 1: Approved by the Ministry of Economic Affairs through Letter Jing-Shou-Shang-Zi No. 10801050270 dated 2019.05.03.

Type of shares	Authorized share capital			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Registered common stock	267,031,320	52,968,680	320,000,000	Listed stocks

Note: Please specify if the stock is listed or listed on TPEx (if it is restricted on the TWSE, it should be marked).

#### Information related to shelf registration system

Type of securities	Scheduled issuance amount		Issued Amount		The purpose and expected benefits of the issued portion	Scheduled issuance period of the unissued part	Remarks
	Total number of shares	Approved amount	Number of shares	price			
None	None	None	None	None	None	None	None

(II) List of major shareholders: list the shareholders with shareholdings of 5% or more. If there are fewer than ten, disclose the names of the shareholders with the top ten shareholdings, the number and percentage of their shareholdings.

**Table 8****List of major shareholders**

March 30, 2025

Shares of Stock Name of major shareholder	Number of shares held	Shareholding ratio %
Yuan Chuan Steel Co., Ltd.	44,354,823	16.61
TZE SHIN INTERNATIONAL CO., LTD.	20,500,000	7.68
Xianda Investment Co., Ltd.	18,981,600	7.11
Miramar Hotel Corporation	10,314,132	3.86
Yuanda Investment Co., Ltd.	6,798,800	2.55
Jianyu Industrial Co., Ltd.	3,045,600	1.14
HSBC Bank (Taiwan) Limited, as custodian of the Weisden Trust Emerging Markets High Dividend Fund investment account	2,493,000	0.93
De An Development Co., Ltd.	2,060,000	0.77
Kang-Ning Lin	2,040,000	0.76
Bing Lin	1,897,200	0.71

**(III) Dividend policy and implementation status:****1. Dividend policy:**

The Company's dividend policy takes into account the Company's capital needs and long-term financial planning, in line with current and future development plans, the investment environment and domestic and international competition, and the interests of shareholders, in order to determine the amount and type of earnings distribution. If the Company has earnings in the annual final accounting, it shall first pay income tax and make up for the losses of the previous years, and then set aside 10% of the balance as a legal reserve, unless the legal reserve amounts to the total paid-in capital. and special reserve shall be appropriated or reversed in accordance with the regulations of the competent authority. However, if special reserve is appropriated for the net deduction of other equity accumulated in the previous period, the same amount of special reserve shall be appropriated from the undistributed earnings of the previous period. If there is still insufficient, after adding the current after-tax net profit and the item other than the current period's net profit and included in the amount of undistributed earnings of the current period, together with the accumulated undistributed earnings of It shall be proposed to the shareholders' meeting for resolution.

The Company may distribute earnings in the form of cash dividends or stock dividends. If distribution is made, shareholders' dividends shall be set aside based on the distributable earnings in the year of final accounting for no less than 50% each year. The percentage of stock dividends shall not exceed 50% of the total dividends.

2. Implementation: (Approved by the Board of Directors on April 17, 2025, and submitted to the shareholders' meeting on May 28, 2025 for resolution)

The Company's after-tax earnings for 2024, audited by the accountants, amounted to NT\$826,067,796. The total distributable earnings for this period were NT\$895,193,993. The proposed cash dividend to shareholders is NT\$2.2 per share, with the total cash dividend distribution amounting to NT\$587,468,904.

(IV) Impacts of the stock dividends proposed at the current shareholders' meeting on the Company's operating performance and earnings per share:

Item		Year	2024
Paid-in capital at the beginning of the period (NTD)			2,67,031,320
Dividends for the year (Note 1)	Cash dividend per share (NTD)		2.2
	Stock dividends issued from capitalization of earnings (shares)		0.0
	Stock dividends per share through capitalization of capital reserve		0
Changes in business performance	Operating profit		Not applicable (Note 2)
	Operating income increase (decrease) ratio year-on-year		
	Net profit after tax		
	Net profit after tax increase (decrease) from the same period last year		
	Earnings per share		
	Earnings per share increase (decrease) ratio year-on-year		
	Annual average return on investment (annual average PE ratio reciprocal)		
Pro forma EPS and P/E ratio	If capitalized earnings are fully capitalized, they will be distributed instead as cash dividends	Pro forma earnings per share (NTD)	Not applicable (Note 2)
		Proposed average annual return on investment	
	If the capital reserve has not been transferred to capital increase,	Pro forma earnings per share (NTD)	Not applicable (Note 2)
		Proposed average annual return on investment	
	If no capital reserve is made and earnings are transferred to capital, cash dividends are paid instead	Pro forma earnings per share (NTD)	Not applicable (Note 2)
		Proposed average annual return on investment	

Note 1: To be submitted to the report of 2025 Shareholders' Meeting.

Note 2: According to the "Regulations Governing the Publication of Financial Forecasts of Public Companies," the Company is not required to disclose financial forecast

information for fiscal year 2022, therefore there is no estimated data for fiscal year 2022.

(V) Remuneration to employees, directors and supervisors:

1. Percentages or ranges with respect to employees'/directors'/supervisors' remuneration as stated in the Articles of Incorporation:

In case of profit in the year, the Company shall allocate 1% - 5% as remuneration to employees, and no more than 3% as remuneration to directors. However, if the Company still has accumulated losses, it shall first reserve an amount to offset the losses, the remaining balance is then appropriated.

Employees' remuneration may be paid in the form of shares or cash, and the remuneration may be paid to the employees of the Company and the subsidiaries of the Company who meet certain criteria. Remuneration to directors shall be in the form of cash only.

Matters concerning the distribution of employees' remuneration and directors' remuneration shall be resolved by a board of directors meeting attended by at least two-thirds of the directors and approved by more than half of the attending directors, and shall be reported at a shareholders' meeting.

2. The basis for estimating the amount of employee, director, and supervisor remuneration, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure:

If there is still a change in the amount of payment resolved by the shareholders' meeting in the following year, it will be treated as a change in accounting estimate and adjusted into the account in the year of the shareholders' meeting. If the shareholders' meeting resolves to distribute employee remuneration in the form of stock, the amount of employee remuneration in stock dividends is determined by dividing the amount of the dividend resolved by the fair value of the stock. The fair value of the stock is based on the closing price on the day before the shareholders' meeting resolution date, taking into account the impact of ex-rights and ex-dividends.

3. Distribution of remuneration approved by the Board of Directors:

- (1) Employees' remuneration and directors'/supervisors' remuneration distributed in cash or shares. If there is any discrepancy between the amount and the estimated amount of the expense recognized, the discrepancy, cause and treatment status shall be disclosed:  
The Company's 2024 profitability has been audited by the CPAs. The audited amount is used as the basis for calculation. It is proposed to appropriate 1% to 5% of the profit as employee remuneration in accordance with the Articles of Incorporation. The amount of NT\$52,961,948 and 3% of the director's remuneration was paid in cash. The amount of NT\$31,777,169 was not different from the estimated amount recognized for the year.
- (2) The amount of employee remuneration distributed in shares and its proportion to the net income after tax in the parent company only financial statement and the total employee remuneration : None. There was no employee remuneration distributed in shares this period (2023).

4. The actual distribution of remuneration to employees, directors, and supervisors in the previous year (including the number of shares, amount, and stock price), and any discrepancy between the actual distribution and the recognized remuneration to employees, directors, and supervisors in the previous year, and the reason for the discrepancy and treatment circumstances.

Item	Estimated amount of 2023 distributed	Amount of actual distribution	Differences
Employees' remuneration in cash	56,384,107	56,384,107	0
Amount of employee remuneration shares	None	None	None
Remuneration to directors and supervisors	42,288,081	42,288,081	0

There is no difference between the actual distributed amount and the recognized amount.

(VI) Shares repurchased by the Company:

**Table 10**

1. Those that have been executed:

**(1) Shares repurchased by the Company (execution completed)**

May 6, 2025

Repurchase periods (Note)	(Term)	(Term)
Purpose of repurchase	None	
Repurchase period		
Repurchase range price		
Type and quantity of shares repurchased		
Amount of shares repurchased		
Ratio of repurchased shares to expected repurchased shares (%)		
Quantity of canceled and transferred shares		
Cumulative quantity of the Company's shares held		
Ratio of cumulative holding of the company's shares to total number of issued shares (%)		

Note: The number of columns is adjusted according to the actual number of issuances.

2. Under implementation: None.

**(2) Shares repurchased by the Company**

May 10, 2024

Repurchase periods	Batch (installment)	(Term)
Purpose of repurchase	None	
Types of shares repurchased		
Upper limit on the total amount of the shares repurchased		
Scheduled repurchase period		
Quantity scheduled to be repurchased		
Repurchase price range		
Type and quantity of shares repurchased		
Amount of shares repurchased		
Ratio of repurchased shares to expected repurchased shares (%)		

II. The status of corporate bonds shall include corporate bonds that have not been repaid or in process, and the relevant matters and the impact on shareholders' equity shall be disclosed with reference to Article 248 of the Company Act. Private equity corporate bonds shall be prominently marked: None.

III. The preferred shares issued shall include both outstanding and under-going preferred shares, and the terms and conditions of the issuance, the impact on shareholders' equity, and the matters specified in Article 157 of the Company Act shall be disclosed. Private placement of preferred shares shall be prominently marked: None.

IV. The GDRs that have participated in the issuance but have not been fully redeemed shall be included, and the date of issuance, total amount issued, and the rights and obligations of the GDR holders shall be disclosed. If the ADRs are private placements, it should be prominently marked: None.

V. The status of employee stock options and employee restricted shares: Record the following:

(I) The following shall be recorded for the issuance of employee stock warrants:

1. For employee stock options that have not yet expired, the status of employee stock options as of the publication date of the annual report and the impact on shareholders' equity shall be disclosed. Private placement of employee stock warrants shall be prominently marked: None.

2. Names of managers who have acquired employee stock options and names of employees ranking top ten in exercisable shares as at the publication date of this annual report: None.
- (II) Record the following information on the issuance of restricted employee shares:
1. For the RSAs that have not yet met all of the conditions, the status of processing of the RSAs as of the publication date of the annual report and the impact on shareholders' equity shall be disclosed: None.
  2. Names of managers holding the RSAs and top ten employees holding the most shares up to the date of publication of the annual report: None.

**V. For the issuance of new shares for the merger or acquisition of shares of another company, the following shall be stated:**

- (I) Disclosure of any companies that have merged or acquired shares and issued new shares in the most recent year to the day this report was printed: None.
- (II) If the board of directors has resolved to issue new shares for the acquisition or transfer of shares of another company in the most recent year and up to the publication date of the annual report, the implementation status and basic information of the target company or the company from which the shares are transferred shall be disclosed. Mergers, acquisitions or transfers of other companies
- The issuance of new shares and the effect on shareholders' equity: None.

**VII. Execution of the Plan for Utilization of Funds**

- (I) Project content:
- As of the quarter prior to the publication date of the annual report, previous issuance or private placement of securities has not been completed, or has been completed in the last three years and the planned benefits have not yet emerged: None.
- (II) Implementation status:
- Analysis of the purpose of each plan mentioned in the preceding paragraph item by item, and its implementation compared with the original expected benefits in the previous quarter as of the print date of the annual report: None.



## **[Four. Operational overview]**

### **I. Business contents**

#### **(I) Business scope**

##### **1. Main content:**

- (1) Manufacture of steel pipes and various accessories.
- (2) Various products from steel rolling.
- (3) Steel and other alloy metal tubes and sheets.
- (4) Zinc plating and electroplating for various products.
- (5) Various products made by rolling. (Hot-rolled coils, cold-rolled coils, stainless steel coils, carbon steel, alloy steel)
- (6) Importing and exporting products and raw materials domestically and internationally, as well as processing on behalf of customers.
- (7) Agency, design, technical services and tender for manufacturing equipment of related businesses above.
- (8) The business of commissioning construction companies to build public housing and commercial buildings for lease and sale.

##### **2. Weight of business:**

Department	2023	2024
	Sales value (%)	Sales value (%)
Steel Department	96.18	90.50
Real Estate Department	0	6.99
Investment Department	0.00	0.00
Others (Hotel)	3.82	2.51
Total	100.00	100.00

##### **3. The Company's current product items and new products planned to be developed:**

##### **(1) Current products**

##### **A. Carbon steel**

- a. Black steel pipe, galvanized steel pipe for piping, galvanized wire conduit, and unthreaded steel pipe for electric wire.
- b. Steel pipes for mechanical processing: steel pipes for mechanical structure and steel pipes for general structure.
- c. Cutting of carbon steel plates.

##### **B. Stainless steel**

##### **a. Stainless steel pipe:**

Stainless steel pipes for industrial piping, stainless steel pipes (compressed pipes) for general piping, stainless steel pipes for mechanical structure, stainless steel pipes for boilers and heat exchangers, stainless steel sanitary pipes, and stainless steel pipes for automobile exhaust.

##### **b. Special joints and accessories for stainless steel pipe fittings for piping.**

##### **c. Cutting of stainless steel plates.**

- (2) New products planned to be developed in the future: Newly developed products include medium-carbon alloy steel and small- to medium-diameter, thick-walled carbon steel pipes for mechanical structures.

(II) Industry overview: Describe the current status and development of the industry, the relevance of the upstream, midstream and downstream of the industry, product development trends and competition.

1. Changes in raw materials

The international iron and steel price has been maintained at the level of US\$97 - US\$110 per tonne since the beginning of 2025. The price of coal has also remained unchanged, US\$177 - US\$206 per tonne. Compared to last year, the price of raw materials was relatively stable, and did not decline like last year.

2. Steel supply and demand in Taiwan

According to the World Steel Association's forecast, global steel demand is expected to grow by 20.6 million tons, or approximately 1.2%, in 2025 compared to 2024, with only the Chinese market showing a decline. The World Steel Association's positive outlook for 2025 suggests that the weakening demand from China is gradually being offset by growth in other regions such as India, Southeast Asia, Central and South America, and the Middle East and Africa. As a result, global steel demand is expected to bottom out and begin recovering in 2025. Industry consensus indicates that since Q4 2024, domestic customer inventories have generally remained low, while demand has been gradually recovering. Steel prices appear to have bottomed out and are rebounding, and market confidence is steadily improving. In early 2025, steel markets in Europe and the U.S. have shown noticeable signs of recovery. Furthermore, the general depreciation of Asian currencies against the U.S. dollar has contributed to steady increases in both volume and price. Q2 is traditionally the peak season for steel demand. If Chinese steel mills indeed cut production and refrain from low-price dumping, the steel market outlook for this year appears promising.

3. The Company's product development trend

The demand for engineering steel pipes and steel plates for public infrastructure and construction projects, including factories and residential buildings, has started to be released into the market. The company can expect vibrant demand for products related to construction engineering, such as galvanized steel pipes, galvanized wire conduits, stainless steel pipes, and stainless steel plates. We will fully comply with the customer's project progress needs and provide sufficient supplies according to the established plan. For steel pipes for civil construction and machining purposes, the production and sales schedule is adjusted flexibly to accommodate the flexible nature of the consumer market.

(III) Technology and R&D overview: R&D expenses and successfully developed technologies or products in the most recent year and up to the date of publication of the annual report.

1. Further improvement of the welding strength and yield rate of steel pipes
2. Manufacturing and processing of medium carbon alloy steel pipes
3. Increase the welding speed of stainless steel pipes
4. Saving and reducing the consumption of water, electricity, oil, and materials

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

1. Short-term business development:

- (1) Strengthen business services to ensure market share, effectively grasp the flow of orders from customers, and strictly control the production and sales process from order receiving to delivery, to improve customer satisfaction.
- (2) Strengthen flexible raw material procurement and inventory control to achieve management benefits by reducing capital requirements and cost risks.
- (3) Promote the full implementation of the new CNS verification and registration system for hot-dip galvanized steel pipes to ensure the stable quality of the materials used in domestic construction, the quality assurance of domestic steel pipe customers, and the construction of a reasonably competitive construction management environment.

2. Long-term business development:

- (1) Integrate the sales and marketing functions of the domestic and overseas production sites.
- (2) Raise the total equipment utilization rate of the regional production sites.
- (3) Implement product differentiation strategies to ensure quality competitiveness.

(V) Subsidiaries in the consolidated financial statements:

1. VIETNAM MAYER CORP., LTD. is a subsidiary of the Company. It was established to cooperate with the development of overseas production bases of customers. The purpose of establishment is to establish a professional manufacturing plant of welded steel pipes for mechanical structure to supply machinery required by customers in Vietnam and ASEAN regions For steel pipes for processing, we adopt the advantage of the local supply strategy to provide customers with the value service chain of just-in-time, right-quality, and appropriate amount, help customers reduce costs, improve quality, create new overseas business bases, and support each other for joint growth; in recent years, the production and sales With stable development, a steady increase in customer demand, and stable revenues and profits, the Company has successfully established a local foothold and become an important supply partner of local Taiwanese businesses.
2. The purpose of investment of MAYER INN CORPORATION is to increase the business items and business development. Although the accumulated investment benefits are still negative due to the significant impact of the COVID-19 pandemic, but with the easing of the pandemic in 2023 and the lifting of the travel restrictions in various countries, the business situation has improved. The housing rate and housing prices of MAYER INN have also begun to rise, and the revenue and profit have steadily grown.

## II. Overview of the market, production and sales

### (I) Market analysis:

#### 1. Sales regions of the main products:

By region	2023		2024	
	Net sales	Percentage (%)	Net sales	Percentage (%)
Taiwan	6,591,726	94.04	4,853,781	92.60
Vietnam	254,925	3.64	230,837	4.40
Thailand	110,015	1.57	105,113	2.01
Others	52,771	0.75	52,111	0.99
Total	7,009,437	100.00	5,241,842	100.00

#### 2. Market share, future supply and demand, and growth:

##### (1) Carbon steel products

- A. The sales volume in 2024 was 21% less than that in 2023. However, with the management team adjusting the sales product portfolio and effective inventory control, the profit from sales of iron and steel was significantly higher. Long-term: The demand for steel for public construction and industrial plants in Taiwan is still stable. Looking ahead to 2025, the global steel market is expected to experience the worst, and the economy is expected to recover.
- B. In September 2024, Taiwan's Central Bank launched the seventh wave of credit control measures. Coupled with tighter mortgage lending by banks, both buyers and sellers have adopted a wait-and-see attitude, leading to a rapid decline in transaction volume. The long-term impact of the government's housing market control policies on steel pipe demand for construction remains to be seen. However, in the short term, there has been no significant impact on the demand for steel pipes used in ongoing residential construction projects. The visibility of public infrastructure and new private factory projects remains low, and further progress will depend on government policy direction and investment promotion efforts.
- C. The mechanical processing industry has been gradually recovering its energy supply due to the gradual reconstruction of the supply chain for automobiles and motorcycles in the domestic and overseas markets. Although the recovery in demand is relatively slow, the industry's output and sales value can still be expected to be optimistic in the future.
- D. The Company's investment plans for establishing manufacturing facilities in Southeast Asia have been fully implemented, with production and sales in Vietnam and Thailand gradually recovering to pre-pandemic levels following the impacts of the COVID-19 pandemic.

##### (2) Stainless steel products

- A. The domestic market in Taiwan continues to experience an oversupply, resulting in a prolonged cycle of undifferentiated competition among upstream steel mills. This has led to persistent challenges for downstream processing industries, which face difficulty passing on or mitigating price impacts.
- B. The stainless steel material and the market price of stainless steel products have continued to decline since the second half of 2024. Meanwhile, the low-priced stainless steel sales and production suspension in China have made the export of

domestic steelmakers extremely challenging. As a result, the domestic sales price and shipment have been greatly affected, and the market demand has been sluggish.

- C. Due to the good reputation of the Company's stainless steel coil cutting service and sales volume and value, as well as good inventory building and control, the industry trend in 2024 will turn for the worse, although the sales volume and value will increase slightly compared to 2023, but profitability declined.
- D. The Company's supply of stainless steel pipes remains stable and of consistent quality, earning customer preference and designated usage. This demand stability is expected to sustain prices and profitability.

3. Competitive niche and favorable and unfavorable factors for development prospects, and countermeasures:

(1) Competitive advantage:

- A. Good quality
- B. Delivery date coordination
- C. Rapid customer service

(2) Favorable and unfavorable factors for the development prospect:

A. Favorable factors:

- a. Good brand reputation: The Company was established in 1959 and became the first seamed steel pipe manufacturer in Taiwan. The excellent quality, accurate delivery, friendly service, and excellent brand image have won the trust of customers.
- b. Strict quality control: The Company attaches great importance to the quality of raw materials, and constantly consults with upstream raw material suppliers. The quality control of the production process is also very strict. Therefore, the product recycling rate is high and the defect rate is low. The stable product quality is guaranteed. The Company's products have been awarded the Chinese Character Mark by the Central Bureau of Standards and Standards, Ministry of Economic Affairs, and have been certified as a Class-A Quality Control Factory by the Commodity Inspection and Quarantine Bureau, Ministry of Economic Affairs. Its quality is rated B+, and it was awarded the ISO 9002 certification by the Bureau of Commodity Inspection, MOEA in November 1995. In January 2000, we became the first domestic manufacturer to pass the Commercial Inspection Bureau's ISO 9002 quality certification for polyethylene-coated steel pipes, further demonstrating the technical strength of our factory.
- c. Strong R&D capability: With 60 years of experience, the Company has successfully developed internal weld removal precision steel pipes, alloy steel pipes, and anti-corrosion coated steel pipes over the years. In the future, we will continue to refine our production technology, maintain our leading position in professionalism, and maintain the reputation of "Mayer of technology".
- d. Excellent equipment performance: The Company has sophisticated machinery and equipment, including full-automatic temperature-controlled welding high-speed pipe making machine and angle steel pipe production equipment; full-automatic hot-dip galvanizing equipment uses dry-type dust treatment equipment, complies with the emission standards of the environmental

protection agency; the high-speed automatic threading machine sets the equipment and production capacity to fully meet the eager market demand for Mayer branded steel pipes.

- e. High flexibility in order intake and flexible market strategy: The Company is able to accurately grasp the market pulse and customer needs, make accurate production plans, and prepare materials for production in advance to shorten the delivery period. Therefore, the Company has greater flexibility in order intake and a more flexible market strategy.

B. Unfavorable factors:

- a. Small quantities and customized demand is the trend in the steel pipe market. With less order batch and production batch, the unit production cost will increase.
- b. The worksite environment is poor, which makes it difficult to recruit and cultivate professional and technical talents.
- c. The market competition is more internationalized, and the changes will be more rapid and fierce.

(3) Countermeasures:

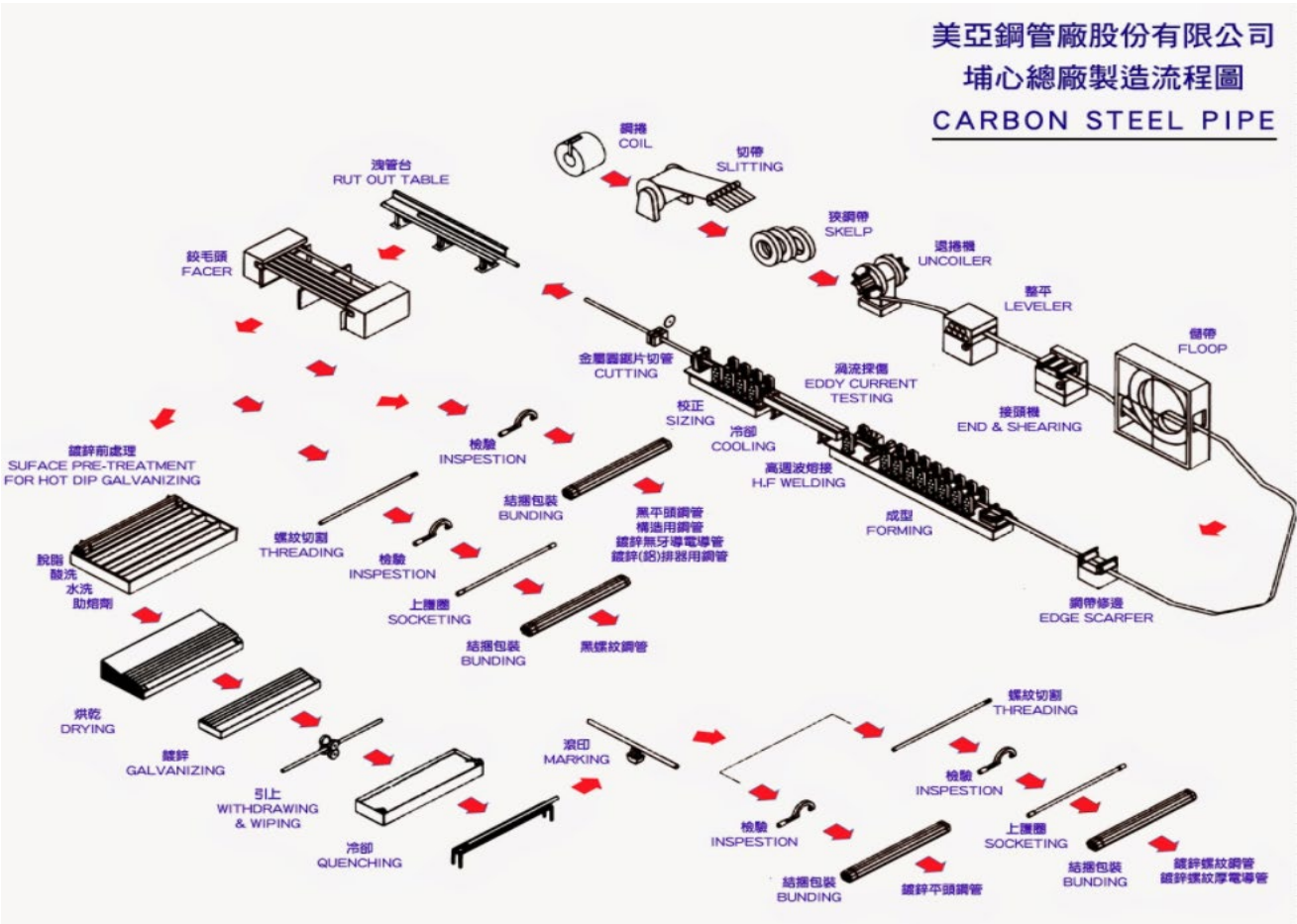
- A. Review the performance of the existing production and manufacturing equipment, and study and evaluate the need for equipment purchase and modification. The goal is to increase the production value capacity, reduce the production cost, and improve the product process capability and quality standard.
- B. Continue to comply with environmental protection laws and regulations by investing and improving pollution prevention equipment, so that the discharged wastewater, waste gas and noise meet or exceed the legal standards to prevent environmental disputes.
- C. Continue to insist on supplying a product image of good quality and stable supply, and strengthen customer services, effectively differentiate from low-priced competitive products in the market, and maintain market share and reasonable selling price.
- D. Actively innovating technology and developing competitive products, in order to provide products that satisfy customers and expand market share.

(II) Important uses of the main products and production processes:

Main products	Purpose
Black steel pipe	Construction, mechanical pipes, refrigeration pipes.
Galvanized steel pipe for piping	Construction, gas pipes, freezing pipes.
Galvanized wire conduit	Lead wire tubes.
Mechanical structure pipes	Auto and motorcycle parts, mother pipes for pumping pipes, bicycle pipes, furniture pipes, structural pipes for greenhouses, sports equipment, and pipes for containers.
General structure pipe	
Threadless wire steel pipe	Lead wire tubes.
Polyethylene coated steel pipe	Corrosion-resistant pipes for gas pipes, petroleum pipes, water pipes, and electric conduits for underground burial.
Cutting of steel plates	Home appliances, auto and motorcycle parts, kitchen utensils, chemical engineering machinery parts.

Stainless steel pipe	Piping for buildings.
Couplings and accessories for stainless steel compression pipe fittings	Piping for buildings.
Cutting of stainless steel	Home appliances, auto and motorcycle parts, kitchen utensils, chemical engineering machinery parts.

Production process:



(III) Supply of main raw materials:

Main raw materials	Description
Carbon steel coils	China Steel Corporation; CHUNG HUNG STEEL CORPORATION; Shang Cheng Steel Industrial Co., Ltd.; Shang Shing Steel Industrial Co., Ltd.
Stainless steel coils	Tang Eng Iron Works Co., Ltd.; Tung Mung Development Co., Ltd.; YIEH UNITED STEEL CORP.; Walsin Lihwa Corporation
Zinc ingot	SUMITOMO, Japan



(IV) Names of customers accounting for more than 10% of total purchases (sales) in any of the last two years, and the amount and percentage of purchases (sales), and explain the reasons for the changes:

1. The names of customers accounting for more than 10% of the total sales in any of the last two years, and the sales amount and percentage

**Table 16-1**

**Information of major customers in the most recent two years**

Unit: NT\$ thousand

Item	2023				2024				Up to the first quarter of 2025			
	Name	Amount	Percentage to net sales of the whole year (%)	Relationship with the issuer	Name	Amount	Percentage to net sales of the whole year (%)	Relationship with the issuer	Name	Amount	Percentage to the net sales amount of the current year up to the previous quarter (%)	Relationship with the issuer
1	Company Z	847,618	12.09	General	Company A	526,511	10.06	General	Company M	125,155	11.48	General
2	-	-	-	-	-	-	-	-	Company A	105,055	9.63	General
	Others	6,161,819	87.91	General	Others	4,715,331	89.94	General	Others	860,406	78.89	General
	Net sales	7,009,437	100.00		Net sales	5,241,842	100.00		Net sales	1,090,616	100.00	

Note 1: List the names of customers whose sales total more than 10% in the last two years, along with their sales amounts and percentages. If contracts prohibit the disclosure of customer names or if the transactions involve individuals who are not related parties, use codes instead.

Note 2: As of the publication date of annual report, if the most recent financial information of a listed company or a company with shares traded on the TPEx that has been audited or reviewed by a CPA, such information should also be disclosed.

Reason for change: Company A increased its purchases due to the increase in business volume, resulting in an increase in the amount of sales to it, and there was no significant change in others.

2. The name of the customer who accounted for more than 10% of the total purchase in any of the last two years, and the amount and proportion of the purchase:

**Table 16-2**

**Information on major suppliers in the last 2 years** Unit: NT\$ thousand

Item	2023				2024				Up to the first quarter of 2025			
	Name	Amount	Percentage to net purchase of the whole year (%)	Relationship with the issuer	Name	Amount	Percentage to net purchase of the whole year (%)	Relationship with the issuer	Name	Amount	Percentage to net purchase amount of the current year up to the previous quarter (%)	Relationship with the issuer
1	Company B	2,085,819	38.53	General	Company B	1,357,850	32.39	General	Company B	251,301	30.58	General
2	Company Y	1,021,159	18.86	General	Company X	934,807	22.30	General	Company X	194,349	23.65	General
3	Company X	877,429	16.21	General	Company Y	836,631	19.95	General	Company Y	194,005	23.61	General
4	Company E	541,178	10.00	General	Company E	429,523	10.24	General	Company E	69,638	8.47	General
	Others	877,655	16.40	General	Others	633,815	15.12	General	Others	112,515	13.69	General
	Net purchase	5,413,240	100.00		Net purchase	4,192,623	100.00		Net purchase	821,808	100.00	

Note 1: List the names of suppliers whose purchases total more than 10% in the last two years, along with their purchase amounts and percentages. If contracts prohibit the disclosure of supplier names or if the transactions involve individuals who are not related parties, use codes instead.

Note 2: As of the publication date of annual report, if the most recent financial information of a listed company or a company with shares traded on the TPEX that has been audited or reviewed by a CPA, such information should also be disclosed.

The reason for the increase or decrease: only the adjustment of the amount of purchase from the supplier, there is no significant change.

III. Number of employees, average year of service, average age and education distribution in the last two years and the current year as of the publication date of the annual report.

Table 19

**Information on employees in the most recent two years and up to the publication date of the annual report**

Year			2023	2024	As of May 6, 2025
Number of employees	Administrative position	Company	79	78	76
		Factory	49	52	52
	Production position		246	245	245
	Total		374	373	373
Average age			44.33	42.97	42.97
Average years of service			10.88	10.25	10.25
Education distribution ratio	Doctoral Degree		0.00	0.27	0.27
	Master's Degree		0.02	2.13	2.14
	Junior College		0.30	0.31	0.31
	Senior High School		0.34	0.36	0.36
	Below high school		0.33	0.31	0.31

IV. Information on environmental protection expenditure: The Company did not have ROHS related impact in the most recent year and as of the printing date of the annual report

(I) The total amount of losses (including remuneration) and penalties for environmental pollution in the most recent year and up to the date of publication of the annual report:

(1) Air pollution fee (soil and groundwater pollution remediation plan), NT\$53,482. The detention fee and interest of the air pollution control fee were NTD 10,810. (2) The fine for the Youth-Shih's Factory was NTD 100,000 for violation of the Air Pollution Control Act.

(II) Future countermeasures and possible expenditure:

1. Countermeasures and improvement plans: The improvement has been completed and will be monitored in the future.

2. Estimated environmental protection expenditures for the next three years

Item		2025	2026	2027
A	Proposed purchase of pollution control equipment or content of expenditure	Replacement of the surrounding pipeline and parts of the waste acid bin	Replacement of filter bags P007 and P008 of dust collector (including support cage)	Replacement of filter bags P005 and P006 of dust collector (including support cage)
	Status of improvements	NA	NA	NA

	Amount of Design Improvement	NTD 150,000	NTD 600,000	NTD 600,000
	Amount of implementation expenditure			
B	Proposed purchase of pollution control equipment or content of expenditure	Youth-Shih Factory's cleaning tower renewal	Update the electrical control box of the wastewater plant at the headquarters	
	Status of improvements	NA	NA	NA
	Amount of Design Improvement	NT\$3,500,000	NT\$1,000,000	
	Amount of implementation expenditure			
C	Proposed purchase of pollution control equipment or content of expenditure			
	Status of improvements			
	Amount of Design Improvement			
	Amount of implementation expenditure			

3. Impact after improvement: Compliance with environmental protection laws and regulations.

## V. Labor-Management Relations

(I) List the Company's various employee welfare measures, continuing education, training, retirement systems and their implementation, as well as the agreements between labor and management, and various measures to protect the rights and interests of employees:

### 1. Employee welfare measures:

The Company's Employee Welfare Committee was established in October 1965. Since its establishment, all business activities have been implemented in accordance with the Employee Welfare Committee Charter.

Benefits and their implementation are summarized as follows:

- (1) Bonus Benefits: Overtime pay, holiday bonuses, employee birthday cash gifts, year-end bonuses, performance bonuses
- (2) Leave benefits: weekends and two days, paternity leave, parental leave, menstruation leave, annual leave for male employees
- (3) Insurance benefits: Labor Insurance, National Health Insurance, Accident Insurance, Employee/Family Group Insurance, Employee Physical Examination, Employee Pension, Labor Retirement Contribution
- (4) Dining Benefits: Employee meal allowance, meal compensation
- (5) Clothing benefits: Employee uniforms

- (6) Transportation benefits: employee parking space or parking subsidy, and transportation subsidy for business trips
- (7) Entertainment benefits: domestic travel, issuance of travel vouchers
- (8) Benefits: marriage allowance, childbirth allowance, education allowance for children, on-the-job education and training for employees, retirement planning (including pension and post-retirement benefits), funeral allowance for employees
- (9) Employee remuneration: 1 to 5% of employee remuneration is appropriated in accordance with the Articles of Incorporation
- (10) Welfare funds: Welfare funds are appropriated at 0.05% of the net operating revenue, 20% of the scraps' income and 0.5% of the monthly base salary on a monthly basis.

Implementation status: In 2024, the Company spent a total of NT\$4,350 thousand on festival benefits, NT\$41 thousand in consolation payments, NT\$666 thousand in birthday parties, NT\$1,742 in travel expenses, and NT\$352 thousand in scholarships.

## 2. Retirement system:

- (1) It is a "defined contribution plan" - the Company complies with the pension system of the "Labor Pension Act", which is a defined contribution plan managed by the government. The retirement plan is withdrawn based on 6% of the employees' monthly salary. The funds are paid to the individual account held by the Bureau of Labor Insurance. In 2024, the Company was required to contribute NT\$11,333 thousand in accordance with the percentages specified in the defined contribution plan.
- (2) It is a "defined benefit plan" - the Company complies with the pension system of the "Labor Standards Act" of R.O.C., and it is a defined benefit pension plan. Employee pension is calculated based on the years of service and the average salary of the six months prior to the approved retirement date. The Company contributes 4% of the total monthly salary to the employee pension fund, which is deposited by the Labor Pension Fund Monitoring Committee in the pension account with the Bank of Taiwan in the name of the committee.
- (3) It is a "defined benefit plan" - based on the employees who meet the retirement qualifications by the end of each year, a trial calculation is made before the end of March of the year, and a full retirement reserve is deposited into the retirement reserve account of Bank of Taiwan.

Before the end of the fiscal year, if the balance in the special account is insufficient to pay the employees who meet the retirement requirements in the following year, the difference will be allocated in a lump sum before the end of March of the following year. The account is managed by the authority set up by the central competent authority, and the Company has no right to participate in the use of the pension fund. In 2024, the Company has appropriated NT\$1,072 thousand to the special account and offset the net defined benefit liabilities.

Implementation status:

Description	Male/ Number of people	Female/ Number of people	Total
Employees who actually took unpaid child care leave in 2024	0	0	0
Number of employees who actually resumed	0	0	0

their duties after parental leave in 2024			
Retired employees in 2024	4	6	10

### 3. Employee rights protection measures:

- (1) The Company has established the trade union of Mayer Steel Pipe Works Co., Ltd. to establish a platform for communication between labor and management. The trade union representative meeting is held once a year and the board of directors' and supervisors' meetings are held once every quarter. Employees can express their opinions through the labor representatives and meetings.
- (2) In order to protect the rights and interests of both parties, strengthen bilateral cooperation, improve work efficiency, enhance member welfare, and promote business development, the two parties signed a group agreement on March 1, 2023. This agreement is effective for 3 years, within the first 3 months, the parties shall exchange representatives to discuss the renewal or conclusion of a new contract. The content of the contract is mostly superior to the regulations of the Labor Standards Act, including "The wages of the union member shall not be reduced, but the Company shall negotiate with the union if there is a significant reason for reducing the wages. Prior to negotiating with the employer, the union must obtain authorization from its members, either in advance or through retrospective recognition;" "Employee salaries should include monthly performance bonuses in addition to the base salary and overtime pay;" "According to Article 32 of the Labor Standards Act, working hours are set at 8 hours per day, with overtime paid at 1.4 times the regular rate for up to 2 hours and 1.7 times for more than 2 hours, as needed;" "Employees are entitled to full pay for statutory holidays, rest days, and other designated days off under the Labor Standards Act." "In case of special circumstances with Party B's consent to work as usual, overtime pay shall be paid. The calculation method is as follows: 1. Overtime work on rest days: multiply by 1.4 times within 2 hours, and multiply by 1.7 times within 2 hours and 8 hours. 2. Working overtime during regular holidays: Article 40 of the Labor Standards Act: Due to natural disasters, accidents or emergencies, when the employer deems it necessary to continue working, the employer may suspend the labor holidays stipulated in Article 36 to 38 of the Labor Standards Act. However, the wages for the discontinued leave of absence shall be doubled, and the rest shall be made up for the rest afterwards. The Company shall state the reasons in detail and report to the local competent authority within 24 hours after the suspension of labor holidays. 3. Overtime on national holidays: multiplied by 1.4 times within 2 hours, and multiplied by 1.7 times for over 2 hours and 8 hours. " and "At the end of each business year, Party A distributes year-end bonuses to employees based on the Company's operating performance (operating profits before employees' remuneration and directors' remuneration - construction profits and losses + profits and losses from investments in the steel business at home and abroad) x 5% as an incentive." and other terms.

### 4. On-the-job training and education:

To encourage continuous learning and self-enrichment, employees are offered on-the-job training and the "Regulations Governing Incentives for Employee On-the-Job Training."

The details of the on-the-job training for the Company's employees in 2024 are as follows:

Department	Course name	Amount (NTD)
Business Department II	Steel Engineering Technology Workshop	10,500

Department	Course name	Amount (NTD)
Audit Office	ESG Internal Audit and Internal Control Courses, Internal Audit – Sustainable Information Disclosure, On-the-Job Training for Auditors	12,757
Finance Department	Advanced Training for Accounting Supervisors	16,000
Management Department	On-the-Job Safety and Health Training for Emergency Response Personnel	15,610
Plant Director's Office	Re-certification Course for Fire Prevention Managers, Steel Engineering Technology Workshop	11,795
Plant Affairs Division	Overhead Crane Operator Training, Occupational Safety and Health Training for Crane Operation Hazards	59,910
R&D Division	Level-C Electromechanical Integration Technician Certification Course, Oxyacetylene Welding Course, Environmental Safety and Health Internal Auditor Training	52,223
Carbon Steel Division	Thai Instructor Teaching Chinese, Forklift Operation Course	64,103
Quality Assurance Division	Practical Workshop on Indoor Wiring	35,043
Strip-cutting Department	Refresher Course for Overhead Crane Operators	6,671
Production Management Department	Comprehensive Review for Foreign Workers on Crane Operation	66,094
Galvanizing Department	Class B Boiler Refresher Course, Forklift Operator Refresher Course	48,873
Threading Department	Overhead Crane Operator	10,012
Packaging Department	Forklift Operator Refresher Course	4,880
Control Division	ISO 9001 Internal Auditor Training, ISO Environmental, Safety and Health Internal Auditor Training	6,728
Stainless Steel Pipe Plant – General Affairs	Class B Waste Disposal Specialist Training, Boiler Operation Refresher Course	17,356
Stainless Steel Pipe Manufacturing	ISO Environmental, Safety and Health Internal Auditor Training, ISO 9001 Training Course	29,668
Pickling Department	Refresher Course for Overhead Crane Operators	1,610
Stainless Steel Pipe Packaging	Crane Operator Training, In-Plant Refresher Training, Pre-Exam Review Class for Thai Crane Operators	9,701

Department	Course name	Amount (NTD)
Stainless Steel Sheet Plant – General Affairs	Fire Prevention Manager Training Course	2,590
Stainless Steel Sheet Cutting	Crane Operator Training Course	19,024
Others	2024 greenhouse gas inventory	759,244

(II) Losses suffered as a result of labor disputes in the most recent year and up to the date of publication of the annual report (including the violation of the Labor Standards Act as a result of labor inspections, the date of punishment, the reference number of the punishment, the violation of laws and regulations, the content of the violation, and the content of the punishment) Also, disclose the estimated amount that may occur at present and in the future and the response measures. If the amount cannot be reasonably estimated, the reason why it cannot be estimated shall be stated:

1. No such occurrence.

2. Responding measures:

(1) Strengthening of internal audit system: Establish a regular labor condition audit mechanism to ensure compliance with the provisions of the Labor Standards Act.

(2) Employee education and training: once a year, the "Labor Standards Act" topic training is implemented.

## **VI. Information communication security management**

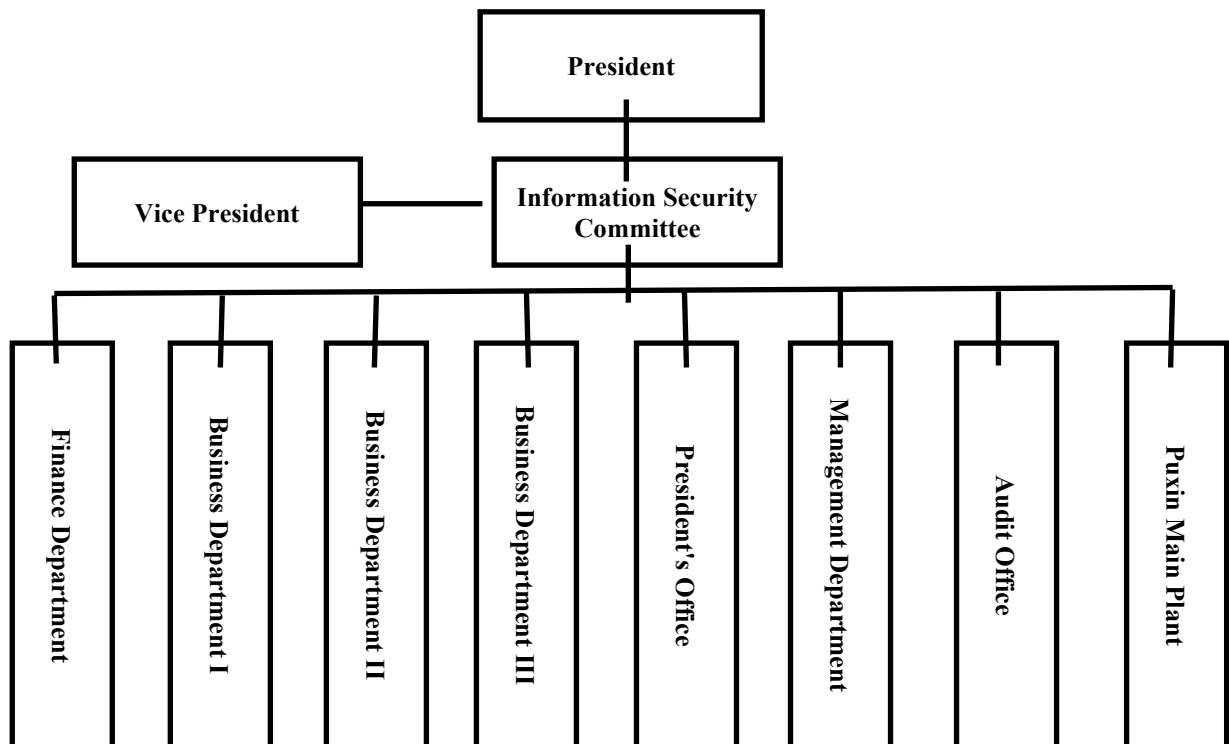
(I) Information communication security management strategy and framework, information communication security policy, specific management plan, and resources invested in information communication security management:

1. Cyber security risk management framework

(1) In 2020, Mayer established the "Information Security Committee" to oversee the formulation, implementation, risk management, and compliance review of information security-related policies. The committee is convened by a chairperson appointed by the President and composed of department heads as members. The Information Security Officer provides technical advice on information security and data protection. Regular meetings are held, and the committee reports on the effectiveness of information security management and related issues and strategies to the Audit Committee of the Board of Directors.



## (2) Organizational structure of corporate information security



## 2. Cyber security policy

### Mayer Steel Pipe Corporation Information security policy

#### 1. Information security basis and purpose

The Information Security Committee has established this policy in order to protect the security of the Company's information assets (including physical software and hardware facilities, data, information, etc.) from damage, loss or leakage due to external threats or internal improper use.

#### 2. Scope

This Policy applies to the Company's equipment and electromagnetic carrier data and personnel who may come into contact with or use it, including all employees, vendors, contractors, and staff of vendors supporting the Company.

#### 3. Organization

The Company's Information Security Committee reviews the Company's information security planning and implementation.

#### 4. Management principles

The Company's information security management covers the following information security management matters to avoid improper use, damage, loss or leakage due to human negligence, deliberate or natural disasters, etc., which may bring related risks and hazards to the Company. The Company's information security management matters are as follows:

4.1. Security management of information assets

4.2. Personnel safety management and education and training

4.3. Physical and environmental security management

4.4. Computer system and network security management

4.5. System access control

4.6. Security management for system development and maintenance

## **5. Responsibilities**

5.1. The Company shall review and amend this Policy in a timely manner, and implement it after the resolution of the General Manager to ensure that the Policy meets the current needs.

5.2. The heads of each department shall take the initiative to advocate and require their subordinates to understand and comply with this security policy and all information security

5.3. All employees shall implement the requirements of this policy.

5.4. The dispatched personnel, contracted personnel and contracted vendors are all responsible for complying with this safety policy.

5.5. All employees have the responsibility to report information security incidents or incidents discovered through an appropriate reporting system or information security weakness.

5.6. Appropriate disciplinary action shall be taken for any act that endangers information security.

5.7. The relevant information security measures or specifications shall comply with the requirements of the existing laws and regulations.

## **6. Punishment**

If an employee violates this information security policy, the IT Division shall suspend the use of such information immediately and inform the Information Security Committee and the subject concerned and his/her supervisor.

### **3. Cyber security risks and countermeasures:**

The Company has established network and computer-related information security protection measures. However, it cannot guarantee that its computer systems, which are essential for manufacturing, operations, and accounting functions, can completely avoid network attacks from any third party that could disrupt the systems. These cyber attacks have illegally invaded the Company's internal network system, sabotage the Company's operations and damage the Company's goodwill. Under the circumstance of severe network attack, Mayer's system may lose important data. Mayer ensures its suitability and effectiveness by continuously reviewing and assessing its information security regulations and procedures. However, we cannot guarantee that the Company will not be affected by new risks and attacks under the changing information security threats. Cyber attacks may also attempt to steal the Company's trade secrets and other confidential information, such as the proprietary information of customers

or other stakeholders, and the personal information of Mayer employees. Malicious hackers can also attempt to introduce computer viruses, destructive software or ransomware into Mayer's network system to interfere with the Company's operations, extort or blackmail Mayer, gain control over the computer system, or spy on confidential information. These attacks may cause the Company to compensate customers for losses due to delays or interruptions of orders; or to undertake remedial and improvement measures at huge costs to strengthen the Company's network security system; The Company bears significant legal liabilities for related legal cases or regulatory investigations resulting from the information leakage of employees who are under confidentiality obligations, customers or third parties. Mayer may face similar attacks by malware in the future. To prevent and reduce the damage caused by such attacks, Mayer has implemented and continues to update relevant improvement measures, such as building network firewalls and network controls to prevent the spread of computer viruses across factory areas. establishing endpoint anti-virus measures based on computer types. Introduce advanced malware detection and management solutions; design and develop security-enhanced personal computers for employees; implement new technologies to improve data protection; improve phishing email detection, and so on. Although the Company continues to strengthen information security protection measures, it still cannot guarantee that the Company will be free from malicious software and hacker attacks. It may seriously undermine the Company's commitments to customers and other stakeholders, and the Company's operating results, financial condition, prospects and reputation may also be materially and adversely affected.

- (II) Losses, possible impacts and countermeasures due to major information security incidents in the most recent year and up to the date of publication of the annual report: The information security incident in February 2025 caused a re-constructed cost of about NT\$360,000, and the external connection management was strengthened to meet the future information security needs.

VII. Important contracts: As of the printing date of the annual report, the following contracts are still valid and in effect or have expired in the recent year: supply contracts, technical cooperation agreements, engineering contracts, long-term loan agreements, and other significant contracts that could affect shareholder equity.

The parties involved, main content, restrictions, and contract start and end dates should be disclosed.

Nature of the contract	Party concerned	Start/end date of contract	Main Content	Restrictive clauses
Supply and sale contract	China Steel Corporation	month-to-month	Purchase of raw materials	None
Supply and sale contract	Tang Eng Iron Works Co., Ltd.	Semi-annual contract	Purchase of raw materials	None
Supply and sale contract	Tung Mung Development Co., Ltd.	month-to-month	Purchase of raw materials	None
Supply and sale contract	SUMITOMO, Japan	2025/02/01~2025/12/31	Purchase of raw materials	None

Supply and sale contract	YIEH UNITED STEEL CORP.	month-to-month	Purchase of raw materials	None
Supply and sale contract	CHUNG HUNG STEEL CORPORATION	month-to-month	Purchase of raw materials	None
Supply and sale contract	KE TRADING	2025/02/01~2025/12/31	Purchase of raw materials	None

## [Five. Review and Analysis of Financial Position and Business Performance, and Risk Management Issues]

### I. Financial status:

The main reasons for the material changes in assets, liabilities and shareholders' equity in the last two years and their effects, if significant, shall explain the future countermeasures.

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	4,938,954	4,477,864	461,090	10.30%
Financial assets and investments	1,109,460	1,004,572	104,888	10.44%
Property, plant and equipment	1,111,007	1,063,611	47,396	4.46%
Right of use assets	479,422	502,447	-23,025	-4.58%
Investment property	138,835	141,768	-2,933	-2.07%
Intangible assets	2,503	2,637	-134	-5.08%
Other assets	506,325	287,200	219,125	76.30%
Total assets	8,286,506	7,480,099	806,407	10.78%
Current liabilities	2,855,394	2,507,260	348,134	13.89%
Non-current liabilities	840,027	900,476	-60,449	-6.71%
Share capital	2,670,313	2,225,261	445,052	20.00%
Additional paid-in capital	281,622	281,622	0	0.00%
Retained earnings	1,521,280	1,533,242	-11,962	-0.78%
Other equity	108,346	26,838	81,508	303.70%
Equity attributable to owners of the parent company	4,581,562	4,066,963	514,599	12.65%
Total shareholders' equity	4,591,085	4,072,363	518,722	12.74%
<p>The percentage change in equity was analyzed: (Change of 20% or more, and the amount of change reached NT\$10,000 thousand)</p> <p>1. Other assets: Mainly due to the increase in performance bond in 2024.</p> <p>2. Share capital: Mainly due to the issuance of stock dividends of NT\$445,052 thousand in 2024.</p> <p>3. Other equity: Mainly due to the increase in the stock price and financial asset evaluation of "financial assets at fair value through other comprehensive income" in 2024, by NT\$ 81,508 thousand.</p>				

## II. Financial performance

### (I) Comparative analysis of financial performance

Unit: NT\$ thousands

Item	2024	2023	Difference	
			Amount	%
Operating income	5,241,842	7,009,437	-1,767,595	-25.22%
Operating cost	4,445,533	6,169,153	-1,723,620	-27.94%
Gross operating profit, net	797,142	837,127	-39,985	-4.78%
Operating expenses	- 309,070	- 318,177	9,107	-2.86%
Operating profit	488,072	518,950	-30,878	-5.95%
Non-operating income and expenses	496,883	802,970	-306,087	-38.12%
Pre-tax profit (loss) from continuing operations	984,955	1,321,920	-336,965	-25.49%
Income tax expense	- 158,013	- 252,349	94,336	-37.38%
Net income from continuing operations	826,942	1,069,571	-242,629	-22.68%
Other comprehensive income (loss), net	111,279	18,752	92,527	493.42%
Current comprehensive income (loss)	938,221	1,088,323	-150,102	-13.79%
The percentage change in equity was analyzed: (Change of 20% or more, and the amount of change reached NT\$10,000 thousand)				
1. The difference between operating revenue and operating cost was mainly due to a decline in sales volume.				
2. Non-operating income and expenses: Mainly due to the compensation income from the provisional execution and damages of the Banqiao case in 2024 amounting to NT\$253,798 thousand, which was less than the NT\$757,746 thousand recorded in 2023.				
3. Income before tax from continuing operations: Mainly due to a decrease of NT\$30,878 thousand in operating profit and decrease of NT\$306,087 non-operating income and expenses in 2024 compared to 2023.				
4. Income tax expense: Mainly due to a decrease of NT\$336,965 thousand in pre-tax profit for 2024 compared to 2023.				
5. Net income after tax from continuing operations: Mainly due to a decrease of NT\$336,965 thousand in pre-tax profit and a decrease of NT\$94,336 thousand in income tax expense in 2024 compared to 2023.				
6. Net other comprehensive income (loss): Mainly due to an increase of NT\$40,166 thousand in unrealized gains (losses) on equity instruments measured at fair value through other comprehensive income compared to the previous year.				

(II) Expected sales volume and basis, possible impact on the Company's future finance and business, and response plan:

Please refer to pages 4 of this annual report.

(III) Analysis of changes in gross profit

	Increase/decrease in the previous period	Reason for variance			
		Difference in selling price	Cost price difference	Difference of sales portfolio	Difference in quantity
Operating	60,817	-234,770	286,097	99,292	(89,802)
gross profit	Favorable	Unfavorable	Favorable	Favorable	Unfavorable
Description: The decrease in selling price of revenue in this period is mainly due to the sharp decline in the price of steel from the same period last year, and the cost is relatively lower, but the reduction in cost is greater than the reduction in selling price. Although the overall sales volume also decreased, the gross profit margin in this period increased significantly.					

Note 1: Based on the main product steel.

Note 2: The average cost in the analysis of price-volume spread does not include inventory devaluation losses (recovery gains).

### III. Cash flow

(I) Liquidity analysis for the most recent two years

Unit: NTD thousands

Item \ Year	Year		Percentage of increase or decrease (%)
	December 31, 2024	December 31, 2023	
Cash flow ratio	- 6.91	59.83	- 111.55
Cash flow adequacy ratio	51.48	85.88	- 35.32
Cash reinvestment ratio	- 11.78	20.93	130.10
Analysis of changes in the percentage of increase or decrease:			
1. Cash Flow Ratio: Decreased by 111.55% compared to the previous year, primarily due to a decline in sales from operating activities, resulting in lower cash inflows from operations during the current period.			
2. Cash Flow Adequacy Ratio: Decreased by 35.32% compared to the previous year, mainly due to a reduction in the average cash inflows over the past five years and a significant increase in inventory levels.			
3. Cash reinvestment ratio: a decrease of 130.10% from the previous year, mainly due to the low cash inflow from operating activities in the current period.			

(II) Improvement plan for insufficient liquidity: None.

(III) Cash flow analysis for the coming year

Unit: NTD thousands

Cash balance at the beginning of period	Expected net cash flow from operating activities for the year	Projected cash inflows (outflows) for the year	Projected cash surplus (deficit) amount	Remedies for expected cash shortage	
				Investment plan	Financing plan
477,043	987,406	(452,292)	1,086,127	0	0

Analysis of cash flow changes:

1. Business activities: Mainly steel products and construction income.
2. Investment activities: Mainly due to purchase of fixed assets.
3. Financing activities: Mainly due to the repayment of short-term loans and payment of cash dividends.

IV. The impact of material capital expenditures in the most recent year on financial operations

(I) Utilization of material capital expenditures and sources of funds: None.

(II) Expected possible income: None.

V. The policy on investments in the most recent year, the main reason for profit or loss, improvement plans, and investment plans for the year ahead

(I) The Company's reinvestment policy is mainly to diversify operations. The Board of Directors makes reinvestments based on operational needs or the Company's future growth considerations, hoping to exert the synergy and enhance shareholders' equity with investment returns.

(II) To strengthen the supervision and management of overseas investment projects, the net share of profit and loss of associates and joint ventures recognized under the equity method in 2024 was NT\$105,917 thousand, an increase of NT\$8,822 thousand compared to NT\$97,095 thousand in 2023. The Company will continue to enhance the management of reinvestments, implement a performance evaluation system, and provide necessary assistance to investee companies that experience operational difficulties or incur losses.

(III) The investment plan for the next year will focus on the construction business, but if there is an investment plan, if there is an investment plan, it will be carefully evaluated and then submitted to the board of directors for review.

VI. Risk analysis and assessment: The following items during the most recent year and as of the printing date of the annual report must be analyzed and assessed as risk items

(I) The impact of changes in interest rates, exchange rates and inflation on the Company's income, and future countermeasures.

1. Changes in interest rates:



- (1) Interest rate risk refers to the risk of changes in the fair value of financial instruments due to changes in market interest rates. The Company's interest rate risk is mainly from fixed income investments and fixed interest rate borrowings.
- (2) The sensitivity analysis of interest rate risk is based on the change in the fair value of the fixed income investment at the end of the financial reporting period. If the interest rate increases/decreases by 1 bps, and all other factors remain unchanged, the Group's net income for 2024 and 2023 will decrease by NT\$4,174 thousand and NT\$1,572 thousand, respectively.

2. Changes in foreign exchange rates:

The Group's operating activities and net investment in foreign operating institutions are mainly conducted in foreign currency, so the foreign currency exchange rate risk is generated. The Group's receivables and payables denoted in foreign currencies are partially denominated in the same currency. In this case, certain positions will have a natural hedging effect; in addition, the net investment in foreign operating institutions is Hedging.

3. Inflation: There is no significant impact on the Company's operation and profits.

(II) The policy of engaging in high-risk and highly leveraged investments, loans to others, endorsements and guarantees, and derivatives transactions, the main reasons for profit or loss, and future countermeasures.

1. The Company does not engage in high-risk and highly leveraged investments.
2. The Company's loans to others are mainly for the working capital of subsidiaries, and the individual loan amount is limited to 10% of the Company's net worth in accordance with the Company's "Operating Procedures for Loaning of Funds" , and the total amount shall not exceed 40% of the Company's net worth.
3. The Company's endorsements and guarantees are mainly made for the subsidiaries' banks and are processed in accordance with the Company's "Operational Procedures for Endorsements and Guarantees". The total amount of endorsements and guarantees for others is limited to 100% of the Company's net worth. The total amount of endorsements/guarantees made for a single enterprise is limited to 100% of the Company's net worth.
4. The Company does not engage in derivative transactions.

(III) R&D plans and expected investment in R&D expenses in the future:

The Company expects to invest NT\$ 0 in R&D expenses, but the expenses for the expected purchase of one new machine in 2025 and the courses and expenses of R&D education and training are as follows:

1. Newly purchased equipment

The Company plans to acquire new machinery and equipment in 2025 for the No. 10 tube mill, specifically for the anti-rust oil water and oil stain filtration system. The cost is as follows:

Item	Plan amount (before tax)	Contract amount (before tax)	Amount of difference (before tax)	Vendor
1. Water content of stainless oil and oil filter equipment project(#10 for manufacturing machines)	\$600,000			HC Feng Co., Ltd.

Item	Plan amount (before tax)	Contract amount (before tax)	Amount of difference (before tax)	Vendor
Total (before tax)	<b>NT.600,000</b>	<b>NT. 0</b>	<b>NT. 0</b>	

## 2. Education and training

Continuously improve the work skills of R&D personnel through on-the-job training. The related courses and fees are as follows:

Item	Courses	Expenses	No. of people attending R&D courses	Total amount	Organizer
1	Anti-dice and anti-matter method for improving manufacturing efficiency	NT\$3,000/person	1 people	NT\$3,000	Metal Industries Research & Development Centre (MIRDC)
2	Workshop for the Integration and Application of Air Pressure Control and PLC	NT\$9,000/person	1 people	NTD 9,000	Metal Industries Research & Development Centre (MIRDC)
3	Basic introduction to programming controller (PLC)	NT\$8,000/person	1 people	NT\$8,000	Metal Industries Research & Development Centre (MIRDC)
4	Enhancing the performance of manufacturing management and equipment maintenance from the vision to the strategy	NT\$3,000/person	2 people	NT\$6,000	Metal Industries Research & Development Centre (MIRDC)
Total				NT\$26,000	

### (IV) Impacts of important domestic and foreign policies and legal changes on the Company's financial operations, and responsive measures:

The company is a specialized manufacturer of steel pipes and plates that primarily serves the domestic market. While changes in important domestic and foreign policies and laws have a minimal impact on the company's financial operations it remains adaptable and responsive to such developments.

### (V) Impacts of technological changes (including information communication security risks) and industry changes on the Company's financial operations, and countermeasures:

The Company is in a limited industry in the future that will not cause significant impact on the Company's financial operations due to changes in technology (including information and communications security) and industry changes, but will still respond flexibly as the situation requires.

### (VI) Impacts of changes in corporate image on corporate crisis management and countermeasures:

The Company has more than 60 years of good corporate image and will not be affected by changes in corporate image on the Company's crisis management. However, the Company will still be flexible in response to the situation.

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

The Company has no plans for merger or acquisition.

(VIII) Expected benefits and possible risks associated with any plant expansion, and countermeasures:

The Company does not have any plans to expand plants, but will still exercise flexibility as needed.

(IX) Risks associated with any concentration of purchases or sales, and mitigation measures being or to be taken:

The main suppliers of raw materials for the Company's products are China Steel Corporation, CHUNG HUNG STEEL CORPORATION, Tang Eng Iron Works Co., Ltd., and YIEH UNITED STEEL CORP.. Through the signing of fixed-term contracts, the supply of goods is stable, and occasionally in special circumstances, they are replenished by purchasing from the international market. In terms of sales, due to the solid establishment of the distributor system, the long-standing cooperation model does not create the risk of concentration.

(X) Effects and risks to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10% stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

There was no significant transfer or replacement of equity interests by directors or major shareholders holding more than 10% of the Company's shares.

(XI) Impacts and risks to the Company due to change in management rights, and countermeasures:

The Company's management rights are stable, and there is no fear of changes in the management rights, so there is no doubt about the so-called influence and risks.

(XII) The Company shall disclose any significant litigation, non-litigation, or administrative disputes that have been adjudicated or are still pending, involving the Company, its directors, supervisors, general manager, substantial shareholders holding more than 10% of the shares, or subsidiaries, where the outcome may have a material impact on shareholder rights or the Company's stock price. Such disclosure should include the disputed facts, amount involved, date of commencement, primary parties, and the status of the case as of the date of the annual report. On December 25, 2023, the Company entered into a joint construction agreement with landowners in the Nanshi Section, Zhonghe District, New Taipei City, and paid a joint construction guarantee deposit of NT\$ 360,000 thousand in accordance with the contract. On February 17, 2025, the Company was informed that A Construction Co., Ltd. had filed a request with the court for provisional attachment and provisional injunction against the land assets under the joint construction agreement. The Taiwan Taipei District Court subsequently granted both the provisional attachment and injunction. In response, the Company submitted the promissory note issued by the landowners to the court and applied for compulsory enforcement, which was approved on February 20, 2025. The Company demanded that the landowners terminate the joint construction agreement with A Construction Co., Ltd. If the agreement cannot be successfully terminated, the landowners must return the guarantee deposit in accordance with the contract. The Company will proceed further once the situation becomes clearer and has already begun evaluating legal actions to protect its rights and interests.

(XIII) Other important risks and countermeasures: None. We will still respond flexibly as the situation requires.

VII. Other important matters: None.

## **[Six. Special Disclosure]**

I. Information on affiliated companies:

The information has been announced and filed on the designated information reporting website. For relevant details, please visit the Market Observation Post System (MOPS). Path: Basic Information > E-Books > Affiliated Enterprises Section, Company Code: 2020

(Please see [https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10), Company code: 2020)

II. With respect to the private placement of marketable securities in the most recent year and up to the publication date of the annual report, the date and amount of resolutions by the shareholders' meeting or the board of directors shall be disclosed, the basis for setting the price and its reasonableness, the method of selecting specific persons, and the reasons for private placement of securities: None.

III. Other matters for supplementary clarification: None.

IV. Matters with material influence on shareholders' equity or securities prices as specified in Subparagraph 2, Paragraph 3, Article 36 of the Annual Report in the Most Recent Fiscal Year up to the Date of Publication of the Annual Report: None.

**Mayer Steel Pipe Corporation**

**Chairman: Chun-Fa Huang**