

# **China Steel Corporation and Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 2020 and 2019 and  
Independent Auditors' Review Report**

## INDEPENDENT AUDITORS' REVIEW REPORT

China Steel Corporation

### Introduction

We have reviewed the accompanying consolidated balance sheets of China Steel Corporation (the Corporation) and its subsidiaries as of June 30, 2020 and 2019, the consolidated statements of comprehensive income for the three months and six months ended June 30, 2020 and 2019, and the consolidated statements of changes in equity and of cash flows for the six months ended June 30, 2020 and 2019, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the consolidated financial statements). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the financial position of the Corporation and its subsidiaries as of June 30, 2020 and 2019, its consolidated financial performance for the three months and six months ended June 30, 2020 and 2019, and its consolidated cash flows for the six months ended June 30, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC.

The engagement partners on the reviews resulting in this independent auditors' review report are Jui-Hsuan Hsu and Cheng-Hung Kuo.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

August 3, 2020

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.*

# CHINA STEEL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2020 (Reviewed)		December 31, 2019 (Audited)		June 30, 2019 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 15,600,336	2	\$ 17,029,797	3	\$ 27,373,448	4
Financial assets at fair value through profit or loss - current (Note 7)	4,860,207	1	3,927,715	1	4,662,987	1
Financial assets at fair value through other comprehensive income - current (Note 8)	4,306,568	1	3,958,587	1	3,902,457	1
Financial assets for hedging - current (Note 9)	1,752,667	-	1,970,043	-	3,294,067	-
Contract assets - current (Note 24)	9,113,860	2	9,984,279	1	10,791,508	1
Notes receivable (Note 10)	1,049,358	-	1,246,805	-	1,770,046	-
Notes receivable - related parties (Notes 10 and 31)	91,350	-	225,179	-	316,063	-
Accounts receivable, net (Note 10)	9,054,358	1	11,013,257	2	13,284,514	2
Accounts receivable - related parties (Notes 10 and 31)	218,448	-	396,542	-	606,196	-
Other receivables (Note 31)	1,828,605	-	1,626,652	-	2,533,115	-
Current tax assets	688,432	-	395,179	-	223,128	-
Inventories (Note 11)	90,014,382	14	99,651,852	15	104,869,582	15
Non-current assets held for sale	-	-	-	-	68,180	-
Other financial assets - current (Notes 13 and 32)	8,359,766	1	8,864,968	1	11,692,320	2
Other current assets	3,846,749	1	4,338,520	1	4,598,133	1
Total current assets	150,785,086	23	164,629,375	25	189,985,744	27
<b>NONCURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - noncurrent (Note 7)	994,608	-	996,547	-	1,937,825	-
Financial assets at fair value through other comprehensive income - noncurrent (Note 8)	53,512,287	8	55,854,165	8	62,123,518	9
Financial assets at amortized cost - noncurrent	3,772	-	3,875	-	17,777	-
Financial assets for hedging - noncurrent (Note 9)	880	-	461	-	12,412	-
Investments accounted for using equity method (Note 12)	14,382,285	2	14,367,890	2	14,721,706	2
Property, plant and equipment (Notes 14 and 32)	386,329,246	60	390,063,303	59	392,692,816	56
Right-of-use assets (Notes 3, 4 and 15)	14,143,966	2	14,394,336	2	14,619,632	2
Investment properties (Notes 16 and 32)	9,740,862	2	9,750,647	2	9,696,245	2
Intangible assets	1,621,902	-	1,677,536	-	1,750,682	-
Deferred tax assets	9,448,698	2	8,897,359	1	8,542,880	1
Refundable deposits	557,504	-	526,351	-	540,487	-
Other financial assets - noncurrent (Notes 13 and 32)	3,216,115	-	2,330,359	-	2,294,795	-
Other noncurrent assets	3,280,575	1	3,139,777	1	3,129,548	1
Total noncurrent assets	497,232,700	77	502,002,606	75	512,080,323	73
<b>TOTAL</b>	<b>\$ 648,017,786</b>	<b>100</b>	<b>\$ 666,631,981</b>	<b>100</b>	<b>\$ 702,066,067</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings and bank overdraft (Notes 17 and 32)	\$ 38,472,576	6	\$ 40,057,395	6	\$ 51,821,742	7
Short-term bills payable (Note 17)	46,229,002	7	39,035,932	6	32,241,113	5
Financial liabilities at fair value through profit or loss - current (Note 7)	-	-	10,879	-	-	-
Financial liabilities for hedging - current (Note 9)	1,974,097	-	220,578	-	524,059	-
Contract liabilities - current (Note 24)	5,202,544	1	6,203,958	1	9,019,938	1
Notes payable	730,991	-	1,648,218	-	1,357,602	-
Accounts payable (Note 19)	14,256,976	2	14,627,805	2	17,374,880	3
Accounts payable - related parties (Notes 19 and 31)	48,825	-	70,726	-	37,778	-
Other payables (Notes 20 and 31)	29,862,019	5	23,066,651	4	42,268,104	6
Current tax liabilities	1,120,862	-	1,242,745	-	2,295,547	-
Provisions - current (Note 21)	3,894,766	1	3,858,959	1	5,671,474	1
Lease liabilities - current (Notes 3, 4 and 15)	951,135	-	951,653	-	905,922	-
Current portion of bonds payable (Note 18)	13,049,662	2	15,549,642	2	18,049,531	3
Current portion of long-term bank borrowings (Notes 17 and 32)	6,321,022	1	2,536,181	1	2,590,685	-
Refund liabilities - current	2,780,126	1	1,739,701	-	4,991,146	1
Other current liabilities	1,126,601	-	1,455,285	-	1,242,105	-
Total current liabilities	166,021,204	26	152,276,308	23	190,391,626	27
<b>NONCURRENT LIABILITIES</b>						
Financial liabilities for hedging - noncurrent (Note 9)	1,057,401	-	4,636,085	1	4,465,371	1
Bonds payable (Note 18)	80,497,897	12	83,399,883	13	86,542,071	12
Long-term bank borrowings (Notes 17 and 32)	31,117,833	5	42,993,841	6	34,372,102	5
Long-term bills payable (Note 17)	16,775,840	3	14,094,893	2	10,816,490	2
Provisions - noncurrent (Note 21)	1,101,303	-	1,036,460	-	935,965	-
Deferred tax liabilities	13,661,052	2	14,078,731	2	13,541,980	2
Lease liabilities - noncurrent (Notes 3, 4 and 15)	11,324,232	2	11,394,449	2	11,713,714	2
Net defined benefit liabilities	9,294,779	1	9,398,363	1	9,233,545	1
Other noncurrent liabilities	1,101,229	-	1,108,458	-	1,068,136	-
Total noncurrent liabilities	165,931,566	25	182,141,163	27	172,689,374	25
Total liabilities	331,952,770	51	334,417,471	50	363,081,000	52
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 23)</b>						
Share capital						
Ordinary shares	157,348,610	24	157,348,610	23	157,348,610	22
Preference shares	382,680	-	382,680	-	382,680	-
Total share capital	157,731,290	24	157,731,290	23	157,731,290	22
Capital surplus	38,907,700	6	38,877,269	6	38,560,049	6
Retained earnings						
Legal reserve	66,532,412	10	65,674,189	10	65,674,189	9
Special reserve	27,913,079	4	27,803,906	4	27,803,892	4
Unappropriated earnings	9,607,712	2	21,998,036	3	20,625,818	3
Total retained earnings	104,053,203	16	115,476,131	17	114,103,899	16
Other equity	(4,109,828)	(1)	(861,959)	-	7,654,779	1
Treasury shares	(8,664,198)	(1)	(8,664,198)	(1)	(8,646,700)	(1)
Total equity attributable to owners of the Corporation	287,918,167	44	302,558,533	45	309,403,317	44
<b>NON-CONTROLLING INTERESTS</b>	28,146,849	5	29,655,977	5	29,581,750	4
Total equity	316,065,016	49	332,214,510	50	338,985,067	48
<b>TOTAL</b>	<b>\$ 648,017,786</b>	<b>100</b>	<b>\$ 666,631,981</b>	<b>100</b>	<b>\$ 702,066,067</b>	<b>100</b>

The accompanying notes are an integral part of the consolidated financial statements.

# CHINA STEEL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings (Losses) Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES (Notes 24, 31 and 36)	\$ 72,609,411	100	\$ 94,880,949	100	\$ 150,528,288	100	\$ 191,110,580	100
OPERATING COSTS (Notes 11, 25 and 31)	<u>70,692,327</u>	<u>97</u>	<u>85,647,901</u>	<u>90</u>	<u>147,698,154</u>	<u>98</u>	<u>172,606,178</u>	<u>90</u>
GROSS PROFIT	<u>1,917,084</u>	<u>3</u>	<u>9,233,048</u>	<u>10</u>	<u>2,830,134</u>	<u>2</u>	<u>18,504,402</u>	<u>10</u>
OPERATING EXPENSES								
Selling and marketing expenses	1,052,208	1	1,656,154	2	2,346,116	2	3,382,947	2
General and administrative expenses	1,450,085	2	1,760,015	2	2,969,505	2	3,467,024	2
Research and development expenses	454,610	1	507,159	1	925,244	-	1,092,488	1
Loss (reversal) of expected credit loss	<u>(3,228)</u>	<u>-</u>	<u>2,630</u>	<u>-</u>	<u>5,285</u>	<u>-</u>	<u>924</u>	<u>-</u>
Total operating expenses	<u>2,953,675</u>	<u>4</u>	<u>3,925,958</u>	<u>5</u>	<u>6,246,150</u>	<u>4</u>	<u>7,943,383</u>	<u>5</u>
PROFIT (LOSS) FROM OPERATIONS	<u>(1,036,591)</u>	<u>(1)</u>	<u>5,307,090</u>	<u>5</u>	<u>(3,416,016)</u>	<u>(2)</u>	<u>10,561,019</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	82,041	-	137,627	-	142,475	-	217,607	-
Other income (Notes 25 and 31)	270,867	-	348,434	1	737,745	-	620,528	1
Other gains and losses (Notes 25 and 31)	67,926	-	295,301	-	(220,208)	-	463,117	-
Finance costs (Note 25)	(652,511)	(1)	(789,475)	(1)	(1,371,785)	-	(1,611,803)	(1)
Share of the profit (loss) of associates	<u>15,310</u>	<u>-</u>	<u>95,511</u>	<u>-</u>	<u>308,341</u>	<u>-</u>	<u>277,768</u>	<u>-</u>
Total non-operating income and expenses	<u>(216,367)</u>	<u>(1)</u>	<u>87,398</u>	<u>-</u>	<u>(403,432)</u>	<u>-</u>	<u>(32,783)</u>	<u>-</u>
PROFIT (LOSS) BEFORE INCOME TAX	(1,252,958)	(2)	5,394,488	5	(3,819,448)	(2)	10,528,236	5
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 26)	<u>41,932</u>	<u>-</u>	<u>1,159,699</u>	<u>1</u>	<u>(405,831)</u>	<u>-</u>	<u>2,150,343</u>	<u>1</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>(1,294,890)</u>	<u>(2)</u>	<u>4,234,789</u>	<u>4</u>	<u>(3,413,617)</u>	<u>(2)</u>	<u>8,377,893</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME (Notes 23 and 26)								
Items that will not be reclassified subsequently to profit or loss								
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	2,496,050	3	5,394,295	6	(2,263,063)	(1)	5,744,170	3

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# CHINA STEEL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings (Losses) Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
Gains and losses on hedging instruments	\$ (88,478)	-	\$ 108,699	-	\$ (123,448)	-	\$ 169,196	-
Share of the other comprehensive income of associates	(12,760)	-	19,442	-	(11,491)	-	22,833	-
Income tax benefit (expense) relating to items that will not be reclassified subsequently to profit or loss	(18,961)	-	(961,002)	(1)	169,735	-	(975,534)	-
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating foreign operations	841,969	1	62,859	-	(1,323,392)	(1)	442,352	-
Gains and losses on hedging instruments	9,075	-	(47,376)	-	(5,269)	-	(66,649)	-
Share of the other comprehensive income of associates	(810,979)	(1)	99,371	-	168,815	-	64,175	-
Income tax benefit (expense) relating to items that may be reclassified subsequently to profit or loss	41,606	-	(4,567)	-	11,166	-	(10,150)	-
Other comprehensive income for the period, net of income tax	2,457,522	3	4,671,721	5	(3,376,947)	(2)	5,390,393	3
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>\$ 1,162,632</u>	<u>1</u>	<u>\$ 8,906,510</u>	<u>9</u>	<u>\$ (6,790,564)</u>	<u>(4)</u>	<u>\$ 13,768,286</u>	<u>7</u>
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO:</b>								
Owners of the Corporation	\$ (1,407,837)	(2)	\$ 3,572,291	4	\$ (3,663,375)	(2)	\$ 7,180,504	4
Non-controlling interests	112,947	-	662,498	-	249,758	-	1,197,389	-
	<u>\$ (1,294,890)</u>	<u>(2)</u>	<u>\$ 4,234,789</u>	<u>4</u>	<u>\$ (3,413,617)</u>	<u>(2)</u>	<u>\$ 8,377,893</u>	<u>4</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>								
Owners of the Corporation	\$ 1,202,779	1	\$ 8,199,498	8	\$ (6,749,792)	(4)	\$ 12,269,551	6
Non-controlling interests	(40,147)	-	707,012	1	(40,772)	-	1,498,735	1
	<u>\$ 1,162,632</u>	<u>1</u>	<u>\$ 8,906,510</u>	<u>9</u>	<u>\$ (6,790,564)</u>	<u>(4)</u>	<u>\$ 13,768,286</u>	<u>7</u>
<b>EARNINGS (LOSSES) PER SHARE (Note 27)</b>								
Basic	\$ (0.09)		\$ 0.23		\$ (0.24)		\$ 0.46	
Diluted	\$ (0.09)		\$ 0.23		\$ (0.24)		\$ 0.46	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

# CHINA STEEL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars, Except Dividends Per Share) (Reviewed, Not Audited)

	Equity Attributable to Owners of the Corporation						Other Equity				Total Equity Attributable to Owners of the Corporation	Non-controlling Interests	Total Equity	
	Share Capital		Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Gains and Losses on Financial Assets as at Fair Value Through Other Comprehensive Income	Gains and Losses on Hedging Instruments	Total Other Equity				Treasury Shares
	Ordinary Shares	Preference Shares		Legal Reserve	Special Reserve	Unappropriated Earnings								
BALANCE AT JANUARY 1, 2019	\$ 157,348,610	\$ 382,680	\$ 38,545,884	\$ 63,228,774	\$ 27,649,488	\$ 31,804,134	\$ (5,919,624)	\$ 4,410,913	\$ 4,103,878	\$ 2,595,167	\$ (8,646,700)	\$ 312,908,037	\$ 29,889,681	\$ 342,797,718
Appropriation of 2018 earnings (Note 23)	-	-	-	2,445,415	-	(2,445,415)	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	154,480	(154,480)	-	-	-	-	-	-	-	-
Cash dividends to ordinary shareholders - NT\$1.0 per share	-	-	-	-	-	(15,734,861)	-	-	-	-	-	(15,734,861)	-	(15,734,861)
Cash dividends to preference shareholders - NT\$1.4 per share	-	-	-	-	-	(53,575)	-	-	-	-	-	(53,575)	-	(53,575)
Reversal of special reserve	-	-	-	-	(76)	76	-	-	-	-	-	-	-	-
Net profit for the six months ended June 30, 2019	-	-	-	-	-	7,180,504	-	-	-	-	-	7,180,504	1,197,389	8,377,893
Other comprehensive income for the six months ended June 30, 2019, net of income tax	-	-	-	-	-	(32)	426,580	4,609,366	53,133	5,089,079	-	5,089,047	301,346	5,390,393
Total comprehensive income for the six months ended June 30, 2019	-	-	-	-	-	7,180,472	426,580	4,609,366	53,133	5,089,079	-	12,269,551	1,498,735	13,768,286
Adjustment of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,806,666)	(1,806,666)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	29,467	-	(29,467)	-	(29,467)	-	-	-	-
Adjustment of other equity	-	-	14,165	-	-	-	-	-	-	-	-	14,165	-	14,165
BALANCE AT JUNE 30, 2019	\$ 157,348,610	\$ 382,680	\$ 38,560,049	\$ 65,674,189	\$ 27,803,892	\$ 20,625,818	\$ (5,493,044)	\$ 8,990,812	\$ 4,157,011	\$ 7,654,779	\$ (8,646,700)	\$ 309,403,317	\$ 29,581,750	\$ 338,985,067
BALANCE AT JANUARY 1, 2020	\$ 157,348,610	\$ 382,680	\$ 38,877,269	\$ 65,674,189	\$ 27,803,906	\$ 21,998,036	\$ (6,838,836)	\$ 2,124,342	\$ 3,852,535	\$ (861,959)	\$ (8,664,198)	\$ 302,558,533	\$ 29,655,977	\$ 332,214,510
Appropriation of 2019 earnings (Note 23)	-	-	-	858,223	-	(858,223)	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	110,524	(110,524)	-	-	-	-	-	-	-	-
Cash dividends to ordinary shareholders - NT\$0.5 per share	-	-	-	-	-	(7,867,430)	-	-	-	-	-	(7,867,430)	-	(7,867,430)
Cash dividends to preference shareholders - NT\$1.4 per share	-	-	-	-	-	(53,575)	-	-	-	-	-	(53,575)	-	(53,575)
Reversal of special reserve	-	-	-	-	(1,351)	1,351	-	-	-	-	-	-	-	-
Net profit (loss) for the six months ended June 30 2020	-	-	-	-	-	(3,663,375)	-	-	-	-	-	(3,663,375)	249,758	(3,413,617)
Other comprehensive income for the six months ended June 30, 2020, net of income tax	-	-	-	-	-	74	(762,084)	(2,223,704)	(100,703)	(3,086,491)	-	(3,086,417)	(290,530)	(3,376,947)
Total comprehensive income for the six months ended June 30, 2020	-	-	-	-	-	(3,663,301)	(762,084)	(2,223,704)	(100,703)	(3,086,491)	-	(6,749,792)	(40,772)	(6,790,564)
Adjustment of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(1,468,356)	(1,468,356)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	161,378	-	(161,378)	-	(161,378)	-	-	-	-
Adjustment of other equity	-	-	30,431	-	-	-	-	-	-	-	-	30,431	-	30,431
BALANCE AT JUNE 30, 2020	\$ 157,348,610	\$ 382,680	\$ 38,907,700	\$ 66,532,412	\$ 27,913,079	\$ 9,607,712	\$ (7,600,920)	\$ (260,740)	\$ 3,751,832	\$ (4,109,828)	\$ (8,664,198)	\$ 287,918,167	\$ 28,146,849	\$ 316,065,016

The accompanying notes are an integral part of the consolidated financial statements.

# CHINA STEEL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit (loss) before income tax	\$ (3,819,448)	\$ 10,528,236
Adjustments for:		
Depreciation expense	16,764,631	18,271,971
Amortization expense	123,430	140,947
Recognition of expected credit loss	5,285	924
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	12,605	(103,164)
Finance costs	1,371,785	1,611,803
Interest income	(142,475)	(217,607)
Dividends income	(139,745)	(194,174)
Share of the profit of associates	(326,675)	(276,409)
Loss (gain) on disposal of property, plant and equipment	(182,929)	66,229
Gain on disposal of investments	(289,476)	(55,414)
Write-downs of inventories	149,882	1,113,966
Reversal of impairment loss recognized on non-financial assets	-	(7,530)
Recognition (reversal) of provisions	121,438	(1,498,430)
Others	4,989	15,351
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	186,700	(76,302)
Financial assets for hedging	88,124	427,937
Contract assets	835,621	778,120
Notes receivable	167,454	83,585
Notes receivable - related parties	133,829	172,617
Accounts receivable	1,914,223	1,989,534
Accounts receivable - related parties	178,094	182,836
Other receivables	(17,888)	(176,845)
Inventories	9,498,951	(4,899,512)
Other current assets	406,793	536,533
Financial liabilities for hedging	(62,307)	(47,966)
Contract liabilities	(1,001,414)	1,462,604
Notes payable	(917,227)	(429,241)
Accounts payable	(364,074)	(1,979,136)
Accounts payable - related parties	(21,901)	(28,393)
Other payables	(1,253,291)	1,438,896
Provisions	(23,890)	(33,593)
Other current liabilities	(328,684)	7,879
Net defined benefit liabilities	(103,584)	(128,176)
Refund liabilities	<u>1,040,425</u>	<u>2,122,331</u>
Cash generated from operations	24,009,251	30,800,407
Income taxes paid	<u>(797,313)</u>	<u>(5,122,411)</u>
Net cash generated from operating activities	<u>23,211,938</u>	<u>25,677,996</u>

(Continued)



# CHINA STEEL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2020	2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	\$ (2,668,804)	\$ (1,123,161)
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,172,267	534,010
Acquisition of financial assets at fair value through profit or loss	(3,717,190)	(6,944,739)
Proceeds from disposal of financial assets at fair value through profit or loss	2,485,815	5,096,913
Acquisition of financial assets for hedging	-	(986,810)
Derecognition of financial liabilities for hedging	(1,765,167)	(3,889,714)
Acquisition of investments accounted for using equity method	(375,000)	(15,486)
Proceeds from disposal of investments accounted for using equity method	284,821	53,334
Disposal of subsidiaries	602,742	33,863
Acquisition of property, plant and equipment	(13,116,666)	(11,901,680)
Proceeds from disposal of property, plant and equipment	267,058	44,617
Decrease in refundable deposits	51,888	41,748
Acquisition of intangible assets	(38,418)	(9,652)
Acquisition of right-of-use assets	-	(11,937)
Acquisition of investment properties	(10,483)	-
Increase in other financial assets	(380,554)	(2,342,729)
Increase in other noncurrent assets	(32,956)	(194,702)
Interest received	143,418	210,396
Dividends received from associates	441,185	244,258
Dividends received from others	48,507	92,718
	<u>(15,607,537)</u>	<u>(21,068,753)</u>
<b>Net cash used in investing activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	156,847,511	134,606,921
Repayments of short-term borrowings	(158,201,232)	(124,769,555)
Proceeds from short-term bills payable	77,675,913	68,063,925
Repayment of short-term bills payable	(70,482,842)	(58,234,858)
Issuance of bonds payable	7,000,000	-
Repayments of bonds payable	(12,400,000)	(7,250,000)
Proceeds from long-term bank borrowings	30,890,000	22,869,900
Repayments of long-term bank borrowings	(38,893,148)	(16,493,057)
Proceeds from long-term bills payable	6,601,023	2,475,017
Repayments of long-term bills payable	(3,920,077)	(12,978,021)
Repayments of principal of lease liabilities	(497,671)	(438,790)
Decrease in other noncurrent liabilities	(7,229)	(5,761)

(Continued)

# CHINA STEEL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2020	2019
Dividends paid to owners of the Corporation	\$ (3,110)	\$ (2,856)
Interest paid	(1,620,014)	(1,855,412)
Decrease in non-controlling interests	<u>(1,468,356)</u>	<u>(1,806,666)</u>
Net cash generated from (used in) financing activities	<u>(8,479,232)</u>	<u>4,180,787</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>51,737</u>	<u>423,063</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(823,094)	9,213,093
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>12,031,039</u>	<u>12,522,832</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 11,207,945</u>	<u>\$ 21,735,925</u>
Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of June 30, 2020 and 2019:		
Cash and cash equivalents in the consolidated balance sheets	\$ 15,600,336	\$ 27,373,448
Bank overdraft	<u>(4,392,391)</u>	<u>(5,637,523)</u>
Cash and cash equivalents in the consolidated statements of cash flows	<u>\$ 11,207,945</u>	<u>\$ 21,735,925</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

# CHINA STEEL CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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### 1. GENERAL INFORMATION

China Steel Corporation (the Corporation) was incorporated on December 3, 1971. It manufactures and sells steel products and engages in mechanical, communications, and electrical engineering.

The shares of the Corporation and its subsidiaries, including China Steel Structure Co., Ltd., China Steel Chemical Corporation, CHC Resources Corporation, China Ecotek Corporation and Chung Hung Steel Corporation Ltd., have been listed on the Taiwan Stock Exchange. The shares of the subsidiary Thintech Materials Technology Co., Ltd. have been traded on the Taipei Exchange. The subsidiary Dragon Steel Corporation has issued shares to the public.

As of June 30, 2020, the Ministry of Economic Affairs (MOEA), Republic of China owned 20.05 % of the Corporation's issued ordinary shares.

The consolidated financial statements are presented in the Corporation's functional currency, New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Corporation's board of directors and approved for issue on August 3, 2020.

### 3. APPLICATION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

- a. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Corporation and its subsidiaries' accounting policies:

- 1) Amendments to IAS 1 and IAS 8 "Definition of Material"

The Corporation and its subsidiaries adopted the amendments starting from January 1, 2020. The threshold for materiality influencing users has been changed to "could reasonably be expected to influence" and, therefore, the disclosures in the consolidated financial report have been adjusted and immaterial information that may obscure material information has been deleted.

- 2) Amendment to IFRS 16 "Covid-19-Related Rent Concessions"

The Corporation and its subsidiaries elected to apply the practical expedient provided in the amendment to IFRS 16 with respect to rent concessions negotiated with the lessor as a direct consequence of the COVID-19. Related accounting policies are stated in Note 4. Before the application of the amendment, the Corporation and its subsidiaries was required to determine whether the abovementioned rent concessions are lease modifications and thus have to be accounted for as lease modifications.

The Corporation and its subsidiaries applied the amendment from January 1, 2020. Retrospective application of the amendment has no impact on the retained earnings as of January 1, 2020.

b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective immediately upon promulgation by the IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts-Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2022.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were reported to the board of directors for issue, the Corporation and its subsidiaries are in the process of assessing the impact of the impending initial application of the aforementioned and other standards and the amendments to interpretations on their financial position and results of operations. Disclosures will be provided after a detailed review of the impact has been completed.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

For readers’ convenience, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If inconsistencies arise between the English version and the Chinese version or if differences arise in the interpretations between the two

versions, the Chinese version of the consolidated financial statements shall prevail.

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. The consolidated financial statements do not present full disclosures required for a complete set of IFRSs annual financial statements.

b. Basis of consolidation

The consolidated entities were as follows:

Investor	Investee	Main Businesses	Percentage of Ownership (%)			Additional Descriptions
			June 30, 2020	December 31, 2019	June 30, 2019	
China Steel Corporation	Dragon Steel Corporation (DSC)	Hot-rolled products, H beams, billets, flat steels	100	100	100	
China Steel Corporation	Gains Investment Corporation (GIC)	General investment	100	100	100	
China Steel Corporation	China Steel Express Corporation (CSE)	Shipping services for raw materials	100	100	100	
China Steel Corporation	C.S.Aluminium Corporation (CSAC)	Production and sale of aluminum and non-ferrous metal products	100	100	100	
China Steel Corporation	China Prosperity Development Corporation (CPDC)	Real estate development	100	100	100	
China Steel Corporation	China Steel Asia Pacific Holdings Pte Ltd (CSAP)	Holding and investment	100	100	100	
China Steel Corporation	Chung Hung Steel Corporation (CHS)	Manufacture and sale of steel products	41	41	41	Refer to 2) below
China Steel Corporation	China Steel Chemical Corporation (CSCC)	Manufacture of coal chemistry and specialty chemical	29	29	29	Refer to 1) below
China Steel Corporation	China Steel Global Trading Corporation (CSGT)	Buy and sell, and act as an agency for steel products	100	100	100	
China Steel Corporation	CHC Resources Corporation (CHC)	Manufacture and sale of GBFS powder and slag cement, air-cooled BFS and BOFS, surveys and remediation of soil and groundwater, intermediate solidification, reutilization of resources	20	20	20	Direct and indirect ownerships amounted to 36%, and refer to 1) below
China Steel Corporation	Infochamp Systems Corporation (Info Champ)	ERP systems automation control systems service	100	100	100	
China Steel Corporation	China Steel Structure Co., Ltd. (CSSC)	Manufacture and sale of products of steel structure	33	33	33	Direct and indirect ownerships amounted to 36%, and refer to 1) below
China Steel Corporation	China Ecotek Corporation (CEC)	Environmental engineering, M&E engineering, and O&M engineering	45	45	45	Refer to 1) below
China Steel Corporation	China Steel Security Corporation (CSS)	On-site security, systematic security	100	100	100	
China Steel Corporation	HIMAG Magnetic Corporation (HIMAG)	Production and sale of industrial magnetic, chemical, and iron oxides	69	69	69	Direct and indirect ownerships amounted to 88%
China Steel Corporation	China Steel Machinery Corporation (CSMC)	Manufacture and sale of products for iron and steel equipment, vehicle transportation equipment, power generation and other mechanical equipment	74	74	74	Direct and indirect ownerships amounted to 100%
China Steel Corporation	China Steel Management Consulting Corporation (CMCC)	Business management and management consulting services	100	100	100	
China Steel Corporation	Eminent Venture Capital Corporation (Eminent VC)	General investment	-	-	-	Indirect ownership was 55%
China Steel Corporation	CSC Steel Australia Holdings Pty Ltd (CSC SAH)	General investment	100	100	100	
China Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company (CSVC)	Manufacture and sale of steel products	56	56	56	
China Steel Corporation	China Steel Corporation India Pvt. Ltd. (CSCI)	Electrical steel	100	100	100	
China Steel Corporation	Kaohsiung Rapid Transit Corporation (KRTC)	Mass Rapid Transit service	43	43	43	Direct and indirect ownerships amounted to 51%
China Steel Corporation	China Steel Resources Corporation (CSRC)	Other non-metallic mineral products manufacturing	100	100	100	
China Steel Corporation	CSC Precision Metal Industrial Corporation (CPMI)	Other non-ferrous metal basic industries	100	100	100	

Investor	Investee	Main Businesses	Percentage of Ownership (%)			Additional Descriptions
			June 30, 2020	December 31, 2019	June 30, 2019	
China Steel Corporation	White Biotech Corporation (WBT)	Biotechnology introduction and development	-	-	87	End of settlement in September 2019
China Steel Corporation	CSC Solar Corporation (CSCSOLAR)	Solar energy generation	55	55	55	Direct and indirect ownerships amounted to 100%
China Steel Corporation	Sing Da Marine Structure Corporation (SDMS)	Foundation of offshore wind power	100	100	100	
China Steel Corporation	United Steel International Co., Ltd. (USICL)	Holding and investment	80	80	80	Direct and indirect ownerships amounted to 100%
China Steel Corporation	China Steel Power Holding Corporation (CPHC)	General investment	51	100	100	Not increasing in shares proportionally to percentage of ownership in February 2020
Gains Investment Corporation	Eminence Investment Corporation (EIC)	General investment	100	100	100	
Gains Investment Corporation	Betacera Inc. (BETACERA)	Manufacturing and trading of electronic ceramics	48	48	48	Refer to 2) below
Gains Investment Corporation	Thintech Materials Technology Co., Ltd. (TTMC)	Sputtering target manufacturing and sales	32	32	32	Direct and indirect ownerships amounted to 40%, and refer to 1) below
Gains Investment Corporation	Gainsplus Asset Management Inc. (GAM)	General investment	100	100	100	
Gains Investment Corporation	Universal Exchange Inc. (UEC)	Wholesale of computer software, software design services, digital information supply services	64	64	64	Direct and indirect ownerships amounted to 99%
Gains Investment Corporation	Mentor Consulting Corporation (MCC)	Management consulting services	100	100	100	
Gains Investment Corporation	Winning Investment Corporation (WIC)	General investment	49	49	49	Direct and indirect ownerships amounted to 58%
Eminence Investment Corporation	Shin Mau Investment Corporation (SMIC)	General investment	30	30	30	Direct and indirect ownerships amounted to 100%
Eminence Investment Corporation	Ding Da Investment Corporation (DDIC)	General investment	30	30	30	Direct and indirect ownerships amounted to 100%
Eminence Investment Corporation	Gau Ruei Investment Corporation (GRIC)	General investment	25	25	25	Direct and indirect ownerships amounted to 100%
Eminence Investment Corporation	Chiun Yu Investment Corporation (CYIC)	General investment	25	25	25	Direct and indirect ownerships amounted to 100%
Shin Mau Investment Corporation	Hung-Chuan Investment Corporation (HCIC)	General investment	5	5	5	Direct and indirect ownerships amounted to 100%
Shin Mau Investment Corporation	Chi-Yi Investment Corporation (CYIC)	General investment	5	5	5	Direct and indirect ownerships amounted to 100%
Ding Da Investment Corporation	Jiing-Cherng-Fa Investment Corporation (JCFIC)	General investment	4	4	4	Direct and indirect ownerships amounted to 100%
Gau Ruei Investment Corporation	Sheng Lih Dar Investment Corporation (SLDIC)	General investment	4	4	4	Direct and indirect ownerships amounted to 100%
Gau Ruei Investment Corporation	Li-Ching-Long Investment Corporation (LCLIC)	General investment	5	5	5	Direct and indirect ownerships amounted to 100%
Betacera Inc.	Lefkara Ltd. (LL)	Trading of electronic ceramics and life saving products	100	100	100	
Lefkara Ltd.	Betacera (Su Zhou) Co., Ltd. (BSZ)	Manufacturing and trading of electronic ceramics	100	100	100	

Investor	Investee	Main Businesses	Percentage of Ownership (%)			Additional Descriptions
			June 30, 2020	December 31, 2019	June 30, 2019	
Lefkara Ltd.	Shanghai Xike Ceramic Electronic Co., Ltd. (SHXCE)	Manufacturing and trading of electronic ceramics	100	100	100	
Lefkara Ltd.	Suzhou Betacera Technology Co., Ltd. (SBTC)	Manufacturing and trading of aeronautical or marine life saving products	100	100	100	
Thintech Materials Technology Co., Ltd.	Thintech Global Limited (TTGL)	Holding and investment	100	100	100	
Thintech Materials Technology Co., Ltd.	Thintech United Limited (TTUL)	Holding and investment	-	-	-	End of settlement in June 2019
Thintech Global Limited	Taicang Thintech Materials Co., Ltd. (TCMC)	Sputtering target manufacturing and sales	100	100	100	
Thintech United Limited	Thintech United Metal Resources (Taicang) Co., Ltd. (TUMC)	Precious metal refining and sales	-	-	-	Disposal in March 2019
China Steel Express Corporation	CSEI Transport (Panama) Corporation (CSEIP)	Shipping services for raw materials	100	100	100	
China Steel Express Corporation	CSE Transport Corporation (CSEP)	Shipping services for raw materials	100	100	100	
China Steel Express Corporation	Transglory Investment Corporation (TIC)	General investment	50	50	50	Direct and indirect ownerships amounted to 100%
China Steel Express Corporation	Kaoport Stevedoring Corporation (KPC)	Ship cargo loading and unloading industry	66	66	66	
C.S.Aluminium Corporation	ALU Investment Offshore Corporation (ALU)	Holding and investment	100	100	100	
ALU Investment Offshore Corporation	United Steel International Development Corporation (USID)	Holding and investment	65	65	65	Direct and indirect ownerships amounted to 79%
United Steel International Development Corporation	Ningbo Huayang Aluminium-Tech Co., Ltd. (NA)	Production of aluminum products	100	100	100	
China Prosperity Development Corporation	CK Japan Co., Ltd. (CKJCL)	Real estate lease	80	80	80	Direct and indirect ownerships amounted to 100%
China Prosperity Development Corporation	China Prosperity Construction Corporation (CPCC) (Renamed from United Steel Development Corporation Limited)	Real estate development	60	60	-	Direct and indirect ownerships amounted to 100% and renamed in January 2020
China Steel Asia Pacific Holdings Pte Ltd	CSC Steel Holdings Berhad (CSHB)	General investment	46	46	46	Refer to 2) below
China Steel Asia Pacific Holdings Pte Ltd	Changzhou China Steel Precision Materials Co., Ltd. (CSPM)	Production and sale of titanium and titanium alloys, nickel and nickel alloys	70	70	70	
China Steel Asia Pacific Holdings Pte Ltd	China Steel Precision Metals Qingdao Co., Ltd. (CSMQ)	Cutting and processing of steel products	60	60	60	Direct and indirect ownerships amounted to 70%
CSC Steel Holdings Berhad	CSC Steel Sdn. Bhd. (CSCM)	Manufacture and sale of steel products	100	100	100	
CSC Steel Holdings Berhad	Group Steel Corporation (M) Sdn. Bhd. (GSC)	General investment	100	100	100	
CSC Steel Sdn. Bhd.	Constant Mode Sdn. Bhd. (CMSB)	General investment	100	100	100	
Chung Hung Steel Corporation	Taiwan Steel Corporation (TSC)	Iron and steel industry chain industry	-	-	100	End of settlement in December 2019
Chung Hung Steel Corporation	Hung Kao Investment Corporation (HKIC)	General investment	100	100	100	
China Steel Chemical Corporation	Ever Wealthy International Corporation (EWIC)	General investment	100	100	100	
China Steel Chemical Corporation	Ever Glory International Co., Ltd. (EVERGLORY)	International trading and general investment	100	100	100	
China Steel Chemical Corporation	Formosa Ha Tinh CSCC (Cayman) International Limited (FHTCIL)	International trade and investment	50	50	50	
Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd. (CSNCMT)	Mesophase sales and trading	100	100	100	
China Steel Global Trading Corporation	Chung Mao Trading (Samoa) Corporation (SAMOA)	Holding and investment	100	100	100	
China Steel Global Trading Corporation	Wabo Global Trading Corporation (WABO)	Buy and sell, and act as an agency for steel products	44	44	44	Direct and indirect ownerships amounted to 50%
China Steel Global Trading Corporation	CSGT (Singapore) Pte. Ltd. (CSGTSNG)	Buy and sell, and act as an agency for steel products	100	100	100	
China Steel Global Trading Corporation	Chung Mao Trading (BVI) Corporation (BVI)	Holding and investment	65	65	65	
China Steel Global Trading Corporation	CSGT International Corporation (CIC)	Holding and investment	100	100	100	
Chung Mao Trading (Samoa) Corporation	CSGT (Shanghai) Co., Ltd. (CSGTPRC)	Buy and sell, and act as an agency for steel products	100	100	100	
Wabo Global Trading Corporation	CSGT Japan Co., Ltd. (CSGTJPN)	Buy and sell, and act as an agency for steel products	100	100	100	
Chung Mao Trading (BVI) Corporation	CSGT Hong Kong Limited (CSGTHK)	Buy and sell, and act as an agency for steel products	100	100	100	

Investor	Investee	Main Businesses	Percentage of Ownership (%)			Additional Descriptions
			June 30, 2020	December 31, 2019	June 30, 2019	
CSGT International Corporation	CSGT Metals Vietnam Joint Stock Company (CSGT-VTM)	Cutting and processing of steel products	54	54	54	Direct and indirect ownerships amounted to 60%
CSGT International Corporation	CSGT Trading India Private Limited (CSGTIN)	Buy and sell, and act as an agency for steel products	99	99	99	Direct and indirect ownerships amounted to 100%
CHC Resources Corporation	Union Steel Development Corporation (USDC)	Manufacture and sale of iron powder, OEM and sales of refractory, trading, human dispatch	93	93	93	
CHC Resources Corporation	Pao Good Industrial Co., Ltd. (PG)	Sales of fly ash, manufacture and sales of dry-mix mortar, trading	51	51	51	
CHC Resources Corporation	Yu Cheng Lime Corporation (YCC)	Real estate lease, management of raw materials	90	90	90	
CHC Resources Corporation	CHC Resources Vietnam Co., Ltd (CHCV)	Sales of GBFS	85	85	85	
CHC Resources Corporation	Hsieh Sheng Development Corporation (HSDC)	Real estate lease	-	-	100	Merged with CHC in December 2019
Infochamp Systems Corporation	Info-Champ System (B.V.I) Corporation (ICSCB)	Holding and investment	100	100	100	
Info-Champ System (B.V.I) Corporation	Wuhan InfoChamp I.T. Co., Ltd. (WICIT)	Enterprise information system integration services	100	100	100	
China Steel Structure Co., Ltd.	United Steel Engineering & Construction Corporation (USEC)	Construction and management of buildings, roads and railways, and other civil engineering projects	100	100	100	
China Steel Structure Co., Ltd.	China Steel Structure Holding Co., Ltd. (CSSCHCL)	Holding and investment	37	37	63	Direct and indirect ownerships amounted to 100%
China Steel Structure Co., Ltd.	China Steel Structure Investment Pte. Ltd. (CSSIPL)	Holding and investment	100	100	100	
United Steel Engineering & Construction Corporation	United Steel Investment Pte Ltd (USIPL)	Holding and investment	100	100	100	
United Steel Engineering & Construction Corporation	United Steel Construction (Vietnam) Co., Ltd. (USCVC)	Construction and management of buildings, roads and railways, and other civil engineering projects	100	100	100	
United Steel Engineering & Construction Corporation	China Prosperity Construction Corporation (CPCC) (Renamed from United Steel Development Corporation Limited)	Real estate development	40	40	100	Direct and indirect ownerships amounted to 100% and renamed in January 2020
China Steel Structure Holding Co., Ltd.	China Steel Structure Investment Co., Ltd. (CSSICL)	Holding and investment	-	100	100	Disposal in May 2020
China Steel Structure Investment Co., Ltd.	Chung-Kang Steel Structure (Kunshan) Co., Ltd. (CKSSKC)	Manufacture and sale of products of steel structure	-	100	100	Disposal in May 2020
China Ecotek Corporation	CEC International Corporation (CECIC)	Holding and investment	100	100	100	
China Ecotek Corporation	CEC Development Corporation (CDC)	Holding and investment	100	100	100	
China Ecotek Corporation	China Ecotek Construction Corporation (CECC)	Engineering service industry	100	100	100	
China Ecotek Corporation	CEC Holding Company Limited (CHC)	Holding and investment	100	100	100	
China Ecotek Corporation	Econova Technology Corporation (ETC)	Environmental engineering, M&E engineering, and O&M engineering	100	100	100	
CEC International Corporation	China Ecotek India Private Limited (CECI)	Projects designs, construction and related services	100	100	100	
CEC Development Corporation	China Ecotek Vietnam Company Limited (CEVC)	Projects designs, construction and related services	100	100	100	
CEC Development Corporation	Xiamen Ecotek PRC Company Limited (XEP)	Sales agency for import and export of equipment and materials	100	100	100	
China Steel Security Corporation	Steel Castle Technology Corporation (SCTC)	Firefighting engineering and mechatronic engineering	100	100	100	
China Steel Security Corporation	China Steel Management And Maintenance For Buildings Corporation (CSMM)	Management and maintenance for buildings	100	100	100	
HIMAG Magnetic Corporation	MagnPower Corporation (MPC)	Powder metallurgy	55	55	55	
China Steel Machinery Corporation	China Steel Machinery Holding Corporation (CSMHC)	General investment.	-	-	-	End of settlement in May 2019
China Steel Machinery Corporation	China Steel Machinery Vietnam Co., Ltd. (CSMVC)	Machines manufacturing	100	100	100	
China Steel Machinery Corporation	China Steel Machinery Corporation India Private Limited (CSMCI)	Machines manufacturing	-	-	-	End of settlement in May 2019
CSC Steel Australia Holdings Pty Ltd	CSC Sonoma Pty Ltd (CSC Sonoma)	Investments in mining industry	100	100	100	
Kaohsiung Rapid Transit Corporation	Taiwan Intelligent Transportation Co., Ltd. (TITC)	Technical service	100	100	100	
United Steel International Co., Ltd.	China Steel Precision Metals Kunshan Co., Ltd. (CSMK)	Cutting and processing of steel products	100	100	100	
China Steel Power Holding Corporation	China Steel Power Corporation (ZN)	Offshore Wind Power Generation	100	100	-	Investment in December 2019



1) Explanations for subsidiaries which are less than 50% owned but included in the consolidated entities are as follows:

- a) The chairman and general manager of CEC, CSCC, CHC, CSSC and TTMC are designated by the Corporation and other subsidiaries in order to control its finance, operation, and human resources. Therefore, the Corporation had control-in-substance over aforementioned subsidiaries and included it in the consolidated entities.
- b) The actual operations of CHS and BETACERA are controlled by the respective board of directors. The Corporation and other subsidiaries jointly had more than half of the seats in the board of directors of CHS and BETACERA. The actual operation of CSHB is also controlled by the board of directors. The Corporation's subsidiaries had control of more than half of the voting rights in the board of directors. Therefore, the Corporation had control-in-substance over aforementioned subsidiaries and included them in the consolidated entities.

2) The Corporation had no subsidiary with material non-controlling interests.

c. Other significant accounting policies

Except for the following, refer to the summary of significant accounting policies and basis of preparation in the consolidated financial statements for the year ended December 31, 2019.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated on an interim period's pre-tax income by applying to the tax rate that would be applicable to expected total annual earnings.

3) Leases

The Corporation and its subsidiaries negotiate with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by December 31, 2020, that results in the revised consideration for the lease less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Corporation and its subsidiaries elect to apply the practical expedient to these rent concessions, and therefore, does not assess whether the rent concessions are lease modifications. Instead, the Corporation and its subsidiaries recognize the reduction in lease payment in profit or loss in the period in which the events or conditions that trigger the concession occurs, and makes a corresponding adjustment to the lease liability.

## **5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The Corporation and its subsidiaries consider the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect

both current and future periods.

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as those applied in the preparation of the consolidated financial statements for the year ended December 31, 2019.

## 6. CASH AND CASH EQUIVALENTS

	June 30, 2020	December 31, 2019	June 30, 2019
Cash on hand	\$ 49,090	\$ 47,286	\$ 46,359
Checking accounts and demand deposits	12,036,775	12,435,184	14,937,355
Cash equivalents (investments with original maturities of less than three months)			
Time deposits and negotiable certificates of deposit	1,385,749	3,284,855	9,206,479
Commercial papers with repurchase agreements	1,533,722	894,902	2,728,255
Bonds with repurchase agreements	<u>595,000</u>	<u>367,570</u>	<u>455,000</u>
	<u>\$ 15,600,336</u>	<u>\$ 17,029,797</u>	<u>\$ 27,373,448</u>

Cash and cash equivalents shown in the consolidated statements of cash flows can be reconciled to the related items in the consolidated balance sheets. The reconciliation information as of June 30, 2020 and 2019 was shown in the consolidated statements of cash flows; the reconciliation information as of December 31, 2019 was as follows:

	December 31, 2019
Cash and cash equivalents	\$ 17,029,797
Bank overdraft	<u>(4,998,758)</u>
	<u>\$ 12,031,039</u>

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Mutual funds	\$ 3,562,818	\$ 2,559,451	\$ 3,985,874
Unlisted shares	826,675	826,071	-
Emerging market shares	159,739	181,351	205,483
Convertible bonds	100,210	78,997	50,814
Listed shares	206,336	276,734	413,192
Future contracts (b)	3,682	4,767	5,770
Foreign exchange forward contracts (a)	<u>747</u>	<u>344</u>	<u>1,854</u>
	<u>\$ 4,860,207</u>	<u>\$ 3,927,715</u>	<u>\$ 4,662,987</u>

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
<hr/> <b>Financial assets at FVTPL - noncurrent</b> <hr/>			
Financial assets mandatorily classified as at FVTPL			
Unlisted shares	\$ 965,913	\$ 967,876	\$ 1,880,573
Emerging market shares	<u>28,695</u>	<u>28,671</u>	<u>57,252</u>
	<u>\$ 994,608</u>	<u>\$ 996,547</u>	<u>\$ 1,937,825</u>
<hr/> <b>Financial liabilities at FVTPL - current</b> <hr/>			
Financial liabilities held for trading			
Foreign exchange forward contracts (a)	<u>\$ -</u>	<u>\$ 10,879</u>	<u>\$ -</u>

- a. The subsidiaries entered into foreign exchange forward contracts to manage exposures due to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, some of those contracts were not accounted for by using hedge accounting. The outstanding foreign exchange forward contracts not under hedge accounting of the subsidiaries at the end of the reporting period were as follows:

	<b>Currency</b>	<b>Maturity Date</b>	<b>Contract Amount (In Thousands)</b>
<hr/> <b>June 30, 2020</b> <hr/>			
Sell	USD/NTD	2020.07-2020.08	USD5,000/NTD148,831
<hr/> <b>December 31, 2019</b> <hr/>			
Sell	USD/NTD	2020.01	USD5,000/NTD150,700
Buy	NTD/USD	2020.01	NTD291,213/USD9,350
<hr/> <b>June 30, 2019</b> <hr/>			
Sell	USD/NTD	2019.07	USD5,350/NTD167,974

- b. The subsidiary entered into precious metals futures contracts to manage fair value exposures arising from price fluctuation on precious metals. However, some of those contracts were not accounted for by using hedge accounting. As of the balance sheet date, the outstanding precious metals futures contracts were as follows:

<b>Maturity Date</b>	<b>Weight (Kilograms)</b>	<b>Amount (In Thousands)</b>
<hr/> <b>June 30, 2020</b> <hr/>		
December 15, 2020	900	\$ 14,519 (RMB 3,464 thousand)

Maturity Date	Weight (Kilograms)	Amount (In Thousands)
<u>December 31, 2019</u>		
June 15, 2020	1,830	\$ 33,667 (RMB 7,821 thousand)
<u>June 30, 2019</u>		
December 15, 2019	1,606	27,528 (RMB 6,089 thousand)

#### 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - EQUITY INSTRUMENTS

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Current</u>			
Domestic investments			
Listed shares	\$ 4,238,468	\$ 3,900,097	\$ 3,848,635
Emerging market shares and unlisted shares	59,231	58,490	53,822
Corporate bonds	<u>8,869</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,306,568</u>	<u>\$ 3,958,587</u>	<u>\$ 3,902,457</u>
<u>Noncurrent</u>			
Domestic investments			
Listed shares	\$ 11,644,071	\$ 12,423,358	\$ 14,232,699
Emerging market shares and unlisted shares	<u>2,177,753</u>	<u>2,179,248</u>	<u>2,147,484</u>
	<u>13,821,824</u>	<u>14,602,606</u>	<u>16,380,183</u>
Foreign investments			
Unlisted shares	37,182,832	38,515,865	42,935,435
Listed shares	1,694,587	1,944,817	1,989,163
Certificate of entitlement	<u>813,044</u>	<u>790,877</u>	<u>818,737</u>
	<u>39,690,463</u>	<u>41,251,559</u>	<u>45,743,335</u>
	<u>\$ 53,512,287</u>	<u>\$ 55,854,165</u>	<u>\$ 62,123,518</u>

These investments in equity instruments are not held for trading; instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Corporation and its subsidiaries' strategy of holding these investments for long-term purposes.

## 9. FINANCIAL INSTRUMENTS FOR HEDGING

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Financial assets for hedging - current</u>			
Hedging foreign-currency deposits	\$ 1,752,328	\$ 1,851,414	\$ 2,807,758
Foreign exchange forward contracts	<u>339</u>	<u>118,629</u>	<u>486,309</u>
	<u>\$ 1,752,667</u>	<u>\$ 1,970,043</u>	<u>\$ 3,294,067</u>
<u>Financial assets for hedging - noncurrent</u>			
Foreign exchange forward contracts	<u>\$ 880</u>	<u>\$ 461</u>	<u>\$ 12,412</u>
<u>Financial liabilities for hedging - current</u>			
Bank loans (Note 17)	\$ 1,806,582	\$ -	\$ 350,360
Borrowed precious metals from bank	126,707	181,210	166,265
Foreign exchange forward contracts	<u>40,808</u>	<u>39,368</u>	<u>7,434</u>
	<u>\$ 1,974,097</u>	<u>\$ 220,578</u>	<u>\$ 524,059</u>
<u>Financial liabilities for hedging - noncurrent</u>			
Bank loans (Note 17)	\$ 1,049,231	\$ 4,620,425	\$ 4,464,097
Foreign exchange forward contracts	<u>8,170</u>	<u>15,660</u>	<u>1,274</u>
	<u>\$ 1,057,401</u>	<u>\$ 4,636,085</u>	<u>\$ 4,465,371</u>

For the purpose of managing cash flow risk arising from exchange rate fluctuations due to purchasing imported equipment, the Corporation and its subsidiaries purchased foreign-currency deposits and entered into foreign exchange forward contracts. As of June 30, 2020, December 31, 2019 and June 30, 2019, the balance of the foreign-currency deposits, which consist of those designated as hedging instruments and were settlements of expired foreign exchange forward contracts, was NT\$1,752,328 thousand (JPY0.61 billion, RMB28,266 thousand, USD27,970 thousand and EUR19,156 thousand), NT\$1,851,414 thousand (JPY0.99 billion, RMB27,954 thousand, USD25,440 thousand, EUR20,332 thousand and GBP332 thousand) and NT\$2,807,758 thousand (JPY0.28 billion, RMB32,795 thousand, USD52,045 thousand, EUR26,924 thousand and GBP332 thousand), respectively. As of June 30, 2020, December 31, 2019 and June 30, 2019, cash outflows would be expected from aforementioned contracts during the periods from 2021, 2020 and 2019, respectively.

Refer to Note 30 for information relating to financial instruments for hedging.

## 10. NOTES AND ACCOUNTS RECEIVABLE, NET (INCLUDING RELATED PARTIES)

	June 30, 2020	December 31, 2019	June 30, 2019
Notes receivable			
Operating	\$ 1,133,000	\$ 1,471,984	\$ 2,084,762
Non-operating	<u>7,708</u>	<u>-</u>	<u>1,347</u>
	<u>\$ 1,140,708</u>	<u>\$ 1,471,984</u>	<u>\$ 2,086,109</u>

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Accounts receivable	\$ 9,348,848	\$ 11,481,468	\$ 13,964,041
Less: Allowance for impairment loss	<u>76,042</u>	<u>71,669</u>	<u>73,331</u>
	<u>\$ 9,272,806</u>	<u>\$ 11,409,799</u>	<u>\$ 13,890,710</u>

The Corporation and its subsidiaries make prudent assessment of their customers. The counterparties are creditworthy companies; as a result, the significant credit risk is unexpected. The Corporation and its subsidiaries did transactions with a large number of unrelated customers and no concentration of credit risk was observed. The Corporation and its subsidiaries continue to manage the financial condition and entire credit risk of their customers, and obtain sufficient collateral if needed to mitigate the risk of financial loss from late payment.

The expected credit losses on notes and accounts receivable are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast GDP and direction of economic conditions at the reporting date.

The Corporation and its subsidiaries continue to monitor the collection of receivables to ensure that proper actions are made to collect past due receivables. Additionally, the Corporation and its subsidiaries review the recoverable amount of receivables one by one on the balance sheet date to ensure that proper allowances are recognized for unrecoverable receivables.

The following table details the loss allowance of notes and accounts receivable based on the impaired aging analysis.

#### June 30, 2020

	<b>Not Past Due</b>	<b>1 to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 365 Days</b>	<b>Over 365 Days</b>	<b>Total</b>
Gross carrying amount	\$ 9,648,031	\$ 322,225	\$ 145,576	\$ 333,332	\$ 40,392	\$ 10,489,556
Loss allowance (Lifetime ECL)	<u>(2,911)</u>	<u>(44)</u>	<u>(224)</u>	<u>(37,620)</u>	<u>(35,243)</u>	<u>(76,042)</u>
Amortized cost	<u>\$ 9,645,120</u>	<u>\$ 322,181</u>	<u>\$ 145,352</u>	<u>\$ 295,712</u>	<u>\$ 5,149</u>	<u>\$ 10,413,514</u>

#### December 31, 2019

	<b>Not Past Due</b>	<b>1 to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 365 Days</b>	<b>Over 365 Days</b>	<b>Total</b>
Gross carrying amount	\$ 12,096,649	\$ 545,721	\$ 92,229	\$ 171,608	\$ 47,245	\$ 12,953,452
Loss allowance (Lifetime ECL)	<u>(23,726)</u>	<u>(6)</u>	<u>(696)</u>	<u>(1,918)</u>	<u>(45,323)</u>	<u>(71,669)</u>
Amortized cost	<u>\$ 12,072,923</u>	<u>\$ 545,715</u>	<u>\$ 91,533</u>	<u>\$ 169,690</u>	<u>\$ 1,922</u>	<u>\$ 12,881,783</u>

#### June 30, 2019

	<b>Not Past Due</b>	<b>1 to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 365 Days</b>	<b>Over 365 Days</b>	<b>Total</b>
Gross carrying amount	\$ 14,897,384	\$ 702,233	\$ 316,403	\$ 49,374	\$ 84,756	\$ 16,050,150
Loss allowance (Lifetime ECL)	<u>(24,475)</u>	<u>(4)</u>	<u>(722)</u>	<u>(3,075)</u>	<u>(45,055)</u>	<u>(73,331)</u>
Amortized cost	<u>\$ 14,872,909</u>	<u>\$ 702,229</u>	<u>\$ 315,681</u>	<u>\$ 46,299</u>	<u>\$ 39,701</u>	<u>\$ 15,976,819</u>

The movements of the loss allowance of accounts receivable were as follows:

	<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>
Balance, beginning of period	\$ 71,669	\$ 71,859
Recognition	5,772	928
Written off	(111)	-
Effect of foreign currency exchange differences	<u>(1,288)</u>	<u>544</u>
Balance, end of period	<u>\$ 76,042</u>	<u>\$ 73,331</u>

The Corporation and its subsidiary CHS entered into accounts receivable factoring agreements (without recourse) with Mega Bank and other financial institutions. Under the agreements, the Corporation and its subsidiaries are empowered to sell accounts receivable to the banks upon the delivery of products to customers and are required to complete related formalities at the next banking day.

For the six months ended June 30, 2020 and 2019, the related information for the Corporation and its subsidiary CHS's sale of accounts receivable was as follows.

Counterparty	Advances Received at Period - Beginning	Receivables Sold	Amounts Collected by Bank	Advances Received at Period - End	Interest Rate on Advances Received (%)	Credit Line
<u>For the Six Months Ended June 30, 2020</u>						
Mega Bank	\$ 3,468,167	\$ 4,527,716	\$ 4,970,222	\$ 3,025,661	1.03-1.75	NT\$9 billion
Bank of Taiwan	1,474,316	1,777,988	2,033,756	1,218,548	1.11-1.75	NT\$3 billion
Bank of Taiwan	716,373	2,951,885	3,298,801	369,457	0.60-3.75	USD130,000 thousand
Taishin Bank	2,184,170	4,416,455	4,151,687	2,448,938	2.39-2.82	USD150,000 thousand
CTBC Bank	608,287	593,674	616,588	585,373	2.60-3.22	USD40,000 thousand
Mizuho Bank	31,380	179,992	203,598	7,774	2.51-2.99	USD10,000 thousand
Mega Bank	926,731	1,203,222	1,212,393	917,560	1.12	NT\$3 billion
Bank of Taiwan	-	102,030	37,221	64,809	1.12	USD200,000 thousand
Bank of Taiwan	124,214	148,556	127,351	145,419	2.61	USD20,000 thousand
	<u>\$ 9,533,638</u>	<u>\$ 15,901,518</u>	<u>\$ 16,651,617</u>	<u>\$ 8,783,539</u>		
<u>For the Six Months Ended June 30, 2019</u>						
Mega Bank	\$ 4,309,472	\$ 4,822,998	\$ 5,442,542	\$ 3,689,928	1.05-1.75	NT\$9 billion
Bank of Taiwan	1,582,029	2,264,353	2,233,494	1,612,888	1.05-1.75	NT\$3 billion
Bank of Taiwan	491,723	2,443,500	2,511,984	423,239	0.60-3.86	USD130,000 thousand
Taishin Bank	3,341,792	4,937,706	5,235,081	3,044,417	3.00-3.39	USD120,000 thousand
CTBC Bank	1,046,091	1,084,480	1,583,973	546,598	3.09-3.47	USD40,000 thousand
Mizuho Bank	13,372	230,810	243,827	355	2.83-3.34	USD10,000 thousand
Mega Bank	1,033,187	1,357,839	1,546,987	844,039	1.27	NT\$3 billion
Bank of Taiwan	199,960	273,405	203,066	270,299	3.93	USD20,000 thousand
	<u>\$ 12,017,626</u>	<u>\$ 17,415,091</u>	<u>\$ 19,000,954</u>	<u>\$ 10,431,763</u>		

## 11. INVENTORIES

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Work in progress	\$ 25,314,034	\$ 28,774,928	\$ 29,154,942
Finished goods	21,690,752	23,024,361	26,699,868
Raw materials	20,148,317	23,395,362	22,725,350
Supplies	12,707,512	12,933,866	12,838,534
Raw materials and supplies in transit	7,763,603	9,750,625	11,734,279
Buildings and land under construction	1,406,686	1,019,181	1,466,588
Others	<u>983,478</u>	<u>753,529</u>	<u>250,021</u>
	<u>\$ 90,014,382</u>	<u>\$ 99,651,852</u>	<u>\$ 104,869,582</u>

The cost of inventories recognized as operating costs for the three months and six months ended June 30, 2020 and 2019 was NT\$60,985,207 thousand, NT\$73,524,779 thousand, NT\$127,557,846 thousand and NT\$145,372,290 thousand, respectively, including loss on inventory value decline of NT\$911,754 thousand, NT\$1,119,435 thousand NT\$149,882 thousand and NT\$1,113,966 thousand, respectively.

## 12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Material associates			
9404-5515 Québec Inc. (renamed from 7623704 Canada Inc. in September 2019)	\$ 7,974,273	\$ 8,113,736	\$ 8,448,801
Associates that are not individually material	<u>6,408,012</u>	<u>6,254,154</u>	<u>6,272,905</u>
	<u>\$ 14,382,285</u>	<u>\$ 14,367,890</u>	<u>\$ 14,721,706</u>

### a. Material associates

Name of Associate	Nature of Activities	Principal Place of Business	Percentage of Ownership and Voting Rights (%)		
			June 30, 2020	December 31, 2019	June 30, 2019
9404-5515 Québec Inc.	Mineral Investment	Canada	25	25	25

The summarized financial information below represents amounts shown in the financial statements of 9404-5515 Québec Inc., which has been prepared in accordance with IFRSs, and converted to the Corporation's functional currency and adjusted for the purposes of applying equity method.

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Current assets	\$ 154,086	\$ 84,863	\$ 262,689
Noncurrent assets	32,593,141	32,978,480	34,166,060
Current liabilities	<u>(252,226)</u>	<u>(35)</u>	<u>(57)</u>
Equity	<u>\$ 32,495,001</u>	<u>\$ 33,063,308</u>	<u>\$ 34,428,692</u>
Equity attributable to the Corporation and its subsidiaries (carrying amount of the investment)	<u>\$ 7,974,273</u>	<u>\$ 8,113,736</u>	<u>\$ 8,448,801</u>



	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Net profit for the period	\$ <u>7,742</u>	\$ <u>222,517</u>	\$ <u>1,510,809</u>	\$ <u>1,127,426</u>
Total comprehensive income for the period	\$ <u>(3,297,582)</u>	\$ <u>573,731</u>	\$ <u>2,282,630</u>	\$ <u>1,304,734</u>
Dividends received from 9404-5515 Québec Inc.	\$ <u>-</u>	\$ <u>-</u>	\$ <u>441,185</u>	\$ <u>228,568</u>
Comprehensive income attributable to the Corporation and its subsidiaries	\$ <u>(809,227)</u>	\$ <u>140,794</u>	\$ <u>560,157</u>	\$ <u>320,182</u>

b. Information about associates that are not individually material was as follows:

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
The Corporation and its subsidiaries' share of Net profit (loss) for the period	\$ 29,996	\$ 36,245	\$ (44,077)	\$ (261)
Other comprehensive income	<u>(12,612)</u>	<u>32,626</u>	<u>(32,080)</u>	<u>43,497</u>
Total comprehensive income	\$ <u>17,384</u>	\$ <u>68,871</u>	\$ <u>(76,157)</u>	\$ <u>43,236</u>

Fair values (Level 1) of investments in associates with available published price quotation are summarized as follows:

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Chateau International Development Co., Ltd.	\$ <u>890,668</u>	\$ <u>562,291</u>	\$ <u>569,038</u>

Except for the investments in some companies, investments accounted for using equity method as of June 30, 2020 and 2019, and the share of profit or loss and other comprehensive income of associates for the three months and six months ended June 30, 2020 and 2019, were calculated based on the reviewed financial statements. The Corporation's management considered the use of unreviewed financial statements as acceptable and will not have material impact on both the investments and income accounted for using the equity method.

Refer to Table 9 "Information on Investments" for the nature of main business, principal places of business and countries of incorporation of associates that are not individually material.

### 13. OTHER FINANCIAL ASSETS

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Current</u>			
Pledged time deposits (Note 32)	\$ 6,438,446	\$ 6,507,473	\$ 6,444,521
Time deposits with original maturities of more than three months	1,659,812	2,339,339	5,245,018
Deposits for projects	<u>261,508</u>	<u>18,156</u>	<u>2,781</u>
	<u>\$ 8,359,766</u>	<u>\$ 8,864,968</u>	<u>\$ 11,692,320</u>
<u>Noncurrent</u>			
Pledged receivables (Note 32)	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Pledged time deposits (Note 32)	225,175	281,109	263,085
Time deposits	37,989	46,992	21,710
Deposits for projects	<u>952,951</u>	<u>2,258</u>	<u>10,000</u>
	<u>\$ 3,216,115</u>	<u>\$ 2,330,359</u>	<u>\$ 2,294,795</u>

Refer to Note 32 for information relating to other financial assets pledged as collateral.

### 14. PROPERTY, PLANT AND EQUIPMENT

Refer to Table 12 for the movements of property, plant and equipment for the period ended June 30, 2020 and 2019.

Items of property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

Land improvements	
Bridge	40 years
Drainage system	40 years
Wharf	20-40 years
Wall	20-40 years
Others	3-10 years
Buildings	
Main structure	5-60 years
Facility	8-40 years
Mechanical and electrical facilities	10-15 years
Trellis and corrugated iron building	3-20 years
Others	3-10 years
Machinery and equipment	
Power equipment	3-25 years
Process equipment	8-40 years
Lifting equipment	5-25 years
Electrical equipment	3-16 years
High-temperature equipment	3-17 years
Examination equipment	3-10 years
Others	2-25 years

Transportation equipment	
Ship equipment	18-25 years
Railway equipment	5-20 years
Telecommunication equipment	5 years
Transportation equipment	5-10 years
Others	2 years
Other equipment	
Leasehold improvement	2-35 years
Office, air conditioning and extinguishment equipment	3-25 years
Computer equipment	3-10 years
Others	2-35 years
Rental assets	
Financial lease assets	31 years

The subsidiary CHS bought farmlands for warehousing at the Jia Xing Section and Qing Shui Section of the Gangshan District in Kaohsiung City. However, certain regulations prohibit CHS from registering the title of these farmlands in CHS's name; therefore, the registration was made in the name of an individual person. The individual person consented to fully cooperate with CHS in freely changing the land title to CHS or to other name of other under CHS instructions. Meanwhile, the land had been pledged to CHS as collateral. As of June 30, 2020, December 31, 2019 and June 30, 2019, the book values of the farmlands were all NT\$55,433 thousand, recorded as land.

Refer to Note 32 for the carrying amount of property, plant and equipment that had been pledged by the Corporation and its subsidiaries to secure borrowings.

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

Carrying amounts	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Land	\$ 13,013,834	\$ 13,247,835	\$ 13,400,181
Land improvements	378,220	409,226	440,233
Buildings	636,124	633,975	657,459
Machinery	11,524	14,673	19,572
Transportation equipment	91,532	86,110	101,636
Office equipment	10,410	170	192
Others	<u>2,322</u>	<u>2,347</u>	<u>359</u>
	<u>\$ 14,143,966</u>	<u>\$ 14,394,336</u>	<u>\$ 14,619,632</u>
		<b>For the Six Months Ended June 30</b>	
		<b>2020</b>	<b>2019</b>
Additions to right-of-use assets		<u>\$ 439,483</u>	<u>\$ 420,360</u>

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Depreciation charge for right-of-use assets				
Land	\$ 204,356	\$ 190,365	\$ 411,716	\$ 372,793
Land improvements	15,503	15,503	31,007	31,007
Buildings	45,529	35,229	88,731	65,851
Machinery	2,577	2,449	5,155	4,899
Transportation equipment	12,904	14,446	28,315	27,899
Office equipment	511	11	1,011	21
Others	<u>31</u>	<u>4</u>	<u>61</u>	<u>9</u>
	<u>\$ 281,411</u>	<u>\$ 258,007</u>	<u>\$ 565,996</u>	<u>\$ 502,479</u>

b. Lease liabilities

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Carrying amounts			
Current	\$ 951,135	\$ 951,653	\$ 905,922
Non-current	<u>11,324,232</u>	<u>11,394,449</u>	<u>11,713,714</u>
	<u>\$ 12,275,367</u>	<u>\$ 12,346,102</u>	<u>\$ 12,619,636</u>

Range of discount rate for lease liabilities was as follows:

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Land (%)	0.70-2.21	0.92-2.21	0.55-2.21
Land improvements (%)	0.92-1.31	0.92-1.31	0.92-1.31
Buildings (%)	0.70-5.44	0.85-5.44	0.55-4.79
Machinery (%)	0.86-0.93	0.88-0.92	0.88-1.47
Transportation equipment (%)	0.60-5.44	0.60-5.44	0.60-4.79
Office equipment (%)	0.86-6.07	6.07	6.07
Others (%)	2.00-2.01	2.00-2.01	2.01

c. Material lease activities and terms

The Corporation leases land with a total of 261,207.62 square meter from Taiwan International Ports Corporation, Ltd. The rent is calculated by an annual rate of 5% based on the aforementioned announced land value. The lease term started from January 2008 to December 2027.

The Corporation leases No. 101 berth in Kaohsiung Harbor from Taiwan International Ports Corporation, Ltd. for the use of cargo handling of raw materials, including coal and iron ore, as well as GBFS with a lease term started from December 2016 to December 2027.

The subsidiary DSC leases industrial land and port land from Taiwan International Ports Corporation, Ltd. Taichung branch for the use of cargo handling with a lease term started from December 2004 to November 2054. The rent is calculated based on leased portion of land times announced land value and tax rate of land value.

To expand its operation in central Taiwan, the subsidiary CHC rented land from Taiwan International Ports Corporation, Ltd. Taichung branch for 20 years, which is from January 1, 2007 to December 31, 2026. Rental cost consists of rent and fixed as well as floating operating royalties during operating period. Rental duration may be extended when due. Each extension is limited to no more than 20 years until such extension is not permitted. The conditions of the extension shall be negotiated when extended.

To expand storage of GBFS and mid to long-term utilization, the subsidiary CHC continued to rent several pieces of land in the Port of Taichung industrial area from Taiwan International Ports Corporation, Ltd. Taichung branch with a lease period due on various dates through 2036. Rental duration may be extended when expired, with conditions of the extension to be negotiated.

d. Other lease information

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Expenses relating to short-term leases and low-value asset leases	<u>\$ 67,086</u>	<u>\$ 56,140</u>	<u>\$ 129,265</u>	<u>\$ 123,620</u>
Expenses relating to variable lease payments	\$ 310	\$ 112	\$ 591	\$ 224
Covid-19-related rent concessions	<u>(16,488)</u>	<u>-</u>	<u>(16,488)</u>	<u>-</u>
Expenses relating to variable leases payments not included in the measurement of lease liabilities	<u>\$ (16,178)</u>	<u>\$ 112</u>	<u>\$ (15,897)</u>	<u>\$ 224</u>
Total cash outflow for leases	<u>\$ (323,559)</u>	<u>\$ (307,247)</u>	<u>\$ (711,444)</u>	<u>\$ (663,078)</u>

For land and buildings which qualify as short-term leases and some office and transportation equipments which qualify as low-value asset leases, the Corporation and its subsidiaries have elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

## 16. INVESTMENT PROPERTIES

For the six months ended June 30, 2020

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2020	\$ 8,262,206	\$ 2,717,256	\$ 10,979,462
Additions	10,483	-	10,483
Transferred from property, plant and equipment	3,525	8,480	12,005
Effect of foreign currency exchange differences	<u>(511)</u>	<u>(1,802)</u>	<u>(2,313)</u>
Balance at June 30, 2020	<u>\$ 8,275,703</u>	<u>\$ 2,723,934</u>	<u>\$ 10,999,637</u>

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2020	\$ 137,379	\$ 1,091,436	\$ 1,228,815
Transferred from property, plant and equipment	-	5,264	5,264
Depreciation	-	25,571	25,571
Effect of foreign currency exchange differences	-	(875)	(875)
Balance at June 30, 2020	<u>\$ 137,379</u>	<u>\$ 1,121,396</u>	<u>\$ 1,258,775</u>
Carrying amount at December 31, 2019	<u>\$ 8,124,827</u>	<u>\$ 1,625,820</u>	<u>\$ 9,750,647</u>
Carrying amount at June 30, 2020	<u>\$ 8,138,324</u>	<u>\$ 1,602,538</u>	<u>\$ 9,740,862</u>
<u>For the six months ended June 30, 2019</u>			

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2019	\$ 8,126,680	\$ 2,719,497	\$ 10,846,177
Transferred from property, plant and equipment	136,776	-	136,776
Effect of foreign currency exchange differences	5,908	13,059	18,967
Balance at June 30, 2019	<u>\$ 8,269,364</u>	<u>\$ 2,732,556</u>	<u>\$ 11,001,920</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2019	\$ 237,364	\$ 1,038,310	\$ 1,275,674
Depreciation	-	27,493	27,493
Effect of foreign currency exchange differences	-	2,508	2,508
Balance at June 30, 2019	<u>\$ 237,364</u>	<u>\$ 1,068,311</u>	<u>\$ 1,305,675</u>
Carrying amount at June 30, 2019	<u>\$ 8,032,000</u>	<u>\$ 1,664,245</u>	<u>\$ 9,696,245</u>

The above items of investment properties are depreciated on a straight-line basis over the following useful lives:

Buildings 6-60 years

The fair value of the investment properties was arrived at on the basis of valuations conducted in 2013, 2014, 2015, 2017 and 2019 by independent appraisers, who are not related parties. The valuation was measured under the market approach, income approach, cost approach and land developing analysis approach of similar properties' market price using Level 3 inputs. In December 2016, due to the significant change in the present value of several plots of land, the Corporation, based on the actual selling prices of land sale in the vicinity, reappraised the land value. The important assumptions and fair value were as follows:

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Fair value	<u>\$ 23,361,715</u>	<u>\$ 23,367,837</u>	<u>\$ 24,412,110</u>
Depreciation rate (%)	1.20-2.00	1.20-2.00	1.20-2.00
Discount rate (%)	2.11	2.11	2.11

All of the Corporation and its subsidiaries' investment properties are held under freehold interests. Refer to Note 32 for the carrying amount of the investment properties that had been pledged by the Corporation and its subsidiaries to secure borrowings.

## 17. BORROWINGS

### a. Short-term borrowings and bank overdraft

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Unsecured loans	\$ 32,527,461	\$ 34,117,524	\$ 44,051,226
Bank overdraft (Note 32)	4,392,391	4,998,758	5,637,523
Letters of credit	1,432,233	775,033	1,863,305
Secured loans (Note 32)	<u>120,491</u>	<u>166,080</u>	<u>269,688</u>
	<u>\$ 38,472,576</u>	<u>\$ 40,057,395</u>	<u>\$ 51,821,742</u>
Range of interest rate (%)	0-7.65	0-7.95	0-8.75

### b. Short-term bills payable

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Commercial paper	\$ 46,245,000	\$ 39,051,700	\$ 32,250,500
Less: Unamortized discounts	<u>15,998</u>	<u>15,768</u>	<u>9,387</u>
	<u>\$ 46,229,002</u>	<u>\$ 39,035,932</u>	<u>\$ 32,241,113</u>
Range of interest rate (%)	0.26-1.49	0.52-1.48	0.47-1.49

The above commercial paper was secured by Mega Bills Finance Corporation, China Bills Finance Corporation, International Bills Finance Corporation, Taching Bills Finance Ltd., Taiwan Finance Corporation, Taiwan Cooperative Bills Finance Corporation, Grand Bills Finance Corp., Bank of Taiwan, Dah Chung Bills Finance Corp., Union Bank of Taiwan, and Shanghai Commercial & Savings Bank, etc.

c. Long-term borrowings

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Syndicated bank loans	\$ 4,940,057	\$ 5,301,542	\$ 5,755,787
Mortgage loans (Note 32)	15,876,397	13,951,479	5,017,000
Unsecured loans	<u>19,478,214</u>	<u>30,897,426</u>	<u>31,004,457</u>
	40,294,668	50,150,447	41,777,244
Less: Current portion	6,321,022	2,536,181	2,590,685
Financial liabilities for hedging - current	1,806,582	-	350,360
Financial liabilities for hedging - noncurrent	<u>1,049,231</u>	<u>4,620,425</u>	<u>4,464,097</u>
	<u>\$ 31,117,833</u>	<u>\$ 42,993,841</u>	<u>\$ 34,372,102</u>
Range of interest rate (%)	0.56-3.07	0.64-3.50	0.28-3.79

- 1) The subsidiary CSVC entered into a syndicated credit facility agreement with financial institutions for a USD126,000 thousand credit line. Under the agreements, CSVC should meet some financial ratios and criteria. CSVC was not in compliance with the syndicated credit facility agreement based on its 2019 audited financial statements, and a markup has been added accordingly. Therefore, there was no material impact on CSVC.
- 2) The subsidiary CSCI entered into a syndicated credit facility agreement with financial institutions for a USD110,000 thousand credit line. Under the agreements, CSCI should meet some financial ratios and criteria. In March 2020, CSCI has been granted exemption by syndicated bank from reviewing CSCI's financial ratio for the year ended December 31, 2019. The Corporation was in compliance with the syndicated credit facility agreement based on its 2019 and 2018 audited consolidated financial statements.

The above unsecured loans and syndicated credit facility agreements included those obtained by the Corporation in JPY and USD to hedge the exchange rate fluctuations on equity investments, which were reclassified to financial liabilities for hedging (including current and noncurrent).

d. Long-term bills payable

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Commercial paper	\$ 16,780,000	\$ 14,100,000	\$ 10,820,000
Less: Unamortized discounts	<u>4,160</u>	<u>5,107</u>	<u>3,510</u>
	<u>\$ 16,775,840</u>	<u>\$ 14,094,893</u>	<u>\$ 10,816,490</u>
Range of interest rate (%)	0.30-0.99	0.48-1.08	0.50-1.08

The Corporation and its subsidiaries entered into commercial paper contracts with bills finance corporations and banks. The duration of the contracts is three to five years which the Corporation and its subsidiaries only have to pay service fees and interests. Therefore, the Corporation and its subsidiaries recorded those commercial papers issued as long-term bills payable.

The above commercial paper was secured by Mega Bank, KGI Bank, Agricultural Bank of Taiwan, Bangkok Bank, Hua Nan Commercial Bank, Bank of Taiwan, and Bank BNP Paribas, etc.



## 18. BONDS PAYABLE

	June 30, 2020	December 31, 2019	June 30, 2019
Unsecured domestic bonds	\$ 93,600,000	\$ 99,000,000	\$ 104,650,000
Less: Issuance cost of bonds payable	52,441	50,475	58,398
Current portion	<u>13,049,662</u>	<u>15,549,642</u>	<u>18,049,531</u>
	<u>\$ 80,497,897</u>	<u>\$ 83,399,883</u>	<u>\$ 86,542,071</u>

The major terms of unsecured domestic bonds are as follows:

Issuer	Issuance Period	Total Amount	Coupon Rate (%)	Repayment and Interest Payment
The Corporation	August 2012 to August 2019	\$ 5,000,000	1.37	Repayable in August 2018 and August 2019; interest payable annually
The Corporation	July 2013 to July 2020	6,300,000	1.44	Repayable in July 2019 and July 2020; interest payable annually
The Corporation	January 2014 to January 2021	6,900,000	1.75	Repayable in January 2020 and January 2021; interest payable annually
The Corporation	May 2018 to May 2025	6,000,000	0.95	Repayable in May 2024 and May 2025; interest payable annually
The Corporation	October 2018 to October 2025	4,150,000	0.90	Repayable 25% in October 2024 and 75% in October 2025; interest payable annually
The Corporation	August 2012 to August 2022	15,000,000	1.50	Repayable in August 2021 and August 2022; interest payable annually
The Corporation	July 2013 to July 2023	9,700,000	1.60	Repayable in July 2022 and July 2023; interest payable annually
The Corporation	January 2014 to January 2024	7,000,000	1.95	Repayable in January 2023 and January 2024; interest payable annually
The Corporation	August 2018 to August 2028	5,600,000	1.10	Repayable in August 2027 and August 2028; interest payable annually
The Corporation	October 2018 to October 2028	2,250,000	1.05	Repayable in October 2027 and October 2028; interest payable annually
The Corporation	July 2013 to July 2028	3,600,000	1.88	Repayable 30% in July 2026, 30% in July 2027 and 40% in July 2028; interest payable annually
The Corporation	January 2014 to January 2029	9,000,000	2.15	Repayable 30% in January 2027, 30% in January 2028 and 40% in January 2029; interest payable annually
DSC	June 2015 to June 2020	15,000,000	1.45	Repayable in June 2019 and June 2020; interest payable annually
DSC	June 2016 to June 2021	5,400,000	0.89	Repayable in June 2020 and June 2021; interest payable annually
DSC	June 2018 to June 2023	4,500,000	0.91	Repayable in June 2022 and June 2023; interest payable annually
DSC	December 2018 to December 2023	3,250,000	0.97	Repayable in December 2022 and December 2023; interest payable annually
DSC	June 2014 to June 2021	5,000,000	1.75	Repayable in June 2020 and June 2021; interest payable annually
DSC	June 2015 to June 2022	2,500,000	1.72	Repayable in June 2021 and June 2022; interest payable annually
DSC	June 2018 to June 2025	2,250,000	1.00	Repayable in June 2024 and June 2025; interest payable annually
DSC	June 2020 to June 2025	5,000,000	0.73	Repayable in June 2024 and June 2025; interest payable annually
CHS	March 2020 to March 2025	2,000,000	0.78	Repayable in March 2025; interest payable annually

## 19. ACCOUNTS PAYABLE (INCLUDING RELATED PARTIES)

Accounts payable includes advances received on construction contracts. Advances received on construction contracts bears no interests and are expected to be paid until the satisfaction of conditions specified in each contract for the payment of such amounts during retention periods, which were within the normal operating cycle of the Corporation and its subsidiaries, usually more than twelve months.

## 20. OTHER PAYABLES

	June 30, 2020	December 31, 2019	June 30, 2019
Dividends payable	\$ 9,917,398	\$ -	\$ 17,795,327
Salaries and bonus	4,763,135	7,381,952	5,998,753
Purchase of equipment	3,139,063	2,910,598	3,079,966
Outsourced repair and construction	897,155	1,256,892	1,333,559
Employees' compensation and remuneration of directors	871,917	832,345	3,415,840
Interest payable	823,871	963,078	948,836
Others	<u>9,449,480</u>	<u>9,721,786</u>	<u>9,695,823</u>
	<u>\$ 29,862,019</u>	<u>\$ 23,066,651</u>	<u>\$ 42,268,104</u>

## 21. PROVISIONS

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Current</u>			
Onerous contracts (a)	\$ 3,533,290	\$ 3,476,626	\$ 5,299,327
Construction warranties (b)	317,159	333,167	294,964
Others	<u>44,317</u>	<u>49,166</u>	<u>77,183</u>
	<u>\$ 3,894,766</u>	<u>\$ 3,858,959</u>	<u>\$ 5,671,474</u>
<u>Noncurrent</u>			
Provision for stabilization funds (c)	\$ 853,219	\$ 850,168	\$ 846,887
Others	<u>248,084</u>	<u>186,292</u>	<u>89,078</u>
	<u>\$ 1,101,303</u>	<u>\$ 1,036,460</u>	<u>\$ 935,965</u>

	Onerous Contracts	Construction Warranties	Provision for Stabilization Funds	Others	Total
Balance at January 1, 2020	\$ 3,476,626	\$ 333,167	\$ 850,168	\$ 235,458	\$ 4,895,419
Recognized (reversal)	56,689	(13,576)	3,127	78,325	124,565
Paid	-	(2,432)	(76)	(21,382)	(23,890)
Effect of foreign currency exchange differences	<u>(25)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25)</u>
Balance at June 30, 2020	<u>\$ 3,533,290</u>	<u>\$ 317,159</u>	<u>\$ 853,219</u>	<u>\$ 292,401</u>	<u>\$ 4,996,069</u>

	<b>Onerous Contracts</b>	<b>Construction Warranties</b>	<b>Provision for Stabilization Funds</b>	<b>Others</b>	<b>Total</b>
Balance at January 1, 2019	\$ 6,880,915	\$ 292,043	\$ 844,090	\$ 121,440	\$ 8,138,488
Recognized (reversal)	(1,579,620)	4,724	2,848	76,466	(1,495,582)
Paid	-	(1,803)	(51)	(31,739)	(33,593)
Effect of foreign currency exchange differences	<u>(1,968)</u>	<u>-</u>	<u>-</u>	<u>94</u>	<u>(1,874)</u>
Balance at June 30, 2019	<u>\$ 5,299,327</u>	<u>\$ 294,964</u>	<u>\$ 846,887</u>	<u>\$ 166,261</u>	<u>\$ 6,607,439</u>

- The provision for onerous contracts represents the present value of the future payments that the Corporation and its subsidiaries were presently obligated to make under non-cancellable onerous purchase and service contracts, less revenue expected to be earned on the contracts, and the difference between the estimated cost in the future to satisfy performance obligation and estimated revenue of the Corporation and its subsidiaries from non-cancellable construction contracts.
- The provision for construction warranties represents the present value of management's best estimate of the future outflow of economic benefits that will be required under the Corporation and its subsidiaries' obligations for warranties. The estimate had been made on the basis of historical warranty trends.
- The provision for stabilization funds represents the provision recognized in accordance with the build-operate-transfer contract by the subsidiary KRTC. The provision was used for capital demand due to force majeure, exceptional events, operating deficits, etc. The provision for stabilization funds was recognized based on increase in stabilization funds.

## 22. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Corporation and its subsidiaries' defined benefit retirement plans were calculated using the actuarially determined pension cost discount rate as of December 31, 2019 and 2018. An analysis by function of the amounts is as follows:

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Operating costs	\$ 130,976	\$ 140,878	\$ 262,576	\$ 281,488
Operating expenses	54,737	66,526	110,348	130,363
Others	<u>207</u>	<u>183</u>	<u>383</u>	<u>337</u>
	<u>\$ 185,920</u>	<u>\$ 207,587</u>	<u>\$ 373,307</u>	<u>\$ 412,188</u>

## 23. EQUITY

- Share capital

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Number of shares authorized (in thousands)	<u>17,000,000</u>	<u>17,000,000</u>	<u>17,000,000</u>
Shares authorized	<u>\$ 170,000,000</u>	<u>\$ 170,000,000</u>	<u>\$ 170,000,000</u>

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Number of shares issued and fully paid (in thousands)			
Ordinary shares (in thousands)	15,734,861	15,734,861	15,734,861
Preference shares (in thousands)	<u>38,268</u>	<u>38,268</u>	<u>38,268</u>
	<u>15,773,129</u>	<u>15,773,129</u>	<u>15,773,129</u>
Shares issued			
Ordinary shares	\$ 157,348,610	\$ 157,348,610	\$ 157,348,610
Preference shares	<u>382,680</u>	<u>382,680</u>	<u>382,680</u>
	<u>\$ 157,731,290</u>	<u>\$ 157,731,290</u>	<u>\$ 157,731,290</u>

1) Ordinary shares

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and the right to dividends.

2) Preference shares

Preference shareholders have the following entitlements or rights:

- a) 14% annual dividends, with dividend payments ahead of those to ordinary shareholders;
- b) Preference over ordinary shares in future payment of dividends in arrears;
- c) The sequence and percentage of appropriation of residual property are the same with ordinary shares;
- d) The same rights as ordinary shareholders, except the right to vote for directors and supervisors; and
- e) Redeemable by the Corporation and convertible to ordinary shares by preference shareholders with the ratio of 1:1.

3) Overseas depositary receipts

In May 1992, February 1997, October 2003 and August 2011, for the purpose of working capital expansion and in accordance with the instruction of the MOEA, the largest shareholder of the Corporation, the Corporation issued 126,512,550 units of GDR. The depositary receipts then increased by 6,924,354 units resulting from the capital increase out of retained earnings. Each unit represents 20 shares of the Corporation's ordinary shares and the issued GDRs account for the Corporation's ordinary shares totaling 2,668,738,370 shares (including 290 fractional shares). Under relevant regulations, the GDR holders may also request the conversion to the shares represented by the GDR. The foreign investors may also request the reissuance of such depositary receipts within the originally approved units. As of June 30, 2020, December 31, 2019, and June 30, 2019, the outstanding depositary receipts were 644,260 units, 713,607 units and 746,676 units, equivalent to 12,885,510 ordinary shares (including 310 fractional shares), 14,272,450 ordinary shares (including 310 fractional shares), and 14,933,830 ordinary shares (including 310 fractional shares), which represented about 0.08%, 0.09% and 0.09% of the outstanding ordinary shares, respectively.

b. Capital surplus

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
May be used to offset deficits, distribute cash or transfer to share capital (see 1 below)			
Additional paid-in capital	\$ 31,154,766	\$ 31,154,766	\$ 31,154,766
Treasury share transactions	7,079,070	7,079,070	6,759,039
Others	<u>8,099</u>	<u>8,099</u>	<u>8,099</u>
	<u>38,241,935</u>	<u>38,241,935</u>	<u>37,921,904</u>
May be used to offset deficits only (see 2 below)			
Share of change in equity of subsidiaries	506,215	509,181	500,923
Share of change in equity of associates	<u>159,550</u>	<u>126,153</u>	<u>137,222</u>
	<u>665,765</u>	<u>635,334</u>	<u>638,145</u>
	<u>\$ 38,907,700</u>	<u>\$ 38,877,269</u>	<u>\$ 38,560,049</u>

- 1) The capital surplus could be used to offset a deficit and distribute as cash dividends or transferred to capital when the Corporation has no deficit (limited to a certain percentage of the Corporation's paid-in capital and once a year).
- 2) The capital surplus included the share of change in equity of subsidiaries recognized without any actual acquisition or disposal of subsidiaries' share by the Corporation or the adjustments to capital surplus of subsidiaries under equity method.

c. Retained earnings and dividend policy

The Corporation's Articles of Incorporation provide that the annual net income, less any deficit, should be appropriated in the following order:

- 1) 10% as legal reserve;
- 2) Preference share dividends at 14% of par value;
- 3) Ordinary share dividends at not more than 14% of par value; and
- 4) The remainder, if any, as additional dividends divided equally between the holders of preference and ordinary shares.

The board of directors should propose the appropriation of earnings. If necessary, it may, after appropriating for preference shares dividends, propose to appropriate a special reserve or to retain certain earnings. These proposals should be submitted to the shareholders' meeting for approval.

The Corporation's steel business is in a phase of stable growth; thus, 75% or more of the appropriation for dividends should be in cash and 25% or less in shares.

Appropriation of earnings to legal reserve could be made until the legal reserve equals the Corporation's paid-in capital. Legal reserve may be used to offset deficit. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under Rule issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Corporation should appropriate or reverse a special

reserve. In addition, if the market price of the Corporation's ordinary shares held by subsidiaries is lower than the carrying value of the Corporation's shares held by subsidiaries, the Corporation should appropriate a special reserve equal to the difference between market price and carrying value multiplied by the percentage of ownership. Any special reserve appropriated may be reversed to the extent of the increase in valuation.

The appropriations of earnings for 2019 and 2018 had been approved in the shareholders' meeting in June 2020 and 2019, respectively. The appropriations and dividends per share were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividend Per Share (NT\$)</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Legal reserve	\$ 858,223	\$ 2,445,415		
Special reserve	110,524	154,480		
Preference shares				
Cash dividends	53,575	53,575	<u>\$ 1.40</u>	<u>\$ 1.40</u>
Ordinary shares				
Cash dividends	7,867,430	15,734,861	<u>\$ 0.50</u>	<u>\$ 1.00</u>

As of June 30, 2020 and 2019, the cash dividends declared have not been distributed to shareholders and was recognized as other payables.

d. Special reserves

	<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>
Balance, beginning of period	\$ 27,803,906	\$ 27,649,488
Appropriation in respect of		
Difference due from the Corporation's shares held by subsidiaries in prices lower than carrying amount	110,524	154,480
Reversal in respect of		
Disposal of property, plant and equipment	<u>(1,351)</u>	<u>(76)</u>
Balance, end of period	<u>\$ 27,913,079</u>	<u>\$ 27,803,892</u>

e. Other equity items

1) Exchange differences on translating foreign operations

	<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>
Balance, beginning of period	<u>\$ (6,838,836)</u>	<u>\$ (5,919,624)</u>
Recognized during the period		
Exchange differences arising from translating foreign operations	(941,401)	373,305
Income tax relating to exchange differences arising on translating the net assets of foreign operations	8,699	(8,845)

	<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>
Share from associates accounted for using the equity method	\$ 170,618	\$ 62,120
Other comprehensive income recognized in the period	<u>(762,084)</u>	<u>426,580</u>
Balance, end of period	<u>\$ (7,600,920)</u>	<u>\$ (5,493,044)</u>

2) Unrealized gains and losses on financial assets at fair value through other comprehensive income

	<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>
Balance, beginning of period	\$ 2,124,342	\$ 4,410,913
Recognized during the period		
Unrealized gains and losses - equity instruments	(2,356,375)	5,519,547
Income tax relating to unrealized gains and losses	146,238	(932,315)
Share from accounted for using the equity method	<u>(13,567)</u>	<u>22,134</u>
Other comprehensive income recognized in the period	<u>(2,223,704)</u>	<u>4,609,366</u>
Cumulative unrealized gains and losses of equity instruments transferred to retained earnings due to disposal	<u>(161,378)</u>	<u>(29,467)</u>
Balance, end of period	<u>\$ (260,740)</u>	<u>\$ 8,990,812</u>

3) Gains and losses on hedging instruments

	<b>Cash Flow Hedges</b>	<b>Fair Value Hedges</b>	<b>Hedges of Net Investments in Foreign Operations</b>	<b>Total</b>
Balance at January 1, 2020	\$ 34,535	\$ 23,945	\$ 3,794,055	\$ 3,852,535
Increase (decrease) in the period	<u>(98,866)</u>	<u>3,432</u>	<u>(5,269)</u>	<u>(100,703)</u>
Balance at June 30, 2020	<u>\$ (64,331)</u>	<u>\$ 27,377</u>	<u>\$ 3,788,786</u>	<u>\$ 3,751,832</u>
Balance at January 1, 2019	\$ 290,851	\$ 15,555	\$ 3,797,472	\$ 4,103,878
Increase (decrease) in the period	<u>159,448</u>	<u>(39,666)</u>	<u>(66,649)</u>	<u>53,133</u>
Balance at June 30, 2019	<u>\$ 450,299</u>	<u>\$ (24,111)</u>	<u>\$ 3,730,823</u>	<u>\$ 4,157,011</u>

a) Cash flow hedges

	<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>
Balance, beginning of period	\$ 34,535	\$ 290,851
Recognized during the period		
Foreign currency risk - foreign exchange forward contracts and hedging foreign - currency deposits	(132,152)	202,410
Tax effect	26,452	(40,144)
Reclassification adjustment		
Foreign currency risk - hedging foreign - currency deposits	8,543	(3,522)
Tax effect	(1,709)	704
Other comprehensive income recognized in the period	<u>(98,866)</u>	<u>159,448</u>
Balance, end of period	<u>\$ (64,331)</u>	<u>\$ 450,299</u>

b) Fair value hedges

	<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>
Balance, beginning of period	\$ 23,945	\$ 15,555
Recognized during the period		
Foreign currency risk - bank loans	<u>3,432</u>	<u>(39,666)</u>
Balance, end of period	<u>\$ 27,377</u>	<u>\$ (24,111)</u>

c) Hedges of net investments in foreign operations

	<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>
Balance, beginning of period	\$ 3,794,055	\$ 3,797,472
Recognized during the period		
Foreign currency risk - bank loans	<u>(5,269)</u>	<u>(66,649)</u>
Balance, end of period	<u>\$ 3,788,786</u>	<u>\$ 3,730,823</u>

f. Treasury shares

Purpose of Treasury Shares	Thousand Shares			June 30	
	Beginning of Period	Addition	Reduction	Thousand Shares	Book Value
For the six months ended June 30, 2020					
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	<u>320,765</u>	<u>-</u>	<u>-</u>	<u>320,765</u>	<u>\$ 8,664,198</u>



Purpose of Treasury Shares	Thousand Shares			June 30	
	Beginning of Period	Addition	Reduction	Thousand Shares	Book Value
For the six months ended June 30, 2019					
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	320,004	-	-	320,004	\$ 8,646,700

The Corporation's shares acquired and held by subsidiaries for the purpose of investment are accounted for as treasury shares (subsidiaries recorded those shares as financial assets at fair value through other comprehensive income-current and financial assets at fair value through other comprehensive income-noncurrent). The Corporation's shares held by more than 50%-owned subsidiaries are not allowed to participate in the Corporation's capital increase in cash and have no voting rights; other rights are the same as other ordinary shareholders. The increase of treasury shares was due to acquisition of the Corporation's shares by subsidiaries in which the Corporation has less than 50% shareholding. The decrease of treasury shares was mainly due to subsidiaries' sale of the Corporation's shares and change in percentage of ownership.

Refer to Table 3 for information relating to subsidiaries holding the Corporation's shares. As of June 30, 2020, December 31, 2019, and June 30, 2019, the market values of the treasury shares calculated by combined holding percentage were NT\$6,642,165 thousand, NT\$7,668,370 thousand, and NT\$7,985,646 thousand, respectively.

g. Non-controlling interests

	For the Six Months Ended June 30	
	2020	2019
Balance, beginning of period	\$ 29,655,977	\$ 29,889,681
Attributable to non-controlling interests:		
Share of net profit for the period	249,758	1,197,389
Other comprehensive income in the period		
Exchange differences on translating foreign operations	(381,991)	69,047
Income tax relating to exchange difference on translating foreign operations	2,467	(1,305)
Unrealized gains and losses on financial assets at fair value through other comprehensive income	93,312	224,623
Income tax relating to unrealized gains and losses on financial assets at fair value through other comprehensive income	(1,978)	(1,949)
Gains and losses on hedging instrument	(3,271)	9,974
Income tax relating to gains and losses on hedging instruments	732	(1,830)
Remeasurement on defined benefit plans	35	-
Share of other comprehensive income of associates accounted for using the equity method	164	2,786
Non-controlling interests arising from capital increase (decrease) of subsidiaries	298,316	11,771
Dividend distributed by subsidiaries	(1,697,040)	(1,742,554)
Others	(69,632)	(75,883)
Balance, end of period	<u>\$ 28,146,849</u>	<u>\$ 29,581,750</u>

## 24. OPERATING REVENUES

### a. Contract balances

	June 30, 2020	December 31, 2019	June 30, 2019	January 1, 2019
Notes and accounts receivable (Note 10)	<u>\$ 10,405,806</u>	<u>\$ 12,881,783</u>	<u>\$ 15,975,472</u>	<u>\$ 18,401,090</u>
Contract assets				
Construction contracts	\$ 7,720,212	\$ 8,512,064	\$ 9,091,973	\$ 9,667,413
Retentions receivable	1,297,609	1,373,103	1,609,604	1,744,344
Others	<u>96,039</u>	<u>99,112</u>	<u>89,931</u>	<u>124,632</u>
	<u>\$ 9,113,860</u>	<u>\$ 9,984,279</u>	<u>\$ 10,791,508</u>	<u>\$ 11,536,389</u>
Contract liabilities				
Construction contracts	\$ 3,653,556	\$ 4,280,397	\$ 5,422,188	\$ 4,993,926
Sale of goods	1,480,256	1,882,540	2,170,329	1,766,034
Sales of real estate	10,878	-	1,391,538	787,335
Others	<u>57,854</u>	<u>41,021</u>	<u>35,883</u>	<u>7,969</u>
	<u>\$ 5,202,544</u>	<u>\$ 6,203,958</u>	<u>\$ 9,019,938</u>	<u>\$ 7,555,264</u>

### b. Disaggregation of revenue

#### For the six months ended June 30, 2020

<u>Type of goods or services</u>	Steel Department	Construction Department	Others	Total
Revenue from the sale of goods	\$ 117,781,862	\$ 820,649	\$ 20,435,469	\$ 139,037,980
Construction contract revenue	766,244	4,122,748	2,126,827	7,015,819
Service revenue	253,093	275,692	2,617,658	3,146,443
Other revenue	<u>960,660</u>	<u>9,457</u>	<u>357,929</u>	<u>1,328,046</u>
	<u>\$ 119,761,859</u>	<u>\$ 5,228,546</u>	<u>\$ 25,537,883</u>	<u>\$ 150,528,288</u>

#### For the six months ended June 30, 2019

<u>Type of goods or services</u>	Steel Department	Construction Department	Others	Total
Revenue from the sale of goods	\$ 144,699,981	\$ 1,091,205	\$ 26,021,025	\$ 171,812,211
Construction contract revenue	1,125,695	12,694,361	1,426,028	15,246,084
Service revenue	296,013	253,526	2,207,360	2,756,899
Other revenue	<u>1,113,975</u>	<u>10,703</u>	<u>170,708</u>	<u>1,295,386</u>
	<u>\$ 147,235,664</u>	<u>\$ 14,049,795</u>	<u>\$ 29,825,121</u>	<u>\$ 191,110,580</u>

## 25. PROFIT BEFORE INCOME TAX

### a. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Dividends income	\$ 86,963	\$ 165,090	\$ 95,109	\$ 165,090
Rental income	36,130	34,128	72,110	63,299
Insurance claim income	2,666	51,962	5,708	90,934
Others	<u>145,108</u>	<u>97,254</u>	<u>564,818</u>	<u>301,205</u>
	<u>\$ 270,867</u>	<u>\$ 348,434</u>	<u>\$ 737,745</u>	<u>\$ 620,528</u>

### b. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Gain on disposal of investments	\$ 296,077	\$ -	\$ 281,466	\$ 42,578
Net foreign exchange gain (loss)	(72,546)	134,226	(87,772)	423,337
Loss on disposal of property, plant and equipment	(45,276)	(16,129)	(56,204)	(66,229)
Reversal (recognition) of impairment loss	-	(5)	-	7,530
Gain (loss) arising from financial assets at fair value through profit or loss	24,749	2,149	(8,435)	17,000
Gain on disposal of non-current assets held for sale	-	428,935	-	428,935
Other losses	<u>(135,078)</u>	<u>(253,875)</u>	<u>(349,263)</u>	<u>(390,034)</u>
	<u>\$ 67,926</u>	<u>\$ 295,301</u>	<u>\$ (220,208)</u>	<u>\$ 463,117</u>

The components of net foreign exchange gain (loss) were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Foreign exchange gain	\$ 144,082	\$ 461,470	\$ 591,040	\$ 970,016
Foreign exchange loss	<u>(216,628)</u>	<u>(327,244)</u>	<u>(678,812)</u>	<u>(546,679)</u>
Net exchange gain (loss)	<u>\$ (72,546)</u>	<u>\$ 134,226</u>	<u>\$ (87,772)</u>	<u>\$ 423,337</u>

c. Finance costs

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Total interest expense	\$ 708,621	\$ 848,503	\$ 1,481,014	\$ 1,727,193
Less: Amounts included in the cost of qualifying assets	<u>56,110</u>	<u>59,028</u>	<u>109,229</u>	<u>115,390</u>
	<u>\$ 652,511</u>	<u>\$ 789,475</u>	<u>\$ 1,371,785</u>	<u>\$ 1,611,803</u>

Information about capitalized interest was as follows:

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Capitalized amounts	\$ 56,110	\$ 59,028	\$ 109,229	\$ 115,390
Capitalized annual rates (%)	0.40-1.49	0.58-1.49	0.40-1.49	0.58-1.49

d. Impairment loss recognized (reversed) on non-financial asset

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Property, plant and equipment (recorded under operating costs)	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ (7,530)</u>

e. Depreciation and amortization

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Property, plant and equipment	\$ 8,039,036	\$ 8,839,073	\$ 16,173,064	\$ 17,741,999
Right-of-use assets	281,411	258,007	565,996	502,479
Investment properties	12,961	13,777	25,571	27,493
Intangible assets	46,976	46,537	93,722	109,729
Others	<u>16,746</u>	<u>14,127</u>	<u>29,708</u>	<u>31,218</u>
	<u>\$ 8,397,130</u>	<u>\$ 9,171,521</u>	<u>\$ 16,888,061</u>	<u>\$ 18,412,918</u>
Analysis of depreciation by function				
Operating costs	\$ 7,890,639	\$ 8,617,860	\$ 15,844,322	\$ 17,281,999
Operating expenses	390,567	440,794	815,892	885,228
Others	<u>52,202</u>	<u>52,203</u>	<u>104,417</u>	<u>104,744</u>
	<u>\$ 8,333,408</u>	<u>\$ 9,110,857</u>	<u>\$ 16,764,631</u>	<u>\$ 18,271,971</u>

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	Analysis of amortization by function			
Operating costs	\$ 47,652	\$ 40,936	\$ 91,265	\$ 101,134
Operating expenses	15,911	17,292	31,809	34,880
Others	<u>159</u>	<u>2,436</u>	<u>356</u>	<u>4,933</u>
	<u>\$ 63,722</u>	<u>\$ 60,664</u>	<u>\$ 123,430</u>	<u>\$ 140,947</u>

f. Employee benefits

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	Short-term benefits			
Salaries	\$ 6,429,937	\$ 8,186,082	\$ 12,952,694	\$ 16,357,228
Labor and health insurance	527,067	552,042	1,065,069	1,095,724
Others	<u>319,884</u>	<u>367,816</u>	<u>678,906</u>	<u>744,159</u>
	<u>7,276,888</u>	<u>9,105,940</u>	<u>14,696,669</u>	<u>18,197,111</u>
Post-employment benefits				
Defined contribution plan	231,892	230,539	460,086	450,596
Defined benefit plans (Note 22)	<u>185,920</u>	<u>207,587</u>	<u>373,307</u>	<u>412,188</u>
	<u>417,812</u>	<u>438,126</u>	<u>833,393</u>	<u>862,784</u>
Termination benefits	<u>20,749</u>	<u>8,750</u>	<u>39,973</u>	<u>35,081</u>
	<u>\$ 7,715,449</u>	<u>\$ 9,552,816</u>	<u>\$ 15,570,035</u>	<u>\$ 19,094,976</u>
Analysis of employee benefits by function				
Operating costs	\$ 6,206,652	\$ 7,706,468	\$ 12,529,011	\$ 15,384,799
Operating expenses	1,360,028	1,737,154	2,747,923	3,477,114
Others	<u>148,769</u>	<u>109,194</u>	<u>293,101</u>	<u>233,063</u>
	<u>\$ 7,715,449</u>	<u>\$ 9,552,816</u>	<u>\$ 15,570,035</u>	<u>\$ 19,094,976</u>

g. Employees' compensation and remuneration of directors

According to the Articles of Incorporation, the article stipulates the Corporation distributed employees' compensation and remuneration of directors at rates no less than 0.1% and no higher than 0.15%, respectively, of the pre-tax profit prior to deducting, employees' compensation, and remuneration of directors. For the three months and six months ended June 30, 2020 and 2019, the employees' compensation and the remuneration of directors were as follows:

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	Employees' compensation	\$ -	\$ 387,297	\$ -
Remuneration of directors	-	7,262	-	14,524

The employees' compensation and remuneration of directors were not recognized for the three months and six months ended June 30, 2020 due to the Corporation's loss before income tax.

The appropriations of employees' compensation and remuneration of directors (all in cash) for 2019 and 2018 having been resolved by the board of directors in March 2020 and 2019, respectively, were as follows:

	<b>For the Year Ended December 31</b>			
	<b>2019</b>		<b>2018</b>	
	<b>Employees' Compensation</b>	<b>Remuneration of Directors</b>	<b>Employees' Compensation</b>	<b>Remuneration of Directors</b>
Amounts approved in the board of directors' meeting	\$ 622,979	\$ 11,681	\$ 1,744,054	\$ 32,701
Amounts recognized in the annual consolidated financial statements	<u>621,160</u>	<u>11,647</u>	<u>1,744,054</u>	<u>32,701</u>
Differences	<u>\$ 1,819</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ -</u>

The above differences were adjusted to profit and loss for the year ended December 31, 2020.

Information on the employees' compensation and remuneration of directors resolved by the board of directors are available on the Market Observation Post System website of the Taiwan Stock Exchange.

## 26. INCOME TAX

- a. Income tax (benefit) recognized in profit or loss

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Current tax				
In respect of the current period	\$ (28,536)	\$ 807,266	\$ 73,508	\$ 1,929,202
Income tax on unappropriated earnings	180,051	473,334	180,068	473,334
In respect of prior periods	(10,353)	(61,640)	(4,514)	(52,568)
Deferred tax				
In respect of the current period	(45,309)	(86,121)	(596,393)	(252,791)
In respect of prior periods	<u>(53,921)</u>	<u>26,860</u>	<u>(58,500)</u>	<u>53,166</u>
	<u>\$ 41,932</u>	<u>\$ 1,159,699</u>	<u>\$ (405,831)</u>	<u>\$ 2,150,343</u>

In July 2019, the President of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. The Corporation and its subsidiaries only deducted the amount of the unappropriated earnings that has been reinvested in capital expenditure when calculating the tax on unappropriated earnings.

In accordance with Rule No. 10904550440 and 10904558730 issued by the Ministry of Finance of Taiwan (MOF) in May 2020, the applicable amount is deducted from the Corporation and its subsidiaries' unappropriated earnings for 2018. However, for the consolidated financial reporting purpose, income tax expense is reversed to the extent that it is not probable to be repaid subsequently.

b. Income tax recognized directly in equity

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Current tax				
Reversal of special reserves in respect of disposal of property, plant and equipment	\$ 418	\$ 23	\$ 418	\$ 23
Deferred tax				
Reversal of special reserves in respect of disposal of property, plant and equipment	<u>(418)</u>	<u>(23)</u>	<u>(418)</u>	<u>(23)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

c. Income tax benefit (expense) recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Deferred tax				
Current - translation of foreign operations	\$ 41,606	\$ (4,567)	\$ 11,166	\$ (10,150)
Current - unrealized gains and losses financial assets at fair value through other comprehensive income	(38,226)	(931,630)	144,260	(934,264)
Current - fair value changes of cash flow hedges	20,119	(29,482)	27,184	(41,974)
Fair value changes of hedging instruments in cash flow hedges transferred to adjust carrying amounts of hedged items	<u>(854)</u>	<u>110</u>	<u>(1,709)</u>	<u>704</u>
	<u>\$ 22,645</u>	<u>\$ (965,569)</u>	<u>\$ 180,901</u>	<u>\$ (985,684)</u>

d. Income tax assessments

The Corporation's income tax returns through 2016 and the subsidiaries' income tax returns through 2016 to 2018 have been assessed by the tax authorities.

## 27. EARNINGS (LOSS) PER SHARE

The net profit (loss) and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

### Net profit (loss) for the period

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Net profit (loss) for the period attributable to owners of the Corporation	\$ (1,407,837)	\$ 3,572,291	\$ (3,663,375)	\$ 7,180,504
Less: Dividends on preference shares	<u>-</u>	<u>13,394</u>	<u>-</u>	<u>26,788</u>
Net profit (loss) used in computation of diluted earnings (loss) per share	<u>\$ (1,407,837)</u>	<u>\$ 3,558,897</u>	<u>\$ (3,663,375)</u>	<u>\$ 7,153,716</u>

### The weighted average number of ordinary shares outstanding (in thousands of shares)

	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Weighted average number of ordinary shares in computation of basic earnings (loss) per share	15,414,096	15,414,857	15,414,096	15,414,857
Effect of dilutive potential ordinary shares:				
Employees' compensation	<u>-</u>	<u>31,046</u>	<u>-</u>	<u>63,422</u>
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>15,414,096</u>	<u>15,445,903</u>	<u>15,414,096</u>	<u>15,478,279</u>

Preference shares were not included in the calculation of diluted earnings per share for the three months and six months ended June 30, 2020 and 2019 because of their anti-dilutive effect.

Since the Corporation offered to settle the compensation paid to employees in cash or shares, the Corporation assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 28. DISPOSAL OF SUBSIDIARIES

The subsidiary CSSC sold its entire shares of CSSICL in May 2020 and thus CSSC lost control of CSSICL and CKSSKC due to the disposal.



a. Consideration received from disposals

**CSSICL and  
CKSSKC**

Total consideration received	<u>\$ 605,499</u>
------------------------------	-------------------

According to the contract, part of the consideration retained by the buyer as provision in case subsequent amendment of registration cannot be completed, or when CKSSKC is unable to reclaim its existing creditor's rights, or when additional tax is imposed. CSSC will adjust the amount of consideration received when the retained amount is recovered in the future.

b. Analysis of assets and liabilities on the date control was lost

**CSSICL and  
CKSSKC**

Current assets	
Cash and cash equivalents	\$ 2,757
Contract assets	59,003
Notes receivable	29,993
Accounts receivable, net	49,561
Other receivables	9,577
Prepayments	1,937
Non-current assets	
Property, plant and equipment	155,033
Right-of-use assets	59,729
Current liabilities	
Short-term borrowings	(92,158)
Accounts payable	(6,755)
Other payables	<u>(3,805)</u>
Net assets disposed on disposal date	<u>\$ 264,872</u>

c. Gain on disposals of subsidiaries

**CSSICL and  
CKSSKC**

Consideration received	\$ 605,499
Net assets on disposal date	(264,872)
Accumulated exchange differences from the reclassification of the subsidiaries' net assets from equity to profit or loss due to loss of control of subsidiaries	<u>(44,930)</u>
Gain on disposals	<u>\$ 295,697</u>

d. Net cash inflow on disposals of subsidiaries

**CSSICL and  
CKSSKC**

Consideration received in cash and cash equivalents	\$ 605,499
Less: Cash and cash equivalent balances on disposal date	<u>(2,757)</u>
	<u>\$ 602,742</u>

## 29. CAPITAL MANAGEMENT

The management of the Corporation and its subsidiaries optimized the balances of working capital, debt and equity as well as the related cost through monitoring the Corporation and its subsidiaries' capital structure and capital demand by reviewing quantitative data and considering industry characteristics, domestic and international economic environment, interest rate fluctuation, strategies for development, etc.

## 30. FINANCIAL INSTRUMENTS

### a. Fair value of financial instruments that are not measured at fair value

The Corporation and its subsidiaries believe the carrying amounts of financial instruments, including cash and cash equivalents, receivables, and payables recognized in the consolidated financial statements approximated their fair values.

### b. Fair value of financial instruments that are measured at fair value on a recurring basis

#### 1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>June 30, 2020</u>				
Financial assets at fair value through profit or loss				
Mutual funds	\$ 3,562,818	\$ -	\$ -	\$ 3,562,818
Unlisted shares	-	-	1,792,588	1,792,588
Emerging market shares	-	-	188,434	188,434
Convertible bonds	100,210	-	-	100,210
Listed shares	206,336	-	-	206,336
Future contracts	-	3,682	-	3,682
Foreign exchange forward contracts	-	747	-	747
	<u>\$ 3,869,364</u>	<u>\$ 4,429</u>	<u>\$ 1,981,022</u>	<u>\$ 5,854,815</u>
Financial assets at fair value through other comprehensive income				
Equity instruments				
Foreign unlisted shares and certificate of entitlement	\$ -	\$ -	\$ 37,995,876	\$ 37,995,876
Domestic listed shares	15,882,539	-	-	15,882,539
Domestic emerging market shares and unlisted shares	-	-	2,236,984	2,236,984
Corporate bonds	8,869	-	-	8,869
Foreign listed shares	<u>1,694,587</u>	<u>-</u>	<u>-</u>	<u>1,694,587</u>
	<u>\$ 17,585,995</u>	<u>\$ -</u>	<u>\$ 40,232,860</u>	<u>\$ 57,818,855</u>

	Level 1	Level 2	Level 3	Total
Financial assets for hedging Foreign exchange forward contracts	\$ <u>-</u>	\$ <u>1,219</u>	\$ <u>-</u>	\$ <u>1,219</u>
Financial liabilities for hedging Foreign exchange forward contracts	\$ <u>-</u>	\$ <u>48,978</u>	\$ <u>-</u>	\$ <u>48,978</u>
<u>December 31, 2019</u>				
Financial assets at fair value through profit or loss				
Mutual funds	\$ 2,559,451	\$ -	\$ -	\$ 2,559,451
Unlisted shares	-	-	1,793,947	1,793,947
Listed shares	276,734	-	-	276,734
Emerging market shares	-	-	210,022	210,022
Convertible bonds	78,997	-	-	78,997
Future contracts	-	4,767	-	4,767
Foreign exchange forward contracts	<u>-</u>	<u>344</u>	<u>-</u>	<u>344</u>
	<u>\$ 2,915,182</u>	<u>\$ 5,111</u>	<u>\$ 2,003,969</u>	<u>\$ 4,924,262</u>
Financial liabilities at fair value through profit or loss Foreign exchange forward contracts	\$ <u>-</u>	\$ <u>10,879</u>	\$ <u>-</u>	\$ <u>10,879</u>
Financial assets at fair value through other comprehensive income				
Equity instruments				
Foreign unlisted shares and certificate of entitlement	\$ -	\$ -	\$ 39,306,742	\$ 39,306,742
Domestic listed shares	16,323,455	-	-	16,323,455
Domestic emerging market shares and unlisted shares	-	-	2,237,738	2,237,738
Foreign listed shares	<u>1,944,817</u>	<u>-</u>	<u>-</u>	<u>1,944,817</u>
	<u>\$ 18,268,272</u>	<u>\$ -</u>	<u>\$ 41,544,480</u>	<u>\$ 59,812,752</u>
Financial assets for hedging Foreign exchange forward contracts	\$ <u>-</u>	\$ <u>119,090</u>	\$ <u>-</u>	\$ <u>119,090</u>
Financial liabilities for hedging Foreign exchange forward contracts	\$ <u>-</u>	\$ <u>55,028</u>	\$ <u>-</u>	\$ <u>55,028</u>

	Level 1	Level 2	Level 3	Total
<u>June 30, 2019</u>				
Financial assets at fair value through profit or loss				
Mutual funds	\$ 3,985,874	\$ -	\$ -	\$ 3,985,874
Unlisted shares	-	-	1,880,573	1,880,573
Listed shares	413,192	-	-	413,192
Emerging market shares	-	-	262,735	262,735
Convertible bonds	50,814	-	-	50,814
Foreign exchange forward contracts	-	1,854	-	1,854
Future contracts	-	5,770	-	5,770
	<u>\$ 4,449,880</u>	<u>\$ 7,624</u>	<u>\$ 2,143,308</u>	<u>\$ 6,600,812</u>
Financial assets at fair value through other comprehensive income				
Equity instruments				
Foreign unlisted shares and certificate of entitlement	\$ -	\$ -	\$ 43,754,172	\$ 43,754,172
Domestic listed shares	18,081,334	-	-	18,081,334
Domestic emerging market shares and unlisted shares	-	-	2,201,306	2,201,306
Foreign listed shares	<u>1,989,163</u>	<u>-</u>	<u>-</u>	<u>1,989,163</u>
	<u>\$ 20,070,497</u>	<u>\$ -</u>	<u>\$ 45,955,478</u>	<u>\$ 66,025,975</u>
Financial assets for hedging				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 498,721</u>	<u>\$ -</u>	<u>\$ 498,721</u>
Financial liabilities for hedging				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 8,708</u>	<u>\$ -</u>	<u>\$ 8,708</u>

There was no transfer between Level 1 and Level 2 for the six months ended June 30, 2020 and 2019.

2) Reconciliation of Level 3 fair value measurements of financial assets

For the six months ended June 30, 2020

	<u>Equity Instruments</u>		
	<b>Financial Assets at Fair Value Through Profit or Loss</b>	<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>Total</b>
Balance, beginning of period	\$ 2,003,969	\$ 41,544,480	\$ 43,548,449
Recognized in profit or loss	(12,818)	-	(12,818)

	<b>Equity Instruments</b>		<b>Total</b>
	<b>Financial Assets at Fair Value Through Profit or Loss</b>	<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	
Recognized in other comprehensive income	\$ -	\$ (665,509)	\$ (665,509)
Purchases	-	160,518	160,518
Transfer out of level 3	-	(93,697)	(93,697)
Disposal	(10,129)	(343,978)	(354,107)
Others	-	32,603	32,603
Effect of foreign currency exchange difference	-	(401,557)	(401,557)
Balance, end of period	<u>\$ 1,981,022</u>	<u>\$ 40,232,860</u>	<u>\$ 42,213,882</u>
Unrealized gains and losses recognized in profit or loss	<u>\$ (12,818)</u>	<u>\$ -</u>	<u>\$ (12,818)</u>

For the six months ended June 30, 2019

	<b>Equity Instruments</b>		<b>Total</b>
	<b>Financial Assets at Fair Value Through Profit or Loss</b>	<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>	
Balance, beginning of period	\$ 2,096,353	\$ 43,825,627	\$ 45,921,980
Recognized in profit or loss	87,308	-	87,308
Recognized in other comprehensive income	-	1,872,601	1,872,601
Purchases	-	86,591	86,591
Disposal	(40,353)	(16,121)	(56,474)
Reclassification	-	153,687	153,687
Transfer out of level 3	-	(8,297)	(8,297)
Effect of foreign currency exchange difference	-	41,390	41,390
Balance, end of period	<u>\$ 2,143,308</u>	<u>\$ 45,955,478</u>	<u>\$ 48,098,786</u>
Unrealized gains and losses recognized in profit or loss	<u>\$ 79,323</u>	<u>\$ -</u>	<u>\$ 79,323</u>

- 3) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement

<b>Financial Instrument</b>	<b>Valuation Techniques and Inputs</b>
Derivative instruments	A discounted cash flow analysis was performed using the applicable yield curve for the duration of the instruments for non-option derivatives, and option pricing models for option derivatives. The estimates and assumptions used by the Corporation and its subsidiaries were consistent with those that market participants would use in setting a price for the financial instrument.
Private-placement shares of listed companies	Based on information from the Market Observation Post System, the Taipei Exchange, etc. and calculated by using the Black-Scholes Model.

- 4) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

- a) For emerging market shares, fair values were estimated on the basis of the closing price and liquidity.
- b) For domestic unlisted shares, some foreign unlisted shares and certificate of entitlement, fair values were determined based on industry types, valuations of similar companies and operations.
- c) For other foreign unlisted shares, fair values were measured under income approach and calculated by the present value of the expected returns by using a discounted cash flow model. Significant unobservable inputs were as follows; if the long-term pre-tax operating income rate increased or discount rate decreased, the fair value of the investments would increase.

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Long-term pre-tax operating income rate (%)	10.65-50.65	10.65-50.76	9.79-61.58
Discount rate (%)	10.79-10.93	10.79-11.01	10.37-11.75

If the below input to the valuation model was changed to reflect reasonably possible alternative assumptions while all other variables were held constant, the fair value of the equity investment would increase (decrease) as follows:

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Long-term pre-tax operating income rate			
Increase 1%	<u>\$ 173,568</u>	<u>\$ 187,755</u>	<u>\$ 168,955</u>
Decrease 1%	<u>\$ (174,718)</u>	<u>\$ (189,229)</u>	<u>\$ (170,338)</u>

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Discount rate			
Increase 1%	<u>\$ (323,626)</u>	<u>\$ (365,524)</u>	<u>\$ (330,087)</u>
Decrease 1%	<u>\$ 400,283</u>	<u>\$ 452,460</u>	<u>\$ 406,411</u>

d) For the remaining few foreign unlisted shares, their fair values were measured under the market approach. In this approach, significant unobservable inputs included discount for lack of marketability and control premium. If discount for lack of marketability decreased or control premium increased, the fair value of the investments would increase.

c. Categories of financial instruments

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
<u>Financial assets</u>			
Fair value through profit or loss			
Mandatorily at fair value through profit or loss	\$ 5,854,815	\$ 4,924,262	\$ 6,600,812
Financial assets for hedging	1,753,547	1,970,504	3,306,479
Financial assets at amortized cost 1)	40,153,196	43,520,410	60,747,624
Financial assets at fair value through other comprehensive income			
Equity instruments	57,818,855	59,812,752	66,025,975
<u>Financial liabilities</u>			
Fair value through profit or loss			
Held for trading	-	10,879	-
Financial liabilities for hedging	3,031,498	4,856,663	4,989,430
Financial liabilities at amortized cost 2)	280,795,763	279,481,156	303,082,115

1) The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties), other receivables, financial assets at amortized cost-noncurrent, refundable deposits and other financial assets.

2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings and bank overdraft, short-term bills payable, notes and accounts payable (including related parties), other payables, refundable liabilities, bonds payable, long-term borrowings, long-term bills payable and deposits received.

d. Financial risk management objectives and policies

The Corporation and its subsidiaries place great emphasis on financial risk management. By tracking and managing the market risk, credit risk, and liquidity risk efficiently, the management ensured that the Corporation and its subsidiaries were equipped with sufficient and lower cost working capital, which reduced financial uncertainty that may have adverse effects on their operations.

The significant financial activities of the Corporation and its subsidiaries are reviewed by the board of directors in accordance with relevant regulations and internal controls. The finance department follows the accountability and related financial risk control procedures required by the Corporation and its subsidiaries for executing financial projects. Compliance with policies and exposure limits is

continually reviewed by the internal auditors. The Corporation and its subsidiaries did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

a) Foreign currency risk

The Corporation and its subsidiaries were exposed to foreign currency risk due to sales, purchases, capital expenditures and equity investments denominated in foreign currencies. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts, foreign deposits or foreign borrowings.

The carrying amounts of the significant non-functional currency monetary assets and liabilities (including those eliminated on consolidation) at the balance sheet date were referred to Note 34.

The Corporation and its subsidiaries were mainly exposed to the currencies USD. The following table details the sensitivity to a 1% increase in the functional currencies against the relevant foreign currencies.

	<b>USD Impact</b>	
	<b>For the Six Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>
Pre-tax profit or loss	\$ (29,467)	\$ 3,458 i
Equity	(7,102)	10,891 ii

i. These were mainly attributable to the exposure of cash, outstanding receivables, payables and borrowings, which were not hedged at the balance sheet date.

ii. These were attributable to financial assets for hedging that were designated as hedging instruments in cash flow hedges, and financial liabilities for hedging that were designated as hedging instruments in foreign equity investments and net investments in foreign operations hedges.

In management's opinion, the sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the balance sheet date did not reflect the exposure during the period.

Hedge accounting

The Corporation and its subsidiaries' hedging strategies are as follows:

i. The Corporation and its subsidiaries' hedging strategy is to enter into foreign exchange forward contracts to avoid exchange rate exposure of their foreign currency capital expenditure and sales contracts. Those transactions are designated as cash flow hedges.

ii. The Corporation has designated certain long-term foreign currency borrowing as a hedge to manage its foreign currency risk:

i) Currency risks on foreign equity investments are accounted for as fair value hedge. Changes in the fair value of hedging instruments are recognized, based on the nature of hedged items, either in other gains or losses or other comprehensive income. The Corporation performs assessment of hedging effectiveness and it expects that the value of long-term foreign currency borrowing and the value of the foreign equity investment will systematically change in opposite direction in response to movements in the underlying exchange rates.



- ii) Foreign currency risk on investments in foreign operations is managed by using long-term foreign currency borrowing as a hedge instrument to hedge the investments in subsidiary CSVC, which uses USD as their functional currency.

The following tables summarize the information relating to the hedges of foreign currency risk.

June 30, 2020

	Hedging Instruments/ Hedged Items	Line Item in Balance Sheet	Carrying Amount				
			Asset	Liability			
Cash flow hedge							
	Foreign exchange forward contracts/Forecast purchases, construction contracts and raw materials	Financial assets/liabilities for hedging	\$ 1,217	\$ 48,609			
	Hedging foreign-currency deposits/Forecast purchases, construction contracts and raw materials	Financial assets for hedging	1,752,328	-			
Fair value hedge							
	Foreign exchange forward contracts/Forecast purchases and raw materials	Financial assets/liabilities for hedging	2	369			
	Foreign currency bank borrowings/Financial assets at FVTOCI	Financial liabilities for hedging	-	1,049,231			
	Foreign currency bank borrowings/Financial assets at FVTPL	Financial liabilities for hedging	-	1,806,582			
Net investment hedge in foreign operations							
	Foreign currency bank borrowings/Investment in foreign operations	Financial liabilities for hedging	-	-			
	Hedging Instruments /Hedged Items	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Continuing Hedges	Other Equity Discounting Hedges	Fair Value Hedge - Carrying Amount Asset	Fair Value Hedge - Accumulated Amount of Fair Value Hedge Adjustments Asset
Cash flow hedge							
	Foreign exchange forward contracts/Forecast purchases, construction contracts and raw materials	\$ (112,035)	\$ 112,035	\$ (47,392)	\$ -	NA	NA
	Hedging foreign-currency deposits/Forecast purchases, construction contracts and raw materials	(14,845)	14,845	(78,032)	-	NA	NA

Hedging Instruments / Hedged Items	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Other Equity		Fair Value Hedge - Hedged Items' Carrying Amount Asset	Fair Value Hedge - Accumulated Amount of Fair Value Hedge Adjustments Asset
			Continuing Hedges	Discounting Hedges		
Fair value hedge						
Foreign exchange forward contracts/Forecast purchases and raw materials	\$ (2,137)	\$ 2,137	NA	NA	\$ -	\$ -
Foreign currency bank borrowings/Financial assets at FVTOCI	3,432	(3,431)	27,378	-	1,680,421	(54,896)
Foreign currency bank borrowings/Financial assets at FVTPL	5,910	(6,000)	NA	NA	1,653,102	(202,802)
Net investment hedge in foreign operations						
Foreign currency bank borrowings/Investment in foreign operations	-	-	(177,877)	3,966,663	NA	NA

June 30, 2019

Hedging Instruments/ Hedged Items	Line Item in Balance Sheet	Carrying Amount	
		Asset	Liability
Cash flow hedge			
Foreign exchange forward contracts/Forecast purchases, construction contracts and raw materials	Financial assets/liabilities for hedging	\$ 496,806	\$ 5,353
Hedging foreign-currency deposits/Forecast purchases, construction contracts and raw materials	Financial assets for hedging	2,807,758	-
Fair value hedge			
Foreign exchange forward contracts/Forecast purchases and raw materials	Financial assets/liabilities for hedging	1,915	3,355
Foreign currency bank borrowings/Financial assets at FVTOCI	Financial liabilities for hedging	-	1,100,720
Foreign currency bank borrowings/Financial assets at FVTPL	Financial liabilities for hedging	-	1,895,236
Net investment hedge in foreign operations			
Foreign currency bank borrowings/Investment in foreign operations	Financial liabilities for hedging	-	1,818,501

Hedging Instruments /Hedged Items	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Other Equity		Fair Value Hedge - Hedged Items' Carrying Amount Asset	Fair Value Hedge - Accumulated Amount of Fair Value Hedge Adjustments Asset
			Continuing Hedges	Discounting Hedges		
Cash flow hedge						
Foreign exchange forward contracts/Forecast purchases, construction contracts and raw materials	\$ 174,260	\$ (174,260)	\$ 491,454	\$ -	NA	NA
Hedging foreign-currency deposits/Forecast purchases, construction contracts and raw materials	34,601	(34,601)	41,263	-	NA	NA
Fair value hedge						
Foreign exchange forward contracts/Forecast purchases and raw materials	4,154	(4,154)	NA	NA	\$ (1,193)	\$ (1,193)
Foreign currency bank borrowings/Financial assets at FVTOCI	(39,666)	39,651	(24,111)	-	1,969,291	(3,426)
Foreign currency bank borrowings/Financial assets at FVTPL	(68,297)	69,337	NA	NA	1,720,092	(112,797)
Net investment hedge in foreign operations						
Foreign currency bank borrowings/Investment in foreign operations	(20,199)	20,199	(235,839)	3,966,662	NA	NA

For the three months ended June 30, 2020

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in Profit or Loss	Line Item in Which Hedge Ineffec - tiveness is Included	Amount Reclassified to P/L and Adjusted Line Item	
				Due to Hedged Item Affecting P/L	Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedge	\$ (102,589)	\$ _____	-	\$ _____	\$ _____
Net investment hedge in foreign operations	\$ 9,075	\$ _____	-	\$ _____	\$ _____

For the three months ended June 30, 2019

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in Profit or Loss	Line Item in Which Hedge Ineffec - tiveness is Included	Amount Reclassified to P/L and Adjusted Line Item	
				Due to Hedged Item Affecting P/L	Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedge	\$ 147,983	\$ _____	-	\$ _____	\$ _____
Net investment hedge in foreign operations	\$ (47,376)	\$ _____	-	\$ _____	\$ _____

For the six months ended June 30, 2020

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in Profit or Loss	Line Item in Which Hedge Ineffec - tiveness is Included	Amount Reclassified to P/L and Adjusted Line Item	
				Due to Hedged Item Affecting P/L	Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedge	\$ (126,880)	\$ -	-	\$ -	\$ -
Net investment hedge in foreign operation	\$ (5,269)	\$ -	-	\$ -	\$ -

For the six months ended June 30, 2019

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in Profit or Loss	Line Item in Which Hedge Ineffec - tiveness is Included	Amount Reclassified to P/L and Adjusted Line Item	
				Due to Hedged Item Affecting P/L	Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedge	\$ 208,862	\$ -	-	\$ -	\$ -
Net investment hedge in foreign operation	\$ (66,649)	\$ -	-	\$ -	\$ -

The outstanding foreign exchange forward contracts of the Corporation and its subsidiaries at the balance sheet date were as follows:

	Currency	Period for Generating Cash Flows and Maturity Date	Contract Amount (In Thousands)
<u>June 30, 2020</u>			
Buy	NTD/USD	July 2020-March 2023	NTD1,224,122/USD40,831
Buy	NTD/EUR	April 2020-December 2022	NTD765,171/EUR22,637
Buy	NTD/JPY	January 2020- March 2023	NTD468,327/JPY1,654,575
Buy	NTD/CNY	November 2020-January 2023	NTD192,611/CNY45,463
Buy	INR/USD	July 2020	INR205,615/USD2,707
<u>December 31, 2019</u>			
Buy	NTD/USD	January 2020-March 2023	NTD4,304,197/USD144,695
Buy	NTD/EUR	January 2020-January 2023	NTD450,037/EUR12,987
Buy	NTD/JPY	January 2020-March 2023	NTD713,385/JPY2,521,286
Buy	NTD/CNY	March 2020-March 2023	NTD3,344/CNY784
Buy	INR/USD	January 2020	INR247,418/USD3,441
Sell	USD/NTD	January 2020	USD95/NTD2,884
Sell	CNY/NTD	February 2020-September 2020	CNY17,247/NTD74,230
<u>June 30, 2019</u>			
Buy	NTD/USD	July 2019-January 2023	NTD7,946,140/USD272,842
Buy	NTD/EUR	July 2019-December 2021	NTD505,562/EUR14,247
Buy	NTD/JPY	July 2019-November 2021	NTD798,624/JPY2,845,203
Buy	INR/USD	July 2019-September 2019	INR457,075/USD6,515
Sell	USD/NTD	July 2019-August 2019	USD399/NTD12,426

b) Interest rate risk

The Corporation and its subsidiaries were exposed to interest rate risk because the Corporation and its subsidiaries borrowed funds at both fixed and floating interest rates. The risk is managed by the Corporation and its subsidiaries by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts.

The carrying amounts of the Corporation and its subsidiaries' financial liabilities with exposure to interest rates at the balance sheet date were as follows:

	June 30, 2020	December 31, 2019	June 30, 2019
Fair value interest rate risk			
Financial liabilities	\$ 152,051,928	\$ 150,331,559	\$ 149,452,351
Cash flow interest rate risk			
Financial liabilities	95,543,084	104,302,735	104,415,476

If interest rates had been 1% higher/lower and all other variables were held constant, the Corporation and its subsidiaries' pre-tax profit for the six months ended June 30, 2020 and 2019 would have been lower/higher by NT\$477,715 thousand and NT\$522,078 thousand, respectively.

c) Other price risk

The Corporation and its subsidiaries were exposed to equity price risk through their investments in mutual funds and domestic and foreign listed shares.

If equity prices had been 1% lower/higher, the pre-tax profit for the six months ended June 30, 2020 and 2019 would have been lower/higher by NT\$37,692 thousand and NT\$43,991 thousand, respectively, as a result of the fair value changes of financial assets at fair value through profit or loss, and the other comprehensive income for the six months ended June 30, 2020 and 2019 would have been lower/higher by NT\$175,771 thousand and NT\$200,705 thousand, respectively, as a result of the changes in fair value of financial assets at fair value through other comprehensive income.

Hedge accounting

A subsidiary minimizes its fair value exposures to price fluctuations of precious metals by entering into precious metals borrowing contracts. The fair value of the precious metals borrowing transactions at the end of the reporting period is determined by the price of the precious metals.

The terms of the precious metals borrowing contracts matched the terms of financial liabilities. The subsidiary performs a qualitative assessment of effectiveness and it expects that the value of the precious metals borrowing contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying prices. The source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the subsidiary's own credit risk on the fair value of the precious metals borrowing contracts, which is not reflected in the fair value of the hedged item attributable to the change in prices. No other sources of ineffectiveness are expected to emerge from these hedging relationships.

The following tables summarize the information relating to the hedges of other price risk.

June 30, 2020

Hedging Instruments	Contract Amount	Maturity	Line Item in Balance Sheet	Carrying Amount Liability	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness
Fair value hedge					
Precious metals borrowing contracts	\$ 126,707	-	Financial liabilities for hedging	\$ 126,707	\$ -

Hedged Items	Carrying Amount Asset	Accumulated Amount of Fair Value Hedge Adjustments Asset	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness
Fair value hedge Inventory	\$ <u>126,707</u>	\$ <u>-</u>	\$ <u>-</u>
<u>June 30, 2019</u>			

Hedging Instruments	Contract Amount	Maturity	Line Item in Balance Sheet	Carrying Amount Liability	Change in Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness
Fair value hedge Precious metals borrowing contracts	\$ <u>166,265</u>	-	Financial liabilities for hedging	\$ <u>166,265</u>	\$ <u>-</u>

Hedged Items	Carrying Amount Asset	Accumulated Amount of Fair Value Hedge Adjustments Asset	Change in Value of Hedged Items Used for Calculating Hedge Ineffectiveness
Fair value hedge Inventory	\$ <u>166,265</u>	\$ <u>-</u>	\$ <u>-</u>

## 2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation and its subsidiaries. As at the balance sheet date, the Corporation and its subsidiaries' maximum exposure to credit risk is the carrying amount of the financial assets on the consolidated balance sheets and the amount of contingent liabilities in relation to financial guarantee issued by the Corporation and its subsidiaries.

The Corporation and its subsidiaries do not expect significant credit risk because the counterparties are creditworthy financial institutions and companies.

Counterparties of accounts receivable consisted of a large number of different customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the customers' financial condition.

The Corporation and its subsidiaries did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Corporation and its subsidiaries define counterparties as having similar characteristics if they are related entities.

As of June 30, 2020, December 31, 2019 and June 30, 2019, the maximum credit risk of off-balance-sheet guarantees and amount provided to investees of co-investment for procurement compliance was NT\$36,744,031 thousand, NT\$38,176,561 thousand and NT\$39,186,902 thousand, respectively.

### 3) Liquidity risk

The management of the Corporation and its subsidiaries continuously monitors the movement of cash flows, net cash position, significant capital expenditures and the utilization of bank loan commitments to control proportion of the long-term and short-term bank loans or issue bonds payable, and ensures compliance with loan covenants.

The following table details the undiscounted cash flows of the Corporation and its subsidiaries' remaining contractual maturity for its non-derivative financial liabilities from the earliest date on which they can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time span regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

As of June 30, 2020, the Corporation and its subsidiaries' current liabilities are more than current assets by NT\$15,236,118 thousand. However, management considers that there are sufficient cash flows and loan covenants to cover their expenditures and operations.

The table below summarized the maturity profile of the Corporation and its subsidiaries' financial liabilities based on contractual undiscounted payments:

	<b>Less Than 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
<u>June 30, 2020</u>				
Non-derivative financial liabilities				
Non-interest bearing liabilities	\$ 43,184,646	\$ 890,294	\$ -	\$ 44,074,940
Lease liabilities	1,158,075	3,275,958	10,992,144	15,426,177
Variable interest rate liabilities	47,216,888	46,065,131	3,511,085	96,793,104
Fixed interest rate liabilities	61,286,909	59,761,333	24,457,278	145,505,520
Refund liability	2,780,126	-	-	2,780,126
Financial guarantee liabilities	<u>4,377</u>	<u>31,711,339</u>	<u>5,028,315</u>	<u>36,744,031</u>
	<u>\$ 155,631,021</u>	<u>\$ 141,704,055</u>	<u>\$ 43,988,822</u>	<u>\$ 341,323,898</u>
<u>December 31, 2019</u>				
Non-derivative financial liabilities				
Non-interest bearing liabilities	\$ 37,664,882	\$ 785,440	\$ -	\$ 38,450,322
Lease liabilities	1,100,597	3,116,647	10,767,105	14,984,349
Variable interest rate liabilities	43,403,870	57,880,435	4,930,246	106,214,551
Fixed interest rate liabilities	56,690,350	58,823,579	28,791,858	144,305,787
Refund liabilities	1,739,701	-	-	1,739,701
Financial guarantee liabilities	<u>154,259</u>	<u>32,922,647</u>	<u>5,099,655</u>	<u>38,176,561</u>
	<u>\$ 140,753,659</u>	<u>\$ 153,528,748</u>	<u>\$ 49,588,864</u>	<u>\$ 343,871,271</u>

June 30, 2019	Less Than 1 Year	1-5 Years	Over 5 Years	Total
Non-derivative financial liabilities				
Non-interest bearing liabilities	\$ 59,055,845	\$ 1,033,683	\$ -	\$ 60,089,528
Lease liabilities	1,065,646	3,276,018	11,438,392	15,780,056
Variable interest rate liabilities	55,711,461	44,962,104	5,905,881	106,579,446
Fixed interest rate liabilities	52,571,218	61,244,944	30,035,082	143,851,244
Refund liability	4,991,146	-	-	4,991,146
Financial guarantee liabilities	<u>362,855</u>	<u>33,545,545</u>	<u>5,278,502</u>	<u>39,186,902</u>
	<u>\$ 173,758,171</u>	<u>\$ 144,062,294</u>	<u>\$ 52,657,857</u>	<u>\$ 370,478,322</u>

The amounts included above for financial guarantee liabilities were the maximum amounts the Corporation and its subsidiaries could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the balance sheet date, the Corporation and its subsidiaries considered that it is more likely than not that none of the amount will be payable under the arrangement.

### 31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Corporation and its subsidiaries and other related parties were disclosed below:

- a. The name of the company and its relationship with the Corporation and its subsidiaries

Company	Relationship
TaiAn Technologies Corporation	Associate
Fukuta Electric & Machinery Co., Ltd.	Associate
Dyna Rechi Co., Ltd.	Associate
Hsin Hsin Cement Enterprise Corporation	Associate
Eminent III Venture Capital Corporation	Associate
Nikken & CSSC Metal Products Co., Ltd.	Associate
Eminent II Venture Capital Corporation	Associate
Honley Auto. Parts Co., Ltd.	Associate
Ascentek Venture Capital Corporation	Associate
Taiwan Rolling Stock Co., Ltd.	Associate
Kaohsiung Arena Development Corporation	Associate
Overseas Investment & Development Corporation	Associate
Chateau International Development Co., Ltd.	Associate
Chungkang Steel Structure (Cambodia) Co., Ltd.	Associate
HC&C Auto Parts Co., Ltd.	Associate
Hanwa Steel Centre (M) Sdn. Bhd.	Associate
TSK Steel Company Limited	Associate
Dyna Rechi (Jiujiang) Co., Ltd	Subsidiary of associates
Changchun CECK Auto. Parts Co., Ltd.	Subsidiary of associates



<u>Company</u>	<u>Relationship</u>
CSBC Corporation, Taiwan	The Corporation as key management personnel of other related parties
Taiwan High Speed Rail Corporation	The Corporation as key management personnel of other related parties
Rechi Precision Co., Ltd.	The Corporation as key management personnel of other related parties
Taiwan International Windpower Training Corporation	The Corporation as key management personnel of other related parties
Tang Eng Iron Works Co., Ltd.	The Corporation as key management personnel of other related parties
CDIB Bioscience Ventures I, Inc.	The Corporation as key management personnel of other related parties
East Asia United Steel Corporation	The Corporation as key management personnel of other related parties
Sakura Ferroalloys Sdn. Bhd.	The Corporation as key management personnel of other related parties
CSBC Coating Solutions Co., Ltd.	The Corporation as key management of parent company
Rechi Refrigeration (Dongguan) Co, Ltd.	The Corporation as key management of parent company
Rechi Precision (Qingdao) Electric Machinery Limited	The Corporation as key management of parent company
TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	The Corporation as key management of parent company
Ministry of Economic Affairs, R.O.C.	Director of the Corporation
CSC Labor Union	Director of the Corporation
Formosa Ha Tinh Steel Corporation	Other related party
Formosa Ha Tinh (Cayman) Limited (FHC)	Other related party
CSC Educational Foundation	Other related party
iPASS Corporation	Associate before February 2019
SINO Vietnam HI-TECH Material Co., Ltd.	Associate before December 2019

b. Operating revenues

Account Items	Related Parties Types	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2020	2019	2020	2019
Revenue from sales of goods	The Corporation as key management personnel of other related parties	\$ 231,490	\$ 381,470	\$ 553,256	\$ 844,458
	The Corporation as key management of parent parties	184,850	320,380	420,790	684,670
	Associates	151,475	201,082	365,436	492,892

Account Items	Related Parties Types	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2020	2019	2020	2019
		Other related parties	\$ 148,817	\$ 16,915	\$ 231,313
Others	<u>47,235</u>	<u>21,312</u>	<u>55,763</u>	<u>33,093</u>	
		<u>\$ 763,867</u>	<u>\$ 941,159</u>	<u>\$ 1,626,558</u>	<u>\$ 2,163,570</u>
Construction contract revenue	The Corporation as key management personnel of other related parties	\$ 54,325	\$ 3,697	\$ 149,628	\$ 7,217
	Other related parties	73,209	327,140	135,076	1,311,947
	Others	<u>273</u>	<u>1,828</u>	<u>415</u>	<u>1,828</u>
		<u>\$ 127,807</u>	<u>\$ 332,665</u>	<u>\$ 285,119</u>	<u>\$ 1,320,992</u>

Sales to related parties were made at arm's length. The construction contracts undertaken by the Corporation and its subsidiaries with related parties were different from those with unrelated parties; therefore, the prices were not comparable while collection terms have no material differences.

c. Purchase of goods

Related Parties Types	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
	Other related parties	\$ 993,485	\$ 2,835,460	\$ 3,148,969
Other	<u>102,378</u>	<u>119,979</u>	<u>185,977</u>	<u>217,480</u>
	<u>\$ 1,095,863</u>	<u>\$ 2,955,439</u>	<u>\$ 3,334,946</u>	<u>\$ 5,596,541</u>

Purchases from related parties were made at arm's length.

d. Receivables from related parties

Account Items	Related Parties Types/Name	June 30, 2020	December 31, 2019	June 30, 2019
Notes and accounts receivable	The Corporation as key management personnel of other related parties	\$ 116,188	\$ 328,349	\$ 357,856
	The Corporation as key management of parent parties	85,773	98,432	140,491
	Other related parties	54,468	146,528	350,144
	Subsidiaries of associates	36,177	20,295	21,270
	Associates	17,181	28,106	52,488
	Others	<u>11</u>	<u>11</u>	<u>10</u>
		<u>\$ 309,798</u>	<u>\$ 621,721</u>	<u>\$ 922,259</u>
Other receivables	Other related parties			
	FHC	\$ 207,410	\$ 209,860	\$ 217,420
	Others	102,935	125,519	61,731
	Associates	19,025	18,775	24,648
	Others	<u>66</u>	<u>25</u>	<u>12</u>
		<u>\$ 329,436</u>	<u>\$ 354,179</u>	<u>\$ 303,811</u>

e. Payables to related parties

<b>Account Items</b>	<b>Related Parties Types</b>	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Accounts payable	Associates	\$ 45,217	\$ 35,734	\$ 32,357
	Other related parties	3,532	34,992	5,421
	Others	<u>76</u>	<u>-</u>	<u>-</u>
		<u>\$ 48,825</u>	<u>\$ 70,726</u>	<u>\$ 37,778</u>
Other payables	Other related parties	\$ 552,427	\$ 555,277	\$ 582,807
	Others	<u>11,290</u>	<u>5,910</u>	<u>23,612</u>
		<u>\$ 563,717</u>	<u>\$ 561,187</u>	<u>\$ 606,419</u>

The outstanding payables to related parties were unsecured.

f. Others

Classified as operating and non-operating income by nature:

<b>Account Items</b>	<b>Related Parties Types</b>	<b>For the Three Months Ended June 30</b>		<b>For the Six Months Ended June 30</b>	
		<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Service and other revenues and other income - other	The Corporation as key management personnel of other related parties	\$ 150,590	\$ 142,920	\$ 279,709	\$ 242,934
	Other related parties	41,496	44,634	171,522	155,865
	Others	<u>6,733</u>	<u>6,352</u>	<u>8,925</u>	<u>13,433</u>
		<u>\$ 198,819</u>	<u>\$ 193,906</u>	<u>\$ 460,156</u>	<u>\$ 412,232</u>

g. Endorsements and guarantees provided by the Corporation and its subsidiaries

<b>Related Party Types/Name</b>	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Other related parties -FHC			
Amount endorsed	\$ 35,910,338	\$ 36,978,426	\$ 38,310,538
Amount utilized	<u>(35,910,338)</u>	<u>(36,978,426)</u>	<u>(38,310,538)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The Corporation as key management personnel of other related parties			
Amount endorsed	\$ 1,338,710	\$ 1,502,038	\$ 1,049,385
Amount utilized	<u>(790,560)</u>	<u>(1,157,800)</u>	<u>(837,509)</u>
	<u>\$ 548,150</u>	<u>\$ 344,238</u>	<u>\$ 211,876</u>
Associates			
Amount endorsed	\$ 142,372	\$ 88,291	\$ 160,798
Amount utilized	<u>(4,377)</u>	<u>(20,430)</u>	<u>(38,855)</u>
	<u>\$ 137,995</u>	<u>\$ 67,861</u>	<u>\$ 121,943</u>

Endorsements and guarantees above are provided to investee by the percentage of shareholdings under joint venture agreements.

h. Compensation of key management personnel

The remuneration to directors and other members of key management personnel were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Short-term employee benefits	\$ 11,848	\$ 25,981	\$ 26,880	\$ 54,115
Post-employment benefits	<u>342</u>	<u>359</u>	<u>684</u>	<u>719</u>
	<u>\$ 12,190</u>	<u>\$ 26,340</u>	<u>\$ 27,564</u>	<u>\$ 54,834</u>

### 32. ASSETS PLEDGED AS COLLATERAL OR SECURITY

The Corporation and its subsidiaries' assets mortgaged or pledged as collateral for long-term borrowings, short-term borrowings and bank overdraft, performance guarantees and bankers' acceptance bills, etc. were as follows (listed based on their carrying amounts):

	June 30, 2020	December 31, 2019	June 30, 2019
Net property, plant and equipment	\$ 37,869,799	\$ 24,957,498	\$ 24,422,617
Time deposits	6,663,621	6,788,582	6,707,606
Shares (a.)	4,883,130	5,638,010	5,885,705
Pledged receivable (b.)	2,000,000	2,000,000	2,000,000
Net investment properties	<u>1,131,028</u>	<u>1,136,910</u>	<u>1,164,059</u>
	<u>\$ 52,547,578</u>	<u>\$ 40,521,000</u>	<u>\$ 40,179,987</u>

- Shares of the Corporation were pledged by WIC and TIC, both subsidiaries, and were recorded as treasury shares in the consolidated financial statements.
- In accordance with revised agreements of build-operate-transfer contract in 2013, the subsidiary KRTC reclassified NT\$2,000,000 thousand including arbitration receivable - Kaohsiung City Government and part of the consideration of transferred assets to operating performance guarantees.

### 33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Corporation and its subsidiaries as of June 30, 2020 were as follows:

- The Corporation and its subsidiaries provided letters of credits for NT\$9.8 billion guaranteed by financial institutions for several constructions, lease contracts and payment. Guarantee notes for NT\$50.9 billion were provided to banks and owners for loans, purchase agreements and warranties.
- Unused letters of credit for importation of materials and machinery amounted to NT\$8.1 billion.
- Property purchase and construction contracts for NT\$12.8 billion were signed but not yet recorded.
- Construction contracts for NT\$43.7 billion were not yet being completed.

- e. The Corporation and its subsidiaries entered into raw material purchase contracts with suppliers in Australia, Brazil, Canada, China, Japan, Philippines, Vietnam, Indonesia and domestic companies with contract terms of 1 to 5 years. Contracted annual purchases of 10,430,000 metric tons of coal, 22,420,000 metric tons of iron ore, and 3,420,000 metric tons of limestone are at prices negotiable with the counterparties. Purchase commitments as of June 30, 2020 were USD4.8 billion (including 8,890,000 metric tons of coal, 40,290,000 metric tons of iron ore, and 2,560,000 metric tons of limestone).
- f. Refer to Table 2 for information relating to endorsements/guarantees provided.

### 34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the Corporation and its subsidiaries and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
<u>June 30, 2020</u>				
Monetary financial assets				
USD	\$ 282,891	29.6300	(USD:NTD)	\$ 8,382,058
USD	14,937	7.0699	(USD:RMB)	442,572
USD	40,924	1.4571	(USD:AUD)	1,212,590
USD	13,516	24,691.6667	(USD:VND)	400,476
JPY	6,952,254	0.2751	(JPY:NTD)	1,912,565
RMB	216,493	4.1910	(RMB:NTD)	907,321
EUR	22,253	33.2700	(EUR:NTD)	740,344
VND	433,308,077	0.00004	(VND:USD)	498,304
Non-monetary financial assets				
Financial assets at fair value through other comprehensive income				
USD	6,305	29.6300	(USD:NTD)	186,806
Associate accounted for using equity method				
USD	353,156	29.6300	(USD:NTD)	10,462,687
AUD	948,640	20.3350	(AUD:NTD)	19,290,599
INR	1,456,516	0.3894	(INR:NTD)	567,167
Monetary financial liabilities				
VND	360,563,005	0.00004	(VND:USD)	414,647
JPY	11,748,815	0.2751	(JPY:NTD)	3,232,099
USD	175,160	29.6300	(USD:NTD)	5,189,992
USD	20,735	76.0914	(USD:INR)	614,389
USD	16,410	24,691.6667	(USD:VND)	486,224
USD	20,899	7.0699	(USD:RMB)	619,235

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>		<b>Carrying Amount (In Thousands of New Taiwan Dollars)</b>
<u>December 31, 2019</u>				
Monetary foreign assets				
USD	\$ 196,792	29.9800	(USD:NTD)	\$ 5,899,816
USD	14,570	6.9640	(USD:RMB)	436,807
USD	37,507	1.4273	(USD:AUD)	1,124,469
USD	3,902	4.2628	(USD:MYR)	116,983
USD	4,169	24,983.3333	(USD:VND)	124,982
JPY	8,361,630	0.2760	(JPY:NTD)	2,307,810
RMB	328,636	4.3050	(RMB:NTD)	1,414,777
EUR	21,001	33.5900	(EUR: NTD)	705,411
Non-monetary foreign assets				
Financial assets at fair value through other comprehensive income				
USD	814,935	29.9800	(USD:NTD)	24,431,755
JPY	6,976,800	0.2760	(JPY:NTD)	1,925,597
MYR	238,160	7.0330	(MYR:NTD)	1,674,977
Associates accounted for using equity method				
USD	364,732	29.9800	(USD:NTD)	10,901,478
AUD	939,953	21.0050	(AUD:NTD)	19,743,722
INR	2,535,672	0.4196	(INR:NTD)	1,063,968
Monetary financial liabilities				
VND	105,760,937	0.00004	(VND:USD)	123,740
JPY	12,087,610	0.2760	(JPY:NTD)	3,336,180
USD	258,611	29.9800	(USD:NTD)	7,753,153
USD	129,133	71.4490	(USD:INR)	3,871,419
USD	20,651	24,983.3333	(USD:VND)	619,126
USD	14,432	6.9640	(USD:RMB)	432,666
USD	3,600	4.2628	(USD:MYR)	107,925
<u>June 30, 2019</u>				
Monetary financial assets				
USD	380,466	31.0600	(USD:NTD)	11,817,260
USD	25,195	1.4251	(USD:AUD)	782,553
USD	6,303	25,883.333	(USD:VND)	195,772
USD	14,193	6.8702	(USD:RMB)	440,833
JPY	7,321,521	0.2886	(JPY:NTD)	2,112,991
RMB	250,439	4.5210	(RMB:NTD)	1,132,237
EUR	27,086	35.3800	(EUR:NTD)	958,300
EUR	3,705	1.1391	(EUR:USD)	131,071
VND	102,102,507	0.00004	(VND:USD)	123,544
Non-monetary financial assets				
Financial assets at fair value through other comprehensive income				
USD	994,585	31.0600	(USD:NTD)	30,891,806
JPY	6,823,600	0.2886	(JPY:NTD)	1,969,291
MYR	233,826	7.2180	(MYR:NTD)	1,687,757

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>		<b>Carrying Amount (In Thousands of New Taiwan Dollars)</b>
Associate accounted for using equity method				
USD	\$ 371,042	31.0600	(USD:NTD)	\$ 11,470,679
AUD	843,426	21.7950	(AUD:NTD)	18,382,468
INR	3,618,186	0.4495	(INR:NTD)	1,626,375
Monetary financial liabilities				
USD	13,063	6.8702	(USD:RMB)	405,724
USD	136,751	69.0990	(USD:INR)	4,247,495
USD	9,857	4.3031	(USD:MYR)	306,159
USD	26,458	25,883.3333	(USD:VND)	821,789
USD	289,369	31.0600	(USD:NTD)	8,987,796
JPY	11,305,022	0.2886	(JPY:NTD)	3,262,629

It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of each entity. Please refer to Note 25 for information relating to net foreign exchange gains and losses.

### 35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 5)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 6)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 7)
- 9) Trading in derivative instruments (Note 30)
- 10) Intercompany relationships and significant intercompany transactions (Table 8)
- 11) Information on investees (Table 9)

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 10)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices and payment terms:
  - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period (Table 6)
  - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period (Table 6)
  - c) The amount of property transactions and the amount of the resultant gains or losses (None)
  - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes (Table 2)
  - e) The highest balance, the end of period balance and the interest rate range, and total current period interest with respect to financing of funds (Table 1)
  - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services (None)

d. Information of major shareholders (Table 11)

### 36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Reported segments of the Corporation and its subsidiaries were as follows:

- Steel - manufacture and sell steel products, including the Corporation, DSC, CHS, CSCM, CSVC, CSCI and TSC.
- Construction - construction, including CPDC, CEC, CECC, CECI, CEVC, CSSC, CKSSKC, USDC, USEC and USCVC.

a. Segment revenues and operating results

The following is an analysis of the Corporation and its subsidiaries' revenues and results of operations by reportable segment.

	Steel Department	Construction Department	Others	Adjustment and Elimination	Total
<u>For the six months ended June 30, 2020</u>					
Revenues from external customers	\$ 119,761,859	\$ 5,228,546	\$ 25,537,883	\$ -	\$ 150,528,288
Inter-segment revenues	<u>35,747,347</u>	<u>5,519,445</u>	<u>17,708,658</u>	<u>(58,975,450)</u>	<u>-</u>
Segment revenues (loss)	<u>\$ 155,509,206</u>	<u>\$ 10,747,991</u>	<u>\$ 43,246,541</u>	<u>\$ (58,975,450)</u>	<u>\$ 150,528,288</u>



	<b>Steel Department</b>	<b>Construction Department</b>	<b>Others</b>	<b>Adjustment and Elimination</b>	<b>Total</b>
Segment profit (loss)	\$ (5,231,525)	\$ 243,911	\$ 2,110,903	\$ (539,305)	\$ (3,416,016)
Interest income	71,198	34,097	79,433	(42,253)	142,475
Financial costs	(1,111,028)	(27,814)	(326,111)	93,168	(1,371,785)
Share of the profit of associates	(2,664,267)	423,807	589,160	1,959,641	308,341
Other non-operating income and expenses	<u>580,903</u>	<u>(3,370)</u>	<u>353,781</u>	<u>(413,777)</u>	<u>517,537</u>
Profit (loss) before income tax	(8,354,719)	670,631	2,807,166	1,057,474	(3,819,448)
Income tax (benefit)	<u>(789,850)</u>	<u>226,432</u>	<u>314,347</u>	<u>(156,760)</u>	<u>(405,831)</u>
Net profit (loss) for the period	<u>\$ (7,564,869)</u>	<u>\$ 444,199</u>	<u>\$ 2,492,819</u>	<u>\$ 1,214,234</u>	<u>\$ (3,413,617)</u>
<u>For the six months ended June 30, 2019</u>					
Revenues from external customers	\$ 147,235,664	\$ 14,049,795	\$ 29,825,121	\$ -	\$ 191,110,580
Inter-segment revenues	<u>44,470,275</u>	<u>5,242,218</u>	<u>18,856,349</u>	<u>(68,568,842)</u>	<u>-</u>
Segment revenues	<u>\$ 191,705,939</u>	<u>\$ 19,292,013</u>	<u>\$ 48,681,470</u>	<u>\$ (68,568,842)</u>	<u>\$ 191,110,580</u>
Segment profit	\$ 5,603,741	\$ 2,171,261	\$ 3,320,269	\$ (534,252)	\$ 10,561,019
Interest income	127,116	21,734	105,180	(36,423)	217,607
Financial costs	(1,310,257)	(35,425)	(343,964)	77,843	(1,611,803)
Share of the profit of associates	4,626,030	65,551	532,391	(4,946,204)	277,768
Other non-operating income and expenses	<u>795,748</u>	<u>12,990</u>	<u>263,876</u>	<u>11,031</u>	<u>1,083,645</u>
Profit before income tax	9,842,378	2,236,111	3,877,752	(5,428,005)	10,528,236
Income tax	<u>1,465,808</u>	<u>315,620</u>	<u>512,066</u>	<u>(143,151)</u>	<u>2,150,343</u>
Net profit for the period	<u>\$ 8,376,570</u>	<u>\$ 1,920,491</u>	<u>\$ 3,365,686</u>	<u>\$ (5,284,854)</u>	<u>\$ 8,377,893</u>

Inter-segment revenues were accounted for according to market price or cost-plus pricing.

Segment profit represented the profit from operations earned by each segment and was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
<u>Segment assets</u>			
Steel department	\$ 682,930,423	\$ 704,729,544	\$ 752,498,170
Construction department	31,625,195	32,254,638	35,436,186
Others	190,310,329	195,679,413	194,229,261
Adjustment and elimination	<u>(256,848,161)</u>	<u>(266,031,614)</u>	<u>(280,097,550)</u>
Consolidated total assets	<u>\$ 648,017,786</u>	<u>\$ 666,631,981</u>	<u>\$ 702,066,067</u>
<u>Segment liabilities</u>			
Steel department	\$ 268,092,880	\$ 270,170,121	\$ 306,271,970
Construction department	13,944,732	14,271,119	18,248,327
Others	77,275,330	77,608,729	77,740,633
Adjustment and elimination	<u>(27,360,172)</u>	<u>(27,632,498)</u>	<u>(39,179,930)</u>
Consolidated total liabilities	<u>\$ 331,952,770</u>	<u>\$ 334,417,471</u>	<u>\$ 363,081,000</u>

**TABLE 1**

**CHINA STEEL CORPORATION AND SUBSIDIARIES**

**FINANCING PROVIDED TO OTHERS**

**FOR THE PERIOD ENDED JUNE 30, 2020**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 1)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits	Note
													Item	Value			
0	China Steel Corporation	Dragon Steel Corporation	Other receivables	Yes	1,850,000	900,000	-	N/A	2	-	Operating capital	-	-	-	28,791,816	57,583,633	Note 2
0	China Steel Corporation	China Steel Global Trading Corporation	Other receivables	Yes	450,000	250,000	135,000	0.63%-0.70%	2	-	Operating capital	-	-	-	28,791,816	57,583,633	Note 2
0	China Steel Corporation	Sing Da Marine Structure Corporation	Other receivables	Yes	400,000	200,000	200,000	0.61%-0.64%	2	-	Operating capital	-	-	-	28,791,816	57,583,633	Note 2
0	China Steel Corporation	China Steel Express Corporation	Other receivables	Yes	1,000,000	600,000	600,000	0.62%-0.70%	2	-	Operating capital	-	-	-	28,791,816	57,583,633	Note 2
0	China Steel Corporation	Gains Investment Corporation	Other receivables	Yes	200,000	200,000	200,000	0.61%-0.70%	2	-	Operating capital	-	-	-	28,791,816	57,583,633	Note 2
0	China Steel Corporation	China Steel Resources Corporation	Other receivables	Yes	1,250,000	1,050,000	855,000	0.63%-0.69%	2	-	Operating capital	-	-	-	28,791,816	57,583,633	Note 2
0	China Steel Corporation	C.S.Aluminium Corporation	Other receivables	Yes	7,200,000	5,200,000	3,600,000	0.62%-0.70%	2	-	Operating capital	-	-	-	28,791,816	57,583,633	Note 2
0	China Steel Corporation	China Steel Precision Metals Kunshan Co., Ltd.	Other receivables	Yes	638,250	377,190	-	N/A	2	-	Operating capital	-	-	-	28,791,816	57,583,633	Note 2
0	China Steel Corporation	China Steel Machinery Corporation	Other receivables	Yes	350,000	250,000	-	0.69%-0.70%	2	-	Operating capital	-	-	-	28,791,816	57,583,633	Note 2
0	China Steel Corporation	Changzhou China Steel Precision Materials Co., Ltd.	Other receivables	Yes	255,300	125,730	-	N/A	2	-	Operating capital	-	-	-	28,791,816	57,583,633	Note 2
0	China Steel Corporation	China Ecotek Corporation	Other receivables	Yes	310,000	150,000	-	0.68%-0.70%	2	-	Operating capital	-	-	-	28,791,816	57,583,633	Note 2
0	China Steel Corporation	Kaohsiung Rapid Transit Corporation	Other receivables	Yes	600,000	450,000	450,000	0.63%-0.70%	2	-	Operating capital	-	-	-	28,791,816	57,583,633	Note 2
0	China Steel Corporation	Chung Hung Steel Corporation	Other receivables	Yes	4,400,000	3,200,000	2,400,000	0.62%-0.70%	2	-	Operating capital	-	-	-	28,791,816	57,583,633	Note 2
0	China Steel Corporation	China Steel Structure Co., Ltd.	Other receivables	Yes	750,000	650,000	650,000	0.61%-0.70%	2	-	Operating capital	-	-	-	28,791,816	57,583,633	Note 2
0	China Steel Corporation	CHC Resources Corporation	Other receivables	Yes	600,000	400,000	-	N/A	2	-	Operating capital	-	-	-	28,791,816	57,583,633	Note 2
1	China Steel Structure Co., Ltd.	Chung-Kang Steel Structure (Kunshan) Co., Ltd.	Other receivables	No	216,200	-	-	3.60%	2	-	Repayments of bank borrowings	-	-	-	443,080	1,772,319	Note 3
2	United Steel Investment Pte Ltd	Chungkang Steel Structure (Cambodia) Co., Ltd.	Other receivables	Yes	18,755	18,371	18,371	5.80%	2	-	Operating capital	-	-	-	50,000	60,654	Note 4
3	Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Other receivables	Yes	84,700	82,964	82,964	2.50%	2	-	Operating capital	-	-	-	311,698	467,547	Note 5
4	Thintech Materials Technology Co., Ltd.	Taicang Thintech Materials Co., Ltd.	Other receivables	Yes	104,035	100,835	55,740	3.15%-3.25%	2	-	Operating capital	-	-	-	339,666	452,888	Note 6
5	C.S.Aluminium Corporation	Ningbo Huayang Aluminium-Tech Co., Ltd.	Other receivables	Yes	181,500	177,780	-	N/A	2	-	Operating capital	-	-	-	759,241	1,518,482	Note 7

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 1)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits	Note
													Item	Value			
6	China Prosperity Development Corporation	China Steel Corporation	Other receivables	Yes	2,950,000	1,750,000	800,000	0.60%-0.70%	2	-	Operating capital	-	-	-	3,184,589	3,184,589	Note 8
7	China Steel Security Corporation	China Steel Corporation	Other receivables	Yes	100,000	100,000	-	0.62%-0.69%	2	-	Operating capital	-	-	-	170,926	227,901	Note 9
8	Lefkara Ltd.	Suzhou Betacera Technology Co., Ltd.	Other receivables	Yes	60,500	-	-	N/A	2	-	Operating capital	-	-	-	247,341	494,683	Note 10
9	Sing Da Marine Structure Corporation	China Steel Corporation	Other receivables	Yes	300,000	300,000	-	N/A	2	-	Operating capital	-	-	-	1,289,341	1,289,341	Note 11
10	CSC Precision Metal Industrial Corporation	China Steel Corporation	Other receivables	Yes	100,000	100,000	100,000	0.69%	2	-	Operating capital	-	-	-	104,744	119,707	Note 12
11	China Steel Power Holding Corporation	China Steel Power Corporation	Other receivables	Yes	268,000	268,000	-	0.70%	2	-	Operating capital	-	-	-	268,824	268,824	Note 13
12	Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	Other receivables	Yes	59,260	59,260	-	N/A	2	-	Operating capital	-	-	-	309,167	618,334	Note 14

Note 1: The nature for financing is as follows:

- 1) Business relationship
- 2) The need for short-term financing

Note 2: According to "The Process of Financing Others" established by the Corporation, the total available amount for lending to others and the total amount for lending to a company shall not exceed 20% and 10% of the net worth of the Corporation, respectively.

Note 3: According to "The Process of Financing Others" established by China Steel Structure Co., Ltd., the total available amount for lending to others and the total amount for lending to a company shall not exceed 40% and 10% of the net worth of China Steel Structure Co., Ltd., respectively.

Note 4: According to "The Process of Financing Others" established by United Steel Investment Pte Ltd., the total available amount for lending to others shall not exceed 40% of the net worth of the company; for short-term financing needs, the total amount for lending to a company shall not exceed NT\$50,000 thousand; however, its wholly-owned subsidiary is free from these limits. Except for the aforementioned, the total available amount for lending to others shall not exceed 40% of the net worth of United Steel Investment Pte Ltd.

Note 5: According to "The Process of Financing Others" established by Ever Wealthy International Corporation, the total available amount for lending to others and the total amount for lending to a company shall not exceed 30% and 20% of the net worth of Ever Wealthy International Corporation, respectively; the financing limit amount for parent company shall not exceed 30% of the net worth of the company.

Note 6: According to "The Process of Financing Others" established by Thintech Materials Technology Co., Ltd., the total available amount for lending to others and the total amount for lending to a company shall not exceed 40% and 30% of the net worth of Thintech Materials Technology Co., Ltd, respectively.

Note 7: According to "The Process of Financing Others" established by C.S.Aluminium Corporation, the total available amount for lending to others and the total amount for lending to a company shall not exceed 20% and 10% of the net worth of C.S.Aluminium Corporation, respectively.

Note 8: According to "The Process of Financing Others" established by China Prosperity Development Corporation, the total available amount for lending to others and the total amount for lending to a company both shall not exceed 40% of the net worth of China Prosperity Development Corporation.

Note 9: According to "The Process of Financing Others" established by China Steel Security Corporation, the total available amount for lending to others and the total amount for lending to a company shall not exceed 40% and 30% of the net worth of the China Steel Security Corporation, respectively.

Note 10: According to "The Process of Financing Others" established by Lefkara Ltd., the total available amount for lending to others and the total amount for lending to a company shall not exceed 40% and 20% of the net worth of Lefkara Ltd., respectively.

Note 11: According to "The Process of Financing Others" established by Sing Da Marine Structure Corporation, the total available amount for lending to others and the total amount for lending to a company both shall not exceed 40% of the net worth of Sing Da Marine Structure Corporation.

Note 12: According to "The Process of Financing Others" established by CSC Precision Metal Industrial Corporation, the total available amount for lending to others and the total amount for lending to a company shall not exceed 40% and 35% of the net worth of the CSC Precision Metal Industrial Corporation, respectively.

Note 13: According to "The Process of Financing Others" established by China Steel Power Holding Corporation, the total available amount for lending to others and the total amount for lending to a company both shall not exceed 40% of the net worth of China Steel Power Holding Corporation.

Note 14: According to "The Process of Financing Others" established by Betacera Inc., the total available amount for lending to others and the total amount for lending to a company shall not exceed 40% and 20% of the net worth of Betacera Inc., respectively.

**CHINA STEEL CORPORATION AND SUBSIDIARIES**

**ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE PERIOD ENDED JUNE 30, 2020**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

NO.	Endorsement/Guarantee Provider	Endorsee/Guarantee		Limits on Endorsement/Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship (Note 1)											
0	China Steel Corporation	China Steel Power Corporation	2	86,375,450	2,580,000	2,580,000	1,261,860	-	1	115,167,266	Y	N	N	Notes 2 and 4
0	China Steel Corporation	Formosa Ha Tinh (Cayman) Limited	6	86,375,450	37,311,454	35,910,338	35,910,338	-	12	115,167,266	N	N	N	Note 4
0	China Steel Corporation	Sakura Ferroalloys Sdn. Bhd.	6	86,375,450	1,513,034	1,338,710	790,560	-	-	115,167,266	N	N	N	Note 4
1	China Steel Structure Co., Ltd.	Chung-Kang Steel Structure (Kunshan) Co., Ltd.	2	1,476,932	769,470	-	-	-	-	8,418,514	N	N	Y	Note 5
1	China Steel Structure Co., Ltd.	United Steel Construction (Vietnam) Co., Ltd.	2	1,476,932	181,500	29,630	-	-	1	8,418,514	N	N	N	Note 5
1	China Steel Structure Co., Ltd.	Chungkang Steel Structure (Cambodia) Co., Ltd.	6	1,476,932	144,246	142,372	4,377	-	3	8,418,514	N	N	N	Note 5
2	United Steel Engineering & Construction Corporation	China Steel Structure Co., Ltd.	3	20,079,503	746,500	680,300	680,300	-	51	20,079,503	N	N	N	Notes 3 and 6
3	Thintech Materials Technology Co., Ltd.	Taicang Thintech Materials Co., Ltd.	2	452,888	257,125	251,855	120,446	-	22	452,888	N	N	Y	Note 7
4	InfoChamp Systems Corporation	Wuhan InfoChamp I.T. Co., Ltd.	2	244,462	108,078	104,753	83,798	-	13	407,437	N	N	Y	Note 8
4	InfoChamp Systems Corporation	Tang Steel International Engineering Technology Corp.	5	244,462	19,993	19,378	19,378	-	2	407,437	N	N	Y	Note 8
5	Wuhan InfoChamp I.T. Co., Ltd.	InfoChamp Systems Corporation	3	70,966	22,279	21,674	21,674	-	153	85,160	N	N	N	Note 9
5	Wuhan InfoChamp I.T. Co., Ltd.	Tang Steel International Engineering Technology Corp.	5	70,966	19,919	19,378	19,378	-	137	85,160	N	N	Y	Note 9

Note 1: Relationships between the endorser/guarantor and the party being endorsed/guaranteed are as follows:

- 1) A company that the Corporation has business relationship with.
- 2) The Corporation owns directly or indirectly over 50% ownership of the investee company.
- 3) The company that owns directly or indirectly hold over 50% ownership of the Corporation.
- 4) In between companies that were held over 90% of voting shares directly or indirectly by an entity.
- 5) The Corporation is required to provide guarantees or endorsements for the construction project based on the construction contract.
- 6) Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages.
- 7) According to Consumer Protection Act, companies in the same industry enter into collateral performance guarantees for pre-construction home sales agreements.

Note 2: Endorsements and guarantees provided by the Corporation to its subsidiaries.

Note 3: Performance guarantee regarding the construction contract.

Note 4: According to “The Process of making endorsements/quadrants” established by the Corporation, the ceilings on the amounts for any single entity or the aggregate amounts to the entities shall not exceed 30% and 40% of the net worth of the Corporation, respectively.

Note 5: According to “The Process of making endorsements/quadrants” established by China Steel Structure Co., Ltd., the ceilings on the amounts for any single entity or the aggregate amounts to the entities shall not exceed one third and 190% of the net worth of China Steel Structure Co., Ltd. However, the ceilings on the amounts to United Steel Engineering & Consumption Corporation shall not exceed 190% of the net worth of China Steel Structure Co., Ltd.

Note 6: According to “The Process of making endorsements/quadrants” established by United Steel Engineering & Construction Corporation, both the ceilings on the amounts for any single entity or the aggregate amounts to the entities shall not exceed 1500% of the net worth of United Steel Engineering & Construction Corporation.

Note 7: According to “The Process of making endorsements/quadrants” established by Thintech Materials Technology Co., Ltd., both the ceilings on the amounts for any single entity or the aggregate amounts to the entities shall not exceed 40% of the net worth of Thintech Materials Technology Co., Ltd.

Note 8: According to “The Process of making endorsements/quadrants” established by Infochamp Systems Corporation, the ceilings on the amounts for any single entity or the aggregate amounts to the entities shall not exceed 30% and 50% of the net worth of Infochamp Systems Corporation, respectively.

Note 9: According to “The Process of making endorsements/quadrants” established by Wuhan InfoChamp I.T. Co., Ltd., the ceilings on the amounts for any single entity or the aggregate amounts to the entities shall not exceed 500% and 600% of the net worth of Wuhan InfoChamp I.T. Co., Ltd., respectively.

**CHINA STEEL CORPORATION AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**

**JUNE 30, 2020**

**(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Steel Corporation	Common stock	Taiwan High Speed Rail Corporation	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	242,148,000	8,838,402	4	8,838,402	
China Steel Corporation	Common stock	Maruichi Steel Tube Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	2,000,000	1,473,986	2	1,473,986	
China Steel Corporation	Common stock	TANG ENG IRON WORKS CO., LTD.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	29,860,691	1,161,581	9	1,161,581	
China Steel Corporation	Common stock	O-Bank Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	103,847,695	748,742	4	748,742	
China Steel Corporation	Common stock	RECHI PRECISION CO., LTD.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	23,002,022	393,335	5	393,335	
China Steel Corporation	Common stock	Yodogawa Steel Works, Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	400,000	206,435	1	206,435	
China Steel Corporation	Common stock	CSBC Corporation, Taiwan	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	7,751,346	179,831	2	179,831	
China Steel Corporation	Common stock	Formosa Ha Tinh (Cayman) Limited	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,111,418,177	23,051,924	20	23,051,924	
China Steel Corporation	Common stock	Sakura Ferroalloys Sdn. Bhd.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	207,290,000	1,228,216	19	1,228,216	
China Steel Corporation	Common stock	CDIB & Partners Investment Holding Corporation	No relation	Financial assets at fair value through other comprehensive income-noncurrent	54,000,000	831,157	5	831,157	
China Steel Corporation	Common stock	CSN Mineracao S.A.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	745,562	770,406	-	770,406	
China Steel Corporation	Common stock	Taiwan International Windpower Training Corporation	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	1,500,000	13,458	15	13,458	
China Steel Corporation	Common stock	CDIB BioScience Ventures I, Inc.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	1,063,534	7,696	5	7,696	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Steel Corporation	Common stock	PHALANX BIOTECH GROUP, INC.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,073,812	4,241	1	4,241	
China Steel Corporation	Common stock	DB Metal Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,500,000	-	4	-	
China Steel Corporation	Preferred stock	East Asia United Steel Corporation (A)	The held company as its director	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	3,334	826,675	10	826,675	
China Steel Corporation	Preferred stock	East Asia United Steel Corporation (A)	The held company as its director	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	3,333	826,427	10	826,427	
China Steel Corporation	Preferred stock	Sakura Ferroalloys Sdn. Bhd.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	56,443,634	334,435	19	334,435	
Chung Hung Steel Corporation	Common stock	Shouh Hwang Enterprise Co., Ltd.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	730,000	-	15	-	
Chung Hung Steel Corporation	Common stock	YIEH UNITED STEEL CORPORATION	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	39,151,800	159,739	1	159,739	
Chung Hung Steel Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	33,109,239	685,361	-	685,361	
Chung Hung Steel Corporation	Common stock	TAIWAN VES-POWER CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	958,333	34,078	2	34,078	
Chung Hung Steel Corporation	Common stock	PACIFIC HARBOUR STEVEDORING CORP.	The held company as its supervisor	Financial assets at fair value through other comprehensive income-noncurrent	250,000	6,113	5	6,113	
Chung Hung Steel Corporation	Common stock	Riselink Venture Capital Corp.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	197,381	3,046	3	3,046	
Hung Kao Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income-noncurrent	1,003,980	20,783	-	20,783	
China Steel Chemical Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	2,556,915	52,928	-	52,928	
China Steel Chemical Corporation	Preferred stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	229,000	12,572	-	12,572	
China Steel Chemical Corporation	Mutual fund	TAISHIN SUSTAINABLE QUALITY EQUITY FUND	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	49,739	14,631	-	14,631	
China Steel Chemical Corporation	Mutual fund	Cathay US Multi-Income Balanced Fund A USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,427,115	13,320	-	13,320	
China Steel Chemical Corporation	Mutual fund	JPMorgan Funds - Income Fund - JPM Income A (mth) - USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	10,055	36,884	-	36,884	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Steel Chemical Corporation	Mutual fund	FSITC US Top 100 Bond Fund (USD)	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	100,000	31,644	-	31,644	
China Steel Chemical Corporation	Mutual fund	Taishin Senior Secured High Yield Bond Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	103,124	30,136	-	30,136	
China Steel Chemical Corporation	Mutual fund	JPMorgan Funds - Global Corporate Bond Fund A (acc) - USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	15,806	9,118	-	9,118	
China Steel Chemical Corporation	Mutual fund	Cathay Senior Secured High Yield Bond Fund A TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	483,985	4,809	-	4,809	
China Steel Chemical Corporation	Mutual fund	Jih Sun Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	335,735	5,008	-	5,008	
China Steel Chemical Corporation	Convertible bond	The Royal Bank of Scotland Group plc RBS 6 PERP	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	3,000	9,000	-	9,000	
China Steel Chemical Corporation	Corporate bond	Gaz Finance Plc GAZPRU 3 06/29/27	No relation	Financial assets at fair value through other comprehensive income-current	3,000	8,869	-	8,869	
Ever Wealthy International Corporation	Common stock	Mega Financial Holding Co., Ltd.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	257,000	7,941	-	7,941	
Ever Wealthy International Corporation	Common stock	TA CHEN STAINLESS PIPE CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	152,047	4,120	-	4,120	
Ever Wealthy International Corporation	Common stock	CATHAY FINANCIAL HOLDING CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	95,748	4,007	-	4,007	
Ever Wealthy International Corporation	Common stock	TAISHIN FINANCIAL HOLDING CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	205,235	2,740	-	2,740	
Ever Wealthy International Corporation	Common stock	Nishoku Technology Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	24,400	1,586	-	1,586	
Ever Wealthy International Corporation	Common stock	TAICHUNG COMMERCIAL BANK CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	103,668	1,208	-	1,208	
Ever Wealthy International Corporation	Common stock	China Steel Chemical Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	4,753,537	499,121	-	499,121	
Ever Wealthy International Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - current	4,226,265	87,484	-	87,484	
Ever Wealthy International Corporation	Common stock	YEONG LONG TECHNOLOGIES CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,540,000	47,529	4	47,529	



Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Common stock	National Kaohsiung First University of Science and Technology Investment Corporation	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	300,000	2,617	9	2,617	
Ever Wealthy International Corporation	Common stock	Risalink Venture Capital Corp.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	131,587	2,030	2	2,030	
Ever Wealthy International Corporation	Common stock	TCC RECYCLE ENERGY TECHNOLOGY COMPANY	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	81,281	935	-	935	
Ever Wealthy International Corporation	Common stock	Harbinger Venture III Capital Corp.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,000	44	1	44	
Ever Wealthy International Corporation	Common stock	Asia Hepato Gene CO.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	133,300	-	2	-	
Ever Wealthy International Corporation	Common stock	JU-KAO ENGINEERING CO., LTD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,774,483	22,039	7	22,039	
Ever Wealthy International Corporation	Preferred stock	TAISHIN FINANCIAL HOLDING CO., LTD. Class E Preferred Shares II	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	164,139	8,846	-	8,846	
Ever Wealthy International Corporation	Preferred stock	Cathay Financial Holding Co., Ltd.(B)	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	12,540	804	-	804	
Ever Wealthy International Corporation	Mutual fund	FSITC Global Utilities and Infrastructure Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	207,641	2,253	-	2,253	
Ever Wealthy International Corporation	Mutual fund	JPMorgan (Taiwan) Multi Income Fund of Fund TWD Acc	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	3,058,938	33,939	-	33,939	
Ever Wealthy International Corporation	Mutual fund	UPAMC James Bond Money Market	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,511,155	25,411	-	25,411	
Ever Wealthy International Corporation	Mutual fund	Shin Kong Chi-Shin Money-market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	645,928	10,063	-	10,063	
Ever Wealthy International Corporation	Mutual fund	Shin Kong Emerging Wealthy Nations Bond Fund A TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	500,000	4,944	-	4,944	
Ever Wealthy International Corporation	Mutual fund	SinoPac TWD Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	194,009	2,717	-	2,717	
Ever Wealthy International Corporation	Mutual fund	Taishin Short Duration Emerging High Yield Bond Fund A-TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,500,000	14,962	-	14,962	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Mutual fund	PineBridge US Dual Core Income Fund-A (TWD)	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	806,738	10,063	-	10,063	
Ever Wealthy International Corporation	Mutual fund	PineBridge Global ESG Quantitative Bond Fund A TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,000,000	10,012	-	10,012	
Ever Wealthy International Corporation	Mutual fund	Prudential Financial US Investment Grade Corporate Bond Fund Acc TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,000,000	9,870	-	9,870	
Ever Wealthy International Corporation	Mutual fund	FSITC US Top 100 Bond Fund (TWD)	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	959,813	9,706	-	9,706	
Ever Wealthy International Corporation	Mutual fund	Cathay Senior Secured High Yield Bond Fund A TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	449,039	4,462	-	4,462	
Ever Wealthy International Corporation	Mutual fund	KGI Fund Taiwan Multi-Asset Income Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,000,000	10,080	-	10,080	
Ever Wealthy International Corporation	Mutual fund	JPMorgan (Taiwan) Taiwan First Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,506,937	38,066	-	38,066	
Ever Wealthy International Corporation	Mutual fund	PineBridge Taiwan Money Market Securities Investment Trust Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	689,062	9,475	-	9,475	
Ever Wealthy International Corporation	Mutual fund	TCB Taiwan Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	688,428	7,036	-	7,036	
Ever Wealthy International Corporation	Mutual fund	Taishin North American Income Trust Fund TWD A	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,000,000	22,840	-	22,840	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,502,258	37,327	-	37,327	
Ever Wealthy International Corporation	Mutual fund	FSITC Taiwan Money Market	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,962,323	30,226	-	30,226	
Ever Wealthy International Corporation	Mutual fund	Yuanta De- Bao Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,498,917	30,213	-	30,213	
Ever Wealthy International Corporation	Mutual fund	Taishin 1699 Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,085,579	28,404	-	28,404	
Ever Wealthy International Corporation	Mutual fund	Prudential Financial Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,273,379	20,276	-	20,276	
Ever Wealthy International Corporation	Mutual fund	Union Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	338,621	4,499	-	4,499	
Ever Wealthy International Corporation	Mutual fund	JPMorgan Investment Funds - Global High Yield Bond Fund A (acc) - USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,089	5,799	-	5,799	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Corporate bond	CNH Bond Offering by ITNL Offshore Pte Limited	No relation	Financial assets at amortized cost - noncurrent	30,000	3,772	-	3,772	
China Ecotek Corporation	Common stock	YEONG LONG TECHNOLOGIES CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	440,000	13,579	1	13,579	
China Ecotek Corporation	Common stock	JDV CONTROL VALVES CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	500,000	9,360	2	9,360	
China Ecotek Corporation	Common stock	ECOTEK INDUSTRIAL AQUACULTURE CORP.	The held company as its director	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	74,681	600	19	600	
China Ecotek Corporation	Common stock	FLEXUP TECHNOLOGIES CORPORATION	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	650,000	-	4	-	
China Ecotek Corporation	Common stock	HSIN YU ENERGY DEVELOPMENT CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	391,249	-	-	-	
China Ecotek Corporation	Common stock	Asia Pacific Energy Development Co., Ltd.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	2,212,590	157,250	11	157,250	
China Steel Structure Co., Ltd.	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	6,936,878	143,593	-	143,593	
United Steel Engineering & Construction Corporation	Common stock	CHINA STEEL STRUCTURE CO., LTD.	Parent company	Financial assets at fair value through other comprehensive income - current	6,804,767	173,181	-	173,181	
United Steel Engineering & Construction Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - current	3,745,446	77,531	-	77,531	
CHC Resources Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	9,201,806	190,477	-	190,477	
CHC Resources Corporation	Common stock	FENG SHEHG ENTERPRISE COMPANY	No relation	Financial assets at fair value through other comprehensive income-noncurrent	932,053	12,861	2	12,861	
CHC Resources Corporation	Mutual fund	Taishin 1699 Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	7,345,439	100,040	-	100,040	
Union Steel Development Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - current	423,849	8,774	-	8,774	
Union Steel Development Corporation	Certificate of entitlement	Shanghai Bao Shan Lian Steel Products Co., Ltd.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	-	16,246	19	16,246	
China Steel Security Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	2,349,975	48,644	-	48,644	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Steel Security Corporation	Common stock	Taiwan Secom Corporation	No relation	Financial assets at fair value through other comprehensive income - current	2,223	193	-	193	
China Steel Security Corporation	Common stock	Taiwan Shin Kong Security Corporation	No relation	Financial assets at fair value through other comprehensive income - current	3,579	133	-	133	
China Steel Security Corporation	Mutual fund	Franklin Templeton Sinoam Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,883,395	30,006	-	30,006	
China Steel Security Corporation	Mutual fund	Yuanta De- Bao Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,654,219	20,000	-	20,000	
China Steel Security Corporation	Mutual fund	Union Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,505,321	20,000	-	20,000	
Steel Castle Technology Corporation	Mutual fund	Yuanta De-Li Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,748,454	45,102	-	45,102	
Steel Castle Technology Corporation	Mutual fund	Union Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,259,644	30,022	-	30,022	
China Steel Management Consulting Corporation	Mutual fund	Capital Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	348,056	5,651	-	5,651	
China Prosperity Development Corporation	Common stock	HUA NAN FINANCIAL HOLDINGS CO.,LTD.	No relation	Financial assets at fair value through other comprehensive income - current	4,520,594	90,412	-	90,412	
China Prosperity Development Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	952,979	19,727	-	19,727	
China Prosperity Development Corporation	Common stock	Mega Financial Holding Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	463,457	14,321	-	14,321	
China Prosperity Development Corporation	Common stock	Taiwan Cooperative Financial Holding Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	229,472	4,762	-	4,762	
China Prosperity Development Corporation	Common stock	QUN XIN PROPERITES CO., LTD.	The held company as its director	Financial assets at fair value through other comprehensive income - current	6,000,000	55,080	-	55,080	
China Prosperity Development Corporation	Common stock	HI SCENE WORLD ENTERPRISE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	386,535	4,151	-	4,151	
China Prosperity Development Corporation	Mutual fund	Jih Sun Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	33,532,966	500,228	-	500,228	
China Prosperity Development Corporation	Mutual fund	Taishin Ta-Chong Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	27,991,015	400,151	-	400,151	
HIMAG Magnetic Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-noncurrent	325,505	6,738	-	6,738	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
HIMAG Magnetic Corporation	Common stock	Superrite Electronics Co., Ltd.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	600,000	8,891	2	8,891	
Eminent Venture Capital Corporation	Common stock	SynCore Biotechnology Co., Ltd	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	436,000	31,828	-	31,828	
Eminent Venture Capital Corporation	Common stock	SYNMOSA BIOPHARMA CORPORATION	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	445,600	11,987	-	11,987	
Eminent Venture Capital Corporation	Common stock	Asia Best Healthcare Co., Ltd.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	4,530	18,634	1	18,634	
Eminent Venture Capital Corporation	Common stock	StemCyte International, Ltd.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,080,647	13,794	1	13,794	
Eminent Venture Capital Corporation	Common stock	New Medical Imaging Co., LTD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	160,368	157	3	157	
Eminent Venture Capital Corporation	Common stock	Dance Biopharm Holdings, Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	166,394	-	1	-	
Eminent Venture Capital Corporation	Common stock	Cellerant Therapeutics, Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	43,900	-	-	-	
Eminent Venture Capital Corporation	Common stock	HOLY STONE HEALTHCARE CO.,LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	500,000	4,444	-	4,444	
Eminent Venture Capital Corporation	Common stock	American BriVision (Holding) Corporation	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	33,334	2,212	-	2,212	
Eminent Venture Capital Corporation	Preferred stock	BioResource International, Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	815,486	22,962	4	22,962	
Eminent Venture Capital Corporation	Preferred stock	Nereus Pharmaceuticals, Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,895,531	7,245	2	7,245	
Eminent Venture Capital Corporation	Preferred stock	Cardiva Medical, Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	612,648	-	1	-	
Eminent Venture Capital Corporation	Preferred stock	Bayhill Therapeutics, Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,404,494	-	2	-	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Eminent Venture Capital Corporation	Preferred stock	AndroScience Corp.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	2,111,111	-	7	-	
Eminent Venture Capital Corporation	Mutual fund	Jih Sun Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	3,028,196	45,173	-	45,173	
Eminent Venture Capital Corporation	Mutual fund	Franklin Templeton Sinoam Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,020,675	21,028	-	21,028	
InfoChamp Systems Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-noncurrent	3,834,338	79,371	-	79,371	
InfoChamp Systems Corporation	Common stock	Lion Corporation Berhad	No relation	Financial assets at fair value through other comprehensive income-noncurrent	58	-	-	-	
InfoChamp Systems Corporation	Common stock	iPASS Corporation	No relation	Financial assets at fair value through other comprehensive income-noncurrent	4,000,000	29,515	4	29,515	
InfoChamp Systems Corporation	Common stock	TRICORNTECH CORPORATION	No relation	Financial assets at fair value through other comprehensive income-noncurrent	726,885	6,486	2	6,486	
InfoChamp Systems Corporation	Common stock	Riselink Venture Capital Corp.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	438,624	2,030	2	2,030	
InfoChamp Systems Corporation	Common stock	GEMINI OPEN CLOUD COMPUTING INC.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	889,571	-	5	-	
Kaohsiung Rapid Transit Corporation	Common stock	iPASS Corporation	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	13,000,000	95,890	11	95,890	
China Steel Machinery Corporation	Mutual fund	Mega Diamond Money Market Fund	No relation	Financial assets designated as at fair value through profit or loss (including measurement)	10,302,095	130,059	-	130,059	
Dragon Steel Corporation	Common stock	Kuei Hung Industrial CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	5,602,000	-	-	-	
Dragon Steel Corporation	Common stock	Union Optronics Corp.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	103,895	-	-	-	
C.S.Aluminium Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	4,431,944	91,741	-	91,741	
China Steel Express Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	8,801,555	182,192	-	182,192	
China Steel Express Corporation	Common stock	CSBC Corporation,Taiwan	No relation	Financial assets at fair value through other comprehensive income - current	1,417,258	32,880	-	32,880	
China Steel Express Corporation	Common stock	CDIB & Partners Investment Holding Corporation	No relation	Financial assets at fair value through other comprehensive income-noncurrent	3,240,000	49,869	-	49,869	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Steel Express Corporation	Common stock	Riselink Venture Capital Corp.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	197,381	3,045	3	3,045	
China Steel Express Corporation	Common stock	Huiyang Private Equity Fund Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	35,000	1,925	1	1,925	
Transglory Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income-noncurrent	256,765,331	5,315,042	2	5,315,042	Note 1
Gains Investment Corporation	Common stock	BRIGHTON-BEST INTERNATIONAL (TAIWAN) INC.	No relation	Financial assets at fair value through other comprehensive income - current	23,129,242	621,020	-	621,020	
Gains Investment Corporation	Common stock	Cayman Engley Industrial Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	1,467,723	122,702	-	122,702	
Gains Investment Corporation	Common stock	GLOBAL TEK FABRICATION CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	2,507,620	98,675	-	98,675	
Gains Investment Corporation	Common stock	FUSHENG PRECISION CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	513,000	83,619	-	83,619	
Gains Investment Corporation	Common stock	BROGENT TECHNOLOGIES INC.	No relation	Financial assets at fair value through other comprehensive income - current	695,184	75,080	-	75,080	
Gains Investment Corporation	Common stock	ACTER GROUP CORPORATION LIMITED	No relation	Financial assets at fair value through other comprehensive income - current	300,000	62,700	-	62,700	
Gains Investment Corporation	Common stock	ZENG HSING INDUSTRIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	430,000	59,770	-	59,770	
Gains Investment Corporation	Common stock	QST INTERNATIONAL CORP.	No relation	Financial assets at fair value through other comprehensive income - current	1,212,257	59,401	-	59,401	
Gains Investment Corporation	Common stock	ASIA TECH IMAGE INC.	No relation	Financial assets at fair value through other comprehensive income - current	1,000,000	56,800	-	56,800	
Gains Investment Corporation	Common stock	FARCENT ENTERPRISE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	735,032	54,907	-	54,907	
Gains Investment Corporation	Common stock	I JANG INDUSTRIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,012,000	53,636	-	53,636	
Gains Investment Corporation	Common stock	SHEH FUNG SCREWS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	879,000	48,872	-	48,872	
Gains Investment Corporation	Common stock	I SHENG ELECTRIC WIRE & CABLE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,063,000	47,622	-	47,622	
Gains Investment Corporation	Common stock	HERAN CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	452,000	45,878	-	45,878	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Common stock	FORMOSA ADVANCED TECHNOLOGIES CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,194,000	45,671	-	45,671	
Gains Investment Corporation	Common stock	FENG HSIN STEEL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	850,000	44,200	-	44,200	
Gains Investment Corporation	Common stock	San Neng Group Holdings Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	1,055,000	42,991	-	42,991	
Gains Investment Corporation	Common stock	SYMTEK AUTOMATION ASIA CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	641,610	38,047	-	38,047	
Gains Investment Corporation	Common stock	SYNCMOLD ENTERPRISE CORP.	No relation	Financial assets at fair value through other comprehensive income - current	405,000	32,765	-	32,765	
Gains Investment Corporation	Common stock	ARDENTEC CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	1,000,000	31,800	-	31,800	
Gains Investment Corporation	Common stock	WAH LEE INDUSTRIAL CORP.	No relation	Financial assets at fair value through other comprehensive income - current	480,000	27,160	-	27,160	
Gains Investment Corporation	Common stock	QUALIPOLY CHEMICAL CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	885,300	24,479	-	24,479	
Gains Investment Corporation	Common stock	CHENFULL INTERNATIONAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	530,000	20,511	-	20,511	
Gains Investment Corporation	Common stock	TAIWAN CHELIC CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	407,000	20,330	-	20,330	
Gains Investment Corporation	Common stock	MITAKE INFORMATION CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	300,000	18,660	-	18,660	
Gains Investment Corporation	Common stock	RAFAEL MICROELECTRONICS, INC.	No relation	Financial assets at fair value through other comprehensive income - current	129,000	17,093	-	17,093	
Gains Investment Corporation	Common stock	CHING CHAN OPTICAL TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	495,000	15,766	-	15,766	
Gains Investment Corporation	Common stock	AAEON TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income - current	203,000	14,677	-	14,677	
Gains Investment Corporation	Common stock	TAISUN INTL (HOLDING) CORP., TAIWAN BRANCH(CAYMAN)	No relation	Financial assets at fair value through other comprehensive income - current	102,000	13,362	-	13,362	
Gains Investment Corporation	Common stock	C.T.I. TRAFFIC INDUSTRIES CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,002,917	12,837	-	12,837	
Gains Investment Corporation	Common stock	Bionime Corporation	No relation	Financial assets at fair value through other comprehensive income - current	178,036	12,765	-	12,765	



Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Common stock	KING CHOU MARINE TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	398,000	12,656	-	12,656	
Gains Investment Corporation	Common stock	APAQ TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	420,149	12,604	-	12,604	
Gains Investment Corporation	Common stock	MetaTech (AP) Inc.	No relation	Financial assets at fair value through other comprehensive income - current	183,000	9,681	-	9,681	
Gains Investment Corporation	Common stock	JETWELL COMPUTER CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	226,000	8,023	-	8,023	
Gains Investment Corporation	Common stock	ADIMMUNE CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	100,000	7,410	-	7,410	
Gains Investment Corporation	Common stock	Enterex International Limited	No relation	Financial assets at fair value through other comprehensive income - current	510,000	6,809	-	6,809	
Gains Investment Corporation	Common stock	CHANG WAH ELECTROMATERIALS INC.	No relation	Financial assets at fair value through other comprehensive income - current	36,000	5,814	-	5,814	
Gains Investment Corporation	Common stock	PEGAVISION CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	30,000	5,250	-	5,250	
Gains Investment Corporation	Common stock	INTAI TECHNOLOGY CORP.	No relation	Financial assets at fair value through other comprehensive income - current	34,000	4,488	-	4,488	
Gains Investment Corporation	Common stock	HI-LAI FOODS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	22,000	3,003	-	3,003	
Gains Investment Corporation	Common stock	FORESEE PHARMACEUTICALS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	10,000	968	-	968	
Gains Investment Corporation	Common stock	Rentian Technology Holdings Ltd.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	18,350	-	-	-	
Gains Investment Corporation	Common stock	GEMINI OPEN CLOUD COMPUTING INC.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	889,571	-	5	-	
Gains Investment Corporation	Common stock	FLEXUP TECHNOLOGIES CORPORATION	The held company as its supervisor	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,315,000	-	8	-	
Gains Investment Corporation	Common stock	AltruBio Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	500,000	-	-	-	
Gains Investment Corporation	Common stock	Tech alliance Corporation	The held company as its director	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,433,250	-	5	-	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Common stock	TAIWAN IMPLANT TECHNOLOGY CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	1,678,788	-	10	-	
Gains Investment Corporation	Common stock	TBI MOTION TECHNOLOGY CO., LTD.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	1,975,000	107,045	-	107,045	
Gains Investment Corporation	Common stock	LUXNET CORPORATION	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	2,927,969	71,003	-	71,003	
Gains Investment Corporation	Common stock	Yonggu Group Inc.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	568,750	37,196	-	37,196	
Gains Investment Corporation	Common stock	ULTRA CHIP, INC.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	930,147	22,137	-	22,137	
Gains Investment Corporation	Common stock	KING POINT ENTERPRISE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	3,500,000	105,000	9	105,000	
Gains Investment Corporation	Common stock	Poju International Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	2,127,000	77,931	5	77,931	
Gains Investment Corporation	Common stock	YEONG LONG TECHNOLOGIES CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,980,000	61,107	5	61,107	
Gains Investment Corporation	Common stock	GREENWAY ENVIRONMENTAL TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	3,750,000	60,000	10	60,000	
Gains Investment Corporation	Common stock	FOXCONN GLOBAL NETWORK CORPORATION	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	3,000,000	43,500	9	43,500	
Gains Investment Corporation	Common stock	YONGDA FOOD TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,413,500	35,980	5	35,980	
Gains Investment Corporation	Common stock	CDIB & Partners Investment Holding Corporation	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	2,160,000	33,246	-	33,246	
Gains Investment Corporation	Common stock	CYBERSOFT DIGITAL SERVICES CORPORATION	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,000,000	30,000	3	30,000	
Gains Investment Corporation	Common stock	Ultra Display (Cayman) Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,425,000	29,556	9	29,556	
Gains Investment Corporation	Common stock	JUFAN INDUSTRIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,200,000	27,142	6	27,142	
Gains Investment Corporation	Common stock	MUTUAL-PAK TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,300,000	26,500	8	26,500	
Gains Investment Corporation	Common stock	SUN RISE E&T CORPORATION	No relation	Financial assets at fair value through other comprehensive income-noncurrent	700,000	22,400	2	22,400	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Common stock	JDV CONTROL VALVES CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,000,000	18,720	4	18,720	
Gains Investment Corporation	Common stock	SUNNY PHARMTECH INC.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	2,060,413	17,833	2	17,833	
Gains Investment Corporation	Common stock	T-Car Inc.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	500,000	17,500	2	17,500	
Gains Investment Corporation	Common stock	MITAGRI CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	3,500,000	15,908	15	15,908	
Gains Investment Corporation	Common stock	Riselink Venture Capital Corp.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	328,968	5,076	4	5,076	
Gains Investment Corporation	Common stock	Huiyang Private Equity Fund Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	35,000	1,925	1	1,925	
Gains Investment Corporation	Common stock	JUMP MEDIA INTERNATIONAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	549,122	-	2	-	
Gains Investment Corporation	Common stock	ENIMMUNE CORPORATION	No relation	Financial assets at fair value through other comprehensive income-noncurrent	2,201,872	83,618	4	83,618	
Gains Investment Corporation	Common stock	TRANSCOM, INC.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	645,750	75,314	2	75,314	
Gains Investment Corporation	Common stock	MEDICAL IMAGING CORPORATION	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,188,000	45,163	6	45,163	
Gains Investment Corporation	Common stock	Ping Ho Environmental Technology Company Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	633,000	41,687	2	41,687	
Gains Investment Corporation	Common stock	CHEN NAN IRON WIRE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	2,000,000	36,992	5	36,992	
Gains Investment Corporation	Common stock	TIGERAIR TAIWAN CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	750,000	22,074	-	22,074	
Gains Investment Corporation	Common stock	FEMCO STEEL TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,248,000	21,915	3	21,915	
Gains Investment Corporation	Common stock	WINWAY TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	30,000	15,302	-	15,302	
Gains Investment Corporation	Common stock	LIAN HONG ART CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	345,000	13,652	1	13,652	
Gains Investment Corporation	Common stock	EVERGREEN STEEL CORPORATION	No relation	Financial assets at fair value through other comprehensive income-noncurrent	205,000	8,202	-	8,202	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Preferred stock	QST INTERNATIONAL CORP. Shares A	No relation	Financial assets at fair value through other comprehensive income - current	234,444	10,257	-	10,257	
Gains Investment Corporation	Mutual fund	Allianz Income and Growth	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	12,857	7,120	-	7,120	
Gains Investment Corporation	Mutual fund	CATHAY US MULTI-INCOME BALANCED FUND-TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	500,000	4,671	-	4,671	
Gains Investment Corporation	Convertible bond	GREENWAY ENVIRONMENTAL TECHNOLOGY CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	300,000	30,000	-	30,000	
Gains Investment Corporation	Convertible bond	Tong Ming Enterprise Co., Ltd. Convertible BondI	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	80,000	7,920	-	7,920	
Winning Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income-noncurrent	160,406,339	3,320,411	-	3,320,411	Note 2
Betacera Inc.	Common stock	TAIWAN IMPLANT TECHNOLOGY CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent (including measurement)	74,149	-	-	-	
Betacera Inc.	Common stock	HCT REGENERATIVE CO., LTD	No relation	Financial assets at fair value through other comprehensive income-noncurrent	994,153	5,418	17	5,418	
Shanghai Xike Ceramic Electronic Co., Ltd.	Common stock	Shanghai Join Buy Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	71,820	2,404	-	2,404	
Universal Exchange Inc.	Mutual fund	Union Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,457,984	19,371	-	19,371	
Mentor Consulting Corporation	Mutual fund	Union Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	537,611	7,143	-	7,143	
Eminence Investment Corporation	Common stock	NANKANG RUBBER TIRE CORP., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	700,000	31,045	-	31,045	
Eminence Investment Corporation	Common stock	Visa Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,962	11,230	-	11,230	
Eminence Investment Corporation	Common stock	Google Inc.-Class A (GOOGL)	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	215	9,034	-	9,034	
Eminence Investment Corporation	Common stock	Advanced Micro Devices, Inc	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	5,586	8,708	-	8,708	
Eminence Investment Corporation	Common stock	Johnson & Johnson	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,000	8,334	-	8,334	
Eminence Investment Corporation	Common stock	The Coca-Cola Company	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	6,190	8,195	-	8,195	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Eminence Investment Corporation	Common stock	Edwards Lifesciences Corp	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	3,915	8,017	-	8,017	
Eminence Investment Corporation	Common stock	Micron Technology, Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	3,940	6,015	-	6,015	
Eminence Investment Corporation	Common stock	TCI CO., LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	20,000	5,470	-	5,470	
Eminence Investment Corporation	Common stock	Amazon.com, Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	52	4,251	-	4,251	
Eminence Investment Corporation	Common stock	AIRTAC INTERNATIONAL GROUP	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	8,000	4,128	-	4,128	
Eminence Investment Corporation	Common stock	Ginko International Co., Ltd.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	28,000	4,102	-	4,102	
Eminence Investment Corporation	Common stock	The Walt Disney Company	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	1,211	4,001	-	4,001	
Eminence Investment Corporation	Common stock	HIWIN TECHNOLOGIES CORP.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	12,000	3,522	-	3,522	
Eminence Investment Corporation	Common stock	Salesforce.Com, Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	614	3,410	-	3,410	
Eminence Investment Corporation	Common stock	Adobe Systems Incorporated	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	211	2,721	-	2,721	
Eminence Investment Corporation	Common stock	Microsoft Corporation	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	410	2,472	-	2,472	
Eminence Investment Corporation	Common stock	Keysight Technologies Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	715	2,135	-	2,135	
Eminence Investment Corporation	Common stock	NVIDIA Corporation	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	169	1,902	-	1,902	
Eminence Investment Corporation	Common stock	Apple Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	122	1,319	-	1,319	
Eminence Investment Corporation	Common stock	Facebook, Inc.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	187	1,258	-	1,258	
Eminence Investment Corporation	Common stock	TBI MOTION TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	3,294,000	178,535	-	178,535	
Eminence Investment Corporation	Common stock	TANG ENG IRON WORKS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	3,718,000	144,630	-	144,630	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Eminence Investment Corporation	Common stock	FORMOSA PLASTICS CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	1,436,000	125,794	-	125,794	
Eminence Investment Corporation	Common stock	FARCENT ENTERPRISE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,547,000	115,561	-	115,561	
Eminence Investment Corporation	Common stock	Capital Futures Corporation	No relation	Financial assets at fair value through other comprehensive income - current	2,003,000	78,117	-	78,117	
Eminence Investment Corporation	Common stock	Yonggu Group Inc.	No relation	Financial assets at fair value through other comprehensive income - current	1,123,750	73,493	-	73,493	
Eminence Investment Corporation	Common stock	Mega Financial Holding Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	2,225,000	68,753	-	68,753	
Eminence Investment Corporation	Common stock	CTBC Financial Holding Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	3,000,000	61,050	-	61,050	
Eminence Investment Corporation	Common stock	TAIWAN MOBILE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	530,000	58,565	-	58,565	
Eminence Investment Corporation	Common stock	Bionime Corporation	No relation	Financial assets at fair value through other comprehensive income - current	722,200	51,782	-	51,782	
Eminence Investment Corporation	Common stock	CATHAY FINANCIAL HOLDING CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,199,000	50,178	-	50,178	
Eminence Investment Corporation	Common stock	First Financial Holding Co. Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	2,120,440	48,028	-	48,028	
Eminence Investment Corporation	Common stock	TOPCO SCIENTIFIC CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	440,000	47,960	-	47,960	
Eminence Investment Corporation	Common stock	CHUNGHWA TELECOM CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	361,000	42,237	-	42,237	
Eminence Investment Corporation	Common stock	PROMATE SOLUTIONS CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	515,000	38,728	-	38,728	
Eminence Investment Corporation	Common stock	TRIPOD TECHNOLOGY CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	284,000	37,204	-	37,204	
Eminence Investment Corporation	Common stock	CHIPMOS TECHNOLOGIES INC.	No relation	Financial assets at fair value through other comprehensive income - current	1,074,000	36,301	-	36,301	
Eminence Investment Corporation	Common stock	GLOBALWAFERS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	90,000	36,270	-	36,270	
Eminence Investment Corporation	Common stock	INTERACTIVE DIGITAL TECHNOLOGIES INC.	No relation	Financial assets at fair value through other comprehensive income - current	450,000	35,505	-	35,505	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Eminence Investment Corporation	Common stock	IBF Financial Holdings Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	2,858,000	33,582	-	33,582	
Eminence Investment Corporation	Common stock	YUNGSHIN CONSTRUCTION & DEVELOPMENT CO.,LTD.	No relation	Financial assets at fair value through other comprehensive income - current	1,000,000	33,050	-	33,050	
Eminence Investment Corporation	Common stock	QUANG VIET ENTERPRISE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	239,000	32,624	-	32,624	
Eminence Investment Corporation	Common stock	BizLink Holding Inc.	No relation	Financial assets at fair value through other comprehensive income - current	129,000	27,090	-	27,090	
Eminence Investment Corporation	Common stock	Fulgent Sun International (Holding) Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	257,000	26,857	-	26,857	
Eminence Investment Corporation	Common stock	TONG YANG INDUSTRY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	700,000	26,495	-	26,495	
Eminence Investment Corporation	Common stock	NOVATEK MICROELECTRONICS CORP.	No relation	Financial assets at fair value through other comprehensive income - current	108,000	24,624	-	24,624	
Eminence Investment Corporation	Common stock	QUALIPOLY CHEMICAL CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	885,450	24,483	-	24,483	
Eminence Investment Corporation	Common stock	Taiwan Cooperative Financial Holding Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	1,177,000	24,423	-	24,423	
Eminence Investment Corporation	Common stock	TAIWAN CHELIC CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	487,000	24,326	-	24,326	
Eminence Investment Corporation	Common stock	EXCELSIOR MEDICAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	378,095	22,459	-	22,459	
Eminence Investment Corporation	Common stock	MERRY ELECTRONICS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	149,000	20,786	-	20,786	
Eminence Investment Corporation	Common stock	TONG YANG INDUSTRY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	559,000	20,404	-	20,404	
Eminence Investment Corporation	Common stock	QUANTA COMPUTER INC.	No relation	Financial assets at fair value through other comprehensive income - current	287,000	20,377	-	20,377	
Eminence Investment Corporation	Common stock	WAFER WORKS CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	584,000	19,506	-	19,506	
Eminence Investment Corporation	Common stock	Cayman Engley Industrial Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	230,000	19,228	-	19,228	
Eminence Investment Corporation	Common stock	CHINA FINEBLANKING TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	500,000	18,800	-	18,800	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Eminence Investment Corporation	Common stock	CTCI CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	470,000	18,330	-	18,330	
Eminence Investment Corporation	Common stock	TOPKEY CORP.	No relation	Financial assets at fair value through other comprehensive income - current	127,000	18,098	-	18,098	
Eminence Investment Corporation	Common stock	MICRO-STAR INTERNATIONAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	167,000	17,953	-	17,953	
Eminence Investment Corporation	Common stock	LUXNET CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	675,168	16,373	-	16,373	
Eminence Investment Corporation	Common stock	FLEXIUM INTERCONNECT, INC.	No relation	Financial assets at fair value through other comprehensive income - current	134,000	16,281	-	16,281	
Eminence Investment Corporation	Common stock	Chailease Holding Company Limited	No relation	Financial assets at fair value through other comprehensive income - current	128,960	16,120	-	16,120	
Eminence Investment Corporation	Common stock	SIMPLO TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	48,000	15,336	-	15,336	
Eminence Investment Corporation	Common stock	BROGENT TECHNOLOGIES INC.	No relation	Financial assets at fair value through other comprehensive income - current	138,279	14,934	-	14,934	
Eminence Investment Corporation	Common stock	DAXIN MATERIALS CORP.	No relation	Financial assets at fair value through other comprehensive income - current	146,000	13,111	-	13,111	
Eminence Investment Corporation	Common stock	CHING CHAN OPTICAL TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	409,000	13,027	-	13,027	
Eminence Investment Corporation	Common stock	TAIWAN CEMENT CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	285,000	12,184	-	12,184	
Eminence Investment Corporation	Common stock	NAN PAO RESINS CHEMICAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	87,000	11,571	-	11,571	
Eminence Investment Corporation	Common stock	TURVO INTERNATIONAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	170,000	10,846	-	10,846	
Eminence Investment Corporation	Common stock	Ventec International Group Co.,Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	121,000	10,551	-	10,551	
Eminence Investment Corporation	Common stock	POU CHEN CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	344,000	9,907	-	9,907	
Eminence Investment Corporation	Common stock	EVERLIGHT ELECTRONICS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	305,000	9,440	-	9,440	
Eminence Investment Corporation	Common stock	TAIWAN PAIHO LIMITED	No relation	Financial assets at fair value through other comprehensive income - current	146,000	9,417	-	9,417	



Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Eminence Investment Corporation	Common stock	TAI-SOL ELECTRONICS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	100,000	9,060	-	9,060	
Eminence Investment Corporation	Common stock	TXC CORPORATION	No relation	Financial assets at fair value through other comprehensive income - current	136,000	8,650	-	8,650	
Eminence Investment Corporation	Common stock	CHICONY ELECTRONICS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	66,000	5,623	-	5,623	
Eminence Investment Corporation	Common stock	YULON NISSAN MOTOR CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	20,000	5,390	-	5,390	
Eminence Investment Corporation	Common stock	HON HAI PRECISION INDUSTRY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	60,000	5,178	-	5,178	
Eminence Investment Corporation	Common stock	GREAT WALL ENTERPRISE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	116,200	4,956	-	4,956	
Eminence Investment Corporation	Common stock	HIYES INTERNATIONAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	60,000	4,710	-	4,710	
Eminence Investment Corporation	Common stock	Dadi Early-Childhood Education Group Ltd.	No relation	Financial assets at fair value through other comprehensive income - current	25,000	4,613	-	4,613	
Eminence Investment Corporation	Common stock	SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED	No relation	Financial assets at fair value through other comprehensive income - current	225,000	2,441	-	2,441	
Eminence Investment Corporation	Common stock	JOURDENESS GROUP LIMITED	No relation	Financial assets at fair value through other comprehensive income - current	5,000	415	-	415	
Eminence Investment Corporation	Common stock	GLOBAL TEK FABRICATION CO., LTD.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	1,720,943	67,719	-	67,719	
Eminence Investment Corporation	Common stock	TAI-SAW TECHNOLOGY CO., LTD.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	813,323	17,080	-	17,080	
Eminence Investment Corporation	Common stock	FOXCONN GLOBAL NETWORK CORPORATION	No relation	Financial assets at fair value through other comprehensive income-noncurrent	3,000,000	43,500	9	43,500	
Eminence Investment Corporation	Common stock	JUFAN INDUSTRIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,200,000	27,142	6	27,142	
Eminence Investment Corporation	Common stock	JDV CONTROL VALVES CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,000,000	18,720	4	18,720	
Eminence Investment Corporation	Common stock	SUNNY PHARMTECH INC.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,146,801	9,926	1	9,926	
Eminence Investment Corporation	Common stock	MEDICAL IMAGING CORPORATION	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,188,000	45,163	6	45,163	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Eminence Investment Corporation	Common stock	TRANSCOM, INC.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	150,000	17,495	-	17,495	
Eminence Investment Corporation	Common stock	ENIMMUNE CORPORATION	No relation	Financial assets at fair value through other comprehensive income-noncurrent	377,454	14,334	1	14,334	
Eminence Investment Corporation	Preferred stock	Cathay Financial Holding Co., Ltd.(B)	No relation	Financial assets at fair value through other comprehensive income - current	533,000	34,165	-	34,165	
Eminence Investment Corporation	Preferred stock	TAISHIN FINANCIAL HOLDING CO., LTD.(E)	No relation	Financial assets at fair value through other comprehensive income - current	329,000	18,523	-	18,523	
Eminence Investment Corporation	Mutual fund	iShares Expanded Tech-Software Sector ETF	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	201	1,693	-	1,693	
Eminence Investment Corporation	Mutual fund	Vanguard Mega Cap Growth ETF	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	327	1,584	-	1,584	
Eminence Investment Corporation	Convertible bond	HY ELECTRONIC (CAYMAN) LIMITED, LTD Convertible BondI	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	230,000	23,230	-	23,230	
Eminence Investment Corporation	Convertible bond	HUA YU LIEN 1st Convertible Bond	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	144,000	16,200	-	16,200	
Eminence Investment Corporation	Convertible bond	Tong Ming Enterprise Co., Ltd. Convertible BondI	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	140,000	13,860	-	13,860	
Shin Mau Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income-noncurrent	1,433,749	29,679	21	29,679	
Hung-Chuan Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income-noncurrent	1,605,875	33,242	-	33,242	
Chi-Yi Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income-noncurrent	1,616,723	33,466	-	33,466	
Ding Da Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income-noncurrent	1,525,494	31,578	-	31,578	
Jiing-Cherng-Fa Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income-noncurrent	1,461,875	30,261	-	30,261	
Gau Ruei Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income-noncurrent	1,493,318	30,912	-	30,912	
Li-Ching-Long Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income-noncurrent	1,605,441	33,233	-	33,233	
Sheng Lih Dar Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income-noncurrent	1,542,138	31,922	-	31,922	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Chiun Yu Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income-noncurrent	1,623,289	33,602	-	33,602	
China Steel Global Trading Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	4,349,507	90,035	-	90,035	
China Steel Global Trading Corporation	Common stock	Thai Sumilox Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,110	67,599	15	67,599	
China Steel Global Trading Corporation	Preferred stock	Thai Sumilox Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	15	48,821	15	48,821	
Wabo Global Trading Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - current	487,367	10,088	-	10,088	
Wabo Global Trading Corporation	Mutual fund	Franklin Templeton Sinoam Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	4,883,724	50,822	-	50,822	
Chung Mao Trading (Samoa) Corporation	Certificate of entitlement	Maruichi Metal Product (Foshan) Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	-	254,686	15	254,686	
Chung Mao Trading (Samoa) Corporation	Certificate of entitlement	PCMI Metal Products (Chongqing) Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	-	114,732	8	114,732	
Chung Mao Trading (Samoa) Corporation	Certificate of entitlement	Xiamen Chun Yuan Precision Mechatronic Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	-	19,090	19	19,090	
CSGT International Corporation	Common stock	NSSB Coil Center (Thailand) Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	3,001	72,823	13	72,823	
CSGT International Corporation	Certificate of entitlement	Hanoi Steel Center Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	-	177,570	19	177,570	
CSC Steel Australia Holdings Pty Ltd	Common stock	KJTC Pty Ltd	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	2,623,595	11,343,869	13	11,343,869	
China Steel Asia Pacific Holdings Pte Ltd	Certificate of entitlement	Wuxi TECO Electric & Machinery Co., Ltd.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	-	157,039	6	157,039	
China Steel Asia Pacific Holdings Pte Ltd	Certificate of entitlement	QINGDAO TECO PRECISION MECHATRONICS CO., Ltd.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	-	41,482	12	41,482	
China Steel Asia Pacific Holdings Pte Ltd	Certificate of entitlement	TOP PRO STEEL JOINT STOCK COMPANY	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	-	32,199	3	32,199	
CSC Steel Holdings Berhad	Common stock	Astino Berhad	No relation	Financial assets at fair value through other comprehensive income-noncurrent	3,574,472	11,762	-	11,762	
CSC Steel Holdings Berhad	Mutual fund	Affin Hwang Select Cash Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	30,877,110	215,239	-	215,239	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	JUNE 30, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Group Steel Corporation (M) Sdn. Bhd.	Mutual fund	Affin Hwang Select Cash Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	2,542,536	17,724	-	17,724	
CSC Steel Sdn. Bhd.	Mutual fund	Affin Hwang Select Cash Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	195,048,950	1,359,653	-	1,359,653	
Constant Mode Sdn. Bhd.	Mutual fund	OSK-UOB Cash Management Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	226,975	2,145	-	2,145	

Note 1: Parent company's stocks pledged as collateral amounted to 120,100 thousand shares and NT\$2,486,070 thousand.

Note 2: Parent company's stocks pledged as collateral amounted to 115,800 thousand shares and NT\$2,397,060 thousand.

**CHINA STEEL CORPORATION AND SUBSIDIARIES**

**MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE PERIOD ENDED JUNE 30, 2020**  
**(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company	Type of Marketable Securities	Name of Marketable Securities	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition (Note)		Disposal (Note)			Ending Balance		
						Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units	Amount
China Steel Corporation	Common stock	China Steel Power Holding Corporation	Investments accounted for using equity method	Subsidiary	Subsidiary	500,000	4,719	33,823,000	301,864	-	-	-	-	34,323,000	306,583
CHC Resources Corporation	Mutual fund	Taishin 1699 Money Market Fund	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	No relation	No relation	-	-	30,138,994	410,023	22,793,555	310,058	309,983	75	7,345,439	100,040
China Steel Power Holding Corporation	Common stock	China Steel Power Corporation	Investments accounted for using equity method	Subsidiary	Subsidiary	479,990	4,663	66,600,000	641,701	-	-	-	-	67,079,990	646,364
China Steel Machinery Corporation	Mutual fund	Cathay Taiwan Money Market Fund	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	No relation	No relation	-	-	23,983,953	300,000	23,983,953	300,018	300,000	18	-	-

Note: The acquisition and disposal include the costs, proceeds from sale, share of profits/losses of investees and other related adjustment.

**CHINA STEEL CORPORATION AND SUBSIDIARIES**

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE PERIOD ENDED JUNE 30, 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Property	Event Date	Transaction Amount	Payment Term	Counterparty	Relationship	Prior Transaction of Related Counter Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Owner	Relationships	Transfer Date	Amount			
China Steel Corporation	Sinter Indoor Facility	2018.03.28	\$ 404,368	According to the contract	United Steel Engineering & Construction Corporation, China Steel Structure Co., Ltd, and Steel Castle Technology Corporation	Subsidiary	-	-	-	-	Price negotiation	Construction for own use	

CHINA STEEL CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE PERIOD ENDED JUNE 30, 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Relationship			Payment Terms	Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total		Unit Price	Payment Terms	Ending Balance	% of Total	
China Steel Corporation	Chung Hung Steel Corporation	Subsidiary	Sales	(9,510,867 )	(11 )	Letter of credit/Receivables were collected after final acceptance	-		74,852	3	
China Steel Corporation	China Steel Structure Co., Ltd.	Subsidiary	Sales	(1,611,910 )	(2 )	Letter of credit/Accounts received in advance before shipment date	-		23,695	1	
China Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	Subsidiary	Sales	(1,058,134 )	(1 )	Accounts receivable factoring agreements/Receivables were collected within 14 days after shipment date	-		66,362	3	
China Steel Corporation	China Steel Global Trading Corporation	Subsidiary	Sales	(782,002 )	(1 )	Receivables were collected within 10 days after shipment date	-		9,774	-	
China Steel Corporation	China Steel Chemical Corporation	Subsidiary	Sales	(727,008 )	(1 )	Letter of credit	-		86,606	3	
China Steel Corporation	China Steel Corporation India Pvt. Ltd.	Subsidiary	Sales	(593,674 )	(1 )	Accounts receivable factoring agreements	-		-	-	
China Steel Corporation	CSBC Corporation, Taiwan	The Corporation as director of the board of related party	Sales	(545,711 )	(1 )	Accounts received in advance before shipment date	-		70,630	3	
China Steel Corporation	CSGT Metals Vietnam Joint Stock Company	Subsidiary	Sales	(459,726 )	(1 )	Receivables were collected within 14 days after shipment date	-		34,030	1	
China Steel Corporation	Sing Da Marine Structure Corporation	Subsidiary	Sales	(436,749 )	-	Receivables were collected within 10 days after shipment date	-		72,178	3	
China Steel Corporation	CHC Resources Corporation	Subsidiary	Sales	(425,723 )	-	Letter of credit	-		17,909	1	
China Steel Corporation	Dragon Steel Corporation	Subsidiary	Sales	(369,261 )	-	Receivables were collected within 5 days after shipment date	-		88,362	4	
China Steel Corporation	China Steel Precision Metals Kunshan Co., Ltd.	Subsidiary	Sales	(296,711 )	-	Receivables were collected within 85 days after shipment date	-		152,863	6	
China Steel Corporation	TSK Steel Company Limited	Affiliated enterprise	Sales	(240,420 )	-	Letter of credit/Accounts received in advance before shipment date	-		-	-	
China Steel Corporation	CSC Steel Sdn. Bhd.	Subsidiary	Sales	(236,531 )	-	Receivables were collected within 14 days after shipment date	-		-	-	
China Steel Corporation	China Steel Precision Metals Qingdao Co., Ltd.	Subsidiary	Sales	(189,841 )	-	Receivables were collected within 60 days after shipment date	-		59,020	2	
China Steel Corporation	Rechi Refrigeration Dongguan Co, Ltd.	The Corporation as director of the board of related party's parent company	Sales	(160,171 )	-	Receivables were collected after shipment date	-		-	-	

Buyer	Related Party	Relationship	Relationship				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
China Steel Corporation	China Steel Machinery Corporation	Subsidiary	Sales	(143,068 )	-	Receivables were collected within 10 days after shipment date	-		171	-	
China Steel Corporation	Dragon Steel Corporation	Subsidiary	Service revenue and other operating revenue	(571,269 )	(1 )	By contract terms	-		53,652	2	
China Steel Corporation	Tang Eng Iron Works Co., Ltd.	The Corporation as director of the board of related party	Service revenue and other operating revenue	(229,430 )	-	By contract terms	-		7,184	-	
China Steel Corporation	China Steel Chemical Corporation	Subsidiary	Service revenue and other operating revenue	(135,642 )	-	By contract terms	-		26,509	1	
China Steel Corporation	Taiwan High Speed Rail Corporation	The Corporation as director of the board of related party	Construction revenue	(149,600 )	-	By contract terms	-		-	-	
China Steel Corporation	Dragon Steel Corporation	Subsidiary	Purchases	7,665,851	13	Payment within 5 days after shipment date/Payment after final acceptance	-		(242,005 )	(5 )	
China Steel Corporation	China Steel Express Corporation	Subsidiary	Purchases	3,342,920	6	Payment against copy of B/L	-		(532,184 )	(11 )	
China Steel Corporation	C.S.Aluminium Corporation	Subsidiary	Purchases	988,477	2	Payment after final acceptance	-		(98,416 )	(2 )	
China Steel Corporation	CSE Transport Corporation	Subsidiary	Purchases	384,198	1	Payment against copy of B/L	-		(91,311 )	(2 )	
China Steel Corporation	China Steel Global Trading Corporation	Subsidiary	Purchases	224,055	-	Payment after final acceptance	-		(37,091 )	(1 )	
China Steel Corporation	HIMAG Magnetic Corporation	Subsidiary	Purchases	157,479	-	Payment after final acceptance	-		(16,646 )	-	
Dragon Steel Corporation	China Steel Corporation	Parent company	Sales	(7,516,965 )	(21 )	Receivables were collected within 5 days after shipment date/Receivables were collected after final acceptance	-		291,260	16	
Dragon Steel Corporation	Chung Hung Steel Corporation	The same parent company	Sales	(3,907,983 )	(11 )	Letter of credit/Receivables were collected within 5 days after shipment date	-		71,100	4	
Dragon Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	The same parent company	Sales	(2,998,795 )	(8 )	Receivables were collected within 5 days after shipment date	-		156,141	8	
Dragon Steel Corporation	CSC Steel Sdn. Bhd.	The same parent company	Sales	(1,031,683 )	(3 )	Receivables were collected within 5 days after shipment date	-		-	-	
Dragon Steel Corporation	China Steel Global Trading Corporation	The same parent company	Sales	(432,115 )	(1 )	Receivables were collected within 5 days after shipment date	-		536	-	
Dragon Steel Corporation	China Steel Structure Co., Ltd.	The same parent company	Sales	(384,546 )	(1 )	Letter of credit	-		22,281	1	
Dragon Steel Corporation	China Steel Chemical Corporation	The same parent company	Sales	(264,399 )	(1 )	Receivables were collected within 5 days after shipment date	-		11,605	1	
Dragon Steel Corporation	CHC Resources Corporation	The same parent company	Sales	(206,128 )	(1 )	Letter of credit	-		7,706	-	
Dragon Steel Corporation	China Steel Corporation	Parent company	Other operating revenue	(148,886 )	-	Receivables were collected after final acceptance	-		-	-	
Dragon Steel Corporation	China Steel Express Corporation	The same parent company	Purchases	1,638,466	6	Payment against copy of B/L	-	NO THIRD-PARTY COULD BE COMPARED	(208,625 )	(9 )	
Dragon Steel Corporation	China Steel Corporation	Parent company	Purchases	761,601	3	Payment within 5 days after shipment date	-		(88,372 )	(4 )	
Dragon Steel Corporation	C.S.Aluminium Corporation	The same parent company	Purchases	361,853	1	Payment in advance/Payment within 30 days after final acceptance	-	NO THIRD-PARTY COULD BE COMPARED	(61,683 )	(3 )	
Dragon Steel Corporation	CSE Transport Corporation	The same parent company	Purchases	257,865	1	Payment against copy of B/L	-	NO THIRD-PARTY COULD BE COMPARED	(55,124 )	(2 )	
Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	Subsidiary	Sales	(211,708 )	(22 )	Net 90 days from the end of the month of when invoice is issued	-		172,103	30	



Buyer	Related Party	Relationship	Relationship				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	Subsidiary	Purchases	434,419	54	Net 90 days from the end of the month of when invoice is issued	-		(80,147 )	(20 )	
Betacera Inc.	Suzhou Betacera Technology Co., Ltd.	Subsidiary	Purchases	181,996	22	Net 90 days from the end of the month of when invoice is issued	-		(107,826 )	(27 )	
Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	Parent company	Sales	(434,951 )	(82 )	Net 90 days from the end of the month of when invoice is issued	-		80,257	66	
Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	Parent company	Purchases	210,539	49	Net 90 days from the end of the month of when invoice is issued	-		(172,337 )	(50 )	
Suzhou Betacera Technology Co., Ltd.	Betacera Inc.	Parent company	Sales	(181,344 )	(100 )	Net 90 days from the end of the month of when invoice is issued	-		107,972	100	
China Steel Express Corporation	China Steel Corporation	Parent company	Service revenue	(3,626,676 )	(57 )	Payment after shipping document specified	-		554,452	66	
China Steel Express Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(1,875,502 )	(29 )	Payment after shipping document specified	-		227,319	27	
CSE Transport Corporation	China Steel Corporation	The ultimate parent of the company	Service revenue	(382,020 )	(48 )	Payment after shipping document specified	-		91,311	35	
CSE Transport Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(257,756 )	(32 )	Payment after shipping document specified	-		55,124	21	
C.S.Aluminium Corporation	China Steel Corporation	Parent company	Sales	(988,477 )	(14 )	Receivables were collected after final acceptance	-		98,416	20	
C.S.Aluminium Corporation	Dragon Steel Corporation	The same parent company	Sales	(361,853 )	(5 )	Receivables were collected after final acceptance	-		61,683	12	
CSC Steel Sdn. Bhd.	Dragon Steel Corporation	The same parent company	Purchases	1,046,293	45	Payment after shipping document specified	-		-	-	
CSC Steel Sdn. Bhd.	Chung Hung Steel Corporation	The same parent company	Purchases	510,888	22	Payment after shipping document specified	-		-	-	
CSC Steel Sdn. Bhd.	China Steel Corporation	The same parent company	Purchases	225,586	10	Payment after shipping document specified	-		-	-	
CSC Steel Sdn. Bhd.	China Steel Global Trading Corporation	The same parent company	Purchases	205,760	9	Payment after shipping document specified	-		-	-	
China Steel Precision Metals Qingdao Co., Ltd.	Rechi Precision (Qingdao) Electric Machinery Limited	The parent company as the director of other related party's parent company	Sales	(241,460 )	(76 )	Net 7 days from invoice date/Net 30 days from invoice date	-	ES:Payment within 7 days after receipt of invoice; PO:Pay 180 days Banker's acceptance within 30 days after receipt of invoice	85,800	68	
China Steel Precision Metals Qingdao Co., Ltd.	China Steel Corporation	The ultimate parent of the company	Purchases	190,163	99	60 days after B/L	-		(59,020 )	(95 )	
Chung Hung Steel Corporation	CSC Steel Sdn. Bhd.	The same parent company	Sales	(535,254 )	(3 )	T/T within 7 working days against copy of B/L	-	NO THIRD-PARTY COULD BE COMPARED	-	-	
Chung Hung Steel Corporation	China Steel Corporation	Parent company	Service revenue	(196,503 )	(1 )	T/T as the end of the month of when invoice is issued after final acceptance	-	NO THIRD-PARTY COULD BE COMPARED	15,390	1	
Chung Hung Steel Corporation	China Steel Corporation	Parent company	Purchases	9,573,865	68	Letter of credit at sight/Payment after final acceptance	-	NO THIRD-PARTY COULD BE COMPARED	(87,652 )	(73 )	
Chung Hung Steel Corporation	Dragon Steel Corporation	The same parent company	Purchases	3,954,559	28	Letter of credit at sight	-	NO THIRD-PARTY COULD BE COMPARED	-	-	
Chung Hung Steel Corporation	China Steel Global Trading Corporation	The same parent company	Purchases	177,856	1	Letter of credit at sight/Payment after final acceptance	-	NO THIRD-PARTY COULD BE COMPARED	(4,742 )	(4 )	
China Steel Chemical Corporation	Linyuan Advanced Materials Technology Co., Ltd.	Subsidiary of director of the board	Sales	(440,456 )	(16 )	Receivables are collected as the end of every month of when invoice is issued	-		70,191	19	
China Steel Chemical Corporation	China Steel Corporation	Parent company	Purchases	719,762	53	Letter of credit at sight	-		(117,763 )	(83 )	
China Steel Chemical Corporation	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	320,266	24	T/T before shipment date	-		-	-	
China Steel Chemical Corporation	Dragon Steel Corporation	The same parent company	Purchases	264,399	20	Letter of credit at sight	-		-	-	

Buyer	Related Party	Relationship	Relationship			Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note	
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% of Total
China Steel Global Trading Corporation	Formosa Ha Tinh Steel Corporation	Other related parties	Sales	(230,407 )	(5 )	T/T before shipment date	-		4,753	2	
China Steel Global Trading Corporation	China Steel Corporation	Parent company	Sales	(224,055 )	(5 )	Receivables were collected after final acceptance	-		37,091	18	
China Steel Global Trading Corporation	CSC Steel Sdn. Bhd.	The same parent company	Sales	(222,220 )	(5 )	Receivables were collected after shipment date	-		-	-	
China Steel Global Trading Corporation	Chung Hung Steel Corporation	The same parent company	Sales	(177,856 )	(4 )	Receivables were collected after shipment date	-		4,742	2	
China Steel Global Trading Corporation	Sing Da Marine Structure Corporation	The same parent company	Sales	(173,864 )	(4 )	Receivables were collected after final acceptance	-		41,602	20	
China Steel Global Trading Corporation	China Steel Corporation	Parent company	Service revenue	(163,575 )	(81 )	By contract terms	-		24,719	12	
China Steel Global Trading Corporation	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	2,264,314	49	Payment from counterparty notice after shipping	-		(3,532 )	(4 )	
China Steel Global Trading Corporation	China Steel Corporation	Parent company	Purchases	1,219,377	26	Payment after shipment date	-		(9,774 )	(12 )	Note
CSGT Metals Vietnam Joint Stock Company	China Steel Corporation	The ultimate parent of the company	Purchases	518,516	63	Payment from counterparty notice after shipping	-		(35,600 )	(43 )	Note
CSGT Metals Vietnam Joint Stock Company	China Steel and Nippon Steel Vietnam Joint Stock Company	The same parent company	Purchases	169,026	23	Payment after shipment date	-		(41,792 )	(56 )	
CHC Resources Corporation	TAIWAN CEMENT CORPORATION	Director of the board	Sales	(314,586 )	(7 )	Net 60 days from the end of the month of when invoice is issued	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	124,769	15	
CHC Resources Corporation	YA TUNG READY-MIXED CONCRETE CORP.	Subsidiary of director of the board	Sales	(227,214 )	(5 )	Net 60 days from the end of the month of when invoice is issued	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	57,284	7	
CHC Resources Corporation	Universal Cement Corporation	Director of the board	Sales	(108,872 )	(2 )	Net 60 days from the end of the month of when invoice is issued	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	30,120	4	
CHC Resources Corporation	China Steel Corporation	Parent company	Service revenue	(811,579 )	(18 )	Net 60 days from the end of the month of when invoice is issued	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	135,888	16	
CHC Resources Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(609,957 )	(14 )	Net 30-70 days from the end of the month of when invoice is issued	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	140,516	17	

Buyer	Related Party	Relationship	Relationship			Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	
CHC Resources Corporation	China Steel Resources Corporation	The same parent company	Service revenue	(227,821 )	(5 )	By contract terms	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	41,306	5
CHC Resources Corporation	China Steel Corporation	Parent company	Construction revenue	(172,310 )	(4 )	By contract terms	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	135,888	16
CHC Resources Corporation	China Steel Resources Corporation	The same parent company	Construction revenue	(137,722 )	(3 )	By contract terms	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	41,306	5
CHC Resources Corporation	China Steel Corporation	Parent company	Purchases	430,329	31	Letter of credit	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	(17,909 )	(14 )
CHC Resources Corporation	Dragon Steel Corporation	The same parent company	Purchases	206,138	15	Letter of credit	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	(6,043 )	(5 )
CHC Resources Corporation	Chung Hung Steel Corporation	The same parent company	Purchases	134,306	10	Letter of credit	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	(22,113 )	(17 )
CHC Resources Corporation	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	102,586	7	Prepaid before shipping	-	Credit policy for sales to non-related parties starts from bill of lading date, and the payment term has no significant difference from the term of related parties.	-	-
Union Steel Development Corporation	CHC Resources Corporation	Parent company	Service revenue	(151,938 )	(53 )	Net 60 days from the end of the month of when invoice is issued	-		34,124	53
CHC Resources Vietnam Co., Ltd	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	132,354	99	Prepaid before shipment date	-		-	-
InfoChamp Systems Corporation	China Steel Corporation	Parent company	Service revenue	(421,949 )	(42 )	Receivables were collected within 30 days after shipment date	-	Receivables were collected within 30 days after shipment date	126,023	32
China Steel Structure Co., Ltd.	China Steel Corporation	Parent company	Service revenue	(196,887 )	(5 )	Contractual period	-		32,045	3
China Steel Structure Co., Ltd.	Dragon Steel Corporation	The same parent company	Construction revenue	(334,925 )	(8 )	Contractual period	-		98,081	9
China Steel Structure Co., Ltd.	Sing Da Marine Structure Corporation	The same parent company	Construction revenue	(130,919 )	(3 )	Contractual period	-		1,360	-
China Steel Structure Co., Ltd.	United Steel Engineering & Construction Corporation	Subsidiary	Construction revenue	(119,847 )	(3 )	Contractual period	-		-	-

Buyer	Related Party	Relationship	Relationship			Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note	
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% of Total
China Steel Structure Co., Ltd.	China Steel Corporation	Parent company	Purchases	1,676,857	72	Letter of credit/Prepaid before shipment date	-	Payment on the 7th of the following month after supplier invoice is accepted.	(25,501 )	(2 )	
China Steel Structure Co., Ltd.	Dragon Steel Corporation	The same parent company	Purchases	385,346	17	Letter of credit	-	Payment on the 7th of the following month after supplier invoice is accepted.	(19,220 )	(1 )	
United Steel Engineering & Construction Corporation	China Steel Corporation	The ultimate parent of the company	Construction revenue	(587,192 )	(23 )	Contractual period	-		112,442	22	
United Steel Engineering & Construction Corporation	CHC Resources Corporation	The same parent company	Construction revenue	(244,387 )	(9 )	Contractual period	-		102,252	20	
United Steel Engineering & Construction Corporation	China Prosperity Development Corporation	The same parent company	Construction revenue	(216,561 )	(8 )	Contractual period	-		-	-	
United Steel Engineering & Construction Corporation	Dragon Steel Corporation	The same parent company	Construction revenue	(185,662 )	(7 )	Contractual period	-		60,267	12	
United Steel Engineering & Construction Corporation	Sing Da Marine Structure Corporation	The same parent company	Construction revenue	(102,472 )	(4 )	Contractual period	-		125,811	24	
China Ecotek Corporation	China Steel Corporation	Parent company	Construction revenue	(2,142,620 )	(55 )	Contractual period	-		316,412	27	
China Ecotek Corporation	Dragon Steel Corporation	The same parent company	Construction revenue	(735,990 )	(19 )	Contractual period	-		146,687	12	
China Ecotek Corporation	CSC Solar Corporation	The same parent company	Construction revenue	(201,426 )	(5 )	Contractual period	-		424,329	36	
China Ecotek Corporation	Formosa Ha Tinh Steel Corporation	Other related parties	Construction revenue	(112,406 )	(3 )	Contractual period	-		21,555	2	
China Ecotek Corporation	China Steel Machinery Corporation	The same parent company	Purchases	220,472	6	Contractual period	-		(41,771 )	(7 )	
China Steel Security Corporation	China Steel Corporation	The ultimate parent of the company	Service revenue	(177,237 )	(25 )	By contract terms	-		23,578	16	
Steel Castle Technology Corporation	China Steel Corporation	The ultimate parent of the company	Service revenue	(273,550 )	(53 )	By contract terms	-		60,094	55	
HIMAG Magnetic Corporation	China Steel Corporation	Parent company	Sales	(163,490 )	(34 )	Receivables were collected within 10 days after shipment date	-		16,646	15	
China Steel Machinery Corporation	China Steel Corporation	Parent company	Construction revenue	(1,750,094 )	(51 )	Payment after final acceptance	-		177,650	57	
China Steel Machinery Corporation	Dragon Steel Corporation	The same parent company	Construction revenue	(563,838 )	(16 )	Payment after final acceptance	-		32,075	10	
China Steel Machinery Corporation	Sing Da Marine Structure Corporation	The same parent company	Construction revenue	(254,182 )	(7 )	Payment after final acceptance	-		1,379	-	
China Steel Machinery Corporation	China Steel Corporation	Parent company	Purchases	145,852	21	Payment after final acceptance	-		(171 )	-	
China Steel and Nippon Steel Vietnam Joint Stock Company	Nippon Steel Sales Vietnam Company Limited	Other related parties	Sales	(800,713 )	(11 )	Accounts receivable, 10 days term	-		51,943	6	
China Steel and Nippon Steel Vietnam Joint Stock Company	CSGT Metals Vietnam Joint Stock Company	The same parent company	Sales	(187,210 )	(3 )	Accounts receivable, 30 days term	-		46,200	5	
China Steel and Nippon Steel Vietnam Joint Stock Company	NS BlueScope (Vietnam) Limited	Other related parties	Sales	(151,343 )	(2 )	Accounts receivable, 60 days term	-		76,802	8	
China Steel and Nippon Steel Vietnam Joint Stock Company	China Steel Corporation	The ultimate parent of the company	Purchases	4,236,218	72	Receivables were collected within 120 days after shipment date	-		(26,163 )	(1 )	Note
China Steel and Nippon Steel Vietnam Joint Stock Company	NIPPON STEEL TRADING CORPORATION	Supervisor	Purchases	1,379,324	23	Receivables were collected within 45 days after shipment date	-		-	-	
China Steel and Nippon Steel Vietnam Joint Stock Company	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	300,913	5	Prepaid before shipment date	-		-	-	
China Steel Corporation India Pvt. Ltd.	China Steel Corporation	Parent company	Purchases	602,680	100	Payment to the bank after the Corporation's shipment date	-		-	-	
Kaohsiung Rapid Transit Corporation	China Steel Corporation	Parent company	Service revenue	(108,291 )	(10 )	Net 15 days from the end of the month of when invoice is issued	-		40,399	11	
China Steel Resources Corporation	China Steel Corporation	Parent company	Sales	(300,949 )	(100 )	Net 60 days from the end of the month of when invoice is issued	-		55,335	100	
CSC Precision Metal Industrial Corporation	China Steel Corporation	Parent company	Service revenue	(107,191 )	(100 )	Net 60 days from the end of the month of when invoice is issued	-	NO THIRD-PARTY COULD BE COMPARED	21,122	100	

Buyer	Related Party	Relationship	Relationship				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Sing Da Marine Structure Corporation	China Steel Corporation	Parent company	Purchases	436,749	72	Payment within 10 days after shipment date	-		(44,885 )	(44 )	
Sing Da Marine Structure Corporation	China Steel Global Trading Corporation	The same parent company	Purchases	173,864	28	Payment within 30 days after shipment date	-		(41,602 )	(41 )	
China Steel Precision Metals Kunshan Co., Ltd.	China Steel Corporation	The ultimate parent of the company	Purchases	301,553	97	Payment within 85 days after shipment date	-	85	(150,334 )	(96 )	

Note: Purchase amount includes the Corporation's sales commitment to Dragon Steel Corporation.

**CHINA STEEL CORPORATION AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**June 30, 2020**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss	Note
					Amount	Actions Taken			
China Steel Corporation	C.S.Aluminium Corporation	Subsidiary	3,602,841	-	-		-	-	Note
China Steel Corporation	Chung Hung Steel Corporation	Subsidiary	2,413,733	-	-		285	-	Note
China Steel Corporation	China Steel Resources Corporation	Subsidiary	855,844	-	-		-	-	Note
China Steel Corporation	China Steel Structure Co., Ltd.	Subsidiary	653,876	-	-		1,806	-	Note
China Steel Corporation	China Steel Express Corporation	Subsidiary	600,481	-	-		-	-	Note
China Steel Corporation	Kaohsiung Rapid Transit Corporation	Subsidiary	452,639	-	-		-	-	Note
China Steel Corporation	Gains Investment Corporation	Subsidiary	201,582	-	-		1,460	-	Note
China Steel Corporation	Sing Da Marine Structure Corporation	Subsidiary	200,115	-	-		18	-	Note
China Steel Corporation	China Steel Precision Metals Kunshan Co., Ltd.	Subsidiary	152,863	4	-		11,944	-	
China Steel Corporation	Dragon Steel Corporation	Subsidiary	142,014	16	-		142,014	-	
China Steel Corporation	China Steel Global Trading Corporation	Subsidiary	138,433	-	-		3,403	-	Note
China Steel Corporation	China Steel Chemical Corporation	Subsidiary	113,116	12	-		113,098	-	
Dragon Steel Corporation	China Steel Corporation	The ultimate parent of the company	291,260	105	-		290,531	-	
Dragon Steel Corporation	China Steel Corporation	The ultimate parent of the company	264,858	-	-		-	-	Note
Dragon Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	The same parent company	156,141	51	-		156,141	-	
Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	Subsidiary	172,103	3	-		-	-	
Suzhou Betacera Technology Co., Ltd.	Betacera Inc.	Parent company	107,972	4	-		-	-	
China Steel Express Corporation	China Steel Corporation	Parent company	554,452	9	-		13,806	-	
China Steel Express Corporation	Dragon Steel Corporation	The same parent company	227,319	21	-		5,373	-	
China Prosperity Development Corporation	China Steel Corporation	Parent company	800,095	-	-		-	-	Note
Chung Hung Steel Corporation	China Steel Corporation	Parent company	504,785	-	-		-	-	Note
Formosa Ha Tinh CSCC (Cayman) International Limited	Formosa Ha Tinh (Cayman) Limited	Other related parties	207,410	-	-		-	-	Note
Formosa Ha Tinh CSCC (Cayman) International Limited	China Steel Chemical Corporation	Parent company	207,410	-	-		-	-	Note
CHC Resources Corporation	Dragon Steel Corporation	The same parent company	140,516	8	-		9,934	-	
CHC Resources Corporation	China Steel Corporation	Parent company	135,888	17	-		90,448	-	
CHC Resources Corporation	TAIWAN CEMENT CORPORATION	Director of the board	124,769	6	-		-	-	
InfoChamp Systems Corporation	China Steel Corporation	Parent company	129,922	2	-		55,454	-	
China Steel Structure Co., Ltd.	Dragon Steel Corporation	The same parent company	108,444	9	-		-	-	
United Steel Engineering & Construction Corporation	Sing Da Marine Structure Corporation	The same parent company	125,811	3	-		-	-	
United Steel Engineering & Construction Corporation	China Steel Corporation	The ultimate parent of the company	112,442	14	-		-	-	
United Steel Engineering & Construction Corporation	CHC Resources Corporation	The same parent company	102,252	6	-		7,952	-	
China Ecotek Corporation	CSC Solar Corporation	The same parent company	424,329	1	-		-	-	
China Ecotek Corporation	China Steel Corporation	Parent company	316,412	17	-		2,065	-	
China Ecotek Corporation	Dragon Steel Corporation	The same parent company	146,687	11	-		-	-	
China Steel Machinery Corporation	China Steel Corporation	Parent company	177,650	21	-		114,111	-	
CSC Precision Metal Industrial Corporation	China Steel Corporation	Parent company	121,430	-	-		18,219	-	Note

Note: Other receivables.

## CHINA STEEL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
 FOR THE PERIOD ENDED JUNE 30, 2020  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			% of Total sales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
0	China Steel Corporation	Chung Hung Steel Corporation	1	Sales	9,510,867	Letter of credit/Receivables were collected after final acceptance	6
0	China Steel Corporation	China Steel Structure Co., Ltd.	1	Sales	1,611,910	Letter of credit/Accounts received in advance before shipment date	1
0	China Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	1	Sales	1,058,134	Accounts receivable factoring agreements/Receivables were collected within 14 days after shipment date	1
0	China Steel Corporation	China Steel Global Trading Corporation	1	Sales	782,002	Receivables were collected within 10 days after shipment date	1
0	China Steel Corporation	China Steel Chemical Corporation	1	Sales	727,008	Letter of credit	-
0	China Steel Corporation	China Steel Corporation India Pvt. Ltd.	1	Sales	593,674	Accounts receivable factoring agreements	-
0	China Steel Corporation	CSGT Metals Vietnam Joint Stock Company	1	Sales	459,726	Receivables were collected within 14 days after shipment date	-
0	China Steel Corporation	Sing Da Marine Structure Corporation	1	Sales	436,749	Receivables were collected within 10 days after shipment date	-
0	China Steel Corporation	CHC Resources Corporation	1	Sales	425,723	Letter of credit	-
0	China Steel Corporation	Dragon Steel Corporation	1	Sales	369,261	Receivables were collected within 5 days after shipment date	-
0	China Steel Corporation	China Steel Precision Metals Kunshan Co., Ltd.	1	Sales	296,711	Receivables were collected within 85 days after shipment date	-
0	China Steel Corporation	CSC Steel Sdn. Bhd.	1	Sales	236,531	Receivables were collected within 14 days after shipment date	-
0	China Steel Corporation	China Steel Precision Metals Qingdao Co., Ltd.	1	Sales	189,841	Receivables were collected within 60 days after shipment date	-
0	China Steel Corporation	China Steel Machinery Corporation	1	Sales	143,068	Receivables were collected within 10 days after shipment date	-
0	China Steel Corporation	Dragon Steel Corporation	1	Service revenue and other operating revenue	571,269	By contract terms	-
0	China Steel Corporation	China Steel Chemical Corporation	1	Service revenue and other operating revenue	135,642	By contract terms	-
0	China Steel Corporation	Dragon Steel Corporation	1	Purchases	7,665,851	Payment within 5 days after shipment date/Payment after final acceptance	5
0	China Steel Corporation	China Steel Express Corporation	1	Purchases	3,342,920	Payment against copy of B/L	2

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			% of Total ales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
0	China Steel Corporation	C.S.Aluminium Corporation	1	Purchases	988,477	Payment after final acceptance	1
0	China Steel Corporation	CSE Transport Corporation	1	Purchases	384,198	Payment against copy of B/L	-
0	China Steel Corporation	China Steel Global Trading Corporation	1	Purchases	224,055	Payment after final acceptance	-
0	China Steel Corporation	HIMAG Magnetic Corporation	1	Purchases	157,479	Payment after final acceptance	-
1	Dragon Steel Corporation	China Steel Corporation	2	Sales	7,516,965	Receivables were collected within 5 days after shipment date / Receivables were collected after final acceptance	5
1	Dragon Steel Corporation	Chung Hung Steel Corporation	3	Sales	3,907,983	Letter of credit / Receivables were collected within 5 days after shipment date	3
1	Dragon Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	3	Sales	2,998,795	Receivables were collected within 5 days after shipment date	2
1	Dragon Steel Corporation	CSC Steel Sdn. Bhd.	3	Sales	1,031,683	Receivables were collected within 5 days after shipment date	1
1	Dragon Steel Corporation	China Steel Global Trading Corporation	3	Sales	432,115	Receivables were collected within 5 days after shipment date	-
1	Dragon Steel Corporation	China Steel Structure Co., Ltd.	3	Sales	384,546	Letter of credit	-
1	Dragon Steel Corporation	China Steel Chemical Corporation	3	Sales	264,399	Receivables were collected within 5 days after shipment date	-
1	Dragon Steel Corporation	CHC Resources Corporation	3	Sales	206,128	Letter of credit	-
1	Dragon Steel Corporation	China Steel Corporation	2	Other operating revenue	148,886	Receivables were collected after final acceptance	-
1	Dragon Steel Corporation	China Steel Express Corporation	3	Purchases	1,638,466	Payment against copy of B/L	1
1	Dragon Steel Corporation	China Steel Corporation	2	Purchases	761,601	Payment within 5 days after shipment date	1
1	Dragon Steel Corporation	C.S.Aluminium Corporation	3	Purchases	361,853	Payment in advance / Payment within 30 days after final acceptance	-
1	Dragon Steel Corporation	CSE Transport Corporation	3	Purchases	257,865	Payment against copy of B/L	-
2	Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	1	Sales	211,708	Net 90 days from the end of the month of when invoice is issued	-
2	Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	1	Purchases	434,419	Net 90 days from the end of the month of when invoice is issued	-
2	Betacera Inc.	Suzhou Betacera Technology Co., Ltd.	1	Purchases	181,996	Net 90 days from the end of the month of when invoice is issued	-
3	Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	2	Sales	434,951	Net 90 days from the end of the month of when invoice is issued	-
3	Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	2	Purchases	210,539	Net 90 days from the end of the month of when invoice is issued	-



No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			% of Total ales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
4	Suzhou Betacera Technology Co., Ltd.	Betacera Inc.	2	Sales	181,344	Net 90 days from the end of the month of when invoice is issued	-
5	China Steel Express Corporation	China Steel Corporation	2	Service revenue	3,626,676	Payment after shipping document specified	2
5	China Steel Express Corporation	Dragon Steel Corporation	3	Service revenue	1,875,502	Payment after shipping document specified	1
6	CSE Transport Corporation	China Steel Corporation	2	Service revenue	382,020	Payment after shipping document specified	-
6	CSE Transport Corporation	Dragon Steel Corporation	3	Service revenue	257,756	Payment after shipping document specified	-
7	C.S.Aluminium Corporation	China Steel Corporation	2	Sales	988,477	Receivables were collected after final acceptance	1
7	C.S.Aluminium Corporation	Dragon Steel Corporation	3	Sales	361,853	Receivables were collected after final acceptance	-
8	CSC Steel Sdn. Bhd.	Dragon Steel Corporation	3	Purchases	1,046,293	Payment after shipping document specified	1
8	CSC Steel Sdn. Bhd.	Chung Hung Steel Corporation	3	Purchases	510,888	Payment after shipping document specified	-
8	CSC Steel Sdn. Bhd.	China Steel Corporation	3	Purchases	225,586	Payment after shipping document specified	-
8	CSC Steel Sdn. Bhd.	China Steel Global Trading Corporation	3	Purchases	205,760	Payment after shipping document specified	-
9	China Steel Precision Metals Qingdao Co., Ltd.	China Steel Corporation	2	Purchases	190,163	60 days after B/L	-
10	Chung Hung Steel Corporation	CSC Steel Sdn. Bhd.	3	Sales	535,254	T/T within 7 working days against copy of B/L	-
10	Chung Hung Steel Corporation	China Steel Corporation	2	Service revenue	196,503	T/T as the end of the month of when invoice is issued after final acceptance	-
10	Chung Hung Steel Corporation	China Steel Corporation	2	Purchases	9,573,865	Letter of credit at sight / Payment after final acceptance	6
10	Chung Hung Steel Corporation	Dragon Steel Corporation	3	Purchases	3,954,559	Letter of credit at sight	3
10	Chung Hung Steel Corporation	China Steel Global Trading Corporation	3	Purchases	177,856	Letter of credit at sight / Payment after final acceptance	-
11	China Steel Chemical Corporation	China Steel Corporation	2	Purchases	719,762	Letter of credit at sight	-
11	China Steel Chemical Corporation	Dragon Steel Corporation	3	Purchases	264,399	Letter of credit at sight	-
12	China Steel Global Trading Corporation	China Steel Corporation	2	Sales	224,055	Receivables were collected after final acceptance	-
12	China Steel Global Trading Corporation	CSC Steel Sdn. Bhd.	3	Sales	222,220	Receivables were collected after shipment date	-
12	China Steel Global Trading Corporation	Chung Hung Steel Corporation	3	Sales	177,856	Receivables were collected after shipment date	-
12	China Steel Global Trading Corporation	Sing Da Marine Structure Corporation	3	Sales	173,864	Receivables were collected after final acceptance	-
12	China Steel Global Trading Corporation	China Steel Corporation	2	Service revenue	163,575	By contract terms	-

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			% of Total ales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
12	China Steel Global Trading Corporation	China Steel Corporation	2	Purchases(Note 2)	1,219,377	Payment after shipment date	1
13	CSGT Metals Vietnam Joint Stock Company	China Steel Corporation	2	Purchases(Note 2)	518,516	Payment from counterparty notice after shipping	-
13	CSGT Metals Vietnam Joint Stock Company	China Steel and Nippon Steel Vietnam Joint Stock Company	3	Purchases	169,026	Payment after shipment date	-
14	CHC Resources Corporation	China Steel Corporation	2	Service revenue	811,579	Net 60 days from the end of the month of when invoice is issued	1
14	CHC Resources Corporation	Dragon Steel Corporation	3	Service revenue	609,957	Net 30~70 days from the end of the month of when invoice is issued	-
14	CHC Resources Corporation	China Steel Resources Corporation	3	Service revenue	227,821	By contract terms	-
14	CHC Resources Corporation	China Steel Corporation	2	Construction revenue	172,310	By contract terms	-
14	CHC Resources Corporation	China Steel Resources Corporation	3	Construction revenue	137,722	By contract terms	-
14	CHC Resources Corporation	China Steel Corporation	2	Purchases	430,329	Letter of credit	-
14	CHC Resources Corporation	Dragon Steel Corporation	3	Purchases	206,138	Letter of credit	-
14	CHC Resources Corporation	Chung Hung Steel Corporation	3	Purchases	134,306	Letter of credit	-
15	Union Steel Development Corporation	CHC Resources Corporation	2	Service revenue	151,938	Net 60 days from the end of the month of when invoice is issued	-
16	InfoChamp Systems Corporation	China Steel Corporation	2	Service revenue	421,949	Receivables were collected within 30 days after shipment date	-
17	China Steel Structure Co., Ltd.	China Steel Corporation	2	Service revenue	196,887	Contractual period	-
17	China Steel Structure Co., Ltd.	Dragon Steel Corporation	3	Construction revenue	334,925	Contractual period	-
17	China Steel Structure Co., Ltd.	Sing Da Marine Structure Corporation	3	Construction revenue	130,919	Contractual period	-
17	China Steel Structure Co., Ltd.	United Steel Engineering & Construction Corporation	1	Construction revenue	119,847	Contractual period	-
17	China Steel Structure Co., Ltd.	China Steel Corporation	2	Purchases	1,676,857	Letter of credit/Prepaid before shipment date	1
17	China Steel Structure Co., Ltd.	Dragon Steel Corporation	3	Purchases	385,346	Letter of credit	-
18	United Steel Engineering & Construction Corporation	China Steel Corporation	2	Construction revenue	587,192	Contractual period	-
18	United Steel Engineering & Construction Corporation	CHC Resources Corporation	3	Construction revenue	244,387	Contractual period	-
18	United Steel Engineering & Construction Corporation	China Prosperity Development Corporation	3	Construction revenue	216,561	Contractual period	-
18	United Steel Engineering & Construction Corporation	Dragon Steel Corporation	3	Construction revenue	185,662	Contractual period	-
18	United Steel Engineering & Construction Corporation	Sing Da Marine Structure Corporation	3	Construction revenue	102,472	Contractual period	-
19	China Ecotek Corporation	China Steel Corporation	2	Construction revenue	2,142,620	Contractual period	1
19	China Ecotek Corporation	Dragon Steel Corporation	3	Construction revenue	735,990	Contractual period	-
19	China Ecotek Corporation	CSC Solar Corporation	3	Construction revenue	201,426	Contractual period	-
19	China Ecotek Corporation	China Steel Machinery Corporation	3	Purchases	220,472	Contractual period	-

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			% of Total sales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
20	China Steel Security Corporation	China Steel Corporation	2	Service revenue	177,237	By contract terms	-
21	Steel Castle Technology Corporation	China Steel Corporation	2	Service revenue	273,550	By contract terms	-
22	HIMAG Magnetic Corporation	China Steel Corporation	2	Sales	163,490	Receivables were collected within 10 days after shipment date	-
23	China Steel Machinery Corporation	China Steel Corporation	2	Construction revenue	1,750,094	Payment after final acceptance	1
23	China Steel Machinery Corporation	Dragon Steel Corporation	3	Construction revenue	563,838	Payment after final acceptance	-
23	China Steel Machinery Corporation	Sing Da Marine Structure Corporation	3	Construction revenue	254,182	Payment after final acceptance	-
23	China Steel Machinery Corporation	China Steel Corporation	2	Purchases	145,852	Payment after final acceptance	-
24	China Steel and Nippon Steel Vietnam Joint Stock Company	CSGT Metals Vietnam Joint Stock Company	3	Sales	187,210	Accounts receivable, 30 days term	-
24	China Steel and Nippon Steel Vietnam Joint Stock Company	China Steel Corporation	2	Purchases(Note 2)	4,236,218	Receivables were collected within 120 days after shipment date	3
25	China Steel Corporation India Pvt. Ltd.	China Steel Corporation	2	Purchases	602,680	Payment to the bank after the Corporation's shipment date	-
26	Kaohsiung Rapid Transit Corporation	China Steel Corporation	2	Service revenue	108,291	Net 15 days from the end of the month of when invoice is issued	-
27	China Steel Resources Corporation	China Steel Corporation	2	Sales	300,949	Net 60 days from the end of the month of when invoice is issued	-
28	CSC Precision Metal Industrial Corporation	China Steel Corporation	2	Service revenue	107,191	Net 60 days from the end of the month of when invoice is issued	-
29	Sing Da Marine Structure Corporation	China Steel Corporation	2	Purchases	436,749	Payment within 10 days after shipment date	-
29	Sing Da Marine Structure Corporation	China Steel Global Trading Corporation	3	Purchases	173,864	Payment within 30 days after shipment date	-
30	China Steel Precision Metals Kunshan Co., Ltd.	China Steel Corporation	2	Purchases	301,553	Payment within 85 days after shipment date	-

Note 1: The relationships with counterparties are as follows:

- 1) Parent to subsidiaries
- 2) Subsidiaries to parent
- 3) Subsidiaries to subsidiaries

Note 2: Purchase amount includes the Corporation's sales commitment to Dragon Steel Corporation.

## CHINA STEEL CORPORATION AND SUBSIDIARIES

## INFORMATION ON INVESTEEES

FOR THE PERIOD ENDED JUNE 30, 2020

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2020	June 30, 2019	Number of Shares	%	Carrying Amount			
China Steel Corporation	Chung Hung Steel Corporation	Republic of China	Manufacture and sale of steel products	5,539,872	5,539,872	582,673,153	41	5,845,658	(488,903)	(199,276)	Subsidiary
China Steel Corporation	China Steel Chemical Corporation	Republic of China	Manufacture of coal chemistry and specialty chemical	334,285	334,285	68,787,183	29	1,850,184	345,439	97,274	Subsidiary
China Steel Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	1,024,194	1,024,194	66,487,844	33	1,275,263	317,321	98,583	Subsidiary
China Steel Corporation	China Ecotek Corporation	Republic of China	Environmental engineering, M&E engineering, and O&M engineering	554,268	554,268	55,393,138	45	1,151,285	73,420	(8,511)	Subsidiary
China Steel Corporation	CHC Resources Corporation	Republic of China	Manufacture and sale of GBFS powder and slag cement, air-cooled BFS and BOFS, surveys and remediation of soil and groundwater, intermediate solidification, reutilization of resources	261,677	261,677	49,289,597	20	916,577	357,400	71,347	Subsidiary
China Steel Corporation	Dragon Steel Corporation	Republic of China	Hot-rolled products, H beams, billets, flat steels	95,779,069	95,779,069	8,612,586,123	100	95,834,421	(2,714,385)	(3,047,521)	Subsidiary
China Steel Corporation	CSC Steel Australia Holdings Pty Ltd	Australia	General investment	17,359,623	17,359,623	594,638	100	19,290,599	407,521	407,521	Subsidiary
China Steel Corporation	China Steel Express Corporation	Republic of China	Shipping services for raw materials	2,504,071	2,504,071	422,545,250	100	12,208,880	549,879	480,805	Subsidiary
China Steel Corporation	C.S.Aluminium Corporation	Republic of China	Production and sale of aluminum and non-ferrous metal products	3,922,801	3,922,801	840,122,049	100	7,541,933	(319,713)	(302,653)	Subsidiary
China Steel Corporation	Gains Investment Corporation	Republic of China	General investment	4,999,940	4,999,940	559,375,112	100	7,072,820	77,313	77,314	Subsidiary
China Steel Corporation	China Prosperity Development Corporation	Republic of China	Real estate development	4,749,938	4,749,938	509,802,912	100	6,791,088	(9,084)	(8,681)	Subsidiary
China Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	Vietnam	Manufacture and sale of steel products	9,651,239	9,651,239	514,304,000	56	6,126,006	(277,078)	(155,164)	Subsidiary
China Steel Corporation	China Steel Asia Pacific Holdings Pte Ltd	Singapore	Holding and investment	6,516,988	6,516,988	191,065,407	100	4,087,181	(46,998)	(47,430)	Subsidiary
China Steel Corporation	Sing Da Marine Structure Corporation	Republic of China	Foundation of offshore wind power	3,421,000	3,421,000	342,100,000	100	3,149,874	66,670	66,689	Subsidiary
China Steel Corporation	China Steel Global Trading Corporation	Republic of China	Buy and sell, and act as an agency for steel products	309,502	309,502	78,827,362	100	2,114,414	127,883	119,156	Subsidiary
China Steel Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass Rapid Transit service	4,031,501	4,031,501	120,799,811	43	1,288,555	(71,227)	(31,108)	Subsidiary
China Steel Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	959,200	959,200	95,920,000	55	1,016,607	86,562	47,962	Subsidiary
China Steel Corporation	China Steel Resources Corporation	Republic of China	Other non-metallic mineral products manufacturing	981,120	981,120	98,112,000	100	991,906	4,918	5,317	Subsidiary
China Steel Corporation	China Steel Machinery Corporation	Republic of China	Manufacture and sale of products for iron and steel equipment, vehicle transportation equipment, power generation and other mechanical equipment	591,748	591,748	100,066,400	74	989,012	132,659	16,657	Subsidiary
China Steel Corporation	InfoChamp Systems Corporation	Republic of China	ERP systems automation control systems service	357,602	357,602	41,465,634	100	726,367	56,780	31,509	Subsidiary
China Steel Corporation	China Steel Security Corporation	Republic of China	On-site security, systematic security	149,940	149,940	25,036,986	100	574,633	47,997	48,242	Subsidiary
China Steel Corporation	China Steel Corporation India Pvt. Ltd.	India	Electrical steel	3,795,159	3,795,159	728,690,560	100	567,167	(437,166)	(437,166)	Subsidiary
China Steel Corporation	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	389,497	389,497	19,183,286	69	383,946	20,712	14,413	Subsidiary
China Steel Corporation	China Steel Power Holding Corporation	Republic of China	General investment	343,230	5,000	34,323,000	51	306,583	(24,071)	(12,276)	Subsidiary
China Steel Corporation	CSC Precision Metal Industrial Corporation	Republic of China	Other non-ferrous metal basic industries	322,500	322,500	32,250,000	100	304,809	5,541	5,541	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2020	June 30, 2019	Number of Shares	%	Carrying Amount			
China Steel Corporation	United Steel International Co., Ltd.	Samoa	Holding and investment	269,141	269,141	12,000,000	80	249,500	2,261	1,809	Subsidiary
China Steel Corporation	China Steel Management Consulting Corporation	Republic of China	Business management and management consulting services	15,144	15,144	999,993	100	16,590	1,892	1,892	Subsidiary
China Steel Corporation	China Steel Power Corporation	Republic of China	Offshore Wind Power Generation	-	-	10	-	-	(24,298)	-	Subsidiary
China Steel Corporation	Taiwan Rolling Stock Co., Ltd.	Republic of China	Manufacture of railway vehicles	970,044	970,044	95,527,811	48	959,255	(19,162)	(9,152)	Associate
China Steel Corporation	Kaohsiung Arena Development Corporation	Republic of China	Development of competitive and leisure sports	450,000	450,000	45,000,000	18	515,784	78,806	14,185	Associate
China Steel Corporation	Eminent II Venture Capital Corporation	Republic of China	General investment	500,000	500,000	50,000,000	46	449,432	62,653	28,977	Associate
China Steel Corporation	Honley Auto. Parts Co., Ltd.	Republic of China	Manufacture of automotive components	590,876	590,876	59,087,570	35	433,347	(155,229)	(54,547)	Associate
China Steel Corporation	Hsin Hsin Cement Enterprise Corporation	Republic of China	Cement manufacturing, nonmetallic mining, cement and concrete mixing manufacturing	320,929	320,929	28,658,729	31	363,066	9,447	4,123	Associate
China Steel Corporation	Dyna Rechi Co., Ltd.	Republic of China	Production and marketing of Brushless DC Motor (BLDCM)	400,000	400,000	40,000,000	23	282,269	(4,343)	(1,018)	Associate
China Steel Corporation	Overseas Investment & Development Corporation	Republic of China	General investment	50,000	50,000	5,000,000	6	53,864	(9,888)	(550)	Associate
China Steel Corporation	TaiAn Technologies Corporation	Republic of China	Bio-Tech consultants and management	7,629	7,629	833,350	17	26,725	11,466	1,911	Associate
Chung Hung Steel Corporation	Transglory Investment Corporation	Republic of China	General investment	2,001,152	2,001,152	297,619,989	41	2,168,027	(7,722)	-	Subsidiary
Chung Hung Steel Corporation	Hung Kao Investment Corporation	Republic of China	General investment	26,000	26,000	2,600,000	100	23,290	(671)	-	Subsidiary
China Steel Chemical Corporation	CHC Resources Corporation	Republic of China	Manufacture and sale of GBFS powder and slag cement, air-cooled BFS and BOFS, surveys and remediation of soil and groundwater, intermediate solidification, reutilization of resources	91,338	91,338	15,019,341	6	298,922	357,400	-	Subsidiary
China Steel Chemical Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	13,675	13,675	600,069	-	13,287	317,321	-	Subsidiary
China Steel Chemical Corporation	Ever Wealthy International Corporation	Republic of China	General investment	300,083	300,083	104,574,982	100	1,177,009	(27,089)	-	Subsidiary
China Steel Chemical Corporation	Transglory Investment Corporation	Republic of China	General investment	450,000	450,000	66,931,030	9	487,554	(7,722)	-	Subsidiary
China Steel Chemical Corporation	Formosa Ha Tinh CSCC (Cayman) International Limited	Cayman Island	International trade and investment	100,320	100,320	10,000,000	50	296,495	395	-	Subsidiary
China Steel Chemical Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	261,600	261,600	26,160,000	15	276,975	86,562	-	Subsidiary
China Steel Chemical Corporation	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	47,950	47,950	2,161,203	8	43,378	20,712	-	Subsidiary
China Steel Chemical Corporation	Ever Glory International Co., Ltd.	Cayman Island	International trading and general investment	39,920	39,920	1,300,000	100	36,546	(2,509)	-	Subsidiary
China Steel Chemical Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	68,839	68,839	2,450,000	5	36,329	(88,227)	-	Subsidiary
China Steel Chemical Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	15,070	15,070	1,196,000	40	24,786	1,799	-	Subsidiary
China Steel Chemical Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	7,000	7,000	700,000	35	11,479	(6)	-	Subsidiary
China Steel Chemical Corporation	Eminent Venture Capital Corporation	Republic of China	General Investment	13,500	22,500	1,350,000	5	7,850	25,929	-	Subsidiary
China Steel Chemical Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	160,000	80,000	16,000,000	9	143,061	54,213	-	Associate
China Steel Chemical Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	16,934	16,934	1,693,440	6	22,095	3,918	-	Associate
China Steel Chemical Corporation	TaiAn Technologies Corporation	Republic of China	Bio-Tech consultants and management	2,295	2,295	249,999	5	8,016	11,466	-	Associate
Ever Wealthy International Corporation	Thintech Materials Technology Co., Ltd.	Republic of China	Sputtering target manufacturing and sales	45,987	45,987	6,119,748	8	94,314	20,411	-	Subsidiary
Ever Wealthy International Corporation	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	33,015	33,015	1,584,731	6	31,800	20,712	-	Subsidiary
Ever Wealthy International Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	8,400	8,400	840,000	35	14,917	1,674	-	Subsidiary
Ever Wealthy International Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	9,000	9,000	900,000	45	14,708	(6)	-	Subsidiary
Ever Wealthy International Corporation	Ding Da Investment Corporation	Republic of China	General investment	10,495	10,495	897,000	30	14,288	2,988	-	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2020	June 30, 2019	Number of Shares	%	Carrying Amount			
China Ecotek Corporation	CEC Development Corporation	Samoa	Holding and investment	494,146	494,146	17,000,000	100	1,016,728	3,677	-	Subsidiary
China Ecotek Corporation	China Steel Machinery Corporation	Republic of China	Manufacture and sale of products for iron and steel equipment, vehicle transportation equipment, power generation and other mechanical equipment	329,174	329,174	35,204,170	26	463,013	132,659	-	Subsidiary
China Ecotek Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	348,800	348,800	34,880,000	20	292,374	86,562	-	Subsidiary
China Ecotek Corporation	China Ecotek Construction Corporation	Republic of China	Engineering service industry	25,000	25,000	2,500,000	100	40,952	13,858	-	Subsidiary
China Ecotek Corporation	CEC International Corporation	Samoa	Holding and investment	30,642	30,642	10,000,000	100	40,839	206	-	Subsidiary
China Ecotek Corporation	Econova Technology Corporation	Republic of China	Environmental engineering, M&E engineering, and O&M engineering	25,000	25,000	2,500,000	100	23,964	(170)	-	Subsidiary
China Ecotek Corporation	Chiun Yu Investment Corporation	Republic of China	General investment	14,233	14,233	1,196,000	40	21,424	790	-	Subsidiary
China Ecotek Corporation	CEC Holding Company Limited	Samoa	Holding and investment	163,779	163,779	14,860,000	100	20,170	(548)	-	Subsidiary
China Ecotek Corporation	Chi-Yi Investment Corporation	Republic of China	General investment	8,000	8,000	800,000	40	13,157	(6)	-	Subsidiary
China Ecotek Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	8,050	8,050	805,000	35	12,980	538	-	Subsidiary
China Ecotek Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	6,000	6,000	600,000	30	9,805	(6)	-	Subsidiary
China Ecotek Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	8,262	8,262	300,000	1	4,431	(88,227)	-	Subsidiary
China Ecotek Corporation	China Ecotek India Private Limited	India	Projects designs, construction and related services	27	27	5,000	-	38	241	-	Subsidiary
China Ecotek Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	100,000	50,000	10,000,000	6	89,365	54,213	-	Associate
China Ecotek Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	2,822	2,822	282,240	1	3,683	3,918	-	Associate
CEC International Corporation	China Ecotek India Private Limited	India	Projects designs, construction and related services	27,070	27,070	4,995,000	100	37,743	241	-	Subsidiary
CEC Development Corporation	China Ecotek Vietnam Company Limited	Vietnam	Projects designs, construction and related services	302,065	302,065	-	100	793,391	22,779	-	Subsidiary
China Steel Structure Co., Ltd.	CHC Resources Corporation	Republic of China	Manufacture and sale of GBFS powder and slag cement, air-cooled BFS and BOFS, surveys and remediation of soil and groundwater, intermediate solidification, reutilization of resources	132,715	132,715	23,182,738	9	461,745	357,400	-	Subsidiary
China Steel Structure Co., Ltd.	United Steel Engineering & Construction Corporation	Republic of China	Construction and management of buildings, roads and railways, and other civil engineering projects	410,000	410,000	74,000,000	100	1,301,614	29,523	-	Subsidiary
China Steel Structure Co., Ltd.	China Steel Structure Investment Pte. Ltd.	Singapore	Holding and investment	134,578	134,578	4,100,000	100	377,419	178,546	-	Subsidiary
China Steel Structure Co., Ltd.	China Steel Structure Holding Co., Ltd.	Samoa	Holding and investment	148,264	148,264	4,400,000	37	218,528	281,930	-	Subsidiary
China Steel Structure Co., Ltd.	Chiun Yu Investment Corporation	Republic of China	General investment	12,453	12,453	1,046,500	35	18,746	790	-	Subsidiary
China Steel Structure Co., Ltd.	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	17,080	17,080	769,829	3	15,457	20,712	-	Subsidiary
China Steel Structure Co., Ltd.	Chi-Yi Investment Corporation	Republic of China	General investment	6,000	6,000	600,000	30	9,868	(6)	-	Subsidiary
China Steel Structure Co., Ltd.	Li-Ching-Long Investment Corporation	Republic of China	General investment	6,000	6,000	600,000	30	9,839	(6)	-	Subsidiary
China Steel Structure Co., Ltd.	Wabo Global Trading Corporation	Republic of China	Buy and sell, and act as an agency for steel products	1,500	1,500	714,000	6	9,224	15,988	-	Subsidiary
China Steel Structure Co., Ltd.	Ascentek Venture Capital Corporation	Republic of China	General investment	12,701	12,701	1,270,080	5	16,554	3,918	-	Associate
China Steel Structure Co., Ltd.	Nikken & CSSC Metal Products Co., Ltd.	Republic of China	Building materials wholesale industry, pollution prevention equipment wholesale industry, etc.	6,750	6,750	675,000	45	4,443	(457)	-	Associate
United Steel Engineering & Construction Corporation	United Steel Investment Pte Ltd	Singapore	Holding and investment	126,806	126,806	4,180,000	100	151,634	2,350	-	Subsidiary
United Steel Engineering & Construction Corporation	China Prosperity Construction Corporation	Republic of China	Real estate development	53,550	53,550	5,355,000	40	61,013	189	-	Subsidiary
United Steel Engineering & Construction Corporation	United Steel Construction (Vietnam) Co., Ltd.	Vietnam	Construction and management of buildings, roads and railways, and other civil engineering projects	33,129	33,129	-	100	55,662	108	-	Subsidiary
United Steel Engineering & Construction Corporation	Shin Mau Investment Corporation	Republic of China	General investment	13,754	13,754	1,196,000	40	20,792	2,623	-	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2020	June 30, 2019	Number of Shares	%	Carrying Amount			
United Steel Engineering & Construction Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass Rapid Transit service	15,433	15,433	1,543,276	1	16,343	(71,227)	-	Subsidiary
United Steel Engineering & Construction Corporation	Kaohsiung Arena Development Corporation	Republic of China	Development of competitive and leisure sports	100,000	100,000	10,000,000	4	114,619	78,806	-	Associate
United Steel Engineering & Construction Corporation	Overseas Investment & Development Corporation	Republic of China	General investment	44,100	44,100	4,410,000	5	47,470	(9,888)	-	Associate
United Steel Engineering & Construction Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	4,234	4,234	423,360	2	5,506	3,918	-	Associate
United Steel Investment Pte Ltd	Chungkang Steel Structure (Cambodia) Co., Ltd.	Cambodia	Building materials manufacturing, construction engineering	96,283	96,283	310	31	100,063	7,155	-	Associate
China Steel Structure Holding Co., Ltd.	China Steel Structure Investment Co., Ltd.	Samoa	Holding and investment	-	397,075	-	-	-	-	-	Subsidiary
China Steel Structure Investment Pte. Ltd.	China Steel Structure Holding Co., Ltd.	Samoa	Holding and investment	248,811	248,811	7,600,000	63	377,403	281,930	-	Subsidiary
CHC Resources Corporation	CHC Resources Vietnam Co., Ltd	Vietnam	Sales of GBFS	647,338	366,557	-	85	609,167	8,677	-	Subsidiary
CHC Resources Corporation	Yu Cheng Lime Corporation	Republic of China	Real estate lease, management of raw materials	126,010	126,010	108,000	90	141,351	1,144	-	Subsidiary
CHC Resources Corporation	Union Steel Development Corporation	Republic of China	Manufacture and sale of iron powder, OEM and sales of refractory, trading, human dispatch	53,345	53,345	4,668,333	93	92,452	23,405	-	Subsidiary
CHC Resources Corporation	Pao Good Industrial Co., Ltd.	Republic of China	Sales of fly ash, manufacture and sales of dry-mix mortar, trading	50,937	50,937	5,408,550	51	80,172	(828)	-	Subsidiary
CHC Resources Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	12,306	12,306	1,046,500	35	21,688	1,799	-	Subsidiary
CHC Resources Corporation	Ding Da Investment Corporation	Republic of China	General investment	12,516	12,516	1,196,000	40	19,051	2,988	-	Subsidiary
CHC Resources Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	9,600	9,600	960,000	40	17,048	1,674	-	Subsidiary
CHC Resources Corporation	Shin Mau Investment Corporation	Republic of China	General investment	10,316	10,316	897,000	30	15,594	2,623	-	Subsidiary
CHC Resources Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	9,200	9,200	920,000	40	14,835	538	-	Subsidiary
CHC Resources Corporation	HIMAG Magnetic Corporation	Republic of China	Production and sale of industrial magnetic, chemical, and iron oxides	10,970	10,970	494,440	2	9,917	20,712	-	Subsidiary
CHC Resources Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	8,254	8,254	300,000	1	4,432	(88,227)	-	Subsidiary
CHC Resources Corporation	Hsin Hsin Cement Enterprise Corporation	Republic of China	Cement manufacturing, nonmetallic mining, cement and concrete mixing manufacturing	73,269	73,269	9,298,583	10	107,416	9,447	-	Associate
CHC Resources Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	30,000	15,000	3,000,000	2	27,376	54,213	-	Associate
CHC Resources Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	8,467	8,467	846,720	3	11,047	3,918	-	Associate
Union Steel Development Corporation	Chung Hung Steel Corporation	Republic of China	Manufacture and sale of steel products	1,522	1,522	106,445	-	1,362	(488,903)	-	Subsidiary
China Steel Security Corporation	Steel Castle Technology Corporation	Republic of China	Firefighting engineering and mechatronic engineering	31,257	31,257	13,000,000	100	285,006	29,120	-	Subsidiary
China Steel Security Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass Rapid Transit service	17,000	17,000	1,700,000	1	18,402	(71,227)	-	Subsidiary
China Steel Security Corporation	China Steel Management And Maintenance For Buildings Corporation	Republic of China	Management and maintenance for buildings	10,000	10,000	1,000,000	100	13,410	820	-	Subsidiary
China Steel Security Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	10,000	10,000	1,000,000	1	9,125	54,213	-	Associate
China Steel Security Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	2,822	2,822	282,240	1	3,682	3,918	-	Associate
China Prosperity Development Corporation	Chateau International Development Co., Ltd.	Republic of China	Development of leisure business	131,921	131,921	22,491,623	20	333,949	(37,526)	-	Associate
China Prosperity Development Corporation	CK Japan Co., Ltd.	Japan	Real estate lease	151,526	151,526	3,840	80	178,948	9,245	-	Subsidiary
China Prosperity Development Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass Rapid Transit service	130,000	130,000	13,000,000	5	138,701	(71,227)	-	Subsidiary
China Prosperity Development Corporation	China Prosperity Construction Corporation	Republic of China	Real estate development	92,105	92,105	8,032,500	60	91,520	189	-	Subsidiary
China Prosperity Development Corporation	Kaohsiung Arena Development Corporation	Republic of China	Development of competitive and leisure sports	175,000	175,000	17,500,000	7	200,485	78,806	-	Associate
China Prosperity Development Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	5,645	5,645	564,480	2	7,572	3,918	-	Associate
HIMAG Magnetic Corporation	MagnPower Corporation	Republic of China	Powder metallurgy	218,000	218,000	21,800,000	55	133,323	(23,505)	-	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2020	June 30, 2019	Number of Shares	%	Carrying Amount			
China Steel Power Holding Corporation	China Steel Power Corporation	Republic of China	Offshore Wind Power Generation	670,800	4,800	67,079,990	100	646,364	(24,298)	-	Subsidiary
CSC Solar Corporation	China Ecotek Corporation	Republic of China	Environmental engineering, M&E engineering, and O&M engineering	48,878	314	1,560,000	1	49,027	73,420	-	Subsidiary
InfoChamp Systems Corporation	Universal Exchange Inc.	Republic of China	Wholesale of computer software, software design services, digital information supply services	60,784	60,784	5,825,030	35	63,632	7,959	-	Subsidiary
InfoChamp Systems Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass Rapid Transit service	40,265	40,265	5,200,319	2	55,892	(71,227)	-	Subsidiary
InfoChamp Systems Corporation	Info-Champ System (B.V.I) Corporation	British Virgin Islands	Holding and investment	6,816	6,816	201,000	100	14,321	1,111	-	Subsidiary
InfoChamp Systems Corporation	Majestic Solid Light Corporation	Republic of China	Manufacture and sale of UV LED	4,500	4,500	450,000	45	-	-	-	Associate
Kaohsiung Rapid Transit Corporation	Taiwan Intelligent Transportation Co., Ltd.	Republic of China	Technical service	26,000	26,000	2,600,000	100	30,794	2,349	-	Subsidiary
China Steel Machinery Corporation	China Steel Machinery Vietnam Co., Ltd.	Vietnam	Machines manufacturing	8,889	8,994	-	100	16,217	2,000	-	Subsidiary
China Steel Machinery Corporation	Overseas Investment & Development Corporation	Republic of China	General investment	95,900	95,900	9,590,000	11	103,271	(9,888)	-	Associate
Dragon Steel Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	98,266	98,266	3,500,000	2	82,113	317,321	-	Subsidiary
Dragon Steel Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	174,400	174,400	17,440,000	10	184,650	86,562	-	Subsidiary
C.S.Aluminium Corporation	ALU Investment Offshore Corporation	British Virgin Islands	Holding and investment	1,063,593	1,063,593	1	100	469,307	(56,986)	-	Subsidiary
C.S.Aluminium Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	16,934	16,934	1,693,440	6	22,095	3,918	-	Associate
ALU Investment Offshore Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	1,063,593	1,063,593	31,650,000	65	469,298	(88,227)	-	Subsidiary
United Steel International Development Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	5,645	5,645	564,480	2	7,365	3,918	-	Associate
China Steel Express Corporation	Transglory Investment Corporation	Republic of China	General investment	2,440,000	2,440,000	362,914,927	50	2,643,922	-	-	Subsidiary
China Steel Express Corporation	CSE Transport Corporation	Panama	Shipping services for raw materials	316	316	10	100	2,521,018	-	-	Subsidiary
China Steel Express Corporation	Kaoport Stevedoring Corporation	Republic of China	Ship cargo loading and unloading industry	35,013	35,013	3,275,000	66	40,628	-	-	Subsidiary
China Steel Express Corporation	CSEI Transport (Panama) Corporation	Panama	Shipping services for raw materials	316	316	10	100	1,512	-	-	Subsidiary
China Steel Express Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	16,934	16,934	1,693,440	6	22,095	-	-	Associate
Transglory Investment Corporation	Winning Investment Corporation	Republic of China	General investment	321,331	321,331	20,700,000	9	178,563	(8,523)	-	Subsidiary
Gains Investment Corporation	Thintech Materials Technology Co., Ltd.	Republic of China	Sputtering target manufacturing and sales	212,912	212,912	23,423,016	32	360,838	20,411	-	Subsidiary
Gains Investment Corporation	Eminence Investment Corporation	Republic of China	General investment	1,600,000	1,600,000	150,000,000	100	1,731,578	2,828	-	Subsidiary
Gains Investment Corporation	Winning Investment Corporation	Republic of China	General investment	989,664	989,664	112,700,000	49	972,179	(8,523)	-	Subsidiary
Gains Investment Corporation	Betacera Inc.	Republic of China	Manufacturing and trading of electronic ceramics	150,165	150,165	20,555,253	48	742,774	148,452	-	Subsidiary
Gains Investment Corporation	Universal Exchange Inc.	Republic of China	Wholesale of computer software, software design services, digital information supply services	170,432	170,432	10,533,713	64	115,928	7,959	-	Subsidiary
Gains Investment Corporation	Eminent Venture Capital Corporation	Republic of China	General Investment	135,000	225,000	13,500,000	50	78,487	25,929	-	Subsidiary
Gains Investment Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	58,784	58,784	1,850,000	4	27,465	(88,227)	-	Subsidiary
Gains Investment Corporation	Mentor Consulting Corporation	Republic of China	Management consulting services	25,909	25,909	1,000,000	100	26,303	5,593	-	Subsidiary
Gains Investment Corporation	Gainsplus Asset Management Inc.	British Virgin Islands	General investment	2,963	2,998	100,000	100	3,444	(109)	-	Subsidiary
Gains Investment Corporation	Fukuta Electric & Machinery Co., Ltd.	Republic of China	Motor manufacturing and selling	525,222	538,688	7,800,395	20	650,042	55,294	-	Associate
Gains Investment Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	400,000	200,000	40,000,000	22	357,652	54,213	-	Associate
Gains Investment Corporation	Honley Auto. Parts Co., Ltd.	Republic of China	Manufacture of automotive components	63,311	63,311	4,525,411	3	55,769	(155,229)	-	Associate
Thintech Materials Technology Co., Ltd.	Thintech Global Limited	Samoa	Holding and investment	205,435	205,435	6,800,000	100	33,977	4,259	-	Subsidiary



Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2020	June 30, 2019	Number of Shares	%	Carrying Amount			
Betacera Inc.	Lefkara Ltd.	British Virgin Islands	Trading of electronic ceramics and life saving products	403,649	408,418	13,623,000	100	1,236,706	42,087	-	Subsidiary
Betacera Inc.	Eminent III Venture Capital Corporation	Republic of China	General investment	50,000	25,000	5,000,000	3	44,707	54,213	-	Associate
Mentor Consulting Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	2,822	2,822	282,240	1	3,682	3,918	-	Associate
Eminence Investment Corporation	Shin Mau Investment Corporation	Republic of China	General investment	9,513	9,513	896,999	30	15,594	2,623	-	Subsidiary
Eminence Investment Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	8,805	8,805	747,499	25	15,491	1,799	-	Subsidiary
Eminence Investment Corporation	Ding Da Investment Corporation	Republic of China	General investment	8,970	8,970	897,000	30	14,288	2,988	-	Subsidiary
Eminence Investment Corporation	Chiun Yu Investment Corporation	Republic of China	General investment	7,475	7,475	747,500	25	13,390	790	-	Subsidiary
Eminence Investment Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	6,262	6,262	600,000	30	9,839	(6)	-	Subsidiary
Eminence Investment Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	5,317	5,317	500,000	21	8,878	1,674	-	Subsidiary
Eminence Investment Corporation	Chi-Yi Investment Corporation	Republic of China	General investment	5,222	5,222	501,000	25	8,240	(6)	-	Subsidiary
Eminence Investment Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	4,762	4,762	476,000	21	7,677	538	-	Subsidiary
Eminence Investment Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	4,173	4,173	400,000	20	6,537	(6)	-	Subsidiary
Eminence Investment Corporation	Fukuta Electric & Machinery Co., Ltd.	Republic of China	Motor manufacturing and selling	13,500	5,940	100,000	-	13,508	55,294	-	Associate
Shin Mau Investment Corporation	CHC Resources Corporation	Republic of China	Manufacture and sale of GBFS powder and slag cement, air-cooled BFS and BOFS, surveys and remediation of soil and groundwater, intermediate solidification, reutilization of resources	5,454	5,454	512,685	-	11,399	357,400	-	Subsidiary
Shin Mau Investment Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	5,619	5,619	341,896	-	8,279	317,321	-	Subsidiary
Shin Mau Investment Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	1,000	1,000	100,000	5	1,634	(6)	-	Subsidiary
Shin Mau Investment Corporation	Chi-Yi Investment Corporation	Republic of China	General investment	990	990	99,000	5	1,628	(6)	-	Subsidiary
Ding Da Investment Corporation	China Steel Chemical Corporation	Republic of China	Manufacture of coal chemistry and specialty chemical	17,404	17,404	474,220	-	14,956	345,439	-	Subsidiary
Ding Da Investment Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	990	990	99,000	4	1,595	538	-	Subsidiary
Ding Da Investment Corporation	Betacera Inc.	Republic of China	Manufacturing and trading of electronic ceramics	25	25	1,000	-	39	148,452	-	Subsidiary
Ding Da Investment Corporation	Universal Exchange Inc.	Republic of China	Wholesale of computer software, software design services, digital information supply services	17	17	1,600	-	19	7,959	-	Subsidiary
Jiing-Cherng-Fa Investment Corporation	China Ecotek Corporation	Republic of China	Environmental engineering, M&E engineering, and O&M engineering	7,874	7,874	302,052	-	7,220	73,420	-	Subsidiary
Gau Ruei Investment Corporation	China Steel Chemical Corporation	Republic of China	Manufacture of coal chemistry and specialty chemical	17,584	17,584	474,220	-	14,956	345,439	-	Subsidiary
Gau Ruei Investment Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	1,000	1,000	100,000	4	1,777	1,674	-	Subsidiary
Gau Ruei Investment Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	1,000	1,000	100,000	5	1,640	(6)	-	Subsidiary
Sheng Lih Dar Investment Corporation	CHC Resources Corporation	Republic of China	Manufacture and sale of GBFS powder and slag cement, air-cooled BFS and BOFS, surveys and remediation of soil and groundwater, intermediate solidification, reutilization of resources	5,678	5,678	512,535	-	11,399	357,400	-	Subsidiary
Chiun Yu Investment Corporation	China Ecotek Corporation	Republic of China	Environmental engineering, M&E engineering, and O&M engineering	5,764	5,764	275,469	-	6,618	73,420	-	Subsidiary
Chiun Yu Investment Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of products of steel structure	3,559	3,559	275,896	-	6,439	317,321	-	Subsidiary
China Steel Global Trading Corporation	CSGT International Corporation	Samoa	Holding and investment	631,983	631,983	20,740,000	100	927,533	9,349	-	Subsidiary
China Steel Global Trading Corporation	Chung Mao Trading (Samoa) Corporation	Samoa	Holding and investment	212,822	212,822	11,800,000	100	594,440	12,978	-	Subsidiary
China Steel Global Trading Corporation	CSGT (Singapore) Pte. Ltd.	Singapore	Buy and sell, and act as an agency for steel products	22,600	22,600	6,100,000	100	346,889	(12,142)	-	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2020	June 30, 2019	Number of Shares	%	Carrying Amount			
China Steel Global Trading Corporation	Wabo Global Trading Corporation	Republic of China	Buy and sell, and act as an agency for steel products	11,000	11,000	5,236,000	44	67,641	15,988	-	Subsidiary
China Steel Global Trading Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	69,232	69,232	2,220,000	5	32,919	(88,227)	-	Subsidiary
China Steel Global Trading Corporation	Chung Mao Trading (BVI) Corporation	British Virgin Islands	Holding and investment	18,741	18,741	326,300	65	26,988	5,568	-	Subsidiary
China Steel Global Trading Corporation	CSGT Trading India Private Limited	India	Buy and sell, and act as an agency for steel products	240	240	48,000	1	180	2,801	-	Subsidiary
China Steel Global Trading Corporation	Honley Auto. Parts Co., Ltd.	Republic of China	Manufacture of automotive components	63,311	63,311	4,525,411	3	57,115	(155,229)	-	Associate
China Steel Global Trading Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	5,645	5,645	564,480	2	7,362	3,918	-	Associate
Wabo Global Trading Corporation	CK Japan Co., Ltd.	Japan	Real estate lease	37,488	37,488	960	20	44,737	9,245	-	Subsidiary
Wabo Global Trading Corporation	CSGT Japan Co., Ltd.	Japan	Buy and sell, and act as an agency for steel products	10,160	10,160	800	100	22,684	2,810	-	Subsidiary
Chung Mao Trading (Samoa) Corporation	United Steel International Co., Ltd.	Samoa	Holding and investment	83,097	84,079	3,000,000	20	62,375	2,261	-	Subsidiary
Chung Mao Trading (BVI) Corporation	CSGT Hong Kong Limited	Hong Kong	Buy and sell, and act as an agency for steel products	3,805	3,850	1,000,000	100	31,863	6,149	-	Subsidiary
CSGT International Corporation	CSGT Metals Vietnam Joint Stock Company	Vietnam	Cutting and processing of steel products	220,883	223,492	11,950,830	54	298,091	28,406	-	Subsidiary
CSGT International Corporation	CSGT Trading India Private Limited	India	Buy and sell, and act as an agency for steel products	23,041	23,313	4,752,000	99	17,814	2,800	-	Subsidiary
CSGT International Corporation	TSK Steel Company Limited	Thailand	Steel coil processing and distributing	85,574	86,585	408,000	34	201,686	(40,618)	-	Associate
CSGT International Corporation	Mahindra Auto Steel Private Limited	India	Cutting and processing of steel products	81,720	82,685	16,782,500	25	90,771	2,639	-	Associate
CSGT International Corporation	Hanwa Steel Centre (M) Sdn. Bhd.	Malaysia	Manufacture and sale of steel products	55,895	56,556	5,600,000	14	-	-	-	Associate
CSGT (Singapore) Pte. Ltd.	CSCD Limited	Cyprus	International trade and investment	108,368	113,674	1,876,795	49	272,296	(54,623)	-	Associate
CSC Steel Australia Holdings Pty Ltd	CSC Sonoma Pty Ltd	Australia	Investments in mining industry	334,307	345,322	16,440,001	100	190,404	19,733	-	Subsidiary
CSC Steel Australia Holdings Pty Ltd	9404-5515 Quebec Inc.	Canada	Investments in mining industry	5,368,924	5,545,820	270,122,727	25	7,974,273	1,510,809	-	Associate
China Steel Asia Pacific Holdings Pte Ltd	CSC Steel Holdings Berhad	Malaysia	General investment	1,073,685	1,086,368	171,000,000	46	2,444,148	17,042	-	Subsidiary
CSC Steel Holdings Berhad	CSC Steel Sdn. Bhd.	Malaysia	Manufacture and sale of steel products	2,891,351	3,071,965	359,000,000	100	5,146,966	16,040	-	Subsidiary
CSC Steel Holdings Berhad	CSGT Metals Vietnam Joint Stock Company	Vietnam	Cutting and processing of steel products	18,336	19,482	1,328,940	6	33,148	28,432	-	Subsidiary
CSC Steel Holdings Berhad	Group Steel Corporation (M) Sdn. Bhd.	Malaysia	General investment	492,048	522,784	1,000,000	100	17,970	259	-	Subsidiary
CSC Steel Holdings Berhad	Hanwa Steel Centre (M) Sdn. Bhd.	Malaysia	Manufacture and sale of steel products	54,436	57,836	8,000,000	20	-	-	-	Associate
CSC Steel Sdn. Bhd.	Constant Mode Sdn. Bhd.	Malaysia	General investment	4,965	5,275	750,000	100	6,333	102	-	Subsidiary

**TABLE 10**

**CHINA STEEL CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE PERIOD ENDED JUNE 30, 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2020 (Note 1)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2020	Accumulated Repatriation of Investment Income as of June 30, 2020	Note
					Outward	Inward							
Betacera (Su Zhou) Co., Ltd.	Manufacturing and trading of electronic ceramics	130,372	2	130,372	-	-	130,372	10,395	100	10,395	433,808	-	Note3 (1)
CSGT (Shanghai) Co., Ltd.	Buy and sell, and act as an agency for steel products	17,778	2	17,778	-	-	17,778	1,658	100	1,658	34,343	39,892	Note3 (1)
Chung-Kang Steel Structure (Kunshan) Co., Ltd.	Manufacture and sale of products of steel structure	355,560	2	355,560	-	355,560	-	(4,170)	-	(4,170)	-	-	Note3 (1)
Changzhou China Steel Precision Materials Co., Ltd.	Production and sale of titanium and titanium alloys, nickel and nickel alloys	1,291,868	2	904,308	-	-	904,308	(50,085)	70	(35,060)	815,216	-	Note3 (1)
China Steel Precision Metals Qingdao Co., Ltd.	Cutting and processing of steel products	592,600	2	414,820	-	-	414,820	4,074	70	2,851	424,433	-	Note3 (1)
Changzhou China Steel New Materials Technology Co., Ltd.	Mesophase sales and trading	167,430	1	192,773	-	-	192,773	(15,261)	100	(15,261)	143,034	-	Note3 (1)
HC&C Auto Parts Co., Ltd.	Manufacture of automotive components	1,185,200	2	118,520	-	-	118,520	(9,110)	10	(911)	108,192	-	Note3 (1)
Wuhan HUADET Environmental Protection Engineering & Technology Co., Ltd.	Consulting services of construction technology	118,520	2	13,334	-	-	13,334	(58,219)	30	(17,466)	51,134	-	Note3 (1), Note5
Ningbo Huayang Aluminium-Tech Co., Ltd.	Production of aluminum products	1,451,870	2	1,148,757	-	-	1,148,757	(88,202)	79	(69,786)	566,936	93,743	Note3 (1)
Suzhou Betacera Technology Co., Ltd.	Manufacturing and trading of aeronautical or marine life saving products	444,450	2	444,450	-	-	444,450	8,045	100	8,045	541,439	-	Note3 (1)
Shanghai Xike Ceramic Electronic Co., Ltd.	Manufacturing and trading of electronic ceramics	35,556	2	35,378	-	-	35,378	3,768	100	3,749	115,116	-	Note3 (1)
Taicang Thintech Materials Co., Ltd.	Sputtering target manufacturing and sales	201,484	2	201,484	-	-	201,484	4,259	100	4,259	33,977	-	Note3 (1)
China Steel Precision Metals Kunshan Co., Ltd.	Cutting and processing of steel products	444,450	2	475,858	-	-	475,858	2,261	100	2,261	311,851	-	Note3 (1)
Wuhan InfoChamp I.T. Co., Ltd.	Enterprise information system integration services	5,926	2	5,926	-	-	5,926	1,314	100	1,314	14,193	55,453	Note3 (1)
Xiamen Ecotek PRC Company Limited	Sales agency for import and export of equipment and materials	177,780	2	177,780	-	-	177,780	(1,007)	100	(1,007)	165,709	-	Note3 (1)

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2020 (Note 1)	Investment Amount Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 4)
China Steel Corporation	1,759,074	1,759,074	-
China Steel Chemical Corporation	265,367	265,367	3,607,676
China Steel Structure Co., Ltd.	-	355,560	2,658,478
China Ecotek Corporation	200,003	550,122	1,721,545
C.S. Aluminium Corporation	937,790	937,790	4,762,398
Gains Investment Corporation	54,816	54,816	4,016,795
Thintech Materials Technology Co., Ltd.	201,484	201,484	679,331
Betacera Inc.	610,200	610,200	936,363
China Steel Global Trading Corporation	237,989	237,989	-
Infochamp Systems Corporation	5,926	5,926	465,185
CHC Resources Corporation	8,889	8,889	2,969,424

Note 1: The amounts were calculated based on the foreign exchange rate as of June 30, 2020.

Note 2: Methods of investment are classified as below:

1) Direct investment.

2) Investments through a holding company registered in a third region.

Note 3: The basis for recognition of investment income (loss) is based on the following:

1) From the financial statements reviewed and attested by R.O.C. parent company's CPA.

2) From the investee company, which had not been audited and attested by independent accountants.

Note 4: As the Corporation has obtained the certificate of qualified for operating headquarters issued by the Industrial Development Bureau, MOEA, the limit on investment in Mainland China pursuant to "Principle of investment or Technical Cooperation in Mainland China" is not applicable, while other companies, investments shall not exceed 60% of their net worth.

Note 5: Capital increase of USD750 thousand was derived from retained earnings in the third quarter of 2013.

**CHINA STEEL CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS  
JUNE 30, 2020**

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<b>Name of The Shareholder</b>	<b>Shares</b>	
	<b>Number of Shares Owned</b>	<b>Percentage of Ownership</b>
The Ministry of Economic Affairs, R.O.C.	3,154,709,357	20%

## CHINA STEEL CORPORATION AND SUBSIDIARIES

**MOVEMENT OF PROPERTY, PLANT AND EQUIPMENT  
FOR THE PERIOD ENDED JUNE 30, 2020 AND 2019**  
(Amounts in Thousands of New Taiwan Dollars)

For the six months ended June 30, 2020

	Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Spare Parts	Construction in Progress and Equipment to be Inspected	Total
<b>Cost</b>									
Balance at January 1, 2020	\$ 67,949,134	\$ 5,126,619	\$ 129,228,877	\$ 646,085,943	\$ 32,226,430	\$ 18,070,491	\$ 10,766,799	\$ 21,932,824	\$ 931,387,117
Additions	-	11,696	666,094	4,375,998	5,883,269	491,569	610,245	1,289,610	13,328,481
Disposals	-	-	(8,919)	(1,527,447)	(1,287,784)	(155,274)	(735,137)	-	(3,714,561)
Reclassification	(3,525)	-	55,595	(98,128)	-	34,046	(20,928)	-	(32,940)
Disposal of subsidiaries	-	-	(314,755)	-	-	(810)	-	-	(315,565)
Effect of foreign currency exchange differences	(1,829)	(6,824)	(235,663)	(754,070)	(103,384)	(32,236)	-	(11,773)	(1,145,779)
Balance at June 30, 2020	<u>\$ 67,943,780</u>	<u>\$ 5,131,491</u>	<u>\$ 129,391,229</u>	<u>\$ 648,082,296</u>	<u>\$ 36,718,531</u>	<u>\$ 18,407,786</u>	<u>\$ 10,620,979</u>	<u>\$ 23,210,661</u>	<u>\$ 939,506,753</u>
<b>Accumulated depreciation and impairment</b>									
Balance at January 1, 2020	\$ 6,370	\$ 4,754,603	\$ 56,096,408	\$ 447,614,626	\$ 13,373,632	\$ 14,808,363	\$ 4,669,812	\$ -	\$ 541,323,814
Depreciation	-	24,729	1,921,925	12,035,976	989,340	562,052	639,042	-	16,173,064
Disposals	-	-	(8,126)	(1,465,307)	(1,267,142)	(154,720)	(735,137)	-	(3,630,432)
Reclassification	-	-	30,290	(45,819)	-	10,262	-	-	(5,267)
Disposal of subsidiaries	-	-	(159,722)	-	-	(810)	-	-	(160,532)
Effect of foreign currency exchange differences	-	(3,059)	(76,801)	(351,035)	(65,484)	(26,761)	-	-	(523,140)
Balance at June 30, 2020	<u>\$ 6,370</u>	<u>\$ 4,776,273</u>	<u>\$ 57,803,974</u>	<u>\$ 457,788,441</u>	<u>\$ 13,030,346</u>	<u>\$ 15,198,386</u>	<u>\$ 4,573,717</u>	<u>\$ -</u>	<u>\$ 553,177,507</u>
Carrying amount at December 31, 2019	<u>\$ 67,942,764</u>	<u>\$ 372,016</u>	<u>\$ 73,132,469</u>	<u>\$ 198,471,317</u>	<u>\$ 18,852,798</u>	<u>\$ 3,262,128</u>	<u>\$ 6,096,987</u>	<u>\$ 21,932,824</u>	<u>\$ 390,063,303</u>
Carrying amount at June 30, 2020	<u>\$ 67,937,410</u>	<u>\$ 355,218</u>	<u>\$ 71,587,255</u>	<u>\$ 190,293,855</u>	<u>\$ 23,688,185</u>	<u>\$ 3,209,400</u>	<u>\$ 6,047,262</u>	<u>\$ 23,210,661</u>	<u>\$ 386,329,246</u>

For the six months ended June 30, 2019

	Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Spare Parts	Rental Assets	Construction in Progress and Equipment to be Inspected	Total
<u>Cost</u>										
Balance at January 1, 2019	\$ 68,051,676	\$ 5,070,779	\$ 125,285,948	\$ 639,144,466	\$ 26,549,694	\$ 17,650,303	\$ 10,238,637	\$ 323,003	\$ 18,581,794	\$ 910,896,300
Adjustments on initial application of IFRS 16	-	-	-	-	-	-	-	(323,003)	-	(323,003)
Balance at January 1, 2019, as restated	68,051,676	5,070,779	125,285,948	639,144,466	26,549,694	17,650,303	10,238,637	-	18,581,794	910,573,297
Additions	79,933	44,232	2,591,102	6,995,029	1,529,884	574,626	862,255	-	(740,353)	11,936,708
Disposals	(45,127)	-	(24,342)	(1,581,623)	(67,111)	(257,840)	(617,045)	-	-	(2,593,088)
Reclassification	(136,776)	-	500,203	(525,365)	2,944	(1,449)	(3,687)	-	-	(164,130)
Disposal of subsidiaries	-	-	(83,107)	(24,432)	-	(10,236)	-	-	-	(117,775)
Effect of foreign currency exchange differences	1,631	2,614	108,961	377,011	94,309	13,465	-	-	837	598,828
Balance at June 30, 2019	<u>\$ 67,951,337</u>	<u>\$ 5,117,625</u>	<u>\$ 128,378,765</u>	<u>\$ 644,385,086</u>	<u>\$ 28,109,720</u>	<u>\$ 17,968,869</u>	<u>\$ 10,480,160</u>	<u>\$ -</u>	<u>\$ 17,842,278</u>	<u>\$ 920,233,840</u>
<u>Accumulated depreciation and impairment</u>										
Balance at January 1, 2019	\$ 25,546	\$ 4,697,736	\$ 52,172,169	\$ 424,512,529	\$ 11,945,801	\$ 14,212,434	\$ 4,552,853	\$ 43,548	\$ -	\$ 512,162,616
Adjustments on initial application of IFRS 16	-	-	-	-	-	-	-	(43,548)	-	(43,548)
Balance at January 1, 2019, as restated	25,546	4,697,736	52,172,169	424,512,529	11,945,801	14,212,434	4,552,853	-	-	512,119,068
Depreciation	-	34,466	1,990,284	13,688,688	784,714	559,421	684,426	-	-	17,741,999
Disposals	(19,176)	-	(16,212)	(1,520,190)	(65,941)	(243,679)	(611,555)	-	-	(2,476,753)
Reversal of impairment	-	-	-	(5,310)	-	(2,220)	-	-	-	(7,530)
Reclassification	-	-	110,041	(116,299)	2,917	(1,022)	-	-	-	(4,363)
Disposal of subsidiaries	-	-	(20,400)	(15,371)	-	(9,282)	-	-	-	(45,053)
Effect of foreign currency exchange differences	-	874	26,625	137,154	38,252	10,751	-	-	-	213,656
Balance at June 30, 2019	<u>\$ 6,370</u>	<u>\$ 4,733,076</u>	<u>\$ 54,262,507</u>	<u>\$ 436,681,201</u>	<u>\$ 12,705,743</u>	<u>\$ 14,526,403</u>	<u>\$ 4,625,724</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 527,541,024</u>
Carrying amount at June 30, 2019	<u>\$ 67,944,967</u>	<u>\$ 384,549</u>	<u>\$ 74,116,258</u>	<u>\$ 207,703,885</u>	<u>\$ 15,403,977</u>	<u>\$ 3,442,466</u>	<u>\$ 5,854,436</u>	<u>\$ -</u>	<u>\$ 17,842,278</u>	<u>\$ 392,692,816</u>