

# **China Steel Corporation**

**Standalone Financial Statements for the  
Years Ended December 31, 2020 and 2019 and  
Independent Auditors' Report**

## INDEPENDENT AUDITORS' REPORT

China Steel Corporation

### Opinion

We have audited the accompanying standalone financial statements of China Steel Corporation (the Corporation), which comprise the standalone balance sheets as of December 31, 2020 and 2019, and the standalone statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the standalone financial statements, including a summary of significant accounting policies (collectively referred to as the standalone financial statements).

In our opinion, the accompanying standalone financial statements present fairly, in all material respects, the standalone financial position of the Corporation as of December 31, 2020 and 2019, and its standalone financial performance and its standalone cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Corporation's standalone financial statements for the year ended December 31, 2020 are stated as follows:

#### Inventory Valuation

As of December 31, 2020, inventories of the Corporation amounted to NT\$39,537,983 thousand, representing 9% of the Corporation's total assets. Due to the drastic fluctuations in the prices of raw materials and finished goods in the steel industry, inventory valuation, which involved critical accounting estimates, is deemed to be a key audit matter. Refer to Notes 4, 5 and 11 to the Corporation's standalone financial statements for the related accounting policies and disclosures on inventory valuation.

The audit procedures we performed included the following:

1. We evaluated the appropriateness of the approach applied to the inventory valuation.
2. We verified the completeness of inventory included in inventory valuation.
3. We tested the net realizable value of inventory items on a sample basis and evaluated the underlying assumptions and supporting documents, re-performed and calculated the appropriateness of net realizable value and the value written-off.

#### Recognition of Revenue from Sale of Goods of Steel Department

The Corporation manufactures and sells steel products and engages in mechanical, communications, and electrical engineering. Revenue from sale of goods of steel department represented over 90% of the total operating revenue. Because revenue recognition is presumed to be significant risk, it subjects to fluctuation in terms of market demand, and it is also the financial factor that financial report users focused on, revenue recognition is deemed to be a key audit matter. Refer to Notes 4 and 23 to the Corporation's standalone financial statements for the related accounting policies and disclosures on sales revenue.

The audit procedures we performed included the following:

1. We understood the design and implementation regarding approval of sales order, shipping and cash collecting process of the Corporation's steel department.
2. We evaluated the appropriateness of sales amount and nature by analyzing sales quantities, unit price, sales to major customers and sales of major goods based on two-year comparative information.
3. We tested details on the above-mentioned specific goods and customers on a sample basis, including confirming customer information, testing shipping documents or bill of lading and cash collection to confirm the existence of sales revenue.
4. We obtained subsequent details of the above-mentioned specific customers and tested whether there is any unusual sales returns and allowances on a sample basis to confirm the appropriateness of accounting treatment and presentation.

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

Management is responsible for the preparation and fair presentation of the standalone financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of the Corporation's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee or supervisors, are responsible for overseeing the Corporation's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the standalone financial statements. We are responsible for the direction, supervision, and performance of the Corporation audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would

reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 26, 2021

Notice to Readers

*The accompanying standalone financial statements are intended only to present the standalone 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 audit such standalone financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying standalone 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' report and standalone financial statements shall prevail.*

# CHINA STEEL CORPORATION

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

ASSETS	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,769,860	-	\$ 4,659,190	1
Financial assets at fair value through profit or loss-current (Notes 4 and 7)	-	-	826,071	-
Financial assets for hedging - current (Notes 4, 9 and 28)	514,119	-	686,940	-
Contract assets - current (Notes 4 and 23)	475,313	-	37,687	-
Notes receivable (Notes 4 and 10)	430,648	-	424,724	-
Notes receivable - related parties (Notes 4, 10 and 29)	111,592	-	187,424	-
Accounts receivable, net (Notes 4 and 10)	2,688,128	1	2,017,984	1
Accounts receivable - related parties (Notes 4, 10 and 29)	2,054,455	1	1,010,906	-
Other receivables	1,203,455	-	1,032,050	-
Other receivables - loans to related parties (Note 29)	5,694,000	1	9,270,000	2
Current tax assets	305,386	-	-	-
Inventories (Notes 4, 5 and 11)	39,537,983	9	55,940,988	12
Other financial assets - current (Notes 13 and 30)	6,027,185	2	5,950,006	2
Other current assets	764,085	-	755,316	-
Total current assets	61,576,209	14	82,799,286	18
<b>NONCURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 7)	843,818	-	825,824	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 5 and 8)	38,226,656	9	40,960,721	9
Financial assets for hedging - noncurrent (Notes 4, 9 and 28)	1,852	-	145	-
Investments accounted for using the equity method (Notes 4 and 12)	181,301,445	41	181,884,058	39
Property, plant and equipment (Notes 4, 14 and 29)	148,160,443	33	146,141,153	31
Right-of-use assets (Notes 4 and 15)	1,269,862	-	1,409,621	-
Investment properties (Notes 4 and 16)	7,431,253	2	7,441,922	2
Intangible assets	14,934	-	24,890	-
Deferred tax assets (Notes 4 and 25)	3,836,367	1	4,485,947	1
Refundable deposits	245,565	-	105,619	-
Other financial assets - noncurrent (Note 13)	10,003	-	2	-
Total noncurrent assets	381,342,198	86	383,279,902	82
<b>TOTAL</b>	<b>\$ 442,918,407</b>	<b>100</b>	<b>\$ 466,079,188</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings and bank overdraft (Notes 17, 29 and 30)	\$ 10,685,874	2	\$ 20,143,975	4
Short-term bills payable (Note 17)	3,999,092	1	13,990,638	3
Financial liabilities for hedging - current (Notes 4, 9 and 28)	1,660,353	-	20,396	-
Contract liabilities - current (Notes 4 and 23)	1,200,242	-	1,101,096	-
Accounts payable	4,141,140	1	4,966,533	1
Accounts payable - related parties (Note 29)	1,066,985	-	1,446,124	-
Other payables (Notes 19 and 29)	15,730,689	4	13,963,546	3
Current tax liabilities (Note 25)	732	-	462,797	-
Provisions - current (Notes 4 and 20)	4,287,992	1	2,511,033	1
Lease liabilities - current (Notes 4 and 15)	286,135	-	328,823	-
Current portion of bonds payable (Note 18)	10,949,351	3	6,599,642	2
Refund liabilities - current	1,914,682	1	2,054,213	1
Other current liabilities	508,689	-	826,293	-
Total current liabilities	56,431,956	13	68,415,109	15
<b>NONCURRENT LIABILITIES</b>				
Financial liabilities for hedging - noncurrent (Notes 4, 9 and 28)	338,545	-	4,635,224	1
Bonds payable (Note 18)	60,569,113	13	65,713,769	14
Long-term bank borrowings (Note 17)	7,000,000	2	4,000,000	1
Long-term bills payable (Note 17)	6,897,508	2	1,998,687	-
Deferred tax liabilities (Notes 4 and 25)	10,605,707	2	10,673,748	2
Lease liabilities - noncurrent (Notes 4 and 15)	986,584	-	1,084,022	-
Net defined benefit liabilities (Note 21)	6,790,049	2	7,000,096	2
Total noncurrent liabilities	93,187,506	21	95,105,546	20
Total liabilities	149,619,462	34	163,520,655	35
<b>EQUITY (Notes 4 and 22)</b>				
Share capital				
Ordinary shares	157,348,610	36	157,348,610	34
Preference shares	382,680	-	382,680	-
Total share capital	157,731,290	36	157,731,290	34
Capital surplus	39,077,456	9	38,877,269	8
Retained earnings				
Legal reserve	66,532,412	15	65,674,189	14
Special reserve	27,912,065	6	27,803,906	6
Unappropriated earnings	13,897,589	3	21,998,036	5
Total retained earnings	108,342,066	24	115,476,131	25
Other equity	(3,187,669)	(1)	(861,959)	-
Treasury shares	(8,664,198)	(2)	(8,664,198)	(2)
Total equity	293,298,945	66	302,558,533	65
<b>TOTAL</b>	<b>\$ 442,918,407</b>	<b>100</b>	<b>\$ 466,079,188</b>	<b>100</b>

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

# CHINA STEEL CORPORATION

## STANDALONE STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 29)	\$ 183,841,526	100	\$ 207,297,533	100
OPERATING COSTS (Notes 11 and 29)	<u>175,614,789</u>	<u>96</u>	<u>194,591,389</u>	<u>94</u>
GROSS PROFIT	8,226,737	4	12,706,144	6
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>(139,358)</u>	<u>-</u>	<u>138,254</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>8,087,379</u>	<u>4</u>	<u>12,844,398</u>	<u>6</u>
OPERATING EXPENSES				
Selling and marketing expenses	2,613,343	1	2,904,573	1
General and administrative expenses	2,995,856	2	3,451,922	2
Research and development expenses	<u>1,880,953</u>	<u>1</u>	<u>1,901,002</u>	<u>1</u>
Total operating expenses	<u>7,490,152</u>	<u>4</u>	<u>8,257,497</u>	<u>4</u>
PROFIT FROM OPERATIONS	<u>597,227</u>	<u>-</u>	<u>4,586,901</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 24 and 29)	102,760	-	194,172	-
Other income (Notes 24 and 29)	1,907,955	1	1,787,129	1
Other gains and losses (Notes 24 and 29)	(21,342)	-	(11,675)	-
Finance costs (Notes 24 and 29)	(1,092,967)	(1)	(1,336,991)	-
Share of profit or loss of subsidiaries and associates	<u>(486,257)</u>	<u>-</u>	<u>4,815,572</u>	<u>2</u>
Total non-operating income and expenses	<u>410,149</u>	<u>-</u>	<u>5,448,207</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	1,007,376	-	10,035,108	5
INCOME TAX EXPENSE (Notes 4 and 25)	<u>121,511</u>	<u>-</u>	<u>1,225,553</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>885,865</u>	<u>-</u>	<u>8,809,555</u>	<u>4</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 22 and 25)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	(56,273)	-	(172,267)	-

(Continued)

# CHINA STEEL CORPORATION

## STANDALONE STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31			
	2020		2019	
	Amount	%	Amount	%
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	\$ (2,734,065)	(2)	\$ (5,888,537)	(3)
Gains and losses on hedging instruments	33,837	-	(70,861)	-
Share of the other comprehensive income of subsidiaries and associates	1,022,991	1	3,319,480	2
Income tax benefit relating to items that will not be reclassified subsequently to profit or loss	4,258	-	50,304	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	(474,314)	-	(733,134)	(1)
Gains and losses on hedging instruments	(5,269)	-	(3,417)	-
Share of the other comprehensive income of subsidiaries and associates	<u>(215,800)</u>	<u>-</u>	<u>(186,078)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(2,424,635)</u>	<u>(1)</u>	<u>(3,684,510)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ (1,538,770)</u>	<u>(1)</u>	<u>\$ 5,125,045</u>	<u>2</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 0.05</u>		<u>\$ 0.57</u>	
Diluted	<u>\$ 0.05</u>		<u>\$ 0.57</u>	

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

(Concluded)



# CHINA STEEL CORPORATION

## STANDALONE STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Share Capital		Capital Surplus	Retained Earnings			Other Equity					
	Ordinary Shares	Preference Shares		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Gains and Losses on Hedging Instruments	Total Other Equity	Treasury Shares	Total Equity
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
Appropriation of 2018 earnings (Note 22)												
Legal reserve	-	-	-	2,445,415	-	(2,445,415)	-	-	-	-	-	-
Special reserve	-	-	-	-	154,480	(154,480)	-	-	-	-	-	-
Cash dividends to ordinary shareholders - NT\$1.0 per share	-	-	-	-	-	(15,734,861)	-	-	-	-	-	(15,734,861)
Cash dividends to preference shareholders - NT\$1.4 per share	-	-	-	-	-	(53,575)	-	-	-	-	-	(53,575)
Reversal of special reserve	-	-	-	-	(62)	62	-	-	-	-	-	-
Net profit for the year ended December 31, 2019	-	-	-	-	-	8,809,555	-	-	-	-	-	8,809,555
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	(242,632)	(919,212)	(2,271,323)	(251,343)	(3,441,878)	-	(3,684,510)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	8,566,923	(919,212)	(2,271,323)	(251,343)	(3,441,878)	-	5,125,045
Purchase of the Corporation's shares by subsidiaries	-	-	-	-	-	-	-	-	-	-	(17,498)	(17,498)
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	320,031	-	-	-	-	-	-	-	-	320,031
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	15,248	-	(15,248)	-	(15,248)	-	-
Adjustment from changes in equity of subsidiaries and associates	-	-	11,354	-	-	-	-	-	-	-	-	11,354
BALANCE AT DECEMBER 31, 2019	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
Appropriation of 2019 earnings (Note 22)												
Legal reserve	-	-	-	858,223	-	(858,223)	-	-	-	-	-	-
Special reserve	-	-	-	-	110,524	(110,524)	-	-	-	-	-	-
Cash dividends to ordinary shareholders - NT\$0.5 per share	-	-	-	-	-	(7,867,430)	-	-	-	-	-	(7,867,430)
Cash dividends to preference shareholders - NT\$1.4 per share	-	-	-	-	-	(53,575)	-	-	-	-	-	(53,575)
Reversal of special reserve	-	-	-	-	(2,365)	2,365	-	-	-	-	-	-
Net profit for the year ended December 31, 2020	-	-	-	-	-	885,865	-	-	-	-	-	885,865
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(134,429)	(690,114)	(1,545,421)	(54,671)	(2,290,206)	-	(2,424,635)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	751,436	(690,114)	(1,545,421)	(54,671)	(2,290,206)	-	(1,538,770)
Purchase of the Corporation's shares by subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,780)	(1,780)
Disposal of the Corporation's shares held by subsidiaries	-	-	271	-	-	-	-	-	-	-	1,780	2,051
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	160,443	-	-	-	-	-	-	-	-	160,443
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	35,504	-	(35,504)	-	(35,504)	-	-
Adjustment from changes in equity of subsidiaries and associates	-	-	39,473	-	-	-	-	-	-	-	-	39,473
BALANCE AT DECEMBER 31, 2020	\$ 157,348,610	\$ 382,680	\$ 39,077,456	\$ 66,532,412	\$ 27,912,065	\$ 13,897,589	\$ (7,528,950)	\$ 543,417	\$ 3,797,864	\$ (3,187,669)	\$ (8,664,198)	\$ 293,298,945

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

# CHINA STEEL CORPORATION

## STANDALONE STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	\$ 1,007,376	\$ 10,035,108
Adjustments for:		
Depreciation expense	15,249,956	17,429,485
Amortization expense	9,956	9,957
Net gain on financial assets at fair value through profit or loss	(117,861)	(14,534)
Finance costs	1,092,967	1,336,991
Interest income	(102,760)	(194,172)
Dividend income	(478,481)	(536,241)
Share of loss (profit) of subsidiaries and associates	486,257	(4,815,572)
Loss on disposal of property, plant and equipment	3,107	7,148
Write-down (reversal) of inventories	(2,394,332)	1,623,585
Unrealized (realized) gain on the transactions with subsidiaries and associates	139,358	(138,254)
Recognition (reversal) of provisions	1,776,959	(2,422,720)
Others	(120,851)	(168,035)
Changes in operating assets and liabilities		
Financial assets for hedging	208,759	63,422
Contract assets	(415,069)	189,967
Notes receivable	(5,924)	261,783
Notes receivable - related parties	75,832	241,344
Accounts receivable	(670,144)	854,471
Accounts receivable - related parties	(1,043,549)	883,083
Other receivables	(174,595)	318,714
Inventories	18,934,316	(6,646,390)
Other current assets	(8,769)	179,112
Contract liabilities	99,146	(627,061)
Accounts payable	(825,393)	(2,238,865)
Accounts payable - related parties	(379,139)	(831,076)
Other payables	579,074	(3,831,023)
Other current liabilities	(317,604)	325,729
Net defined benefit liabilities	(266,320)	(59,552)
Refund liabilities	(139,531)	(985,846)
Cash generated from operations	32,202,741	10,250,558
Income taxes paid	(38,307)	(3,604,422)
Net cash generated from operating activities	<u>32,164,434</u>	<u>6,646,136</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	131,399
Proceeds from disposal of financial assets at fair value through profit of loss	931,520	-
Acquisition of financial liabilities for hedging	-	349,389

(Continued)

# CHINA STEEL CORPORATION

## STANDALONE STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Derecognition of financial liabilities for hedging	\$ (2,682,577)	\$ (4,239,103)
Proceeds from disposal of noncurrent assets held for sale	-	561,918
Acquisition of property, plant and equipment	(15,729,921)	(8,531,907)
Increase in refundable deposits	(139,946)	(45,100)
Decrease in other receivables - loans to related parties	3,576,000	1,524,160
Increase in other financial assets	(87,180)	-
Decrease in other financial assets	-	120,835
Interest received	105,950	199,643
Dividends received from subsidiaries and associates	1,308,122	8,947,369
Dividends received from others	478,481	536,241
Proceeds from liquidation of subsidiaries	-	18,665
Proceeds from the capital reduction of associates	<u>200,000</u>	<u>-</u>
Net cash used in investing activities	<u>(12,039,551)</u>	<u>(426,491)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	17,954,753	68,199,596
Repayments of short-term borrowings	(25,756,665)	(65,017,674)
Proceeds from short-term bills payable	32,958,454	28,490,638
Repayments of short-term bills payable	(42,950,000)	(14,500,000)
Issuance of bonds payable	5,800,000	-
Repayments of bonds payable	(6,600,000)	(5,650,000)
Issuance of long-term bank borrowings	13,500,000	8,000,000
Repayments of long-term bank borrowings	(10,500,000)	(4,000,000)
Proceeds from long-term bills payable	11,298,821	1,998,687
Repayments of long-term bills payable	(6,400,000)	(5,897,729)
Repayments of principal of lease liabilities	(347,514)	(337,794)
Dividends paid	(7,915,869)	(15,779,153)
Acquisition of subsidiaries	(1,018,060)	(2,899,200)
Interest paid	(1,381,944)	(1,529,216)
Proceeds from the capital reduction of subsidiaries	<u>-</u>	<u>108,328</u>
Net cash used in financing activities	<u>(21,358,024)</u>	<u>(8,813,517)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,233,141)	(2,593,872)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>(176,331)</u>	<u>2,417,541</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ (1,409,472)</u>	<u>\$ (176,331)</u>

(Continued)

# CHINA STEEL CORPORATION

## STANDALONE STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

---

	<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>
Reconciliation of the amounts in the standalone statements of cash flows with the equivalent items reported in the standalone balance sheets as of December 31, 2020 and 2019:		
Cash and cash equivalents in the standalone balance sheets	\$ 1,769,860	\$ 4,659,190
Bank overdraft	<u>(3,179,332)</u>	<u>(4,835,521)</u>
Cash and cash equivalents in the standalone statements of cash flows	<u>\$ (1,409,472)</u>	<u>\$ (176,331)</u>

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

(Concluded)

# CHINA STEEL CORPORATION

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

---

### 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 have been listed on the Taiwan Stock Exchange since December 1974. As of December 31, 2020, the Ministry of Economic Affairs (MOEA), Republic of China owned 20% of the Corporation's issued shares.

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

### 2. APPROVAL OF FINANCIAL STATEMENTS

The standalone financial statements were approved by the board of directors and authorized for issue on February 26, 2021.

### 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 any material impact on the Corporation's accounting policies:

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

The Corporation 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 standalone financial report have been adjusted and immaterial information that may obscure material information has been deleted.

- b. The IFRSs endorsed by the FSC for application starting from 2021

<u>New IFRSs</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9" Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"	Effective immediately upon promulgation by the IASB January 1, 2021

c. 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 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, 2021.

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 standalone financial statements were reported to the board of directors for issue, the Corporation is in the process of assessing the impact of the impending initial application of the aforementioned and other standards and the amendments to interpretations on its 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 standalone 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 financial statements shall prevail. However, the accompanying standalone financial statements do not include English translation of the additional footnote disclosures that are not required under generally accepted accounting principles but are required by the Securities and Futures Bureau for their oversight purposes.

a. Statement of compliance

The standalone financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The standalone financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

The subsidiaries and associates are incorporated in the standalone financial statements under the equity method. To make net profit for the year, other comprehensive income and equity in the standalone financial statements equal to those attributed to owners of the Corporation on consolidated financial statements, the effect of the differences between basis of standalone and basis of consolidation are adjusted in the investments accounted for using equity method, the related share of the profit or loss, the related share of other comprehensive income of subsidiaries and associates and related equity.

c. Classification of current and noncurrent assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the standalone financial statements are authorized for issue; and
- 3) Liabilities for which the Corporation does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as noncurrent.

d. Foreign currencies

In preparing the standalone financial statements of the Corporation, transactions in currencies other than the Corporation's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the closing rates. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are recognized in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting standalone financial statements, the investments of the Corporation's foreign operations (including subsidiaries and associates operating in other countries or using currencies different from the Corporation's currencies) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the year. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Corporation's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Corporation losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of raw materials, supplies, finished goods, work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at moving average cost.

f. Investments in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation. Under the equity method, an investment is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the share of other equity of subsidiaries.



Changes in the Corporation's ownership interests in subsidiaries that do not result in the Corporation losing of control of the subsidiary are accounted for as equity transactions. Differences between the carrying amounts of the investment and the fair value of the consideration paid or received are directly recognized in equity.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Corporation recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets or liabilities.

Unrealized profits or losses on downstream transactions with subsidiaries are eliminated in the standalone financial statements. Profits and losses on transactions with subsidiaries other than downstream are recognized in standalone financial statements only to the extent of interests in the subsidiary that are not related to the Corporation.

g. Investment in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Corporation uses equity method to account for investment in associates. Under the equity method, an investment is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the share of equity of associates.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporations' share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of the associate, at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in the associate. The Corporation records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Corporation's ownership interest is reduced due to non-subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be

required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using equity method is insufficient, the shortage is debited to retained earnings.

When the Corporation's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the associate), the Corporation discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

When impairment loss is evaluated, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increased.

When the Corporation ceases to have significant influence over the associate, the Corporation will measure the retained investment at fair value at that date. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Corporation transacts with its associates, profits or losses on these transactions are recognized in the standalone financial statements only to the extent of interests in the associate that are not related to the Corporation.

#### h. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Property, plant, and equipment in the course of construction are carried at cost. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use and depreciated accordingly.

Except that depreciation of the rollers (spare parts) is calculated based on their level of wear, other depreciation is recognized using the straight-line method. Each significant component is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each balance sheet date, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

#### i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Impairment of property, plant and equipment, right - of use assets and intangible assets

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment, right - of use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to the individual cash-generating units; otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount with the resulting impairment loss recognized in profit or loss.

When an impairment loss subsequently is reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined for the asset or cash-generating unit (net of amortization and depreciation) had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, investments in equity instruments at FVTOCI, and financial assets at amortized cost.

i Financial assets at FVTPL

Financial assets classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset.

ii Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

iii Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost (including cash and cash equivalents, notes and accounts receivable at amortized cost, net (including related parties), other receivables (including loans to related parties), refundable deposits and other financial assets) are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset.

Cash equivalents include time deposits with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

In the Corporation's statements of cash flows, bank overdraft, which is deemed to be repayable at any time and forms part of cash management, is classified as cash and cash equivalents. Bank overdraft is recorded under current liabilities in the balance sheets.

b) Impairment of financial assets and contract assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables) as well as contract assets.

The Corporation always recognizes lifetime expected credit losses (ECLs) for accounts receivable, and contract assets. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly

since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

The Corporation recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Corporation are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

Except for the following situation, financial liabilities are measured at amortized cost using the effective interest method:

Financial guarantee contracts

Financial guarantee contracts issued by the Corporation, if not designated as at FVTPL, are subsequently measured at the higher of the amount of the loss allowance reflecting expected credit losses and amortized cost.

b) Derecognition of financial liabilities

The Corporation derecognizes financial liabilities only when the obligations are discharged, canceled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

#### 4) Derivative financial instruments

The Corporation enters the derivative financial instruments and foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

#### 5) Hedge accounting

The Corporation designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

##### a) Fair value hedges

Gains or losses on derivatives that are designated and qualified as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in profit or loss in the line item relating to the hedged item.

The Corporation discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

##### b) Cash flow hedges

The effective portion of gains or losses on derivatives that are designated and qualified as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period when the hedged item affects profit or loss. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and are included in the initial cost of the non-financial asset or non-financial liability.

The Corporation discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that has been previously recognized in other comprehensive income from the period when the hedge was effective remains separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

c) Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in gains and losses on hedging instruments. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

l. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

m. Treasury shares

Share of the Corporation held by the subsidiaries are reclassified to treasury shares from investments accounted for using equity method at the acquisition cost.

n. Revenue recognition

The Corporation identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

1) Revenue from sale of goods

Revenue from the sale of goods is recognized when the committed goods are delivered from the Corporation to customers to satisfy performance obligations, as follows: domestic sales - when products are moved out of the Corporation premises for delivery to customers; exports - when products are loaded onto vessels. Transaction price received is recognized as a contract liability until performance obligations are satisfied.

Revenue is measured at the fair value, which is the discounted present value of the price (net of commercial discounts and quantity discounts) agreed to by the Corporation with customers. Estimated discount or other allowances of the consideration received are recognized as refund liabilities. For a contract where the period between the date the Corporation transfers a promised good or service to a customer and the date the customer pays for that good or service is one year or less, the Corporation does not adjust the promised amount of consideration for any effect of a significant financing component.

2) Construction contract revenue

As property is being constructed and construction is in progress, the Corporation recognizes revenue from construction contract over time. The Corporation measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligation. A contract asset is recognized during the construction and is reclassified to accounts receivable at the point at which it is invoiced to the customer. If the milestone payments exceed the revenue recognized to date, then the Corporation recognizes a contract liability for the difference.

o. Leases

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease.

1) The Corporation as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Corporation assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Corporation as lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets, which comprises the initial measurement of lease liabilities, are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the standalone balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Corporation uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in a lease term, an index or a rate used to determine those payments, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Corporation accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset of lease modifications that



decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease. Lease liabilities are presented on a separate line in the standalone balance sheets.

The Corporation negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2021, 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 elects to apply the practical expedient to rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Corporation recognizes the reduction in lease payment in profit or loss as a deduction of expenses of variable lease payments, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

p. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all borrowing costs are recognized in profit or loss in the year in which they are incurred.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, past service cost, as well as gains and losses on settlements) and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability represents the actual deficit in the Corporation's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plan except that remeasurement is recognized in profit or loss.

4) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Corporation can no longer withdraw the offer of the termination benefit and when the Corporation recognizes any related restructuring costs.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Current tax is the amount of tax at statutory rate calculated on the taxable profit at the balance sheet date. According to the Income Tax Law, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, loss carryforwards, and research and development expenditures to the extent that it is probable that taxable profits will be available against which those deductible differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

4) According to Income Tax Law and related regulations, the Corporation files a consolidated tax return with its 100% owned subsidiary. The appropriation of the income tax relating to the subsidiary is recognized as other receivables or other payables.

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

In the application of the Corporation's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Corporation considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The effect of a change in an accounting estimate shall be recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

### Key sources of estimation uncertainty

a. Valuation of inventory

Inventories are stated at the lower of cost or net realizable value, and the Corporation uses judgment and estimate to determine the net realizable value of inventory at the end of the reporting period. Since the net realizable value of inventory is mainly determined on the basis of future selling price, it might be adjusted significantly.

b. Fair value of emerging market shares and unlisted equity securities

As described in Note 28, the Corporation applied valuation techniques commonly used by market practitioners to evaluate fair value of the financial instruments that do not have listed market price in an active market. The measurement for the fair value of emerging market shares and equity securities includes assumptions not based on observable market prices or interest rates; therefore, unlisted fair value may change significantly.

## 6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
Cash on hand	\$ 18,807	\$ 18,804
Checking accounts and demand deposits	<u>1,751,053</u>	<u>4,640,386</u>
	<u>\$ 1,769,860</u>	<u>\$ 4,659,190</u>

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

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Current</u>		
Foreign unlisted preference shares	\$ <u>-</u>	\$ <u>826,071</u>
<u>Noncurrent</u>		
Foreign unlisted preference shares	\$ <u>843,818</u>	\$ <u>825,824</u>

The Corporation sold 3,334 preference A shares of East Asia United Steel Corporation to Nippon Steel & Sumitomo Metal Corp. for a consideration of JPY 3.334 billion in November 2020.

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

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Noncurrent</u>		
Domestic investments		
Listed shares	\$ 10,252,633	\$ 12,098,209
Unlisted shares	<u>853,478</u>	<u>969,454</u>
	<u>11,106,111</u>	<u>13,067,663</u>
Foreign investments		
Listed shares	1,495,004	1,925,597
Unlisted shares	<u>25,625,541</u>	<u>25,967,461</u>
	<u>27,120,545</u>	<u>27,893,058</u>
	<u>\$ 38,226,656</u>	<u>\$ 40,960,721</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's strategy of holding these investments for long-term purposes.

## 9. FINANCIAL INSTRUMENTS FOR HEDGING

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>Financial assets for hedging - current</u>		
Foreign exchange forward contracts	\$ 21,094	\$ 454
Hedging foreign-currency deposits	<u>493,025</u>	<u>686,486</u>
	<u>\$ 514,119</u>	<u>\$ 686,940</u>

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
<u>Financial assets for hedging - noncurrent</u>		
Foreign exchange forward contracts	\$ <u>1,852</u>	\$ <u>145</u>
<u>Financial liabilities for hedging - current</u>		
Foreign exchange forward contracts	\$ 34,742	\$ 20,396
Bank loans (Note 17)	<u>1,625,611</u>	<u>-</u>
	<u>\$ 1,660,353</u>	<u>\$ 20,396</u>
<u>Financial liabilities for hedging - noncurrent</u>		
Foreign exchange forward contracts	\$ 3,117	\$ 14,799
Bank loans (Note 17)	<u>335,428</u>	<u>4,620,425</u>
	<u>\$ 338,545</u>	<u>\$ 4,635,224</u>

For the purpose of managing cash flow risk arising from exchange rate fluctuations due to purchasing imported equipment, the Corporation purchased foreign-currency deposits and entered into foreign exchange forward contracts. As of December 31, 2020 and 2019, the balance of the foreign-currency deposits, which was designated as hedging instruments and settlements of expired foreign exchange forward contracts, amounted to NT\$493,025 thousand (US\$8,377 thousand and EUR7,267 thousand) and NT\$686,486 thousand (US\$5,658 thousand, EUR15,196 thousand and JPY23,300 thousand), respectively. As of December 31, 2020 and 2019, cash outflows on the contracts are expected in 2021 and 2020, respectively.

Refer to Note 28 for information relating to financial instruments for hedging.

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

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
Notes receivable		
Operating	\$ 542,240	\$ 612,148
Non-operating	<u>-</u>	<u>-</u>
	542,240	612,148
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 542,240</u>	<u>\$ 612,148</u>
Accounts receivable	\$ 4,742,583	\$ 3,028,890
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 4,742,583</u>	<u>\$ 3,028,890</u>

The Corporation makes prudent assessment of their customers. The counterparties are creditworthy companies; as a result, the significant credit risk is unexpected. The Corporation did transactions with a large number of unrelated customers and no concentration of credit risk was observed. The Corporation continues 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 continues to monitor the collection of receivables to ensure that proper actions are made to collect past due receivables. Additionally, the Corporation reviews 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.

December 31, 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>Total</b>
Gross carrying amount	\$ 5,187,291	\$ 97,532	\$ -	\$ -	\$ 5,284,823
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 5,187,291</u>	<u>\$ 97,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,284,823</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>Total</b>
Gross carrying amount	\$ 3,624,721	\$ 16,317	\$ -	\$ -	\$ 3,641,038
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 3,624,721</u>	<u>\$ 16,317</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,641,038</u>

The Corporation entered into accounts receivable factoring agreements (without recourse) with Mega Bank, Bank of Taiwan, Taishin Bank, Chinatrust Commercial Bank (CTBC Bank) and Mizuho Bank. Under the agreements, the Corporation sells accounts receivable to the banks upon the delivery of products to customers and is required to complete related formalities at the next banking day.

The related information for the Corporation's sale of accounts receivable was as follows:

<b>Counterparty</b>	<b>Advances Received at Year - Beginning</b>	<b>Receivables Sold</b>	<b>Amounts Collected by Bank</b>	<b>Advances Received at Year - End</b>	<b>Annual Interest Rate on Advances Received (%)</b>	<b>Credit Line</b>
For the Year Ended December 31, 2020						
Mega Bank	\$ 3,468,167	\$ 8,272,733	\$ 9,165,285	\$ 2,575,615	0.99-1.75	NT\$9 billion
Bank of Taiwan	1,474,316	2,974,314	3,569,472	879,158	0.99-1.75	NT\$3 billion
Bank of Taiwan	716,373	4,996,125	5,515,669	196,829	0.60-3.75	USD130,000 thousand
Taishin Bank	2,184,170	9,348,121	7,758,647	3,773,644	0.89-2.82	USD150,000 thousand
CTBC Bank	608,287	1,852,675	1,702,612	758,350	0.94-3.22	USD40,000 thousand
Mizuho Bank	31,380	437,648	448,430	20,598	1.02-2.99	USD10,000 thousand
	<u>\$ 8,482,693</u>	<u>\$ 27,881,616</u>	<u>\$ 28,160,115</u>	<u>\$ 8,204,194</u>		

Counterparty	Advances Received at Year - Beginning	Receivables Sold	Amounts Collected by Bank	Advances Received at Year - End	Annual Interest Rate on Advances Received (%)	Credit Line
For the Year Ended December 31, 2019						
Mega Bank	\$ 4,309,472	\$ 9,947,303	\$ 10,788,608	\$ 3,468,167	1.05-1.75	NT\$9 billion
Bank of Taiwan	1,582,029	4,376,609	4,484,322	1,474,316	1.05-1.75	NT\$3 billion
Bank of Taiwan	491,723	5,374,940	5,150,290	716,373	0.60-3.86	USD130,000 thousand
Taishin Bank	3,341,792	8,480,143	9,637,765	2,184,170	2.82-3.39	USD150,000 thousand
CTBC Bank	1,046,091	2,180,840	2,618,644	608,287	2.84-3.47	USD40,000 thousand
Mizuho Bank	13,372	472,671	454,663	31,380	2.61-3.34	USD10,000 thousand
	<u>\$ 10,784,479</u>	<u>\$ 30,832,506</u>	<u>\$ 33,134,292</u>	<u>\$ 8,482,693</u>		

## 11. INVENTORIES

	December 31	
	2020	2019
Finished goods	\$ 7,939,742	\$ 10,689,410
Work in progress	13,584,111	21,096,102
Raw materials	6,789,880	12,047,408
Supplies	4,185,748	4,488,674
Raw materials and supplies in transit	6,451,881	7,253,127
Others	<u>586,621</u>	<u>366,267</u>
	<u>\$ 39,537,983</u>	<u>\$ 55,940,988</u>

The cost of inventories recognized as operating costs for the years ended December 31, 2020 and 2019 was NT\$170,497,942 thousand and NT\$190,047,383 thousand, respectively, which included reversal of inventory write-down of NT\$2,394,332 thousand and write-down of inventory of NT\$1,623,585 thousand, respectively.

## 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2020	2019
Investments in subsidiaries	\$ 178,454,119	\$ 178,767,607
Investments in associates	<u>2,847,326</u>	<u>3,116,451</u>
	<u>\$ 181,301,445</u>	<u>\$ 181,884,058</u>

a. Investments in subsidiaries

	<b>December 31</b>			
	<b>2020</b>		<b>2019</b>	
	<b>Amount</b>	<b>% of Owner - ship</b>	<b>Amount</b>	<b>% of Owner - ship</b>
Listed companies				
Chung Hung Steel Corporation (CHS)	\$ 6,248,987	41	\$ 6,064,076	41
China Steel Chemical Corporation (CSCC)	1,963,954	29	2,104,642	29
China Steel Structure Co., Ltd. (CSSC)	1,330,501	33	1,274,475	33
China Ecotek Corporation (CEC)	1,072,630	45	1,232,328	45
CHC Resources Corporation (CHC)	<u>991,270</u>	20	<u>951,904</u>	20
	11,607,342		11,627,425	
Less: Shares held by subsidiaries accounted for as treasury shares	<u>2,081,642</u>		<u>2,081,642</u>	
	<u>9,525,700</u>		<u>9,545,783</u>	
Unlisted companies				
Dragon Steel Corporation (DSC)	96,066,355	100	98,857,201	100
CSC Steel Australia Holdings Pty Ltd. (CSC SAH)	20,842,831	100	19,743,722	100
China Steel Express Corporation (CSE)	12,914,176	100	11,869,947	100
Gains Investment Corporation (GIC)	8,013,031	100	7,112,136	100
C. S. Aluminium Corporation (CSAC)	7,573,118	100	7,855,607	100
China Prosperity Development Corporation (CPDC)	7,166,532	100	6,806,029	100
China Steel and Nippon Steel Vietnam Joint Stock Company (CSVC)	5,940,973	56	6,353,422	56
China Steel Asia Pacific Holdings Pte. Ltd. (CSAP)	4,412,474	100	4,293,509	100
China Steel Global Trading Corporation (CSGT)	2,341,310	100	2,050,305	100
Sing Da Marine Structure Corporation (SDMS)	2,052,107	100	3,169,040	100
Kaohsiung Rapid Transit Corporation (KRTC)	1,227,877	43	1,338,049	43
CSC Solar Corporation (CSCSOLAR)	1,053,611	55	1,019,672	55
China Steel Resources Corporation (CSRC)	997,036	100	995,460	100
China Steel Machinery Corporation (CSMC)	949,253	74	1,084,456	74
China Steel Power Holding Corporation (CPHC)	858,105	51	4,719	100
Infochamp Systems Corporation (Info Champ)	791,557	100	699,802	100
China Steel Corporation India Pvt. Ltd. (CSCI)	690,435	100	1,063,968	100
China Steel Security Corporation (CSS)	621,975	100	526,997	100
HIMAG Magnetic Corporation (HIMAG)	382,766	69	388,716	69
CSC Precision Metal Industrial Corporation (CPMI)	305,700	100	299,268	100
United Steel International Co., Ltd. (USICL)	292,395	80	254,547	80
China Steel Management Consulting Corporation (CMCC)	17,358	100	17,808	100
China Steel Power Corporation (ZN)	-	-	-	0.002
	175,510,975		175,804,380	
Less: Shares held by subsidiaries accounted for as treasury shares	<u>6,582,556</u>		<u>6,582,556</u>	
	<u>168,928,419</u>		<u>169,221,824</u>	
	<u>\$ 178,454,119</u>		<u>\$ 178,767,607</u>	

The Corporation subscribed for 33,823 thousand shares of its subsidiary CPHC for a cash consideration of NT\$338,230 thousand in February 2020; the corporation's percentage of shareholding decreased from 100% to 51%. In July and November 2020, the Corporation subscribed for 45,900 thousand shares and 22,083 thousand shares of its subsidiary CPHC for cash consideration of NT\$459,000 thousand and NT\$220,830 thousand, respectively; the corporation's percentage of shareholding remained unchanged.



In August 2019, the subsidiary CSAP reduced its capital by NT\$108,328 thousand; the corporation's percentage of shareholding remained unchanged. In July 2020, the subsidiary CSCI reduced its capital by NT\$1,866,285 to offset a deficit; the corporation's percentage of shareholding remained unchanged.

Fair values (Level 1) of the listed companies accounted for using equity method with available published price quotation are summarized as follows:

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
CHS	<u>\$ 9,177,102</u>	<u>\$ 6,205,469</u>
CSCC	<u>\$ 7,463,409</u>	<u>\$ 8,426,430</u>
CHC	<u>\$ 2,338,791</u>	<u>\$ 2,479,267</u>
CSSC	<u>\$ 2,174,152</u>	<u>\$ 1,668,845</u>
CEC	<u>\$ 1,927,681</u>	<u>\$ 1,944,299</u>

The above market prices are calculated on the basis of the closing price at the end of the reporting period.

b. Investments in associates

	<b>December 31</b>			
	<b>2020</b>		<b>2019</b>	
	<b>Amount</b>	<b>% of Owner - ship</b>	<b>Amount</b>	<b>% of Owner - ship</b>
Taiwan Rolling Stock Co., Ltd. (TRSC)	\$ 976,757	48	\$ 968,793	48
Kaohsiung Arena Development Corporation (KADC)	529,928	18	519,599	18
Honley Auto. Parts Co., Ltd. (HONLEY)	406,411	35	461,258	35
Hsin Hsin Cement Enterprise Corporation (HHCEC)	367,041	31	359,196	31
Dyna Rechi Co., Ltd. (DRC)	273,915	23	287,626	23
Eminent II Venture Capital Corporation (EVC II)	213,703	46	441,446	46
Overseas Investment & Development Corporation (OIDC)	55,728	6	53,945	6
TaiAn Technologies Corporation (TAIAN)	<u>23,843</u>	17	<u>24,588</u>	17
	<u>\$ 2,847,326</u>		<u>\$ 3,116,451</u>	

The Corporation's total equity in KADC is 29%, including 18% directly owned and 11% indirectly owned through United Steel Engineering & Construction corporation and CPDC. The Corporation's total equity in TAIAN is 22%, including 17% directly owned and 5% indirectly owned through CSCC. The Corporation's total equity in OIDC is 21%, including 6% directly owned and 15% indirectly owned through the subsidiaries CSMC and Union Steel Development Corporation.

The above associates are not individually material. The related summarized information was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
The Corporation's share of		
Net loss for the year	\$ (57,047)	\$ (103,014)
Other comprehensive income (loss)	<u>(22,984)</u>	<u>10,818</u>
 Total comprehensive loss	 <u>\$ (80,031)</u>	 <u>\$ (92,196)</u>

Refer to Table 8 "Information on Investees" for the above investees' main business nature, principal places of business and countries of incorporation.

### 13. OTHER FINANCIAL ASSETS

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
<u>Current</u>		
Pledged time deposits (Note 30)	\$ 5,850,000	\$ 5,850,000
Time deposits with original maturities more than 3 months	100,000	100,000
Deposits for projects	<u>77,185</u>	<u>6</u>
	<u>\$ 6,027,185</u>	<u>\$ 5,950,006</u>
<u>Noncurrent</u>		
Deposits for projects	<u>\$ 10,003</u>	<u>\$ 2</u>

### 14. PROPERTY, PLANT AND EQUIPMENT

#### For the Year Ended December 31, 2020

	Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Spare Parts	Construction in Progress and Equipment to be Inspected	Total
<u>Cost</u>									
Balance at January 1, 2020	\$ 51,334,118	\$ 4,756,836	\$ 67,279,304	\$ 371,590,631	\$ 2,202,983	\$ 7,848,483	\$ 6,977,013	\$ 11,655,107	\$ 523,644,475
Additions	-	7,977	733,232	6,098,961	156,919	538,666	852,066	8,526,594	16,914,415
Disposals	-	-	(16,276)	(6,632,391)	(64,536)	(221,805)	(878,297)	-	(7,813,305)
Reclassification	-	-	(13,563)	1,139,607	576	(1,140,183)	-	-	(13,563)
Balance at December 31, 2020	<u>\$ 51,334,118</u>	<u>\$ 4,764,813</u>	<u>\$ 67,982,697</u>	<u>\$ 372,196,808</u>	<u>\$ 2,295,942</u>	<u>\$ 7,025,161</u>	<u>\$ 6,950,782</u>	<u>\$ 20,181,701</u>	<u>\$ 532,732,022</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2020	\$ -	\$ 4,560,157	\$ 40,209,250	\$ 321,817,754	\$ 1,873,613	\$ 6,058,240	\$ 2,984,308	\$ -	\$ 377,503,322
Depreciation	-	19,900	2,051,148	11,455,907	109,472	537,631	705,915	-	14,879,973
Disposals	-	-	(14,713)	(6,631,652)	(64,452)	(221,084)	(878,297)	-	(7,810,198)
Reclassification	-	-	(1,518)	317,567	230	(317,797)	-	-	(1,518)
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 4,580,057</u>	<u>\$ 42,244,167</u>	<u>\$ 326,959,576</u>	<u>\$ 1,918,863</u>	<u>\$ 6,056,990</u>	<u>\$ 2,811,926</u>	<u>\$ -</u>	<u>\$ 384,571,579</u>
Carrying amount at December 31, 2020	<u>\$ 51,334,118</u>	<u>\$ 184,756</u>	<u>\$ 25,738,530</u>	<u>\$ 45,237,232</u>	<u>\$ 377,079</u>	<u>\$ 968,171</u>	<u>\$ 4,138,856</u>	<u>\$ 20,181,701</u>	<u>\$ 148,160,443</u>

For the Year Ended December 31, 2019

	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, 2019	\$ 52,264,108	\$ 4,712,604	\$ 66,926,178	\$ 368,722,658	\$ 2,162,522	\$ 7,884,746	\$ 6,432,588	\$ 9,900,042	\$ 519,005,446
Additions	-	44,232	361,425	4,511,729	81,570	274,824	1,219,706	1,755,065	8,248,551
Disposals	-	-	(4,299)	(1,643,756)	(41,109)	(311,087)	(675,281)	-	(2,675,532)
Reclassification	(929,990)	-	(4,000)	-	-	-	-	-	(933,990)
Balance at December 31, 2019	<u>\$ 51,334,118</u>	<u>\$ 4,756,836</u>	<u>\$ 67,279,304</u>	<u>\$ 371,590,631</u>	<u>\$ 2,202,983</u>	<u>\$ 7,848,483</u>	<u>\$ 6,977,013</u>	<u>\$ 11,655,107</u>	<u>\$ 523,644,475</u>
<b>Accumulated depreciation</b>									
Balance at January 1, 2019	\$ -	\$ 4,530,254	\$ 38,083,297	\$ 310,074,039	\$ 1,801,599	\$ 5,712,128	\$ 2,906,132	\$ -	\$ 363,107,449
Depreciation	-	29,903	2,129,469	13,384,115	113,014	655,860	753,457	-	17,065,818
Disposals	-	-	(1,955)	(1,640,400)	(41,000)	(309,748)	(675,281)	-	(2,668,384)
Reclassification	-	-	(1,561)	-	-	-	-	-	(1,561)
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ 4,560,157</u>	<u>\$ 40,209,250</u>	<u>\$ 321,817,754</u>	<u>\$ 1,873,613</u>	<u>\$ 6,058,240</u>	<u>\$ 2,984,308</u>	<u>\$ -</u>	<u>\$ 377,503,322</u>
Carrying amount at December 31, 2019	<u>\$ 51,334,118</u>	<u>\$ 196,679</u>	<u>\$ 27,070,054</u>	<u>\$ 49,772,877</u>	<u>\$ 329,370</u>	<u>\$ 1,790,243</u>	<u>\$ 3,992,705</u>	<u>\$ 11,655,107</u>	<u>\$ 146,141,153</u>

The following 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
Wall	20-40 years
Wharf	20-40 years
Disposal site	7 years
Buildings	
Main structure	5-60 years
Facility	5-40 years
Mechanical and electrical facilities	10-15 years
Trellis and corrugated iron building	3-20 years
Machinery and equipment	
Power equipment	3-25 years
Process equipment	8-18 years
Lifting equipment	5-12 years
Electrical equipment	3-16 years
High-temperature equipment	3-17 years
Examination equipment	3-10 years
Transportation equipment	
Railway equipment	5-20 years
Telecommunication equipment	5-8 years
Transportation equipment	5-10 years
Other equipment	
Office and extinguishment equipment	5-10 years
Computer equipment	3-10 years
Air conditioning equipment	5-8 years

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
<u>Carrying amounts</u>		
Land	\$ 836,416	\$ 907,817
Land improvements	347,211	409,226
Buildings	71,460	66,398
Machinery	4,885	13,260
Transportation equipment	<u>9,890</u>	<u>12,920</u>
	<u>\$ 1,269,862</u>	<u>\$ 1,409,621</u>
<b>For the Year Ended December 31</b>		
	<b>2020</b>	<b>2019</b>
Additions to right-of-use assets	<u>\$ 242,965</u>	<u>\$ 147,748</u>
Depreciation charge for right-of-use assets		
Land	\$ 212,435	\$ 207,028
Land improvements	62,015	62,015
Buildings	54,354	44,057
Machinery	8,375	8,375
Transportation equipment	<u>10,090</u>	<u>19,521</u>
	<u>\$ 347,269</u>	<u>\$ 340,996</u>

### b. Lease liabilities

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
<u>Carrying amounts</u>		
Current	<u>\$ 286,135</u>	<u>\$ 328,823</u>
Non-current	<u>\$ 986,584</u>	<u>\$ 1,084,022</u>

Range of discount rate for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
Land (%)	0.70-1.47	0.92-1.47
Land improvements (%)	0.92-0.31	0.92-1.31
Buildings (%)	0.70-0.92	0.92
Machinery (%)	0.92	0.92
Transportation equipment (%)	0.86-0.92	0.92

### 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 is 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 from December 2016 to December 2027.

The Corporation enters into lease arrangements with the subsidiary CSE to cope with shipment of foreign raw materials. The payment terms are calculated based on actual shipping amount and thus classified as variable lease payment.

c. Other lease information

	<b><u>For the Year Ended December 31</u></b>	
	<b>2020</b>	<b>2019</b>
Expenses relating to short-term leases and low-value asset leases	\$ <u>88,280</u>	\$ <u>86,195</u>
Expenses relating to variable leases payments	\$ 2,672,079	\$ 2,512,254
Covid-19-related rent concessions	<u>(4,448)</u>	<u>-</u>
Expenses relating to variable leases payments not included in the measurement of lease liabilities	<u>\$ 2,667,631</u>	<u>\$ 2,512,254</u>
Total cash outflow for leases	<u>\$ (3,117,545)</u>	<u>\$ (2,954,801)</u>

For land and buildings which qualify as short-term leases and some office and transportation equipment which qualify as low-value asset leases, the Corporation has 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 Year Ended December 31, 2020

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2020	\$ 6,466,155	\$ 1,264,162	\$ 7,730,317
Transferred from property, plant and equipment	<u>-</u>	<u>13,563</u>	<u>13,563</u>
Balance at December 31, 2020	<u>\$ 6,466,155</u>	<u>\$ 1,277,725</u>	<u>\$ 7,743,880</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2020	\$ -	\$ 288,395	\$ 288,395
Depreciation	-	22,714	22,714
Transferred from property, plant and equipment	<u>-</u>	<u>1,518</u>	<u>1,518</u>
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 312,627</u>	<u>\$ 312,627</u>
Carrying amount at December 31, 2020	<u>\$ 6,466,155</u>	<u>\$ 965,098</u>	<u>\$ 7,431,253</u>

For the Year Ended December 31, 2019

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2019	\$ 5,536,165	\$ 1,260,162	\$ 6,796,327
Transferred from property, plant and equipment	<u>929,990</u>	<u>4,000</u>	<u>933,990</u>
Balance at December 31, 2019	<u>\$ 6,466,155</u>	<u>\$ 1,264,162</u>	<u>\$ 7,730,317</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2019	\$ -	\$ 264,163	\$ 264,163
Depreciation	-	22,671	22,671
Transferred from property, plant and equipment	<u>-</u>	<u>1,561</u>	<u>1,561</u>
Balance at December 31, 2019	<u>\$ -</u>	<u>\$ 288,395</u>	<u>\$ 288,395</u>
Carrying amount at December 31, 2019	<u>\$ 6,466,155</u>	<u>\$ 975,767</u>	<u>\$ 7,441,922</u>

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

Buildings 5-60 years

The fair value of the investment properties was arrived at on the basis of valuation carried out in January 2013, September 2013, December 2014, April 2015, December 2015, March 2017, July 2017 and August 2019 by independent appraisers, who are not related parties. Lands were valued under market approach, income approach and land developing analysis approach. Buildings were evaluated using Level 3 inputs under market approach, cost approach and income approach. In December 2016, due to the significant change in the present value assessed for several pieces of land, the Corporation, based on the actual land sale prices in the vicinity, reappraised the land value. The important assumptions and fair value were as follows:

	<u>December 31</u>	
	<b>2020</b>	<b>2019</b>
Fair value	<u>\$ 25,042,302</u>	<u>\$ 25,058,287</u>
Depreciation rate (%)	1.90-2.71	1.90-2.71
Discount rate (%)	0.99-2.56	0.99-2.56

All of the Corporation's investment properties are held under freehold interests.

## 17. BORROWINGS

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

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
Unsecured loans	\$ 3,900,000	\$ 12,000,000
Bank overdraft (Note 30)	3,179,332	4,835,521
Export bill loans	1,039,114	584,361
Letters of credit	17,428	24,093
Loans from related parties (Note 29)	<u>2,550,000</u>	<u>2,700,000</u>
	<u>\$ 10,685,874</u>	<u>\$ 20,143,975</u>
Range of interest rates p.a. (%)	0-0.75	0-4.75

### b. Short-term bills payable

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
Commercial paper	\$ 4,000,000	\$ 14,000,000
Less: Unamortized discounts	<u>908</u>	<u>9,362</u>
	<u>\$ 3,999,092</u>	<u>\$ 13,990,638</u>
Range of interest rates p.a. (%)	0.23-0.30	0.52-0.58

The above commercial paper was unsecured, and the financial institutions included Cathay United Bank, Yuanta Bank and E.SUN Bank.

### c. Long-term borrowings

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
Unsecured loans	\$ 8,961,039	\$ 8,620,425
Less: Financial liabilities for hedging - current	1,625,611	-
Financial liabilities for hedging - noncurrent	<u>335,428</u>	<u>4,620,425</u>
	<u>\$ 7,000,000</u>	<u>\$ 4,000,000</u>
Range of interest rates p.a. (%)	0.24-0.60	0.30-2.65

The amounts of JPY 7.1 billion (NT\$1,961,039 thousand), US\$58,548 thousand and JPY10.38 billion (NT\$4,620,425 thousand), which were included in the above bank loans as of December 31, 2020 and December 31, 2019, respectively, were used to hedge the exchange rate fluctuations and reclassified to financial liabilities for hedging (including current and noncurrent).

d. Long-term bills payable

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
Commercial paper	\$ 6,900,000	\$ 2,000,000
Less: Unamortized discounts	<u>2,492</u>	<u>1,313</u>
	<u>\$ 6,897,508</u>	<u>\$ 1,998,687</u>
Range of interest rates p.a. (%)	0.20-0.57	0.68

The Corporation entered into unsecured commercial paper contracts with Taishin Bank, CTBC Bank and Cathay United Bank in January 2020, April 2020 and December 2019, respectively. The duration of the contracts is four years. In the fourth year, the contracts can only be issued after negotiating between the counterparties. During the cycle of issuance, the Corporation only has to pay service fees and interests. Therefore, the Corporation recorded those commercial papers issued as long-term bills payable.

## 18. BONDS PAYABLE

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
Unsecured domestic bonds	\$ 71,550,000	\$ 72,350,000
Less: Issuance cost of bonds payable	31,536	36,589
Current portion	<u>10,949,351</u>	<u>6,599,642</u>
	<u>\$ 60,569,113</u>	<u>\$ 65,713,769</u>

The major terms of unsecured domestic bonds are as follows:

<b>Issuance Period</b>	<b>Total Amount</b>	<b>Coupon Rate (%)</b>	<b>Repayment and Interest Payment</b>
July 2013 to July 2020	\$ 6,300,000	1.44	Repayable in July 2019 and July 2020; interest payable annually
December 2020 to December 2025	1,600,000	0.39	Repayable in December 2024 and December 2025; interest payable annually
January 2014 to January 2021	6,900,000	1.75	Repayable in January 2020 and January 2021; interest payable annually
May 2018 to May 2025	6,000,000	0.95	Repayable in May 2024 and May 2025; interest payable annually
October 2018 to October 2025	4,150,000	0.90	Repayable 25% in October 2024 and 75% in October 2025; interest payable annually
December 2020 to December 2027	4,200,000	0.43	Repayable 70% in December 2026 and 30% in December 2027; interest payable annually
August 2012 to August 2022	15,000,000	1.50	Repayable in August 2021 and August 2022; interest payable annually
July 2013 to July 2023	9,700,000	1.60	Repayable in July 2022 and July 2023; interest payable annually



<b>Issuance Period</b>	<b>Total Amount</b>	<b>Coupon Rate (%)</b>	<b>Repayment and Interest Payment</b>
January 2014 to January 2024	\$ 7,000,000	1.95	Repayable in January 2023 and January 2024; interest payable annually
August 2018 to August 2028	5,600,000	1.10	Repayable in August 2027 and August 2028; interest payable annually
October 2018 to October 2028	2,250,000	1.05	Repayable in October 2027 and October 2028; interest payable annually
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
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

## 19. OTHER PAYABLES

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
Purchase of equipment	\$ 4,087,580	\$ 3,067,514
Salaries and bonus	2,910,323	3,594,516
Outsourced repair and construction	741,277	554,981
Interest payable	650,642	752,634
Consignment payable	938,563	520,221
Employees' compensation and remuneration of directors	83,596	632,807
Others	<u>6,318,708</u>	<u>4,840,873</u>
	<u>\$ 15,730,689</u>	<u>\$ 13,963,546</u>

## 20. PROVISIONS - CURRENT

	<b>December 31</b>		
	<b>2020</b>	<b>2019</b>	
Onerous contracts (a)	\$ 4,287,537	\$ 2,510,578	
Construction warranties (b)	<u>455</u>	<u>455</u>	
	<u>\$ 4,287,992</u>	<u>\$ 2,511,033</u>	
	<b>Onerous Contracts</b>	<b>Construction Warranties</b>	<b>Total</b>
Balance at January 1, 2020	\$ 2,510,578	\$ 455	\$ 2,511,033
Recognition	<u>1,776,959</u>	<u>-</u>	<u>1,776,959</u>
Balance at December 31, 2020	<u>\$ 4,287,537</u>	<u>\$ 455</u>	<u>\$ 4,287,992</u>
Balance at January 1, 2019	\$ 4,933,298	\$ 455	\$ 4,933,753
Reversal	<u>(2,422,720)</u>	<u>-</u>	<u>(2,422,720)</u>
Balance at December 31, 2019	<u>\$ 2,510,578</u>	<u>\$ 455</u>	<u>\$ 2,511,033</u>

- a. The provision for onerous contracts represents the present value of the future payments that the Corporation was presently obligated to make under non-cancellable onerous purchase 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 from non-cancellable construction contracts.
- b. 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's obligations for warranties. The estimate had been made on the basis of historical warranty trends.

## 21. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (the LPA), which is a state-managed defined contribution plan. Based on the LPA, the Corporation makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

### b. Defined benefit plans

The Corporation adopted the defined benefit plan under the Labor Standards Law, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Corporation makes contributions, equal to a certain percentage of total monthly salaries, to a pension fund, which is deposited in the Bank of Taiwan in the name of and administered by the pension fund monitoring committee. Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the Bureau); the Corporation has no right to influence the investment policy and strategy. Starting from August 1999, the Corporation has also made contributions, equal to a certain percentage of salaries of management personnel (vice president above), to another pension fund, which are deposited and administered by the officers' pension fund management committee. The Corporation has also set up rules of consolation payment and holiday benefits, which are defined benefit plans.

The amount of defined benefit plans included in the standalone balance sheets were as follows:

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
Present value of defined benefit obligation	\$ 19,775,621	\$ 21,476,469
Fair value of plan assets	<u>(12,904,754)</u>	<u>(14,395,983)</u>
Deficit	6,870,867	7,080,486
Net defined benefit liabilities - recognized in other payables	<u>(80,818)</u>	<u>(80,390)</u>
Net defined benefit liabilities	<u>\$ 6,790,049</u>	<u>\$ 7,000,096</u>

Movements of net defined benefit liabilities were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Balance at January 1, 2020	<u>\$ 21,476,469</u>	<u>\$ (14,395,983)</u>	<u>\$ 7,080,486</u>
Service cost			
Current service cost	535,439	-	535,439
Interest expense (income)	<u>134,228</u>	<u>(92,032)</u>	<u>42,196</u>
Recognized in profit or loss	<u>669,667</u>	<u>(92,032)</u>	<u>577,635</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(510,094)	(510,094)
Actuarial loss - changes in financial assumptions	292,292	-	292,292
Actuarial loss - experience adjustments	<u>274,075</u>	<u>-</u>	<u>274,075</u>
Recognized in other comprehensive income	<u>566,367</u>	<u>(510,094)</u>	<u>56,273</u>
Contributions from the employer	-	(773,374)	(773,374)
Benefits paid	(2,944,164)	2,874,011	(70,153)
Contributions of employee returning to the Corporation	<u>7,282</u>	<u>(7,282)</u>	<u>-</u>
	<u>(2,936,882)</u>	<u>2,093,355</u>	<u>(843,527)</u>
Balance at December 31, 2020	<u>\$ 19,775,621</u>	<u>\$ (12,904,754)</u>	<u>\$ 6,870,867</u>
Balance at January 1, 2019	<u>\$ 22,454,011</u>	<u>\$ (15,497,311)</u>	<u>\$ 6,956,700</u>
Service cost			
Current service cost	587,028	-	587,028
Interest expense (income)	<u>196,472</u>	<u>(137,652)</u>	<u>58,820</u>
Recognized in profit or loss	<u>783,500</u>	<u>(137,652)</u>	<u>645,848</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(591,643)	(591,643)
Actuarial loss - changes in financial assumptions	316,190	-	316,190
Actuarial loss - experience adjustments	<u>447,720</u>	<u>-</u>	<u>447,720</u>
Recognized in other comprehensive income	<u>763,910</u>	<u>(591,643)</u>	<u>172,267</u>
Contributions from the employer	-	(653,631)	(653,631)
Benefits paid	(2,538,226)	2,497,528	(40,698)
Contributions of employee returning to the Corporation	<u>13,274</u>	<u>(13,274)</u>	<u>-</u>
	<u>(2,524,952)</u>	<u>1,830,623</u>	<u>(694,329)</u>
Balance at December 31, 2019	<u>\$ 21,476,469</u>	<u>\$ (14,395,983)</u>	<u>\$ 7,080,486</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Operating costs	\$ 401,484	\$ 445,102
Operating expenses	176,151	200,696
Others	<u>-</u>	<u>50</u>
	<u>\$ 577,635</u>	<u>\$ 645,848</u>

Through the defined benefit plans under the Labor Standards Law, the Corporation is exposed to the following risks:

1) Investment risk

The plan assets are invested in domestic and foreign equity, debt securities, and bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk

A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk

The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligations were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
Discount rate (%)	0.375	0.625
Expected rate of salary increase (%)	2.500	2.500
Turnover rate (%)	0.000-0.100	0.000-0.100

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
Discount rate		
0.25% increase	<u>\$ (292,291)</u>	<u>\$ (316,190)</u>
0.25% decrease	<u>\$ 301,285</u>	<u>\$ 325,651</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 293,164</u>	<u>\$ 316,388</u>
0.25% decrease	<u>\$ (285,978)</u>	<u>\$ (308,854)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
The expected contributions to the plan for the next year	<u>\$ 523,306</u>	<u>\$ 658,417</u>
The average duration of the defined benefit obligation	5.7 years	5.9 years

## 22. EQUITY

### a. Share capital

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
Number of shares authorized (in thousands)	<u>17,000,000</u>	<u>17,000,000</u>
Shares authorized	<u>\$ 170,000,000</u>	<u>\$ 170,000,000</u>
Number of shares issued and fully paid (in thousands)		
Ordinary shares (in thousands)	15,734,861	15,734,861
Preference shares (in thousands)	<u>38,268</u>	<u>38,268</u>
	<u>15,773,129</u>	<u>15,773,129</u>
Shares issued		
Ordinary shares	\$ 157,348,610	\$ 157,348,610
Preference shares	<u>382,680</u>	<u>382,680</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
- 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 December 31, 2020 and 2019, the outstanding depositary receipts were 634,512 units and 713,607 units, equivalent to 12,690,550 ordinary shares (including 310 fractional shares) and 14,272,450 ordinary shares (including 310 fractional shares), which represented 0.08% and 0.09% of the outstanding ordinary shares, respectively.

b. Capital surplus

	<u>December 31</u>	
	<u>2020</u>	<u>2019</u>
May be used to offset deficit, distribute cash or transfer to share capital (see 1 below)		
Additional paid-in capital	\$ 31,154,766	\$ 31,154,766
Treasury share transactions	7,239,784	7,079,070
Others	<u>8,099</u>	<u>8,099</u>
	<u>38,402,649</u>	<u>38,241,935</u>
May be used to offset deficit only (see 2 below)		
Share of change in equity of subsidiaries	515,257	509,181
Share of change in equity of associates	<u>159,550</u>	<u>126,153</u>
	<u>674,807</u>	<u>635,334</u>
	<u>\$ 39,077,456</u>	<u>\$ 38,877,269</u>

- 1) The capital surplus could be used to offset a deficit and distribute as cash dividends or transfer to capital when the Corporation has no deficit (limited to a certain percentage of the Corporation's paid-in capital).
- 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 no 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 share 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 2020 and 2019 had been approved in the shareholders' meeting in June 2020 and 2019, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividend Per Share</u>	
	<u>For the Year Ended December 31</u>		<u>(NT\$)</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
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>

The appropriations of earnings for 2020 had been proposed by the Corporation's board of directors on February 26, 2021 as follows:

	<b>Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 78,931	
Reversal of special reserve	(272,355)	
Preference shares		
Cash dividends	53,575	<u>\$ 1.40</u>
Ordinary shares		
Cash dividends	4,720,458	<u>\$ 0.30</u>

The appropriations of earnings for 2020 are subject to the resolution of the shareholder's meeting to be held in June 2021.

d. Special reserves

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Balance, beginning of the year	\$ 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 of special reserve		
Disposal of property, plant and equipment	<u>(2,365)</u>	<u>(62)</u>
Balance, end of the year	<u>\$ 27,912,065</u>	<u>\$ 27,803,906</u>

e. Other equity items

1) Exchange differences on translating foreign operations

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Balance, beginning of the year	<u>\$ (6,838,836)</u>	<u>\$ (5,919,624)</u>
Recognized during the year		
Exchange differences arising from translating foreign operations	(474,314)	(733,134)
Share from subsidiaries and associates accounted for using the equity method	<u>(215,800)</u>	<u>(186,078)</u>
Other comprehensive income (loss) recognized in the year	<u>(690,114)</u>	<u>(919,212)</u>
Balance, end of the year	<u>\$ (7,528,950)</u>	<u>\$ (6,838,836)</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Balance, beginning of the year	<u>\$ 2,124,342</u>	<u>\$ 4,410,913</u>



	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Recognized during the year		
Unrealized gains and losses - equity instruments	\$ (2,734,065)	\$ (5,888,537)
Share from subsidiaries and associates accounted for using the equity method	<u>1,188,644</u>	<u>3,617,214</u>
Other comprehensive income (loss) recognized in the year	<u>(1,545,421)</u>	<u>(2,271,323)</u>
Cumulative unrealized gain or loss of equity instruments transferred to retained earnings due to disposal	<u>(35,504)</u>	<u>(15,248)</u>
Balance, end of the year	<u>\$ 543,417</u>	<u>\$ 2,124,342</u>

3) Gains and losses on hedging instrument

	<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 year	<u>(48,258)</u>	<u>(1,144)</u>	<u>(5,269)</u>	<u>(54,671)</u>
Balance at December 31, 2020	<u>\$ (13,723)</u>	<u>\$ 22,801</u>	<u>\$ 3,788,786</u>	<u>\$ 3,797,864</u>
Balance at January 1, 2019	\$ 290,851	\$ 15,555	\$ 3,797,472	\$ 4,103,878
Increase (decrease) in the year	<u>(256,316)</u>	<u>8,390</u>	<u>(3,417)</u>	<u>(251,343)</u>
Balance at December 31, 2019	<u>\$ 34,535</u>	<u>\$ 23,945</u>	<u>\$ 3,794,055</u>	<u>\$ 3,852,535</u>

a) Cash flow hedges

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Balance, beginning of the year	<u>\$ 34,535</u>	<u>\$ 290,851</u>
Recognized during the year		
Foreign currency risk - hedging foreign - currency deposits	8,958	(50,291)
Foreign currency risk - foreign exchange forward contracts	19,683	(25,166)
Tax effect	(5,728)	15,091
Share from subsidiaries and associates accounted for using the equity method	(76,243)	(192,915)

**For the Year Ended December 31****2020**                      **2019**

Reclassification adjustment		
Foreign currency risk - hedging foreign - currency deposits	\$ 6,340	\$ (3,794)
Tax effect	<u>(1,268)</u>	<u>759</u>
Other comprehensive loss recognized in the year	<u>(48,258)</u>	<u>(256,316)</u>
Balance, end of the year	<u>\$ (13,723)</u>	<u>\$ 34,535</u>

## b) Fair value hedges

**For the Year Ended December 31****2020**                      **2019**

Balance, beginning of the year	\$ 23,945	\$ 15,555
Recognized during the year		
Foreign currency risk - bank loans	<u>(1,144)</u>	<u>8,390</u>
Other comprehensive income (loss) recognized in the year	<u>(1,144)</u>	<u>8,390</u>
Balance, end of the year	<u>\$ 22,801</u>	<u>\$ 23,945</u>

## c) Hedges of net investments in foreign operations

**For the Year Ended December 31****2020**                      **2019**

Balance, beginning of the year	\$ 3,794,055	\$ 3,797,472
Recognized during the year		
Foreign currency risk - bank loans	<u>(5,269)</u>	<u>(3,417)</u>
Other comprehensive loss recognized in the year	<u>(5,269)</u>	<u>(3,417)</u>
Balance, end of the year	<u>\$ 3,788,786</u>	<u>\$ 3,794,055</u>

## f. Treasury shares

Purpose of Treasury Shares	Thousand Shares			December 31	
	Beginning of Year	Addition	Reduction	Thousand Shares	Book Value
For the year ended December 31, 2020					
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	<u>320,765</u>	<u>90</u>	<u>90</u>	<u>320,765</u>	<u>\$8,664,198</u>
For the year ended December 31, 2019					
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	<u>320,004</u>	<u>761</u>	<u>-</u>	<u>320,765</u>	<u>\$8,664,198</u>

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 the Corporation's shares held by subsidiaries. The subsidiaries acquired and sold 200 thousand shares of the Corporation in 2020, with the disposal amount NT\$4,580 thousand, of which NT\$2,051 thousand based on percentage of ownership. The afore mentioned amount was higher than the book value of treasury shares by NT\$604 thousand, of which NT\$271 thousand was based on percentage of ownership. The above adjustment was transferred capital surplus. As of December 31, 2020 and 2019, the market values of the treasury shares calculated by combined holding percentage were NT\$7,940,725 thousand and NT\$7,668,370 thousand, respectively.

### 23. OPERATING REVENUE

#### a. Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Notes and accounts receivable (Note 10)	<u>\$ 5,284,823</u>	<u>\$ 3,641,038</u>	<u>\$ 5,881,719</u>
Contract assets			
Construction contracts	<u>\$ 475,313</u>	<u>\$ 37,687</u>	<u>\$ 204,993</u>
Contract liabilities			
Sale of goods	\$ 1,110,181	\$ 960,115	\$ 1,037,999
Construction contracts	90,061	140,981	690,158
Sale of real estate	<u>-</u>	<u>-</u>	<u>60,436</u>
	<u>\$ 1,200,242</u>	<u>\$ 1,101,096</u>	<u>\$ 1,788,593</u>

#### b. Disaggregation of revenue

For the year ended December 31, 2020

Type of goods or services	Steel Department	Others	Total
Sale of goods	\$ 177,864,295	\$ -	\$ 177,864,295
Others	<u>-</u>	<u>5,977,231</u>	<u>5,977,231</u>
	<u>\$ 177,864,295</u>	<u>\$ 5,977,231</u>	<u>\$ 183,841,526</u>

For the year ended December 31, 2019

Type of goods or services	<b>Steel Department</b>	<b>Others</b>	<b>Total</b>
Sale of goods	\$ 201,535,449	\$ -	\$ 201,535,449
Others	<u>-</u>	<u>5,762,084</u>	<u>5,762,084</u>
	<u>\$ 201,535,449</u>	<u>\$ 5,762,084</u>	<u>\$ 207,297,533</u>

c. Partially completed contracts

As of December 31, 2020 and 2019, the transaction prices allocated to the performance obligations that were not fully satisfied amounted to NT\$6,463,894 thousand and NT\$8,819,068 thousand, respectively. The Corporation will recognize revenue as the construction is being completed and the expected timing for recognition of revenue is on various dates through November 2024.

**24. PROFIT BEFORE INCOME TAX**

a. Interest income

	<b><u>For the Year Ended December 31</u></b>	
	<b>2020</b>	<b>2019</b>
Bank deposits	\$ 21,705	\$ 82,874
Others	<u>81,055</u>	<u>111,298</u>
	<u>\$ 102,760</u>	<u>\$ 194,172</u>

b. Other income

	<b><u>For the Year Ended December 31</u></b>	
	<b>2020</b>	<b>2019</b>
Rental income	\$ 550,558	\$ 620,040
Dividend income	478,481	536,241
Royalty income	173,645	286,737
Others	<u>705,271</u>	<u>344,111</u>
	<u>\$ 1,907,955</u>	<u>\$ 1,787,129</u>

c. Other gains and losses

	<b><u>For the Year Ended December 31</u></b>	
	<b>2020</b>	<b>2019</b>
Net foreign exchange gain	\$ 340,821	\$ 335,857
Loss on disposal of property, plant and equipment	(3,107)	(7,148)
Gain arising from financial assets at fair value through profit or loss	117,861	14,534
Other losses	<u>(476,917)</u>	<u>(354,918)</u>
	<u>\$ (21,342)</u>	<u>\$ (11,675)</u>

The components of net foreign exchange gain were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Foreign exchange gain	\$ 800,605	\$ 953,777
Foreign exchange loss	<u>(459,784)</u>	<u>(617,920)</u>
Net exchange gain	<u>\$ 340,821</u>	<u>\$ 335,857</u>

d. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Interest of bonds payable	\$ 1,055,388	\$ 1,176,788
Interest of short-term borrowings and bank overdraft	117,393	237,197
Interest of bills payable	93,051	48,710
Interest of lease liabilities	<u>14,120</u>	<u>18,558</u>
Total interest expense for financial liabilities measured at amortized cost	1,279,952	1,481,253
Less: Amounts included in the cost of qualifying assets	<u>186,985</u>	<u>144,262</u>
	<u>\$ 1,092,967</u>	<u>\$ 1,336,991</u>

Information about capitalized interest was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Capitalized amounts	<u>\$ 186,985</u>	<u>\$ 144,262</u>
Capitalized annual rates (%)	1.09-1.20	1.14-1.40

e. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Property, plant and equipment	\$ 14,879,973	\$ 17,065,818
Right-of-use assets	347,269	340,996
Investment properties	22,714	22,671
Intangible assets	<u>9,956</u>	<u>9,957</u>
	<u>\$ 15,259,912</u>	<u>\$ 17,439,442</u>
An analysis of depreciation by function		
Operating costs	\$ 14,007,500	\$ 16,109,211
Operating expenses	1,120,297	1,115,688
Others	<u>122,159</u>	<u>204,586</u>
	<u>\$ 15,249,956</u>	<u>\$ 17,429,485</u>

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
An analysis of amortization by function		
Operating costs	\$ 9,956	\$ 9,956
Operating expenses	<u>-</u>	<u>1</u>
	<u>\$ 9,956</u>	<u>\$ 9,957</u>

f. Employee benefits

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Short-term employee benefits		
Salaries	\$ 12,271,420	\$ 15,459,628
Labor and health insurance	927,313	1,009,288
Others	<u>558,752</u>	<u>570,385</u>
	<u>13,757,485</u>	<u>17,039,301</u>
Post-employment benefits		
Defined contribution plans	327,240	301,139
Defined benefit plans (Note 21)	<u>577,635</u>	<u>645,848</u>
	<u>904,875</u>	<u>946,987</u>
Termination benefits	<u>83,748</u>	<u>57,947</u>
	<u>\$ 14,746,108</u>	<u>\$ 18,044,235</u>
Analysis of employee benefits by function		
Operating costs	\$ 12,120,521	\$ 14,852,995
Operating expenses	2,438,846	3,045,835
Others	<u>186,741</u>	<u>145,405</u>
	<u>\$ 14,746,108</u>	<u>\$ 18,044,235</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 the 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.

The employees' compensation and remuneration of directors for the years ended December 31, 2020 and 2019 which have been approved by the Corporation's board of directors in February 2021 and March 2020, respectively, were as follows:

Amount

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Employees' compensation	\$ 82,057	\$ 622,979
Remuneration of directors	1,539	11,681

## Accrual Rate

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Employees' compensation (%)	7.52	5.84
Remuneration of directors (%)	0.14	0.11

If there is a change in the proposed amounts after the annual standalone financial statements are authorized for issue, the difference is recorded as a change in accounting estimate.

The appropriations of employees' compensation and remuneration of directors (all in cash) for 2019 and 2018 which had 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 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 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

## **25. INCOME TAX**

### a. Income tax recognized in profit or loss

The major components of income tax were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Current tax		
In respect of the current year	\$ 10,385	\$ 829,442
Income tax on unappropriated earnings	-	410,818
In respect of prior years	(475,403)	(30,741)
Deferred tax		
In respect of the current year	544,040	(1,333)
In respect of prior years	<u>42,489</u>	<u>17,367</u>
	<u>\$ 121,511</u>	<u>\$ 1,225,553</u>

The reconciliation of accounting profit and income tax expense was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Profit before income tax	\$ <u>1,007,376</u>	\$ <u>10,035,108</u>
Income tax expense calculated at the statutory rate	\$ 201,475	\$ 2,007,022
Non-deductible expenses in determining taxable income	16,056	11,656
Tax-exempt income	140,127	(1,113,551)
Income tax on unappropriated earnings	-	410,818
Land value increment tax	-	2,456
Realized investment loss	(1,844)	(66,695)
Investment credits in respect of the current year	-	(12,779)
Unrecognized loss carryforwards	188,284	-
Separate taxation on repatriated offshore funds	10,385	-
Others	(58)	-
Adjustments for prior years' tax in respect of the current year	<u>(432,914)</u>	<u>(13,374)</u>
	<u>\$ 121,511</u>	<u>\$ 1,225,553</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. When calculating the tax on unappropriated earnings, the Corporation only deducts the amount of the unappropriated earnings that has been reinvested in capital expenditure.

In accordance with Rule No. 10904550440 issued by the Ministry of Finance of Taiwan (MOF), the Corporation used the losses incurred in the first quarter of 2020 to estimate losses for the first six months of 2020 and this amount is deducted from the Corporation's unappropriated earnings for 2018 for filing the additional tax. For the 2020 standalone financial reporting purpose, the tax on unappropriated earnings for 2018 is measured based on the actual profit for 2020, and the current income tax payable is adjusted accordingly.

In addition, in accordance with Rule No. 10904558730 issued by the MOF, the Corporation has deducted the amount of dividends distributed in 2020 attributable to the increase in the beginning retained earnings for 2018 as a result of initial adoption of IFRS 9 when calculating the tax on unappropriated earnings for 2018.

b. Income tax recognized directly in equity

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Current tax		
Reversal of special reserve due to disposal of property, plant and equipment	\$ 732	\$ 23
Deferred tax		
Reversal of special reserve due to disposal of property, plant and equipment	<u>(732)</u>	<u>(23)</u>
	<u>\$ -</u>	<u>\$ -</u>



c. Income tax benefit recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Current - fair value changes of cash flow hedges	\$ (5,728)	\$ 15,091
Current - remeasurement of defined benefit plan	11,254	34,454
Fair value changes of hedging instruments in cash flow hedges transferred to adjust carrying amounts of hedged items	<u>(1,268)</u>	<u>759</u>
	<u>\$ 4,258</u>	<u>\$ 50,304</u>

d. Deferred tax assets and liabilities

Movements of deferred tax assets and liabilities were as follows:

For the Year Ended December 31, 2020

	<b>Balance, Beginning of Year</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Recognized Directly in Equity</b>	<b>Balance, End of Year</b>
<u>Deferred tax assets</u>					
Temporary differences					
Defined benefit pension plan	\$ 1,416,096	\$ (53,177)	\$ 11,254	\$ -	\$ 1,374,173
Unrealized loss on inventories	1,090,372	(478,867)	-	-	611,505
Unrealized loss on cash flow hedges	13,523	-	(6,996)	-	6,527
Provision	136,695	444,688	-	-	581,383
Unrealized gain on the transactions with subsidiaries and associates	179,803	27,872	-	-	207,675
Unrealized settlement loss on foreign exchange forward contracts for hedging	64,271	(12,965)	-	-	51,306
Unrealized construction loss	801,892	-	-	-	801,892
Estimated preferential severance pay	20,886	1,147	-	-	22,033
Foreign investment loss	654,359	(534,164)	-	-	120,195
Others	<u>108,050</u>	<u>(48,372)</u>	<u>-</u>	<u>-</u>	<u>59,678</u>
	<u>\$ 4,485,947</u>	<u>\$ (653,838)</u>	<u>\$ 4,258</u>	<u>\$ -</u>	<u>\$ 3,836,367</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Land value increment tax	\$ 10,011,916	\$ -	\$ -	\$ -	\$ 10,011,916
Difference between tax reporting and financial reporting - depreciation method	541,986	(69,425)	-	-	472,561
Unrealized exchange gains, net	71,199	4,498	-	-	75,697
Unrealized gain on revaluation increment	38,421	-	-	(732)	37,689
Others	<u>10,226</u>	<u>(2,382)</u>	<u>-</u>	<u>-</u>	<u>7,844</u>
	<u>\$ 10,673,748</u>	<u>\$ (67,309)</u>	<u>\$ -</u>	<u>\$ (732)</u>	<u>\$ 10,605,707</u>

For the Year Ended December 31, 2019

	<b>Balance, Beginning of Year</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Recognized Directly in Equity</b>	<b>Balance, End of Year</b>
<u>Deferred tax assets</u>					
Temporary differences					
Defined benefit pension plan	\$ 1,391,338	\$ (9,696)	\$ 34,454	\$ -	\$ 1,416,096
Unrealized loss on inventories	765,655	324,717	-	-	1,090,372
Unrealized loss on cash flow hedges	-	-	13,523	-	13,523

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Balance, End of Year
Provision	\$ 510,583	\$ (373,888)	\$ -	\$ -	\$ 136,695
Unrealized gain on the transactions with subsidiaries and associates	207,454	(27,651)	-	-	179,803
Unrealized settlement loss on foreign exchange forward contracts for hedging	74,483	(10,212)	-	-	64,271
Unrealized construction loss	801,892	-	-	-	801,892
Estimated preferential severance pay	22,534	(1,648)	-	-	20,886
Foreign investment loss	607,095	47,264	-	-	654,359
Others	119,053	(11,003)	-	-	108,050
	<u>\$ 4,500,087</u>	<u>\$ (62,117)</u>	<u>\$ 47,977</u>	<u>\$ -</u>	<u>\$ 4,485,947</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Land value increment tax	\$ 10,011,916	\$ -	\$ -	\$ -	\$ 10,011,916
Difference between tax reporting and financial reporting - depreciation method	584,250	(42,264)	-	-	541,986
Unrealized exchange gains, net	71,507	(308)	-	-	71,199
Unrealized gain on revaluation increment	38,444	-	-	(23)	38,421
Unrealized gain on cash flow hedge	2,327	-	(2,327)	-	-
Others	13,737	(3,511)	-	-	10,226
	<u>\$ 10,722,181</u>	<u>\$ (46,083)</u>	<u>\$ (2,327)</u>	<u>\$ (23)</u>	<u>\$ 10,673,748</u>

e. Income tax assessments

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

## 26. EARNINGS PER SHARE

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

Net profit for the year

	<u>For the Year Ended December 31</u>	
	2020	2019
Net profit for the year	\$ 885,865	\$ 8,809,555
Less: Dividends on preference shares	<u>53,575</u>	<u>53,575</u>
Net profit used in computation of diluted earnings per share	<u>\$ 832,290</u>	<u>\$ 8,755,980</u>

Weighted average number of ordinary shares outstanding (in thousand shares)

	<u>For the Year Ended December 31</u>	
	2020	2019
Weighted average number of ordinary shares used in computation of basic earnings per share	15,414,073	15,414,667
Effect of dilutive potential ordinary shares:		
Employees' compensation	<u>10,450</u>	<u>42,045</u>
Weighted average number of ordinary shares used in computation of diluted earnings per share	<u>15,424,523</u>	<u>15,456,712</u>

Preference shares were not included in the calculation of diluted earnings per share for the years ended December 31, 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.

## 27. CAPITAL MANAGEMENT

The management of the Corporation optimized the balances of working capital, debt and equity as well as the related cost through monitoring the Corporation's 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.

## 28. FINANCIAL INSTRUMENTS

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

The management believes the carrying amounts of financial instruments that are not measured at fair value, such as cash and cash equivalent, receivables and payables approximate 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>December 31, 2020</u>				
Financial assets at fair value through profit or loss				
Foreign unlisted preference shares	\$ -	\$ -	\$ 843,818	\$ 843,818
Financial assets at fair value through other comprehensive income				
Equity instruments				
Domestic listed shares	\$ 10,252,633	\$ -	\$ -	\$ 10,252,633
Foreign listed shares	1,495,004	-	-	1,495,004
Domestic unlisted shares	-	-	853,478	853,478
Foreign unlisted shares	-	-	25,625,541	25,625,541
	<u>\$ 11,747,637</u>	<u>\$ -</u>	<u>\$ 26,479,019</u>	<u>\$ 38,226,656</u>

	Level 1	Level 2	Level 3	Total
Financial assets for hedging Foreign exchange forward contracts	\$ <u>          -</u>	\$ <u>  22,946</u>	\$ <u>          -</u>	\$ <u>  22,946</u>
Financial liabilities for hedging Foreign exchange forward contracts	\$ <u>          -</u>	\$ <u>  37,859</u>	\$ <u>          -</u>	\$ <u>  37,859</u>
<u>December 31, 2019</u>				
Financial assets at fair value through profit or loss Foreign unlisted preference shares	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>1,651,895</u>	\$ <u>1,651,895</u>
Financial assets at fair value through other comprehensive income Equity instruments				
Domestic listed shares	\$ 12,098,209	\$ -	\$ -	\$ 12,098,209
Foreign listed shares	1,925,597	-	-	1,925,597
Domestic unlisted shares	-	-	969,454	969,454
Foreign unlisted shares	<u>          -</u>	<u>          -</u>	<u>25,967,461</u>	<u>25,967,461</u>
	<u>\$ 14,023,806</u>	<u>\$ -</u>	<u>\$ 26,936,915</u>	<u>\$ 40,960,721</u>
Financial assets for hedging Foreign exchange forward contracts	\$ <u>          -</u>	\$ <u>      599</u>	\$ <u>          -</u>	\$ <u>      599</u>
Financial liabilities for hedging Foreign exchange forward contracts	\$ <u>          -</u>	\$ <u>  35,195</u>	\$ <u>          -</u>	\$ <u>  35,195</u>

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2020 and 2019.

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

For the year ended December 31, 2020

	<u>Equity Instruments</u>		
	<u>Financial Assets at Fair Value Through Profit or Loss</u>	<u>Financial Assets at Fair Value Through Other Comprehensive Income</u>	<u>Total</u>
Balance, beginning of the year	\$ 1,651,895	\$ 26,936,915	\$ 28,588,810
Disposals	(841,779)	-	(841,779)

	<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>
Recognized in profit or loss	\$ 33,702	\$ -	\$ 33,702
Recognized in other comprehensive income	<u>-</u>	<u>(457,896)</u>	<u>(457,896)</u>
Balance, end of the year	<u>\$ 843,818</u>	<u>\$ 26,479,019</u>	<u>\$ 27,322,837</u>

For the year ended December 31, 2019

	<b>Equity Instruments</b>		
	<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 the year	\$ 1,651,808	\$ 34,340,750	\$ 35,992,558
Recognized in profit or loss	87	-	87
Recognized in other comprehensive income	-	(7,403,351)	(7,403,351)
Disposals	<u>-</u>	<u>(484)</u>	<u>(484)</u>
Balance, end of the year	<u>\$ 1,651,895</u>	<u>\$ 26,936,915</u>	<u>\$ 28,588,810</u>

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

Derivative instruments - A discounted cash flow analysis was performed using the applicable yield curve for the duration of the derivative instruments for foreign exchange forward contracts. The estimates and assumptions used by the Corporation were consistent with those that market participants would use in setting a price for the financial instrument.

- 4) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement
- a) For domestic unlisted shares and some foreign unlisted shares, fair values were determined based on industry types, valuations of similar companies and operations.
  - b) For other foreign unlisted shares, fair values were measured under income approach and calculated by the present value of the expected return by using 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>December 31</b>	
	<b>2020</b>	<b>2019</b>
Long-term pre-tax operating income rate (%)	7.98-54.07	10.65-50.76
Discount rate (%)	7.62-10.69	10.79-11.01

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>December 31</b>	
	<b>2020</b>	<b>2019</b>
Long-term pre-tax operating income rate		
Increase 1%	<u>\$ 268,384</u>	<u>\$ 187,755</u>
Decrease 1%	<u>\$ (270,220)</u>	<u>\$ (189,229)</u>
Discount rate		
Increase 1%	<u>\$ (479,780)</u>	<u>\$ (365,524)</u>
Decrease 1%	<u>\$ 652,297</u>	<u>\$ 452,460</u>

- c) For the remaining few foreign unlisted shares, their fair values were measured under the market approach. In particular 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 values of the investments would increase.

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
<b>Financial assets</b>		
Financial assets at fair value through profit or loss	\$ 843,818	\$ 1,651,895
Financial assets for hedging	515,971	687,085
Financial assets at amortized cost 1)	20,234,891	24,657,905
Financial assets at fair value through other comprehensive income	38,226,656	40,960,721
<b>Financial liabilities</b>		
Financial liabilities for hedging	1,998,898	4,655,620
Financial liabilities at amortized cost 2)	123,028,535	135,220,285

- 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 (including loans to related parties), 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, accounts payable (including related parties), other payables, refund liabilities, bonds payable, long-term bank borrowings, long-term bills payable and deposits received.

d. Financial risk management objectives and policies

The Corporation places 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 was equipped with sufficient and cost - efficient working capital, which reduced financial uncertainty that may have adverse effects on the operations.

The significant financial activities of the Corporation 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 for executing financial projects. Compliance with policies and exposure limits is continually reviewed by the internal auditors. The Corporation did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

a) Foreign currency risk

The Corporation was exposed to foreign currency risk due to purchases, construction undertaking, 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 at the end of the reporting period were referred to Note 32.

The Corporation was mainly exposed to the USD. The following table details the sensitivity to a 1% increase in NTD against the relevant foreign currency.

	<b>USD Impact</b>	
	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Pre-tax profit or loss	\$ 13,051 i	\$ 18,901 i
Equity	(2,385) ii	15,857 ii

i. These were mainly attributable to the exposure of cash, outstanding receivables, other financial assets and payables and short-term 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 year.

Hedge accounting

The Corporation's hedging strategies were as follows:

i. The Corporation's hedging strategy is to enter into foreign exchange forward contracts to avoid exchange rate exposure of its foreign currency capital expenditure. 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 investment in subsidiary CSVC, which has USD as their functional currency.

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

### December 31, 2020

Hedging Instruments/ Hedged Items	Currency	Contract Amount (In thousands)	Maturity	Forward Price	Line Item in Balance Sheet	Carrying Amount	
						Asset	Liability
Cash flow hedge							
Foreign exchange forward contracts/Forecast purchases and construction contracts	NTD/USD	NTD673,884/ USD22,461	January 2021 - March 2023	28.573-30.654	Financial liabilities for hedging	\$ -	\$ 36,532
	NTD/EUR	NTD636,339/ EUR18,838	October 2021 - December 2022	33.640-35.677	Financial assets/ liabilities for hedging	22,946	410
	NTD/JPY	NTD25,764/ JPY89,600	April 2021 - March 2023	0.2851-0.2906	Financial liabilities for hedging	-	917
Hedging foreign-currency deposits/Forecast purchases and construction contracts	USD	\$ 8,377	NA	NA	Financial assets for hedging	238,549	-
	EUR	7,267	NA	NA	Financial assets for hedging	254,476	-
Fair value hedge							
Foreign currency bank borrowings/Financial assets at FVTOCI	JPY	3,814,000	December 2021 - November 2022	NA	Financial liabilities for hedging	-	1,053,808
Foreign currency bank borrowings/Financial assets at FVTPL	JPY	3,283,500	June 2021	NA	Financial liabilities for hedging	-	907,231
Hedging Instruments/ Hedged Items	Currency	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	Discontinuing Hedges		
Cash flow hedge							
Foreign exchange forward contracts/Forecast purchases and construction contracts	NTD/USD	\$ (17,318)	\$ 17,318	\$ (36,532)	\$ -	NA	NA
	NTD/EUR	29,933	(29,933)	22,536	-	NA	NA
	NTD/JPY	7,068	(7,068)	(917)	-	NA	NA
Hedging foreign-currency deposits/Forecast purchases and construction contracts	USD	(9,921)	9,921	(11,219)	-	NA	NA
	EUR	24,841	(24,841)	(6,504)	-	NA	NA
	JPY	378	(378)	-	-	NA	NA
Net investment hedge in foreign operations							
Foreign currency bank borrowings/Investment in foreign operations	USD	-	-	(177,876)	3,966,662	NA	NA
Fair value hedge							
Foreign currency bank borrowings/Financial assets at FVTOCI	JPY	(1,144)	1,144	22,801	-	\$ 1,495,004	\$ (50,321)
Foreign currency bank borrowings/Financial assets at FVTPL	JPY	(985)	1,000	NA	NA	843,818	(97,386)

### December 31, 2019

Hedging Instruments/ Hedged Items	Currency	Contract Amount (In thousands)	Maturity	Forward Price	Line Item in Balance Sheet	Carrying Amount	
						Asset	Liability
Cash flow hedge							
Foreign exchange forward contracts/Forecast purchases and construction contracts	NTD/USD	NTD1,201,595/ USD39,992	February 2020 - March 2023	28.573-31.375	Financial assets/ liabilities for hedging	\$ 599	\$ 19,813
	NTD/EUR	NTD149,276/ EUR4,192	January 2020 - December 2021	35.443-35.856	Financial liabilities for hedging	-	7,397
	NTD/JPY	NTD232,172/ JPY806,400	August 2020 - March 2023	0.2839-0.2917	Financial liabilities for hedging	-	7,985



Hedging Instruments/ Hedged Items	Currency	Contract Amount (In thousands)	Maturity	Forward Price	Line Item in Balance Sheet	Carrying Amount	
						Asset	Liability
Hedging foreign-currency deposits/Forecast purchases and construction contracts	USD	\$ 5,658	NA	NA	Financial assets for hedging	\$ 169,619	\$ -
	EUR	15,196	NA	NA	Financial assets for hedging	510,436	-
	JPY	23,300	NA	NA	Financial assets for hedging	6,431	-
Net investment hedge in foreign operations Foreign currency bank borrowings/Investment in foreign operations	USD	58,548	April 2021	NA	Financial liabilities for hedging	-	1,755,269
Fair value hedge Foreign currency bank borrowings/Financial assets at FVTOCI	JPY	3,814,000	December 2021 - November 2022	NA	Financial liabilities for hedging	-	1,052,664
Foreign currency bank borrowings/Financial assets at FVTPL	JPY	6,567,000	June 2021	NA	Financial liabilities for hedging	-	1,812,492
Hedging Instruments/ Hedged Items	Currency	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	Discontinuing Hedges		
Cash flow hedge							
Foreign exchange forward contracts/ Forecast purchases and construction contracts	NTD/USD	\$ (16,143)	\$ 16,143	\$ (19,214)	\$ -	NA	NA
	NTD/EUR	(1,038)	1,038	(7,397)	-	NA	NA
	NTD/JPY	(7,985)	7,985	(7,985)	-	NA	NA
Hedging foreign-currency deposits/ Forecast purchases and construction contracts	USD	(7,396)	7,396	(1,298)	-	NA	NA
	EUR	(45,912)	45,912	(31,345)	-	NA	NA
	JPY	(777)	777	(379)	-	NA	NA
Net investment hedge in foreign operations Foreign currency bank borrowings/Investment in foreign operations	USD	43,033	(43,033)	(172,607)	3,966,662	NA	NA
Fair value hedge Foreign currency bank borrowings/Financial assets at FVTOCI	JPY	8,390	(8,388)	23,945	NA	\$ 1,925,597	\$ (51,465)
Foreign currency bank borrowings/Financial assets at FVTPL	JPY	14,447	(14,667)	NA	NA	1,651,895	(196,801)

For the year ended December 31, 2020

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in P/L	Line Item in Which Hedge Ineffectiveness is Included	Amount Reclassified to P/L and the Adjusted Line Item	
				Due to Hedged Item Affecting P/L	Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedge					
Foreign exchange forward contracts	\$ 19,683	\$ -	-	\$ -	\$ -
Hedging foreign - currency deposits	15,298	-	-	-	-
	<u>\$ 34,981</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>
Net investment hedge in foreign operations Foreign currency bank borrowings	<u>\$ (5,269)</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>

For the year ended December 31, 2019

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount of Hedge Ineffectiveness Recognized in P/L	Line Item in Which Hedge Ineffectiveness is Included	Amount Reclassified to P/L and the Adjusted Line Item	
				Due to Hedged Item Affecting P/L	Due to Hedged Future Cash Flows No Longer Expected to Occur
Cash flow hedge					
Foreign exchange forward contracts	\$ (25,166)	\$ -	-	\$ -	\$ -
Hedging foreign - currency deposits	<u>(54,085)</u>	<u>-</u>	-	<u>-</u>	<u>-</u>
	<u>\$ (79,251)</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>
Net investment hedge in foreign operations					
Foreign currency bank borrowings	<u>\$ (3,417)</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>

b) Interest rate risk

The Corporation was exposed to interest rate risk because the Corporation borrowed funds at both fixed and floating interest rates. The risk is managed by the Corporation by maintaining an appropriate mix of fixed and floating rate borrowings.

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

	December 31	
	2020	2019
Fair value interest rate risk		
Financial liabilities	\$ 76,790,275	\$ 87,716,894
Cash flow interest rate risk		
Financial liabilities	26,544,421	30,763,087

If interest rates had been 1% higher/lower and all other variables were held constant, the Corporation's pre-tax profit for the years ended December 31, 2020 and 2019 would have been lower/higher by NT\$265,444 thousand and NT\$307,631 thousand, respectively.

c) Other price risk

The Corporation was exposed to equity price risk through its investments in domestic and foreign listed shares.

If equity prices had been 1% lower/higher, the other comprehensive income for the year ended December 31, 2020 and 2019 would have been lower/higher by NT\$117,476 thousand and NT\$140,238 thousand, respectively, as a result of the changes in fair value of financial assets at fair value through other comprehensive income.

2) Credit risk

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

The Corporation does not expect significant credit risk because the counterparties are creditworthy financial institutions and companies. The Corporation did transactions with a large number of

unrelated customers and no concentration of credit risk was observed.

As of December 31, 2020 and 2019, the maximum credit risk of off-balance-sheet guarantees provided to subsidiaries and investees of co-investment for procurement and investment compliance was NT\$36,147,590 thousand and NT\$38,136,226 thousand, respectively.

### 3) Liquidity risk

The management of the Corporation 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's 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 band 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.

	<b>Less Than 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
<u>December 31, 2020</u>				
Non-derivative financial liabilities				
Non-interest bearing liabilities	\$ 20,288,172	\$ -	\$ -	\$ 20,288,172
Lease liabilities	295,038	636,557	387,511	1,319,106
Variable interest rate liabilities	12,377,323	14,262,601	-	26,639,924
Fixed interest rate liabilities	16,527,524	38,165,006	25,385,730	80,078,260
Refund liabilities	1,914,682	-	-	1,914,682
Financial guarantee liabilities	<u>7,456,748</u>	<u>23,826,554</u>	<u>4,864,288</u>	<u>36,147,590</u>
	<u>\$ 58,859,487</u>	<u>\$ 76,890,718</u>	<u>\$ 30,637,529</u>	<u>\$ 166,387,734</u>
<u>December 31, 2019</u>				
Non-derivative financial liabilities				
Non-interest bearing liabilities	\$ 19,623,569	\$ -	\$ -	\$ 19,623,569
Lease liabilities	344,346	643,583	503,508	1,491,437
Variable interest rate liabilities	20,278,438	10,690,380	-	30,968,818
Fixed interest rate liabilities	22,360,739	41,845,111	27,655,608	91,861,458
Refund liabilities	2,054,213	-	-	2,054,213
Financial guarantee liabilities	<u>113,924</u>	<u>32,922,647</u>	<u>5,099,655</u>	<u>38,136,226</u>
	<u>\$ 64,775,229</u>	<u>\$ 86,101,721</u>	<u>\$ 33,258,771</u>	<u>\$ 184,135,721</u>

The amounts included above for financial guarantee contracts were the maximum amounts the Corporation 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 end of the reporting period, the Corporation considers that it is more likely than not that none of the amount

will be payable under the arrangement.

## 29. TRANSACTIONS WITH RELATED PARTIES

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

<u>Company</u>	<u>Relationship</u>
C. S. Aluminium Corporation (CSAC)	Subsidiary
China Steel Express Corporation (CSE)	Subsidiary
China Steel Chemical Corporation (CSCC)	Subsidiary
China Steel Global Trading Corporation (CSGT)	Subsidiary
CHC Resources Corporation (CHC)	Subsidiary
China Ecotek Corporation (CEC)	Subsidiary
China Steel Structure Co., Ltd. (CSSC)	Subsidiary
Chung Hung Steel Corporation (CHS)	Subsidiary
China Steel Machinery Corporation (CSMC)	Subsidiary
Gains Investment Corporation (GIC)	Subsidiary
China Steel Security Corporation (CSS)	Subsidiary
China Prosperity Development Corporation. (CPDC)	Subsidiary
InfoChamp Systems Corporation (Info Champ)	Subsidiary
Ever Wealthy International Corporation	Subsidiary
China Steel Management Consulting Corporation	Subsidiary
Himag Magnetic Corporation	Subsidiary
Magnpower Corporation	Subsidiary
Dragon Steel Corporation (DSC)	Subsidiary
China Steel Nippon Steel Vietnam Joint Stock Company (Renamed from China Steel Sumikin Vietnam Joint Stock Company) (CSVC)	Subsidiary
CSGT (Singapore) Pte. Ltd.	Subsidiary
CSE Transport Corporation	Subsidiary
CSEI Transport (Panama) Corporation	Subsidiary
Mentor Consulting Corporation	Subsidiary
Steel Castle Technology Corporation	Subsidiary
Union Steel Development Corp.	Subsidiary
Betacera Inc.	Subsidiary
Wabo Global Trading Corporation	Subsidiary
Universal Exchange Inc.	Subsidiary
United Steel Engineering & Construction Corporation (USEC)	Subsidiary
Thintech Materials Technology Co., Ltd.	Subsidiary
CSGT International Corporation	Subsidiary
CSGT Metals Vietnam Joint Stock Company	Subsidiary
CSC Steel Sdn. Bhd.	Subsidiary
CSGT Japan Co., Ltd.	Subsidiary
CSGT Hong Kong Limited	Subsidiary
CSGT (Shenzhen) Co., Ltd.	Subsidiary
CSGT (Shanghai) Co., Ltd.	Subsidiary
Gau Rwei Investment Corporation	Subsidiary
Chiun Yu Investment Corporation	Subsidiary
Taiwan Intelligent Transportation Co., Ltd.	Subsidiary
Changzhou China Steel Precision Materials Co., Ltd. (CSPM)	Subsidiary
China Steel Corporation India Pvt. Ltd. (CSCI)	Subsidiary
China Steel Precision Metals-Qingdao Co., Ltd. (CSMQ)	Subsidiary
China Steel Precision Metals Kunshan Co., Ltd. (CSMK)	Subsidiary

<b>Company</b>	<b>Relationship</b>
Hung Kao Investment Corporation	Subsidiary
White Biotech Corporation	Subsidiary
CSC Precision Metal Industrial Corporation (CPMI)	Subsidiary
China Steel Resources Corporation (CSRC)	Subsidiary
CK Japan Co., Ltd.	Subsidiary
China Steel Management and Maintenance for Buildings Corporation	Subsidiary
Kaohsiung Rapid Transit Corporation	Subsidiary
Kaoport Stevedoring Corporation	Subsidiary
Pao Good Industrial Co., Ltd.	Subsidiary
CSC Sonoma Pty Ltd	Subsidiary
CSC Solar Corporation	Subsidiary
Sing Da Marine Structure Corporation (SDMS)	Subsidiary
China Steel Power Holding Corporation (CPHC)	Subsidiary
China Steel Power Corporation (ZN)	Subsidiary
CSGT Trading India Private Limited	Subsidiary
HC&C Auto Parts Co., Ltd.	Associate
TaiAn Technologies Corporation	Associate
Hsin Hsin Cement Enterprise Corporation	Associate
TSK Steel Company Limited	Associate
Fukuta Electric & Machinery Co., Ltd.	Associate
Honley Auto. Parts Co., Ltd. (HONLEY)	Associate
Taiwan Rolling Stock Company Ltd.	Associate
Eminent II Venture Capital Corporation	Associate
Overseas Investment & Development Corporation	Associate
Kaohsiung Arena Development Corporation	Associate
Changchun CECK Auto. Parts Co., Ltd. (CCCA)	Subsidiary of associates
Formosa Ha Tinh (Cayman) Limited (FHC)	Other related party
Formosa Ha Tinh Steel Corporation	Other related party
CSC Educational Foundation	Other related party
CSBC Corporation, Taiwan	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
Rechi Precision Co., Ltd.	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
Taiwan High Speed Rail Corporation	The Corporation as key management personnel of other related parties

<u>Company</u>	<u>Relationship</u>
Tang Eng Iron Works Co., Ltd.	The Corporation as key management personnel of other related parties
Taiwan International Wind power Training 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
TCL Rechi (Huizhou) Refrigeration Equipment Ltd.	The Corporation as key management of parent company
Rechi Refrigeration (Dongguan) Co, Ltd.	The Corporation as key management of parent company
CSC Labor Union	Director of the Corporation
Ministry of Economic Affairs, R.O.C	Director of the Corporation

b. Operating revenue

Account Items	Related Parties Types /Names	<u>For the Year Ended December 31</u>	
		2020	2019
Revenue from sales of goods	Subsidiaries		
	CHS	\$ 17,233,140	\$ 20,637,270
	Others	17,323,138	17,737,923
	Others	<u>2,094,759</u>	<u>2,936,000</u>
		<u>\$ 36,651,037</u>	<u>\$ 41,311,193</u>

Sales to related parties were made at arm's length and applicable to similar transactions in the market except for terms of sales to CSCI and CSVC, in which the receivables were collected by account receivable factoring, for terms of sales to CSGT Metals Vietnam Joint Stock Company, CSCM and CSVC, in which the receivables were collected within 14 days after shipment, for terms of sales to CSMQ, in which the receivables were collected within 60 days after shipment date, terms of sales to CSMK, in which the receivables were collected within 85 days after shipment date and term of sales to some subsidiaries without similar transactions with other unrelated parties.

c. Purchase of goods

Related Parties Types/Names	<u>For the Year Ended December 31</u>	
	2020	2019
Subsidiaries		
DSC	\$ 13,713,145	\$ 17,209,793
Others	9,808,828	13,065,330
Others	<u>158,299</u>	<u>215,379</u>
	<u>\$ 23,680,272</u>	<u>\$ 30,490,502</u>

Purchased from related parties were made at arm's length applied to similar transactions in the market except for terms of purchases from some subsidiaries without similar transactions with other unrelated parties.

d. Receivables from related parties (not including loans to related parties)

Account Items	Related Parties Types /Names	December 31	
		2020	2019
Notes and accounts receivable	Subsidiaries		
	CSMK	\$ 776,853	\$ 166,127
	Others	1,178,177	687,785
	The Corporation as key management personnel of other related parties	147,529	307,023
	Others	<u>63,488</u>	<u>37,395</u>
		<u>\$ 2,166,047</u>	<u>\$ 1,198,330</u>

No guarantee had been received for receivables from related parties. For the years ended December 31, 2020 and 2019, no impairment loss was recognized for receivables from related parties.

e. Payables to related parties (not including loans from related parties)

Account Items	Related Parties Types /Names	December 31	
		2020	2019
Accounts payable	Subsidiaries		
	CSE	\$ 473,670	\$ 1,044,396
	DSC	240,761	-
	Others	331,125	375,545
	Others	<u>21,429</u>	<u>26,183</u>
		<u>\$ 1,066,985</u>	<u>\$ 1,446,124</u>

The outstanding accounts payable to related parties are unsecured.

f. Loans to related parties (recognized as other receivables - loans to related parties)

Related Parties Types/Names	December 31	
	2020	2019
Subsidiaries		
CSAC	\$ 3,600,000	\$ 3,600,000
CSRC	944,000	810,000
SDMS	700,000	-
CHS	-	2,450,000
Others	<u>450,000</u>	<u>2,410,000</u>
	<u>\$ 5,694,000</u>	<u>\$ 9,270,000</u>

The Corporation provided short-term loans to its subsidiaries, with the interest rate calculated at the latest 30-day average rate of the Corporation's short-term loans in the same currencies from ordinary financial institutions. As of December 31, 2020 and 2019, the interest rate was 0.40%-0.51% p.a. and 0.68%-0.69% p.a., respectively.

Loans to the Corporation's subsidiaries were unsecured loans with interest income of NT\$52,469 thousand and NT\$64,031 thousand for the years ended December 31, 2020 and 2019, respectively.

- g. Loans from related parties (recognized as short-term borrowings and bank overdraft)

Related Parties Types/Names	December 31	
	2020	2019
Subsidiaries		
CPDC	\$ 2,350,000	\$ 2,300,000
Others	<u>200,000</u>	<u>400,000</u>
	<u>\$ 2,550,000</u>	<u>\$ 2,700,000</u>

The rate of loans from subsidiaries is calculated at the latest 30-day average rate of the Corporation's short-term loans in the same currencies from ordinary financial institutions and adjusted based on the circumstances. As of December 31, 2020 and 2019, the interest rate was 0.41%-0.46% p.a. and 0.69% p.a., respectively.

Loans from the Corporation's subsidiaries were unsecured loans with interest expense of NT\$11,363 thousand and NT\$8,461 thousand for the years ended December 31, 2020 and 2019, respectively.

- h. Other related parties transactions

- 1) The Corporation signed brokerage contract with its subsidiary DSC. For the years ended December 31, 2020 and 2019, the commission revenue was NT\$457,746 thousand and NT\$478,600 thousand, respectively.

The balances of consignment payable to related parties, which were included in other payables, were as follows:

Related Parties Types/Names	December 31	
	2020	2019
Subsidiary		
DSC	<u>\$ 938,563</u>	<u>\$ 520,221</u>

- 2) Other revenue which pertained to services, processing of products, utilities, royalties and other services to related parties was recognized as operating revenue and non-operating income as follows:

Related Parties Types	For the Year Ended December 31	
	2020	2019
Subsidiaries	\$ 1,914,200	\$ 1,541,802
The Corporation as key management personnel of other related parties	658,366	497,976
Other related parties	151,620	278,125
Others	<u>4,983</u>	<u>8,885</u>
	<u>\$ 2,729,169</u>	<u>\$ 2,326,788</u>

- 3) Other expenditures paid to related parties which pertained to commissions for processing services, maintenance and repairs, construction, commissions for export and import services, etc. were recognized as operating costs, manufacturing expenses, operating expenses and non-operating expenses.



	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
<b>Related Parties Types</b>		
Subsidiaries	\$ 8,296,100	\$ 8,678,357
Associates	945,946	167,066
Others	<u>97,639</u>	<u>18,959</u>
	<u>\$ 9,339,685</u>	<u>\$ 8,864,382</u>

4) Capital expenditures

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
<b>Related Parties Types/Names</b>		
Subsidiaries		
CSMC	\$ 3,623,363	\$ 1,526,973
CEC	5,019,288	1,158,025
Others	<u>1,596,579</u>	<u>937,239</u>
	<u>\$ 10,239,230</u>	<u>\$ 3,622,237</u>

The balances of outsourced repair and construction payable (recognized as other payables) were as follows:

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
<b>Related Parties Types</b>		
Subsidiaries	<u>\$ 1,227,214</u>	<u>\$ 364,804</u>

5) As of December 31, 2020 and 2019, guarantees provided to the related parties for investment compliance were as follows:

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
<b>Related Parties Types/Names</b>		
Other related parties - FHC		
Amount endorsed	\$ 33,904,899	\$ 36,978,426
Amount utilized	<u>(33,904,899)</u>	<u>(36,978,426)</u>
	<u>\$ -</u>	<u>\$ -</u>
Subsidiaries		
Amount endorsed	\$ 2,580,000	\$ 2,580,000
Amount utilized	<u>(1,308,952)</u>	<u>-</u>
	<u>\$ 1,271,048</u>	<u>\$ 2,580,000</u>
The Corporation as key management personnel of other related parties		
Amount endorsed	\$ 1,329,520	\$ 1,502,038
Amount utilized	<u>(933,739)</u>	<u>(1,157,800)</u>
	<u>\$ 395,781</u>	<u>\$ 344,238</u>

i. Compensation of key management personnel

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

	<b>For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Short-term employee benefits	\$ 52,960	\$ 74,111
Post-employment benefits	<u>1,368</u>	<u>1,439</u>
	<u>\$ 54,328</u>	<u>\$ 75,550</u>

**30. ASSETS PLEDGED AS COLLATERAL OR SECURITY**

As of December 31, 2020 and 2019, time deposits pledged as collateral for bank overdraft was both NT\$5,850,000 thousand.

**31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS**

Significant commitments and contingencies of the Corporation as of December 31, 2020 were as follows:

- a. The Corporation provided letters of credits for NT\$3.6 billion guaranteed by financial institutions for several construction, lease contracts and payment.
- b. Unused letters of credit for importation of materials and machinery amounted to NT\$2.7 billion.
- c. Property purchase and construction contracts for NT\$5.5 billion were signed but not yet recorded.
- d. The Corporation 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 7,270,000 metric tons of coal, 13,970,000 metric tons of iron ore, and 2,160,000 metric tons of limestone are at prices negotiable with the counterparties. Purchase commitments as of December 31, 2020 were US\$3.3 billion (including 3,130,000 metric tons of coal, 19,890,000 metric tons of iron ore, and 720,000 metric tons of limestone).
- e. The amount utilized for guarantees provided to related parties and investees of co-investment for procurement and investment compliances was NT\$36,147,590 thousand.

**32. 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 the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In Thousands of New Taiwan Dollars)</b>
<u>December 31, 2020</u>			
Monetary foreign currency assets			
USD	\$ 97,242	28.4800	\$ 2,769,421
JPY	4,957,119	0.2763	1,369,652
CNY	251,557	4.3770	1,101,066
Non-monetary foreign currency assets			
Financial assets at fair value through other comprehensive income			
USD	845,533	28.4800	24,080,774
JPY	5,410,800	0.2763	1,495,004
MYR	227,523	6.7895	1,544,767
Investments accounted for using the equity method			
USD	373,863	28.4800	10,645,842
AUD	949,559	21.9500	20,842,831
INR	1,795,671	0.3845	690,435
Monetary foreign currency liabilities			
USD	134,692	28.4800	3,836,034
JPY	8,463,676	0.2763	2,338,514
<u>December 31, 2019</u>			
Monetary foreign currency assets			
USD	76,501	29.9800	2,295,371
JPY	7,234,354	0.2760	1,996,682
Non-monetary foreign currency assets			
Financial assets at fair value through other comprehensive income			
USD	810,290	29.9800	24,292,484
JPY	6,976,800	0.2760	1,925,597
MYR	238,160	7.0330	1,674,977
Investments accounted for using the equity method			
USD	364,732	29.9800	10,901,478
AUD	939,953	21.0050	19,743,722
INR	2,535,672	0.4196	1,063,968
Monetary foreign currency liabilities			
USD	195,517	29.9800	5,771,088
JPY	11,810,242	0.2760	3,259,627

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 24 for information relating to net foreign exchange gains and losses.

### 33. 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 28)
  - 10) Information on investees (Table 8)
- c. 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 (loss) of the investee, investment gain (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 9)
  - 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 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: List all shareholders with a stake of 5 percent or greater in shareholding percentage and the number of shares. (Table 10)

#### **34. SEGMENT INFORMATION**

Disclosure of the segment information in standalone financial statements is waived.

**TABLE 1**

**CHINA STEEL CORPORATION AND SUBSIDIARIES**

**FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing	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	-	-	-	29,329,894	58,659,788	Note2
0	China Steel Corporation	China Steel Global Trading Corporation	Other receivables	Yes	450,000	150,000	-	0.56%-0.70%	2	-	Operating capital	-	-	-	29,329,894	58,659,788	Note2
0	China Steel Corporation	Sing Da Marine Structure Corporation	Other receivables	Yes	700,000	700,000	700,000	0.40%-0.64%	2	-	Operating capital	-	-	-	29,329,894	58,659,788	Note2
0	China Steel Corporation	China Steel Express Corporation	Other receivables	Yes	1,000,000	500,000	-	0.52%-0.70%	2	-	Operating capital	-	-	-	29,329,894	58,659,788	Note2
0	China Steel Corporation	Gains Investment Corporation	Other receivables	Yes	200,000	100,000	-	0.50%-0.70%	2	-	Operating capital	-	-	-	29,329,894	58,659,788	Note2
0	China Steel Corporation	China Steel Resources Corporation	Other receivables	Yes	1,250,000	1,050,000	944,000	0.45%-0.69%	2	-	Operating capital	-	-	-	29,329,894	58,659,788	Note2
0	China Steel Corporation	C.S.Aluminium Corporation	Other receivables	Yes	7,200,000	5,200,000	3,600,000	0.41%-0.70%	2	-	Operating capital	-	-	-	29,329,894	58,659,788	Note2
0	China Steel Corporation	China Steel Precision Metals Kunshan Co., Ltd.	Other receivables	Yes	638,250	393,930	-	N/A	2	-	Operating capital	-	-	-	29,329,894	58,659,788	Note2
0	China Steel Corporation	China Steel Machinery Corporation	Other receivables	Yes	350,000	-	-	0.50%-0.70%	2	-	Operating capital	-	-	-	29,329,894	58,659,788	Note2
0	China Steel Corporation	Changzhou China Steel Precision Materials Co., Ltd.	Other receivables	Yes	255,300	131,310	-	N/A	2	-	Operating capital	-	-	-	29,329,894	58,659,788	Note2
0	China Steel Corporation	China Ecotek Corporation	Other receivables	Yes	310,000	-	-	0.68%-0.70%	2	-	Operating capital	-	-	-	29,329,894	58,659,788	Note2
0	China Steel Corporation	Kaohsiung Rapid Transit Corporation	Other receivables	Yes	600,000	450,000	450,000	0.41%-0.70%	2	-	Operating capital	-	-	-	29,329,894	58,659,788	Note2
0	China Steel Corporation	Chung Hung Steel Corporation	Other receivables	Yes	4,400,000	3,150,000	-	0.49%-0.70%	2	-	Operating capital	-	-	-	29,329,894	58,659,788	Note2
0	China Steel Corporation	China Steel Structure Co., Ltd.	Other receivables	Yes	750,000	450,000	-	0.51%-0.70%	2	-	Operating capital	-	-	-	29,329,894	58,659,788	Note2
0	China Steel Corporation	CHC Resources Corporation	Other receivables	Yes	600,000	400,000	-	N/A	2	-	Operating capital	-	-	-	29,329,894	58,659,788	Note2
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	-	-	-	480,705	1,922,823	Note3
2	United Steel Investment Pte Ltd	Chungkang Steel Structure (Cambodia) Co., Ltd.	Other receivables	Yes	18,755	17,658	17,658	5.80%	2	-	Operating capital	-	-	-	50,000	55,745	Note4
3	Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Other receivables	Yes	192,060	108,224	108,224	1.00%-2.50%	2	-	Operating capital	-	-	-	337,590	506,385	Note5
4	Thintech Materials Technology Co., Ltd.	Taicang Thintech Materials Co., Ltd.	Other receivables	Yes	105,358	105,311	87,102	2.80%-3.25%	2	-	Operating capital	-	-	-	348,382	464,510	Note6

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing	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			
5	C.S.Aluminium Corporation	Ningbo Huayang Aluminium-Tech Co., Ltd.	Other receivables	Yes	530,820	512,640	-	N/A	2	-	Repayments of bank borrowings	-	-	-	762,801	1,525,603	Note7
6	China Prosperity Development Corporation	China Steel Corporation	Other receivables	Yes	2,950,000	2,350,000	2,350,000	0.41%-0.70%	2	-	Operating capital	-	-	-	3,336,155	3,336,155	Note8
7	China Steel Security Corporation	China Steel Corporation	Other receivables	Yes	100,000	100,000	100,000	0.45%-0.69%	2	-	Operating capital	-	-	-	187,908	250,544	Note9
8	Lefkara Ltd.	Suzhou Betacera Technology Co., Ltd.	Other receivables	Yes	60,500	-	-	N/A	2	-	Operating capital	-	-	-	260,495	520,990	Note10
9	Sing Da Marine Structure Corporation	China Steel Corporation	Other receivables	Yes	300,000	-	-	N/A	2	-	Operating capital	-	-	-	886,335	886,335	Note11
10	CSC Precision Metal Industrial Corporation	China Steel Corporation	Other receivables	Yes	100,000	100,000	100,000	0.43%-0.69%	2	-	Operating capital	-	-	-	106,993	122,278	Note12
11	China Steel Power Holding Corporation	China Steel Power Corporation	Other receivables	Yes	268,000	268,000	-	0.70%	2	-	Operating capital	-	-	-	692,025	692,025	Note13
12	Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	Other receivables	Yes	59,260	56,960	-	N/A	2	-	Operating capital	-	-	-	173,021	346,042	Note14
13	CSGT (Shanghai) Co., Ltd.	CSGT (Shenzhen) Co., Ltd.	Other receivables	Yes	8,758	8,754	7,105	4.12%	2	-	Operating capital	-	-	-	12,044	16,059	Note15

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 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 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, respectively.

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 20% and 10% of the net worth of Betacera Inc., respectively.

Note 15: According to “The Process of Financing Others” established by CSGT (Shanghai) 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 CSGT (Shanghai) Co., Ltd., respectively.



**CHINA STEEL CORPORATION AND SUBSIDIARIES**

**ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 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	87,989,683	2,580,000	2,580,000	1,308,952	-	1	117,319,577	Y	N	N	Notes 2 and 4
0	China Steel Corporation	Formosa Ha Tinh (Cayman) Limited	6	87,989,683	37,311,454	33,904,899	33,904,899	-	12	117,319,577	N	N	N	Note 4
0	China Steel Corporation	Sakura Ferroalloys Sdn. Bhd.	6	87,989,683	1,513,034	1,329,520	933,739	-	-	117,319,577	N	N	N	Note 4
1	China Steel Structure Co., Ltd.	Chung-Kang Steel Structure (Kunshan) Co., Ltd.	2	1,602,352	769,470	-	-	-	-	9,133,409	N	N	Y	Note 5
1	China Steel Structure Co., Ltd.	United Steel Construction (Vietnam) Co., Ltd.	2	1,602,352	181,500	-	-	-	-	9,133,409	N	N	N	Note 5
1	China Steel Structure Co., Ltd.	Chungkang Steel Structure (Cambodia) Co., Ltd.	6	1,602,352	144,246	136,846	19,099	-	3	9,133,409	N	N	N	Note 5
2	United Steel Engineering & Construction Corporation	China Steel Structure Co., Ltd.	3	22,009,060	746,500	71,300	71,300	-	5	22,009,060	N	N	N	Notes 3 and 6
3	Thintech Materials Technology Co., Ltd.	Taicang Thintech Materials Co., Ltd.	2	464,510	257,125	242,080	96,302	-	21	464,510	N	N	Y	Note 7
4	InfoChamp Systems Corporation	Wuhan InfoChamp I.T. Co., Ltd.	2	271,773	108,078	87,517	87,517	-	10	452,956	N	N	Y	Note 8
4	InfoChamp Systems Corporation	Tang Steel International Engineering Technology Corp.	5	271,773	40,857	40,857	40,857	-	5	452,956	N	N	Y	Note 8
5	Wuhan InfoChamp I.T. Co., Ltd.	InfoChamp Systems Corporation	3	90,481	40,362	40,362	40,362	-	223	108,577	N	N	N	Note 9
5	Wuhan InfoChamp I.T. Co., Ltd.	Tang Steel International Engineering Technology Corp.	5	90,481	40,857	40,857	40,857	-	226	108,577	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

DECEMBER 31, 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	DECEMBER 31, 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	7,676,092	4	7,676,092	
China Steel Corporation	Common stock	Maruichi Steel Tube Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	2,000,000	1,262,138	2	1,262,138	
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	1,155,609	9	1,155,609	
China Steel Corporation	Common stock	O-Bank Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	103,847,695	719,665	4	719,665	
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	480,742	5	480,742	
China Steel Corporation	Common stock	Yodogawa Steel Works, Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	400,000	232,866	1	232,866	
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	220,525	2	220,525	
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	23,106,829	20	23,106,829	
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	1,214,160	19	1,214,160	
China Steel Corporation	Common stock	CSN Mineracao S.A.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	745,562	973,945	-	973,945	
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	827,982	5	827,982	
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	14,344	15	14,344	
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	7,666	5	7,666	
China Steel Corporation	Common stock	PHALANX BIOTECH GROUP, INC.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,073,812	3,486	1	3,486	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Steel Corporation	Common stock	DB Metal Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,500,000	-	1	-	
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	843,818	10	843,818	
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	330,607	19	330,607	
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)	36,728,800	242,410	1	242,410	
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	36,599	2	36,599	
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	5,880	5	5,880	
Chung Hung Steel Corporation	Common stock	Risalink Venture Capital Corp.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	3,948	866	3	866	
Chung Hung Steel Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	33,109,239	819,454	-	819,454	
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	24,849	-	24,849	
China Steel Chemical Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	2,556,915	63,284	-	63,284	
China Steel Chemical Corporation	Preferred stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	229,000	11,679	-	11,679	
China Steel Chemical Corporation	Mutual fund	Taishin Global Disruptive Innovation Fund USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	20,097	9,391	-	9,391	
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	14,595	-	14,595	
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	37,374	-	37,374	
China Steel Chemical Corporation	Mutual fund	FSITC Global Wealthy Nations Bond Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	96,119	29,051	-	29,051	
China Steel Chemical Corporation	Mutual fund	Taishin US Enhanced High Yield Bond Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	91,262	26,689	-	26,689	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
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)	51,562	15,465	-	15,465	
China Steel Chemical Corporation	Mutual fund	Taishin Short Duration Emerging High Yield Bond Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	47,830	14,445	-	14,445	
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	9,179	-	9,179	
China Steel Chemical 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)	626,975	10,003	-	10,003	
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	5,019	-	5,019	
China Steel Chemical Corporation	Convertible bond	UBS 5 PERP	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	5,000	14,382	-	14,382	
China Steel Chemical Corporation	Convertible bond	BNP 4 1/2 PERP	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	5,000	14,360	-	14,360	
China Steel Chemical Corporation	Convertible bond	SOFTBK 6 PERP	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	5,000	14,128	-	14,128	
China Steel Chemical Corporation	Convertible bond	CS 4 1/2 PERP	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	3,000	8,664	-	8,664	
China Steel Chemical Corporation	Convertible bond	HSBC 4.6 PERP	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	2,000	5,844	-	5,844	
China Steel Chemical Corporation	Convertible bond	STANLN 3.265 02/18/36	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	2,000	5,810	-	5,810	
China Steel Chemical Corporation	Convertible bond	STANLN 4.3 02/19/27	No relation	Financial assets at fair value through other comprehensive income-current	5,000	15,792	-	15,792	
China Steel Chemical Corporation	Corporate bond	T 3 1/2 02/01/61	No relation	Financial assets at fair value through other comprehensive income-current	5,000	14,098	-	14,098	
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)	2,620,057	82,008	-	82,008	
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	7,659	-	7,659	
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	4,045	-	4,045	
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)	209,983	2,782	-	2,782	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
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	2,660	-	2,660	
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)	109,058	1,183	-	1,183	
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	46,897	4	46,897	
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	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	RiselinK Venture Capital Corp.	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent(including measurement)	2,632	577	2	577	
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	20	1	20	
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)	1,896,543	24,996	7	24,996	
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	8,437	-	8,437	
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	789	-	789	
Ever Wealthy International Corporation	Mutual fund	Cathay High Dividend Taiwan Equity Fund A	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	2,000,000	24,040	-	24,040	
Ever Wealthy International Corporation	Mutual fund	FSITC AI Global Precision Medicine Fund TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	726,183	11,466	-	11,466	
Ever Wealthy International Corporation	Mutual fund	FSITC GIBI Artificial Intelligence Fund TWD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	355,619	5,992	-	5,992	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Global Smart Car Fund (TWD A)	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	356,379	5,182	-	5,182	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Mutual fund	FSITC Global Video Gaming & eSports Fund-TWD-N	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	400,000	4,268	-	4,268	
Ever Wealthy International Corporation	Mutual fund	UPAMC Global AIoT Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	218,182	3,419	-	3,419	
Ever Wealthy International Corporation	Mutual fund	FSITC Global Health & Weight Loss Fund-TWD-N	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	300,000	3,216	-	3,216	
Ever Wealthy International Corporation	Mutual fund	FSITC Global Pet Care Fund-TWD-N	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	300,000	3,150	-	3,150	
Ever Wealthy International Corporation	Mutual fund	KGI Cloud Force Fund USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	3,228	2,960	-	2,960	
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	2,417	-	2,417	
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	37,250	-	37,250	
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)	620,086	10,443	-	10,443	
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)	964,153	9,806	-	9,806	
Ever Wealthy International Corporation	Mutual fund	Jih Sun Upstream Fund A	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	107,181	5,510	-	5,510	
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	2,721	-	2,721	
Ever Wealthy International Corporation	Mutual fund	Taishin Strategy Senior Total Return High Yield Bond Fund Acc TWD A	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	1,500,000	15,275	-	15,275	
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	10,356	-	10,356	
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	9,787	-	9,787	
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)	500,000	5,051	-	5,051	
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)	-	-	-	-	
Ever Wealthy International Corporation	Mutual fund	PineBridge ESG Quant Multi-Asset Fund A USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	99,951	28,824	-	28,824	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Ever Wealthy International Corporation	Mutual fund	KGI Taiwan Premium Assets Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	1,000,360	10,347	-	10,347	
Ever Wealthy International Corporation	Mutual fund	Union Multi-Asset High Income Fund A TWD-N	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	500,000	4,800	-	4,800	
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)	-	-	-	-	
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)	1,424,472	19,608	-	19,608	
Ever Wealthy International Corporation	Mutual fund	Allianz Global Investors Taiwan Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	1,188,232	15,011	-	15,011	
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)	861,234	13,088	-	13,088	
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	7,048	-	7,048	
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)	400,000	9,156	-	9,156	
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)	989,857	15,277	-	15,277	
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)	896,752	14,308	-	14,308	
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)	932,710	12,728	-	12,728	
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)	846,639	10,253	-	10,253	
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)	493,716	7,381	-	7,381	
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	6,089	-	6,089	
Ever Wealthy International Corporation	Mutual fund	PGIM US Corporate Bond Fund USD T Accumulation	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	1,659	5,866	-	5,866	
Ever Wealthy International Corporation	Mutual fund	MFS Meridian Funds - Prudent Capital Fund A1 USD	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	14,981	5,862	-	5,862	
Ever Wealthy International Corporation	Corporate bond	CNH Bond Offering by ITNL Offshore Pte Limited	No relation	Financial assets at amortized cost - noncurrent	30,000	3,939	-	3,939	



Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
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	515,759	-	515,759	
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	104,600	-	104,600	
China Ecotek Corporation	Common stock	E. SUN FINANCIAL HOLDING COMPANY, LTD.	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	630,000	16,097	-	16,097	
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	13,399	1	13,399	
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)	525,000	9,203	2	9,203	
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	157,720	11	157,720	
China Ecotek Corporation	Mutual fund	Fubon Chi-Hsiang Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	3,164,609	50,012	-	50,012	
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	171,688	-	171,688	
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	222,516	-	222,516	
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	92,700	-	92,700	
CHC Resources Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	9,201,806	227,745	-	227,745	
CHC Resources Corporation	Common stock	FENG SHEHG ENTERPRISE COMPANY	No relation	Financial assets at fair value through other comprehensive income-noncurrent	932,053	12,896	2	12,896	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
CHC Resources 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)	2,013,588	30,103	-	30,103	
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	-	16,974	19	16,974	
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	10,490	-	10,490	
China Steel Security Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	2,349,975	58,162	-	58,162	
China Steel Security Corporation	Common stock	Taiwan Secom Corporation	No relation	Financial assets at fair value through other comprehensive income-current	2,223	197	-	197	
China Steel Security Corporation	Common stock	Taiwan Shin Kong Security Corporation	No relation	Financial assets at fair value through other comprehensive income-current	3,614	134	-	134	
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)	4,316,152	45,011	-	45,011	
China Steel Security Corporation	Mutual fund	Mega Diamond Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	790,633	10,001	-	10,001	
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)	751,332	10,000	-	10,000	
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	5,661	-	5,661	
China Prosperity Development Corporation	Common stock	HUA NAN FINANCIAL HOLDINGS CO.,LTD.	No relation	Financial assets at fair value through other comprehensive income-current	4,773,882	87,123	-	87,123	
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	13,811	-	13,811	
China Prosperity Development Corporation	Common stock	Taiwan Cooperative Financial Holding Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-current	236,356	4,810	-	4,810	
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	24,960	-	24,960	
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	4,198	-	4,198	
China Prosperity Development Corporation	Mutual fund	FSITC MONEY MARKET FUND	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	2,224,076	400,000	-	400,000	
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)	20,119,540	300,787	-	300,787	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
China Prosperity Development Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	952,979	23,586	-	23,586	
HIMAG Magnetic Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-noncurrent	325,505	8,056	-	8,056	
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	8,351	2	8,351	
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	20,361	-	20,361	
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)	478,398	12,199	-	12,199	
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	18,258	1	18,258	
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	12,582	1	12,582	
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	210	3	210	
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	American BriVision (Holding) Corporation	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent(including measurement)	33,334	3,798	-	3,798	
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)	173,000	3,618	-	3,618	
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	24,231	4	24,231	
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	6,964	2	6,964	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
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	2,636	1	2,636	
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	-	
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	45,272	-	45,272	
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	21,072	-	21,072	
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	22,927	4	22,927	
InfoChamp Systems Corporation	Common stock	TRICORNTECH CORPORATION	No relation	Financial assets at fair value through other comprehensive income-noncurrent	726,885	6,792	2	6,792	
InfoChamp Systems Corporation	Common stock	RiselinK Venture Capital Corp.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	2,632	577	2	577	
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	-	
InfoChamp Systems 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)	1,923,015	30,012	-	30,012	
InfoChamp Systems Corporation	Mutual fund	Yuanta Wan Tai Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	1,967,071	30,008	-	30,008	
InfoChamp Systems 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)	3,665,716	50,022	-	50,022	
InfoChamp Systems Corporation	Mutual fund	Capital Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	2,461,039	40,030	-	40,030	
InfoChamp Systems Corporation	Mutual fund	Cathay Taiwan Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	3,193,409	40,027	-	40,027	
InfoChamp Systems Corporation	Mutual fund	FSITC MONEY MARKET FUND	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	222,499	40,016	-	40,016	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
InfoChamp Systems Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-noncurrent	3,834,338	94,900	-	94,900	
C.S.Aluminium Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	4,431,944	109,691	-	109,691	
Kaohsiung Rapid Transit Corporation	Common stock	iPASS Corporation	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	10,395,750	74,511	11	74,511	
China Steel Machinery 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)	16,061,214	230,003	-	230,003	
China Steel Machinery Corporation	Mutual fund	FSITC MONEY MARKET FUND	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	556,084	100,012	-	100,012	
China Steel Machinery Corporation	Mutual fund	Cathay Taiwan Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	7,978,999	100,010	-	100,010	
Dragon Steel Corporation	Common stock	Union Optronics Corp.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	103,895	-	-	-	
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	-	-	-	
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	49,679	-	49,679	
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	3,585	1	3,585	
China Steel Express Corporation	Common stock	Riselink Venture Capital Corp.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	3,948	866	3	866	
China Steel Express Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	8,801,555	217,838	-	217,838	
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	637,211	-	637,211	
Gains Investment Corporation	Common stock	TA CHEN STAINLESS PIPE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	13,850,000	433,505	-	433,505	
Gains Investment Corporation	Common stock	Cayman Engley Industrial Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-current	1,422,723	151,520	-	151,520	
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	145,442	-	145,442	
Gains Investment Corporation	Common stock	FUSHENG PRECISION CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	513,000	89,006	-	89,006	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Common stock	QST INTERNATIONAL CORP.	No relation	Financial assets at fair value through other comprehensive income-current	1,212,257	82,676	-	82,676	
Gains Investment Corporation	Common stock	SYMTEK AUTOMATION ASIA CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	841,610	68,170	-	68,170	
Gains Investment Corporation	Common stock	FENG HSIN STEEL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	945,000	67,190	-	67,190	
Gains Investment Corporation	Common stock	SHEH FUNG SCREWS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	1,321,791	60,009	-	60,009	
Gains Investment Corporation	Common stock	ARDENTEC CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	1,550,000	59,908	-	59,908	
Gains Investment Corporation	Common stock	ZENG HSING INDUSTRIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	423,000	59,432	-	59,432	
Gains Investment Corporation	Common stock	Capital Futures Corporation	No relation	Financial assets at fair value through other comprehensive income-current	1,476,000	57,121	-	57,121	
Gains Investment Corporation	Common stock	HERAN CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	452,000	55,144	-	55,144	
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	52,725	-	52,725	
Gains Investment Corporation	Common stock	FARCENT ENTERPRISE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	735,032	52,702	-	52,702	
Gains Investment Corporation	Common stock	CHENFULL INTERNATIONAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	1,275,000	51,893	-	51,893	
Gains Investment Corporation	Common stock	ASIA TECH IMAGE INC.	No relation	Financial assets at fair value through other comprehensive income-current	947,000	50,286	-	50,286	
Gains Investment Corporation	Common stock	FORMOSA ADVANCED TECHNOLOGIES CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	1,318,000	49,820	-	49,820	
Gains Investment Corporation	Common stock	TAIWAN PRINTED CIRCUIT BOARD TECHVEST CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	1,115,000	49,506	-	49,506	
Gains Investment Corporation	Common stock	TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	No relation	Financial assets at fair value through other comprehensive income-current	91,000	48,230	-	48,230	
Gains Investment Corporation	Common stock	BROGENT TECHNOLOGIES INC.	No relation	Financial assets at fair value through other comprehensive income-current	402,184	45,447	-	45,447	
Gains Investment Corporation	Common stock	SYNCMOLD ENTERPRISE CORP.	No relation	Financial assets at fair value through other comprehensive income-current	485,000	42,098	-	42,098	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Common stock	ISHENG ELECTRIC WIRE & CABLE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	998,000	42,066	-	42,066	
Gains Investment Corporation	Common stock	San Neng Group Holdings Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-current	1,035,000	40,469	-	40,469	
Gains Investment Corporation	Common stock	LONGWELL COMPANY	No relation	Financial assets at fair value through other comprehensive income-current	719,000	37,460	-	37,460	
Gains Investment Corporation	Common stock	SENSORTEK TECHNOLOGY CORP.	No relation	Financial assets at fair value through other comprehensive income-current	50,856	34,582	-	34,582	
Gains Investment Corporation	Common stock	WAH LEE INDUSTRIAL CORP.	No relation	Financial assets at fair value through other comprehensive income-current	412,000	31,312	-	31,312	
Gains Investment Corporation	Common stock	FORESEE PHARMACEUTICALS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	328,543	29,437	-	29,437	
Gains Investment Corporation	Common stock	GSD Technologies Co., Ltd. Taiwan Branch (Cayman Islands)	No relation	Financial assets at fair value through other comprehensive income-current	450,000	28,845	-	28,845	
Gains Investment Corporation	Common stock	QUALIPOLY CHEMICAL CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	885,300	27,223	-	27,223	
Gains Investment Corporation	Common stock	TAISUN INTL (HOLDING) CORP., TAIWAN BRANCH(CAYMAN)	No relation	Financial assets at fair value through other comprehensive income-current	182,000	22,204	-	22,204	
Gains Investment Corporation	Common stock	TAIWAN CHELIC CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	407,000	20,676	-	20,676	
Gains Investment Corporation	Common stock	SHINY CHEMICAL INDUSTRIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	186,000	20,181	-	20,181	
Gains Investment Corporation	Common stock	ELITE SEMICONDUCTOR MICROELECTRONICS TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income-current	301,000	19,475	-	19,475	
Gains Investment Corporation	Common stock	HOTAI FINANCE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	230,000	18,538	-	18,538	
Gains Investment Corporation	Common stock	HSING TA CEMENT CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	790,000	15,800	-	15,800	
Gains Investment Corporation	Common stock	AAEON TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income-current	203,000	15,387	-	15,387	
Gains Investment Corporation	Common stock	HI-LAI FOODS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	112,000	14,560	-	14,560	
Gains Investment Corporation	Common stock	MITAKE INFORMATION CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	300,000	14,550	-	14,550	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Common stock	ARGOSY RESEARCH INC.	No relation	Financial assets at fair value through other comprehensive income-current	115,000	12,650	-	12,650	
Gains Investment Corporation	Common stock	Bionime Corporation	No relation	Financial assets at fair value through other comprehensive income-current	178,036	12,089	-	12,089	
Gains Investment Corporation	Common stock	CHING CHAN OPTICAL TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	414,000	11,137	-	11,137	
Gains Investment Corporation	Common stock	AMPACS CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	78,000	10,140	-	10,140	
Gains Investment Corporation	Common stock	Thai Kin Co., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	154,126	10,018	-	10,018	
Gains Investment Corporation	Common stock	NOVA TECHNOLOGY CORP.	No relation	Financial assets at fair value through other comprehensive income-current	69,000	9,626	-	9,626	
Gains Investment Corporation	Common stock	ACTER GROUP CORPORATION LIMITED	No relation	Financial assets at fair value through other comprehensive income-current	51,000	9,588	-	9,588	
Gains Investment Corporation	Common stock	PEGAVISION CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	30,000	8,490	-	8,490	
Gains Investment Corporation	Common stock	MetaTech (AP) Inc.	No relation	Financial assets at fair value through other comprehensive income-current	183,000	8,327	-	8,327	
Gains Investment Corporation	Common stock	CHIEN SHING HARBOUR SERVICE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	270,000	8,073	-	8,073	
Gains Investment Corporation	Common stock	JETWELL COMPUTER CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	226,000	6,780	-	6,780	
Gains Investment Corporation	Common stock	MOSA INDUSTRIAL CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	188,000	5,640	-	5,640	
Gains Investment Corporation	Common stock	ADIMMUNE CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	100,000	5,610	-	5,610	
Gains Investment Corporation	Common stock	INTAI TECHNOLOGY CORP.	No relation	Financial assets at fair value through other comprehensive income-current	40,800	4,027	-	4,027	
Gains Investment Corporation	Common stock	LINTES TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	31,000	3,953	-	3,953	
Gains Investment Corporation	Common stock	TAIWAN CEMENT CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	63,020	2,722	-	2,722	
Gains Investment Corporation	Common stock	FUZETEC TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	3,000	142	-	142	



Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
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	Tech alliance Corporation	The held company as its director	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent(including measurement)	455,000	-	5	-	
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	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	FLEXUP TECHNOLOGIES CORPORATION	No relation	Financial assets mandatorily classified as at fair value through profit or loss - noncurrent(including measurement)	1,315,000	-	8	-	
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	109,217	-	109,217	
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	78,909	-	78,909	
Gains Investment Corporation	Common stock	Yonggu Group Inc.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	588,319	46,124	-	46,124	
Gains Investment Corporation	Common stock	ULTRA CHIP, INC.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	953,430	39,615	-	39,615	
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	60,297	5	60,297	
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	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Common stock	CYBERSOFT DIGITAL SERVICES CORPORATION	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,300,000	39,750	4	39,750	
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	33,119	-	33,119	
Gains Investment Corporation	Common stock	JUFAN INDUSTRIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,200,000	29,866	6	29,866	
Gains Investment Corporation	Common stock	ULTRADISPLAY INC.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,446,891	29,416	9	29,416	
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	756,000	22,400	2	22,400	
Gains Investment Corporation	Common stock	JDV CONTROL VALVES CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,050,000	19,326	4	19,326	
Gains Investment Corporation	Common stock	SUNNY PHARMTECH INC.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	2,060,413	17,017	2	17,017	
Gains Investment Corporation	Common stock	MITAGRI CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	3,500,000	14,903	15	14,903	
Gains Investment Corporation	Common stock	T-Car Inc.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	500,000	9,172	2	9,172	
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	3,585	1	3,585	
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	6,579	1,443	4	1,443	
Gains Investment Corporation	Common stock	TRANSCOM, INC.	The held company as its director	Financial assets at fair value through other comprehensive income-noncurrent	697,713	68,892	2	68,892	
Gains Investment Corporation	Common stock	ENIMMUNE CORPORATION	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,526,872	54,259	3	54,259	
Gains Investment Corporation	Common stock	MEDICAL IMAGING CORPORATION	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,188,000	52,300	6	52,300	
Gains Investment Corporation	Common stock	LIAN HONG ART CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	569,595	46,092	2	46,092	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Common stock	WINWAY TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	101,000	41,695	-	41,695	
Gains Investment Corporation	Common stock	Ping Ho Environmental Technology Company Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	664,650	37,784	2	37,784	
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	36,304	5	36,304	
Gains Investment Corporation	Common stock	FLASHAIM INC.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	700,000	32,466	6	32,466	
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	29,483	3	29,483	
Gains Investment Corporation	Common stock	AMPAK TECHNOLOGY INC.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	285,000	19,645	-	19,645	
Gains Investment Corporation	Common stock	GMT GLOBAL INC.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	570,325	18,416	2	18,416	
Gains Investment Corporation	Common stock	TIGERAIR TAIWAN CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	712,000	17,749	-	17,749	
Gains Investment Corporation	Common stock	EVERGREEN STEEL CORPORATION	No relation	Financial assets at fair value through other comprehensive income-noncurrent	364,000	16,879	-	16,879	
Gains Investment Corporation	Common stock	DAS TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	140,000	10,350	-	10,350	
Gains Investment Corporation	Common stock	BRIGHTEK OPTOELECTRONIC CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	382,000	9,951	1	9,951	
Gains Investment Corporation	Common stock	STUDY KING CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	200,000	9,158	1	9,158	
Gains Investment Corporation	Common stock	BRILLIAN NETWORK & AUTOMATION INTEGRATED SYSTEM CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	102,000	8,500	-	8,500	
Gains Investment Corporation	Common stock	BIOGEND THERAPEUTICS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	169,000	6,378	-	6,378	
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	8,330	-	8,330	
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	5,160	-	5,160	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Convertible bond	GREENWAY ENVIRONMENTAL TECHNOLOGY CO., LTD.2th Convertible Corporate Bonds	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	300	30,000	-	30,000	
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	5,843	15	5,843	
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	2,150	-	2,150	
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)	1,683,120	22,402	-	22,402	
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)	1,664,854	22,159	-	22,159	
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	182,158	-	182,158	
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	143,887	-	143,887	
Eminence Investment Corporation	Common stock	FARCENT ENTERPRISE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	1,547,000	110,920	-	110,920	
Eminence Investment Corporation	Common stock	Yonggu Group Inc.	No relation	Financial assets at fair value through other comprehensive income-current	1,262,416	98,973	-	98,973	
Eminence Investment Corporation	Common stock	GLOBALWAFERS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	105,000	74,340	-	74,340	
Eminence Investment Corporation	Common stock	TOPCO SCIENTIFIC CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	600,000	71,700	-	71,700	
Eminence Investment Corporation	Common stock	TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	No relation	Financial assets at fair value through other comprehensive income-current	124,000	65,720	-	65,720	
Eminence Investment Corporation	Common stock	AMAZING MICROELECTRONIC CORP.	No relation	Financial assets at fair value through other comprehensive income-current	580,000	63,510	-	63,510	
Eminence Investment Corporation	Common stock	INTERACTIVE DIGITAL TECHNOLOGIES INC.	No relation	Financial assets at fair value through other comprehensive income-current	640,000	59,648	-	59,648	
Eminence Investment Corporation	Common stock	Gourmet Master Co. Ltd.	No relation	Financial assets at fair value through other comprehensive income-current	400,000	56,400	-	56,400	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Eminence Investment Corporation	Common stock	ASE Technology Holding Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-current	659,000	53,577	-	53,577	
Eminence Investment Corporation	Common stock	REALTEK SEMICONDUCTOR CORP.	No relation	Financial assets at fair value through other comprehensive income-current	134,000	52,327	-	52,327	
Eminence Investment Corporation	Common stock	First Financial Holding Co. Ltd.	No relation	Financial assets at fair value through other comprehensive income-current	2,404,473	51,335	-	51,335	
Eminence Investment Corporation	Common stock	Bionime Corporation	No relation	Financial assets at fair value through other comprehensive income-current	722,200	49,037	-	49,037	
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	43,700	-	43,700	
Eminence Investment Corporation	Common stock	MICRO-STAR INTERNATIONAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	329,000	43,592	-	43,592	
Eminence Investment Corporation	Common stock	MEDIATEK INC.	No relation	Financial assets at fair value through other comprehensive income-current	54,000	40,337	-	40,337	
Eminence Investment Corporation	Common stock	PROMATE SOLUTIONS CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	515,000	33,268	-	33,268	
Eminence Investment Corporation	Common stock	TONG YANG INDUSTRY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	700,000	30,344	-	30,344	
Eminence Investment Corporation	Common stock	QST INTERNATIONAL CORP.	No relation	Financial assets at fair value through other comprehensive income-current	443,000	30,212	-	30,212	
Eminence Investment Corporation	Common stock	EXCELSIOR MEDICAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	538,095	30,186	-	30,186	
Eminence Investment Corporation	Common stock	TRIPOD TECHNOLOGY CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	232,000	27,491	-	27,491	
Eminence Investment Corporation	Common stock	QUALIPOLY CHEMICAL CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	885,450	27,227	-	27,227	
Eminence Investment Corporation	Common stock	MERRY ELECTRONICS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	184,000	26,955	-	26,955	
Eminence Investment Corporation	Common stock	NAN YA PRINTED CIRCUIT BOARD CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	148,000	26,936	-	26,936	
Eminence Investment Corporation	Common stock	TAIWAN CHELIC CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	467,000	23,724	-	23,724	
Eminence Investment Corporation	Common stock	QUANTA COMPUTER INC.	No relation	Financial assets at fair value through other comprehensive income-current	287,000	23,218	-	23,218	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Eminence Investment Corporation	Common stock	CHINA FINEBLANKING TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	524,472	22,395	-	22,395	
Eminence Investment Corporation	Common stock	TONG YANG INDUSTRY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	559,000	21,801	-	21,801	
Eminence Investment Corporation	Common stock	GREATEK ELECTRONICS INC.	No relation	Financial assets at fair value through other comprehensive income-current	376,000	21,056	-	21,056	
Eminence Investment Corporation	Common stock	QISDA CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	700,000	20,265	-	20,265	
Eminence Investment Corporation	Common stock	GIGA-BYTE TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	260,000	20,228	-	20,228	
Eminence Investment Corporation	Common stock	TOPKEY CORP.	No relation	Financial assets at fair value through other comprehensive income-current	127,000	19,812	-	19,812	
Eminence Investment Corporation	Common stock	Mega Financial Holding Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-current	647,000	19,281	-	19,281	
Eminence Investment Corporation	Common stock	ITEQ CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	134,000	18,492	-	18,492	
Eminence Investment Corporation	Common stock	ADVANCED WIRELESS SEMICONDUCTOR COMPANY	No relation	Financial assets at fair value through other comprehensive income-current	135,000	18,225	-	18,225	
Eminence Investment Corporation	Common stock	LUXNET CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	675,168	18,196	-	18,196	
Eminence Investment Corporation	Common stock	NOVATEK MICROELECTRONICS CORP.	No relation	Financial assets at fair value through other comprehensive income-current	49,000	18,081	-	18,081	
Eminence Investment Corporation	Common stock	WIN SEMICONDUCTORS CORP.	No relation	Financial assets at fair value through other comprehensive income-current	49,000	16,954	-	16,954	
Eminence Investment Corporation	Common stock	GREAT WALL ENTERPRISE CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	333,200	16,927	-	16,927	
Eminence Investment Corporation	Common stock	BROGENT TECHNOLOGIES INC.	No relation	Financial assets at fair value through other comprehensive income-current	145,279	16,417	-	16,417	
Eminence Investment Corporation	Common stock	CHICONY ELECTRONICS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	181,000	15,602	-	15,602	
Eminence Investment Corporation	Common stock	RADIANT OPTO-ELECTRONICS CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	134,000	15,276	-	15,276	
Eminence Investment Corporation	Common stock	HERAN CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	120,000	14,640	-	14,640	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Eminence Investment Corporation	Common stock	TURVO INTERNATIONAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	170,000	14,229	-	14,229	
Eminence Investment Corporation	Common stock	BizLink Holding Inc.	No relation	Financial assets at fair value through other comprehensive income-current	58,000	14,123	-	14,123	
Eminence Investment Corporation	Common stock	Fulgent Sun International (Holding) Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-current	125,148	14,017	-	14,017	
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	13,572	-	13,572	
Eminence Investment Corporation	Common stock	HIWIN TECHNOLOGIES CORP.	No relation	Financial assets at fair value through other comprehensive income-current	34,000	13,073	-	13,073	
Eminence Investment Corporation	Common stock	EVERLIGHT ELECTRONICS CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	305,000	12,871	-	12,871	
Eminence Investment Corporation	Common stock	TTFB COMPANY LIMITED	No relation	Financial assets at fair value through other comprehensive income-current	49,000	11,491	-	11,491	
Eminence Investment Corporation	Common stock	TAIWAN PAIHO LIMITED	No relation	Financial assets at fair value through other comprehensive income-current	146,000	10,804	-	10,804	
Eminence Investment Corporation	Common stock	HO TA INDUSTRIAL MFG. CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	103,000	10,764	-	10,764	
Eminence Investment Corporation	Common stock	Ginko International Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-current	68,000	9,928	-	9,928	
Eminence Investment Corporation	Common stock	CHICONY POWER TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	119,000	8,401	-	8,401	
Eminence Investment Corporation	Common stock	CHIPMOS TECHNOLOGIES INC.	No relation	Financial assets at fair value through other comprehensive income-current	219,000	7,523	-	7,523	
Eminence Investment Corporation	Common stock	KING CHOU MARINE TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	216,000	7,074	-	7,074	
Eminence Investment Corporation	Common stock	POU CHEN CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	212,000	6,657	-	6,657	
Eminence Investment Corporation	Common stock	YULON NISSAN MOTOR CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	20,000	5,180	-	5,180	
Eminence Investment Corporation	Common stock	SUNONWEALTH ELECTRIC MACHINE INDUSTRY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	90,000	4,842	-	4,842	
Eminence Investment Corporation	Common stock	MAKALOT INDUSTRIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	25,000	4,788	-	4,788	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Eminence Investment Corporation	Common stock	TSC AUTO ID TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-current	23,000	4,485	-	4,485	
Eminence Investment Corporation	Common stock	FORMOSA PLASTICS CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	40,000	3,856	-	3,856	
Eminence Investment Corporation	Common stock	TAIWAN CEMENT CORPORATION	No relation	Financial assets at fair value through other comprehensive income-current	14,254	616	-	616	
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	99,815	-	99,815	
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	17,974	-	17,974	
Eminence Investment Corporation	Common stock	JUFAN INDUSTRIAL CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,800,000	44,799	8	44,799	
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	JDV CONTROL VALVES CO., LTD.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,050,000	19,326	4	19,326	
Eminence Investment Corporation	Common stock	SUNNY PHARMTECH INC.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,646,801	13,601	1	13,601	
Eminence Investment Corporation	Common stock	MEDICAL IMAGING CORPORATION	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,188,000	52,301	6	52,301	
Eminence Investment Corporation	Common stock	TRANSCOM, INC.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	207,472	20,486	1	20,486	
Eminence Investment Corporation	Common stock	FLASHAIM INC.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	350,000	16,233	3	16,233	
Eminence Investment Corporation	Preferred stock	Cathay Financial Holding Co., Ltd.(B)	No relation	Financial assets at fair value through other comprehensive income-current	167,000	10,504	-	10,504	
Eminence Investment Corporation	Mutual fund	Cathay Taiwan Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	798,817	10,013	-	10,013	
Eminence Investment Corporation	Convertible bond	PCHOME ONLINE INC.1th Convertible Corporate Bonds	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	339,000	37,120	-	37,120	
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	6,354,942	2	6,354,942	Note 1
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	3,970,057	1	3,970,057	Note 2



Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
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	35,485	-	35,485	
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	39,745	-	39,745	
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	40,014	-	40,014	
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	37,756	-	37,756	
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	36,181	-	36,181	
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	36,960	-	36,960	
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	39,735	-	39,735	
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	38,168	-	38,168	
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	40,176	-	40,176	
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	107,650	-	107,650	
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	12,062	-	12,062	
China Steel Global Trading Corporation	Common stock	Nippon Steel Thai Sumilox Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	1,110	68,579	15	68,579	
China Steel Global Trading Corporation	Preferred stock	Nippon Steel 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	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	50,929	-	50,929	
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	-	266,968	15	266,968	
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	-	121,218	8	121,218	
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	-	18,286	19	18,286	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2020				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
CSGT International Corporation	Common stock	NST Coil Center (Thailand) Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	3,001	73,974	13	73,974	
CSGT International Corporation	Certificate of entitlement	Hanoi Steel Center Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income-noncurrent	-	167,984	19	167,984	
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	13,441,283	13	13,441,283	
China Steel Asia Pacific Holdings Pte Ltd	Certificate of entitlement	Wuxi TECO Electric & Machinery Co., Ltd.	The held company as its director and supervisor	Financial assets at fair value through other comprehensive income-noncurrent	-	173,728	6	173,728	
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	-	62,656	12	62,656	
China Steel Asia Pacific Holdings Pte Ltd	Certificate of entitlement	TOP PRO STEEL JOINT STOCK COMPANY	No relation	Financial assets at fair value through other comprehensive income-noncurrent	-	32,182	3	32,182	
CSC Steel Holdings Berhad	Common stock	Astino Berhad	No relation	Financial assets at fair value through other comprehensive income-noncurrent	3,574,472	23,285	-	23,285	
CSC Steel Holdings Berhad	Mutual fund	AFFINHWANG – AIIMAN MONEY MARKET FUND	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	23,629,999	85,899	-	85,899	
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)	-	-	-	-	
CSC Steel Sdn. Bhd.	Mutual fund	AFFINHWANG – AIIMAN MONEY MARKET FUND	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	280,605,726	1,020,049	-	1,020,049	
CSC Steel Sdn. Bhd.	Mutual fund	HLAM – MONEY MARKET FUND	No relation	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	82,443,930	559,820	-	559,820	
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)	240,975	2,358	-	2,358	

Note 1: Parent company's stocks pledged as collateral amounted to 120,100 thousand shares and NT\$2,456,045 thousand.

Note 2: Parent company's stocks pledged as collateral amounted to 115,800 thousand shares and NT\$3,046,725 thousand.

**TABLE 4**

**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 YEAR ENDED DECEMBER 31, 2020**  
**(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company	Type of Marketable Securities	Name of Marketable Securities	Financial Statement Account	Counter-party	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	101,806,000	853,386	-	-	-	-	102,306,000	858,105
China Steel Corporation	Preferred stock	East Asia United Steel Corporation (A)	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	Subsidiary	The held company as its director	3,334	826,071	-	15,708	3,334	931,520	841,779	89,741	-	-
CHC Resources Corporation	Common stock	Mao Lian Enterprise Co., Ltd.	Investments accounted for using equity method	Subsidiary	Subsidiary	-	-	2,500	1,099,591	-	-	-	-	2,500	1,099,591
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)	-	-	-	-	37,475,753	510,000	37,475,753	510,141	510,000	141	-	-
CHC Resources Corporation	Mutual fund	Jih Sun Money Market Fund	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	-	-	4,039,030	60,091	25,478,524	379,937	27,503,966	410,248	409,925	323	2,013,588	30,103
China Prosperity Development Corporation	Mutual fund	Taishin Ta-Chong Money Market Fund	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	-	-	-	-	27,991,015	400,000	27,991,015	400,274	400,000	274	-	-
China Prosperity Development Corporation	Mutual fund	Jih Sun Money Market Fund	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	-	-	-	-	40,222,332	600,534	20,102,792	300,000	299,747	253	20,119,540	300,787
China Prosperity Development Corporation	Mutual fund	FSITC MONEY MARKET FUND	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	-	-	162,180	29,046	2,224,076	400,000	162,180	29,069	29,046	22	2,224,076	400,000
China Steel Power Holding Corporation	Common stock	China Steel Power Corporation	Investments accounted for using equity method	Subsidiary	Subsidiary	479,990	4,663	199,900,000	1,723,655	-	-	-	-	200,379,990	1,728,318
China Steel Machinery Corporation	Mutual fund	FSITC MONEY MARKET FUND	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	-	-	-	-	1,976,654	355,000	1,420,570	255,073	254,988	85	556,084	100,012

Company	Type of Marketable Securities	Name of Marketable Securities	Financial Statement Account	Counter-party	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 Machinery Corporation	Mutual fund	Taishin Ta-Chong Money Market Fund	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	-	-	-	-	45,437,658	650,000	29,376,444	420,101	419,997	104	16,061,214	230,003
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)	-	-	-	-	31,962,952	400,000	23,983,953	300,018	299,990	28	7,978,999	100,010
CSC Steel Sdn. Bhd.	Mutual fund	AFFIN HWANG SELECT CASH FUND	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	-	-	177,601,217	1,316,827	41,635,263	238,255	219,236,480	1,555,082	1,555,082	-	-	-
CSC Steel Sdn. Bhd.	Mutual fund	AFFINHWANG - ALLMAN MONEY MARKET FUND	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	-	-	-	-	434,077,559	1,572,503	153,471,832	552,454	552,454	-	280,605,726	1,020,049
CSC Steel Sdn. Bhd.	Mutual fund	HLAM – MONEY MARKET FUND	Financial assets mandatorily classified as at fair value through profit or loss -current(including measurement)	-	-	-	-	82,443,930	559,820	-	-	-	-	82,443,930	559,820
China Steel Structure Holding Co., Ltd.	Common stock	China Steel Structure Investment Co., Ltd.	Investments accounted for using equity method	-	-	12,000,000	276,405	-	-	12,000,000	807,972	366,097	441,875	-	-

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 YEAR ENDED DECEMBER 31, 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer if Counterparty is a Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction 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 YEAR ENDED DECEMBER 31, 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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	Chung Hung Steel Corporation	Subsidiary	Sales	(17,233,140 )	(9 )	Letter of credit/Receivables were collected after final acceptance	-		80,104	2	
China Steel Corporation	China Steel Structure Co., Ltd.	Subsidiary	Sales	(3,392,626 )	(2 )	Letter of credit/Accounts received in advance before shipment date	-		86,198	2	
China Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	Subsidiary	Sales	(2,522,310 )	(1 )	Accounts receivable factoring agreements/Receivables were collected within 14 days after shipment date	-		-	-	
China Steel Corporation	China Steel Corporation India Pvt. Ltd.	Subsidiary	Sales	(1,852,675 )	(1 )	Accounts receivable factoring agreements	-		298,314	7	
China Steel Corporation	China Steel Precision Metals Kunshan Co., Ltd.	Subsidiary	Sales	(1,721,551 )	(1 )	Receivables were collected within 85 days after shipment date	-		776,853	18	
China Steel Corporation	China Steel Global Trading Corporation	Subsidiary	Sales	(1,513,259 )	(1 )	Receivables were collected within 10 days after shipment date	-		52,107	1	
China Steel Corporation	China Steel Chemical Corporation	Subsidiary	Sales	(1,458,130 )	(1 )	Letter of credit	-		119,518	3	
China Steel Corporation	Dragon Steel Corporation	Subsidiary	Sales	(1,420,589 )	(1 )	Receivables were collected within 5 days after shipment date	-		101,537	2	
China Steel Corporation	CSGT Metals Vietnam Joint Stock Company	Subsidiary	Sales	(935,516 )	(1 )	Receivables were collected within 14 days after shipment date	-		58,347	1	
China Steel Corporation	CSBC Corporation, Taiwan	The Corporation as director of the board of related party	Sales	(909,268 )	-	Accounts received in advance before shipment date	-		111,592	3	
China Steel Corporation	CHC Resources Corporation	Subsidiary	Sales	(771,196 )	-	Letter of credit	-		1,230	-	
China Steel Corporation	CSC Steel Sdn. Bhd.	Subsidiary	Sales	(719,566 )	-	Receivables were collected within 14 days after shipment date	-		6,949	-	
China Steel Corporation	China Steel Precision Metals Qingdao Co., Ltd.	Subsidiary	Sales	(658,247 )	-	Receivables were collected within 60 days after shipment date	-		175,340	4	
China Steel Corporation	Sing Da Marine Structure Corporation	Subsidiary	Sales	(561,916 )	-	Receivables were collected within 10 days after shipment date	-		114	-	
China Steel Corporation	TSK Steel Company Limited	Affiliated enterprise	Sales	(510,718 )	-	Letter of credit/Accounts received in advance before shipment date	-		-	-	
China Steel Corporation	China Steel Machinery Corporation	Subsidiary	Sales	(281,233 )	-	Receivables were collected within 10 days after shipment date	-		71	-	
China Steel Corporation	Rechi Refrigeration Dongguan Co, Ltd.	The Corporation as director of the board of related party's parent company	Sales	(212,728 )	-	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	
China Steel Corporation	Fukuta Electric & Machinery Co., Ltd.	Affiliated enterprise	Sales	(163,826 )	-	Letter of credit	-	-	-	-
China Steel Corporation	Chang-Chun Ceck Auto. Parts Co., Ltd	Other related parties	Sales	(155,157 )	-	Receivables were collected within 85 days after shipment date	-	63,487	2	
China Steel Corporation	TCL Rechi (Huizhou) Refrigeration Equipment Company Limited	The Corporation as director of the board of related party's parent company	Sales	(143,062 )	-	Letter of credit	-	-	-	
China Steel Corporation	HIMAG Magnetic Corporation	Subsidiary	Sales	(134,378 )	-	Letter of credit/Accounts received in advance before shipment date	-	2,618	-	
China Steel Corporation	Dragon Steel Corporation	Subsidiary	Service revenue and other operating revenue	(1,508,774 )	(1 )	By contract terms	-	95,492	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	(438,193 )	-	By contract terms	-	4,375	-	
China Steel Corporation	China Steel Chemical Corporation	Subsidiary	Service revenue and other operating revenue	(213,361 )	-	By contract terms	-	26,824	1	
China Steel Corporation	C.S.Aluminium Corporation	Subsidiary	Service revenue and other operating revenue	(135,975 )	-	By contract terms	-	7,719	-	
China Steel Corporation	Taiwan High Speed Rail Corporation	The Corporation as director of the board of related party	Construction revenue	(213,664 )	-	By contract terms	-	-	-	
China Steel Corporation	Dragon Steel Corporation	Subsidiary	Purchases	13,713,145	12	Payment within 5 days after shipment date/Payment after final acceptance	-	(240,762 )	(5 )	
China Steel Corporation	China Steel Express Corporation	Subsidiary	Purchases	6,241,858	6	Payment against copy of B/L	-	(473,670 )	(9 )	
China Steel Corporation	C.S.Aluminium Corporation	Subsidiary	Purchases	1,814,789	2	Payment after final acceptance	-	(199,257 )	(4 )	
China Steel Corporation	CSE Transport Corporation	Subsidiary	Purchases	733,735	1	Payment against copy of B/L	-	(32,718 )	(1 )	
China Steel Corporation	China Steel Global Trading Corporation	Subsidiary	Purchases	400,484	-	Payment after final acceptance	-	(32,985 )	(1 )	
China Steel Corporation	HIMAG Magnetic Corporation	Subsidiary	Purchases	306,981	-	Payment after final acceptance	-	(27,002 )	(1 )	
China Steel Corporation	Hsin Hsin Cement Enterprise Corporation	Affiliated enterprise	Purchases	158,299	-	Payment after final acceptance	-	(21,429 )	-	
Dragon Steel Corporation	China Steel Corporation	Parent company	Sales	(13,510,994 )	(18 )	Receivables were collected within 5 days after shipment date/Receivables were collected after final acceptance	-	245,524	12	
Dragon Steel Corporation	Chung Hung Steel Corporation	The same parent company	Sales	(9,379,359 )	(12 )	Letter of credit/Receivables were collected within 5 days after shipment date	-	223,383	11	
Dragon Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	The same parent company	Sales	(6,027,811 )	(8 )	Receivables were collected within 5 days after shipment date	-	592,078	29	
Dragon Steel Corporation	CSC Steel Sdn. Bhd.	The same parent company	Sales	(2,965,073 )	(4 )	Receivables were collected within 5 days after shipment date	-	44,219	2	
Dragon Steel Corporation	China Steel Structure Co., Ltd.	The same parent company	Sales	(917,355 )	(1 )	Letter of credit	-	51,800	3	
Dragon Steel Corporation	China Steel Global Trading Corporation	The same parent company	Sales	(898,050 )	(1 )	Receivables were collected within 5 days after shipment date	-	6,329	-	
Dragon Steel Corporation	China Steel Chemical Corporation	The same parent company	Sales	(515,258 )	(1 )	Receivables were collected within 5 days after shipment date	-	17,283	1	
Dragon Steel Corporation	CHC Resources Corporation	The same parent company	Sales	(396,540 )	(1 )	Letter of credit	-	6,640	-	
Dragon Steel Corporation	CSGT Metals Vietnam Joint Stock Company	The same parent company	Sales	(145,664 )	-	Receivables were collected within 5 days after shipment date	-	13,566	1	
Dragon Steel Corporation	China Steel Corporation	Parent company	Other operating revenue	(202,151 )	-	Receivables were collected after final acceptance	-	55,928	3	

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	
Dragon Steel Corporation	China Steel Express Corporation	The same parent company	Purchases	3,305,655	6	Payment against copy of B/L	-	NO THIRD-PARTY COULD BE COMPARED	(253,139 )	(9 )
Dragon Steel Corporation	China Steel Corporation	Parent company	Purchases	2,465,157	5	Payment within 5 days after shipment date	-		(101,537 )	(4 )
Dragon Steel Corporation	C.S.Aluminium Corporation	The same parent company	Purchases	757,818	1	Payment in advance/Payment within 30 days after final acceptance	-	NO THIRD-PARTY COULD BE COMPARED	(63,126 )	(2 )
Dragon Steel Corporation	CSE Transport Corporation	The same parent company	Purchases	461,298	1	Payment against copy of B/L	-	NO THIRD-PARTY COULD BE COMPARED	(17,770 )	(1 )
Dragon Steel Corporation	China Steel Global Trading Corporation	The same parent company	Purchases	168,487	-	Payment in advance/Payment within 30 days after final acceptance	-	NO THIRD-PARTY COULD BE COMPARED	(11,616 )	-
Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	Subsidiary	Sales	(383,098 )	(18 )	Net 90 days from the end of the month of when invoice is issued	-		92,089	19
Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	Subsidiary	Purchases	1,060,573	57	Net 90 days from the end of the month of when invoice is issued	-		(192,499 )	(42 )
Betacera Inc.	Suzhou Betacera Technology Co., Ltd.	Subsidiary	Purchases	401,323	22	Net 90 days from the end of the month of when invoice is issued	-		(95,699 )	(21 )
Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	Parent company	Sales	(1,061,098 )	(83 )	Net 90 days from the end of the month of when invoice is issued	-		193,036	80
Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	Parent company	Purchases	383,007	45	Net 90 days from the end of the month of when invoice is issued	-		(175,562 )	(46 )
Suzhou Betacera Technology Co., Ltd.	Betacera Inc.	Parent company	Sales	(400,398 )	(100 )	Net 90 days from the end of the month of when invoice is issued	-		95,966	100
China Steel Express Corporation	China Steel Corporation	Parent company	Service revenue	(6,928,880 )	(51 )	Payment after shipping document specified	-		487,446	49
China Steel Express Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(3,851,612 )	(29 )	Payment after shipping document specified	-		274,973	28
China Steel Express Corporation	CHC Resources Corporation	The same parent company	Service revenue	(127,893 )	(1 )	Payment after shipping document specified	-		-	-
CSE Transport Corporation	China Steel Corporation	The ultimate parent of the company	Service revenue	(718,997 )	(34 )	Payment after shipping document specified	-		32,718	41
CSE Transport Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(458,745 )	(22 )	Payment after shipping document specified	-		17,770	22
CSE Transport Corporation	China Steel Express Corporation	Parent company	Service revenue	(233,766 )	(11 )	Payment after shipping document specified	-		-	-
Kaoport Stevedoring Corporation	China Steel Corporation	The ultimate parent of the company	Service revenue	(226,052 )	(84 )	Receivable were collected within 30 working days against copy of B/L	-		14,822	72
C.S.Aluminium Corporation	China Steel Corporation	Parent company	Sales	(1,814,789 )	(13 )	Receivables were collected after final acceptance	-		199,257	32
C.S.Aluminium Corporation	Dragon Steel Corporation	The same parent company	Sales	(757,818 )	(5 )	Receivables were collected after final acceptance	-		63,126	10
CSC Steel Sdn. Bhd.	Dragon Steel Corporation	The same parent company	Purchases	3,059,761	52	Payment after shipping document specified	-		(41,187 )	(24 )
CSC Steel Sdn. Bhd.	Chung Hung Steel Corporation	The same parent company	Purchases	1,325,338	23	Payment after shipping document specified	-		(51,974 )	(30 )
CSC Steel Sdn. Bhd.	China Steel Corporation	The ultimate parent of the company	Purchases	700,408	12	Payment after shipping document specified	-		(6,769 )	(4 )
CSC Steel Sdn. Bhd.	China Steel Global Trading Corporation	The same parent company	Purchases	340,783	6	Payment after shipping document specified	-		(44,191 )	(25 )
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	(428,773 )	(55 )	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	53,612	31



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 Precision Metals Qingdao Co., Ltd.	China Steel Corporation	The ultimate parent of the company	Purchases	658,975	99	60 days after B/L	-		(175,340 )	(97 )	
Chung Hung Steel Corporation	CSC Steel Sdn. Bhd.	The same parent company	Sales	(1,363,568 )	(4 )	T/T within 7 working days against copy of B/L	-	NO SIGNIFICANT DIFFERENCE	53,331	6	
Chung Hung Steel Corporation	China Steel Corporation	Parent company	Service revenue	(319,010 )	(1 )	T/T as the end of the month of when invoice is issued after final acceptance	-	NO THIRD-PARTY COULD BE COMPARED	52,905	6	
Chung Hung Steel Corporation	China Steel Corporation	Parent company	Purchases	17,341,242	62	Letter of credit at sight/Payment after final acceptance	-	NO THIRD-PARTY COULD BE COMPARED	(267,429 )	(78 )	
Chung Hung Steel Corporation	Dragon Steel Corporation	The same parent company	Purchases	9,479,326	34	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	510,299	2	Letter of credit at sight/Payment after final acceptance	-	NO THIRD-PARTY COULD BE COMPARED	(41,210 )	(12 )	
China Steel Chemical Corporation	Linyuan Advanced Materials Technology Co., Ltd.	Subsidiary of director of the board	Sales	(845,761 )	(16 )	Receivables are collected as the end of every month of when invoice is issued	-		90,911	23	
China Steel Chemical Corporation	China Steel Corporation	Parent company	Purchases	1,447,865	55	Letter of credit at sight	-		(151,092 )	(81 )	
China Steel Chemical Corporation	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	605,995	23	T/T before shipment date	-		-	-	
China Steel Chemical Corporation	Dragon Steel Corporation	The same parent company	Purchases	515,258	19	Letter of credit at sight	-		-	-	
China Steel Global Trading Corporation	Chung Hung Steel Corporation	The same parent company	Sales	(468,198 )	(5 )	Receivables were collected after shipment date	-		41,210	7	
China Steel Global Trading Corporation	China Steel Corporation	Parent company	Sales	(400,484 )	(4 )	Receivables were collected after final acceptance	-		32,985	6	
China Steel Global Trading Corporation	CSC Steel Sdn. Bhd.	The same parent company	Sales	(365,378 )	(4 )	Receivables were collected after shipment date	-		46,815	8	
China Steel Global Trading Corporation	Sing Da Marine Structure Corporation	The same parent company	Sales	(242,315 )	(2 )	Receivables were collected after final acceptance	-		-	-	
China Steel Global Trading Corporation	Formosa Ha Tinh Steel Corporation	Other related parties	Sales	(232,599 )	(2 )	T/T before shipment date	-		110	-	
China Steel Global Trading Corporation	Dragon Steel Corporation	The same parent company	Sales	(168,487 )	(2 )	Receivables were collected after shipment date	-		11,616	2	
China Steel Global Trading Corporation	China Steel Corporation	Parent company	Service revenue	(344,270 )	(83 )	By contract terms	-		16,943	3	
China Steel Global Trading Corporation	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	5,427,065	54	Payment from counter-party notice after shipping	-		-	-	
China Steel Global Trading Corporation	China Steel Corporation	Parent company	Purchases	2,419,668	24	Payment after shipment date	-		(52,142 )	(46 )	Note 1
China Steel Global Trading Corporation	Tang Eng Iron Works Co., Ltd.	The Corporation as director of the board of related party	Purchases	193,923	2	Prepaid before shipment date	-		-	-	
CSGT Metals Vietnam Joint Stock Company	China Steel Corporation	The ultimate parent of the company	Purchases	1,090,551	65	Payment from counter-party notice after shipping	-		(70,974 )	(52 )	Note 1
CSGT Metals Vietnam Joint Stock Company	China Steel and Nippon Steel Vietnam Joint Stock Company	The same parent company	Purchases	428,980	28	Payment after shipment date	-		(56,069 )	(45 )	
CHC Resources Corporation	TAIWAN CEMENT CORPORATION	Director of the board	Sales	(653,981 )	(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.	141,613	14	

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	YA TUNG READY-MIXED CONCRETE CORP.	Subsidiary of director of the board	Sales	(469,828 )	( 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.	64,455	6
CHC Resources Corporation	Universal Cement Corporation	Director of the board	Sales	(221,713 )	( 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.	39,455	4
CHC Resources Corporation	China Steel Corporation	Parent company	Service revenue	(1,769,937 )	(19 )	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.	221,148	22
CHC Resources Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(1,264,214 )	(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.	152,936	15
CHC Resources Corporation	China Steel Resources Corporation	The same parent company	Service revenue	(454,036 )	( 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.	39,027	4
CHC Resources Corporation	TAIWAN CEMENT CORPORATION	Director of the board	Service revenue	(106,066 )	( 1 )	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.	141,613	14
CHC Resources Corporation	China Steel Resources Corporation	The same parent company	Construction revenue	(236,330 )	( 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.	39,027	4
CHC Resources Corporation	China Steel Corporation	Parent company	Construction revenue	(175,500 )	( 2 )	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.	221,148	22

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 Corporation	Parent company	Purchases	786,710	27	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.	(1,230 )	(1 )
CHC Resources Corporation	Dragon Steel Corporation	The same parent company	Purchases	396,525	14	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.	(1,140 )	(1 )
CHC Resources Corporation	Chung Hung Steel Corporation	The same parent company	Purchases	269,902	9	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.	(25,389 )	(19 )
CHC Resources Corporation	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	243,134	8	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.	-	-
CHC Resources Corporation	TAIWAN CEMENT CORPORATION	Director of the board	Purchases	138,165	5	45 days after B/L	-	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.	(8,928)	(7)
Union Steel Development Corporation	CHC Resources Corporation	Parent company	Service revenue	(335,003 )	(58 )	Net 60 days from the end of the month of when invoice is issued	-		47,558	61
CHC Resources Vietnam Co., Ltd	Formosa Ha Tinh Steel Corporation	Other related parties	Service revenue	(119,898 )	(28 )	Net 10 days from invoice date	-		15,689	64
CHC Resources Vietnam Co., Ltd	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	255,332	98	Prepaid before shipment date	-		-	-
InfoChamp Systems Corporation	China Steel Corporation	Parent company	Service revenue	(818,936 )	(42 )	Receivables were collected within 30 days after shipment date	-		102,538	32
China Steel Structure Co., Ltd.	China Steel Corporation	Parent company	Service revenue	(386,501 )	(4 )	Contractual period	-		35,040	5
China Steel Structure Co., Ltd.	Dragon Steel Corporation	The same parent company	Service revenue	(115,163 )	(1 )	Contractual period	-		14,414	2
China Steel Structure Co., Ltd.	Dragon Steel Corporation	The same parent company	Construction revenue	(675,301 )	(8 )	Contractual period	-		44,445	6
China Steel Structure Co., Ltd.	Sing Da Marine Structure Corporation	The same parent company	Construction revenue	(312,504 )	(4 )	Contractual period	-		-	-
China Steel Structure Co., Ltd.	United Steel Engineering & Construction Corporation	Subsidiary	Construction revenue	(212,139 )	(2 )	Contractual period	-		-	-
China Steel Structure Co., Ltd.	China Steel Corporation	Parent company	Construction revenue	(102,154 )	(1 )	Contractual period	-		-	-
China Steel Structure Co., Ltd.	China Steel Corporation	Parent company	Purchases	3,518,834	69	Letter of credit/Prepaid before shipment date	-	Payment 7th of next month after accept supplier invoice.	(93,900 )	(6 )
China Steel Structure Co., Ltd.	Dragon Steel Corporation	The same parent company	Purchases	919,185	18	Letter of credit	-	Payment 7th of next month after accept supplier invoice.	(45,985 )	(3 )
United Steel Engineering & Construction Corporation	China Steel Corporation	The ultimate parent of the company	Construction revenue	(1,092,553 )	(24 )	Contractual period	-		69,212	17
United Steel Engineering & Construction Corporation	Dragon Steel Corporation	The same parent company	Construction revenue	(433,289 )	(9 )	Contractual period	-		54,065	13

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
United Steel Engineering & Construction Corporation	China Prosperity Development Corporation	The same parent company	Construction revenue	(391,493 )	(8 )	Contractual period	-		-	-	
United Steel Engineering & Construction Corporation	CHC Resources Corporation	The same parent company	Construction revenue	(344,263 )	(7 )	Contractual period	-		-	-	
United Steel Engineering & Construction Corporation	Sing Da Marine Structure Corporation	The same parent company	Construction revenue	(183,369 )	(4 )	Contractual period	-		112,556	27	
China Ecotek Corporation	China Steel Corporation	Parent company	Construction revenue	(5,644,084 )	(65 )	Contractual period	-		640,553	60	
China Ecotek Corporation	Dragon Steel Corporation	The same parent company	Construction revenue	(1,257,027 )	(15 )	Contractual period	-		101,042	9	
China Ecotek Corporation	CSC Solar Corporation	The same parent company	Construction revenue	(421,313 )	(5 )	Contractual period	-		147,522	14	
China Ecotek Corporation	Formosa Ha Tinh Steel Corporation	Other related parties	Construction revenue	(154,574 )	(2 )	Contractual period	-		2,232	-	
China Ecotek Corporation	Sing Da Marine Structure Corporation	The same parent company	Construction revenue	(129,359 )	(2 )	Contractual period	-		674	-	
China Ecotek Corporation	China Steel Machinery Corporation	The same parent company	Purchases	220,472	3	Contractual period	-		-	-	
China Steel Security Corporation	China Steel Corporation	Parent company	Service revenue	(373,010 )	(26 )	By contract terms	-		27,672	20	
China Steel Security Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(103,323 )	(7 )	By contract terms	-		9,817	7	
Steel Castle Technology Corporation	China Steel Corporation	The ultimate parent of the company	Service revenue	(541,151 )	(45 )	By contract terms	-		46,393	59	
Steel Castle Technology Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(170,826 )	(14 )	By contract terms	-		22,290	29	
Steel Castle Technology Corporation	United Steel Engineering & Construction Corporation	The same parent company	Service revenue	(103,728 )	(9 )	By contract terms	-		-	-	
HIMAG Magnetic Corporation	China Steel Corporation	Parent company	Sales	(314,585 )	(33 )	Receivables were collected within 10 days after shipment date	-		27,237	17	
HIMAG Magnetic Corporation	China Steel Corporation	Parent company	Purchases	134,175	26	Receivables were collected within 10 days after shipment date	-		(2,585 )	(5 )	
China Steel Machinery Corporation	China Steel Corporation	Parent company	Construction revenue	(4,071,813 )	(62 )	Payment after final acceptance	-		508,838	59	
China Steel Machinery Corporation	Dragon Steel Corporation	The same parent company	Construction revenue	(1,009,176 )	(15 )	Payment after final acceptance	-		67,950	8	
China Steel Machinery Corporation	Sing Da Marine Structure Corporation	The same parent company	Construction revenue	(329,553 )	(5 )	Payment after final acceptance	-		17,769	2	
China Steel Machinery Corporation	China Steel Corporation	Parent company	Purchases	285,910	14	Payment after final acceptance	-		(71 )	-	
China Steel and Nippon Steel Vietnam Joint Stock Company	NIPPON STEEL & SUMIKIN SALES VIETNAM COMPANY LIMITED	Other related parties	Sales	(1,287,268 )	(8 )	Accounts receivable, 10 days term	-		87,554	12	
China Steel and Nippon Steel Vietnam Joint Stock Company	NS BlueScope (Vietnam) Limited	Other related parties	Sales	(574,068 )	(4 )	Accounts receivable, 60 days term	-		191,098	25	
China Steel and Nippon Steel Vietnam Joint Stock Company	CSGT Metals Vietnam Joint Stock Company	The same parent company	Sales	(475,596 )	(3 )	Accounts receivable, 30 days term	-		62,121	8	
China Steel and Nippon Steel Vietnam Joint Stock Company	Nippon Steel Trading Vietnam Co., Ltd.	Other related parties	Sales	(104,244 )	(1 )	Accounts receivable, 10 days term	-		-	-	
China Steel and Nippon Steel Vietnam Joint Stock Company	China Steel Corporation	Parent company	Purchases	8,949,718	74	Receivables were collected within 120 days after shipment date	-		93,925	2	Notes 1 and 2
China Steel and Nippon Steel Vietnam Joint Stock Company	NIPPON STEEL TRADING CORPORATION	Other related parties	Purchases	2,491,717	21	Receivables were collected within 45 days after shipment date	-		(116,618 )	(3 )	
China Steel and Nippon Steel Vietnam Joint Stock Company	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	666,378	6	Prepaid before shipment date	-		-	-	
China Steel Corporation India Pvt. Ltd.	China Steel Corporation	Parent company	Purchases	1,871,843	98	Payment to the bank after the Corporation's shipment date	-		-	-	
Kaohsiung Rapid Transit Corporation	China Steel Corporation	Parent company	Service revenue	(219,951 )	(10 )	Net 15 days from the end of the month of when invoice is issued	-		-	-	
China Steel Resources Corporation	China Steel Corporation	Parent company	Sales	(602,729 )	(100 )	Net 60 days from the end of the month of when invoice is issued	-		51,555	100	
CSC Precision Metal Industrial Corporation	China Steel Corporation	Parent company	Service revenue	(136,696 )	(100 )	Net 60 days from the end of the month of when invoice is issued	-	NO THIRD-PARTY COULD BE COMPARED	15,542	100	
Sing Da Marine Structure Corporation	China Steel Corporation	Parent company	Purchases	561,916	70	Payment within 10 days after shipment date	-		(114 )	(31 )	

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 Global Trading Corporation	The same parent company	Purchases	242,315	30	Payment within 30 days after shipment date	-		-	-	
China Steel Precision Metals Kunshan Co., Ltd.	China Steel Corporation	The ultimate parent of the company	Purchases	1,722,443	99	Payment within 85 days after shipment date	-		(776,853 )	(97 )	

Note 1: Purchase amount includes the Corporation's sales commitment to Dragon Steel Corporation.

Note 2: Balance of accounts receivable refers to prepayments.

## CHINA STEEL CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
 DECEMBER 31, 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	3,602,242	-	-		-	-	Note
China Steel Corporation	China Steel Resources Corporation	Subsidiary	944,881	-	-		-	-	Note
China Steel Corporation	China Steel Precision Metals Kunshan Co., Ltd.	Subsidiary	776,853	4	-		219,984	-	
China Steel Corporation	Sing Da Marine Structure Corporation	Subsidiary	700,346	-	-		-	-	Note
China Steel Corporation	Kaohsiung Rapid Transit Corporation	Subsidiary	450,672	-	-		24	-	Note
China Steel Corporation	China Steel Corporation India Pvt. Ltd.	Subsidiary	298,314	12	-		298,314	-	
China Steel Corporation	Dragon Steel Corporation	Subsidiary	197,029	20	-		102,094	-	
China Steel Corporation	Chung Hung Steel Corporation	Subsidiary	193,712	-	-		172,377	-	Note
China Steel Corporation	China Steel Precision Metals Qingdao Co., Ltd.	Subsidiary	176,575	5	-		166,283	-	
China Steel Corporation	China Steel Chemical Corporation	Subsidiary	146,342	10	-		146,342	-	
China Steel Corporation	CSBC Corporation, Taiwan	The Corporation as director of the board of related party	111,592	6	-		111,592	-	
Dragon Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	The same parent company	592,078	18	-		592,078	-	
Dragon Steel Corporation	China Steel Corporation	Parent company	301,452	91	-		301,452	-	
Dragon Steel Corporation	China Steel Corporation	Parent company	271,187	-	-		-	-	Note
Dragon Steel Corporation	Chung Hung Steel Corporation	The same parent company	223,383	81	-		223,383	-	
Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	Parent company	193,161	7	-		99,394	-	
China Steel Express Corporation	China Steel Corporation	Parent company	487,446	9	-		289,366	-	
China Steel Express Corporation	Dragon Steel Corporation	The same parent company	274,973	19	-		274,973	-	
C.S.Aluminium Corporation	China Steel Corporation	Parent company	199,257	9	-		192,927	-	
China Prosperity Development Corporation	China Steel Corporation	Parent company	2,354,117	-	-		-	-	Note
Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Subsidiary	108,420	-	-		-	-	Note
Formosa Ha Tinh CSCC (Cayman) International Limited	Formosa Ha Tinh (Cayman) Limited	Other related parties	199,360	-	-		-	-	Note
Formosa Ha Tinh CSCC (Cayman) International Limited	China Steel Chemical Corporation	Parent company	199,360	-	-		-	-	Note
CHC Resources Corporation	China Steel Corporation	Parent company	221,148	12	76,924	Receivable on demand	86,803	-	
CHC Resources Corporation	Dragon Steel Corporation	The same parent company	152,936	8	-		97,102	-	
CHC Resources Corporation	TAIWAN CEMENT CORPORATION	Director of the board	141,613	5	-		-	-	
InfoChamp Systems Corporation	China Steel Corporation	Parent company	103,207	4	-		84,564	-	
United Steel Engineering & Construction Corporation	Sing Da Marine Structure Corporation	The same parent company	112,556	3	-		47,776	-	
China Ecotek Corporation	China Steel Corporation	Parent company	640,553	14	-		637,945	-	
China Ecotek Corporation	CSC Solar Corporation	The same parent company	147,522	1	-		-	-	
China Ecotek Corporation	Dragon Steel Corporation	The same parent company	101,042	12	-		56,609	-	
China Steel Security Corporation	China Steel Corporation	Parent company	100,185	-	-		-	-	Note
China Steel Machinery Corporation	China Steel Corporation	Parent company	508,838	12	-		439,683	-	
China Steel and Nippon Steel Vietnam Joint Stock Company	NS BlueScope (Vietnam) Limited	Other related parties	191,098	2	-		106,122	-	
CSC Precision Metal Industrial Corporation	China Steel Corporation	Parent company	100,033	-	-		-	-	Note

Note: Other receivables.

## CHINA STEEL CORPORATION AND SUBSIDIARIES

## INFORMATION ON INVESTEEES

FOR THE YEAR ENDED DECEMBER 31, 2020

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 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	6,248,987	528,260	181,590	Subsidiary
China Steel Corporation	China Steel Chemical Corporation	Republic of China	Manufacture of coal chemistry and speciality chemical	334,285	334,285	68,787,183	29	1,963,954	716,891	203,783	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	1,330,501	630,701	147,430	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	1,072,630	197,435	(68,757)	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	991,270	761,987	150,675	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	96,066,355	(2,192,627)	(2,778,630)	Subsidiary
China Steel Corporation	CSC Steel Australia Holdings Pty Ltd	Australia	General investment	17,359,623	17,359,623	594,638	100	20,842,831	821,594	821,594	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	12,914,176	1,953,621	1,230,040	Subsidiary
China Steel Corporation	Gains Investment Corporation	Republic of China	General investment	4,999,940	4,999,940	559,375,112	100	8,013,031	480,372	439,275	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	7,573,118	(320,890)	(292,514)	Subsidiary
China Steel Corporation	China Prosperity Development Corporation	Republic of China	Real estate development	4,749,938	4,749,938	509,802,912	100	7,166,532	388,941	389,253	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	5,940,973	(175,209)	(98,117)	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	4,412,474	120,910	120,043	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	2,341,310	330,686	316,133	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	2,052,107	(1,007,513)	(1,007,476)	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	1,227,877	(189,505)	(82,359)	Subsidiary
China Steel Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	959,200	959,200	95,920,000	55	1,053,611	153,194	84,925	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	997,036	9,686	10,447	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	949,253	239,750	(20,105)	Subsidiary
China Steel Corporation	China Steel Power Holding Corporation	Republic of China	General investment	1,023,060	5,000	102,306,000	51	858,105	(275,654)	(140,584)	Subsidiary
China Steel Corporation	InfoChamp Systems Corporation	Republic of China	ERP systems automation control systems service	357,602	357,602	41,465,634	100	791,557	138,909	101,400	Subsidiary
China Steel Corporation	China Steel Corporation India Pvt. Ltd.	India	Electrical steel	3,795,159	3,795,159	253,567,202	100	690,435	(294,224)	(294,224)	Subsidiary
China Steel Corporation	China Steel Security Corporation	Republic of China	On-site security, systematic security	149,940	149,940	25,036,986	100	621,975	103,421	102,737	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	382,766	17,815	12,295	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	305,700	6,428	6,432	Subsidiary
China Steel Corporation	United Steel International Co., Ltd.	Samoa	Holding and investment	269,141	269,141	12,000,000	80	292,395	41,054	32,844	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
China Steel Corporation	China Steel Management Consulting Corporation	Republic of China	Business management and management consulting services	15,144	15,144	999,993	100	17,358	2,660	2,660	Subsidiary
China Steel Corporation	China Steel Power Corporation	Republic of China	Offshore Wind Power Generation	-	-	10	-	-	(275,345)	-	Subsidiary
China Steel Corporation	Taiwan Rolling Stock Co., Ltd.	Republic of China	Manufacture of railway vehicles	970,044	970,044	95,527,811	48	976,757	16,043	7,662	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	529,928	157,381	28,329	Associate
China Steel Corporation	Honley Auto. Parts Co., Ltd.	Republic of China	Manufacture of automotive components	590,876	590,876	59,087,570	35	406,411	(261,710)	(91,965)	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	367,041	17,775	7,900	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	273,915	(41,158)	(9,652)	Associate
China Steel Corporation	Eminent II Venture Capital Corporation	Republic of China	General investment	300,000	500,000	30,000,000	46	213,703	(13,267)	(6,121)	Associate
China Steel Corporation	Overseas Investment & Development Corporation	Republic of China	General investment	50,000	50,000	5,000,000	6	55,728	66,902	3,720	Associate
China Steel Corporation	TaiAn Technologies Corporation	Republic of China	Bio-Tech consultants and management	7,629	7,629	1,666,700	17	23,843	18,479	3,080	Associate
Chung Hung Steel Corporation	Transglory Investment Corporation	Republic of China	General investment	2,001,152	2,001,152	306,824,279	41	2,669,716	120,233	-	Subsidiary
Chung Hung Steel Corporation	Hung Kao Investment Corporation	Republic of China	General investment	26,000	26,000	2,600,000	100	28,329	302	-	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	324,626	761,987	-	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	-	14,421	630,701	-	Subsidiary
China Steel Chemical Corporation	Ever Wealthy International Corporation	Republic of China	General investment	300,083	300,083	104,574,982	100	1,289,830	54,722	-	Subsidiary
China Steel Chemical Corporation	Transglory Investment Corporation	Republic of China	General investment	450,000	450,000	69,000,960	9	600,376	120,233	-	Subsidiary
China Steel Chemical Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	261,600	261,600	26,160,000	15	286,981	153,194	-	Subsidiary
China Steel Chemical Corporation	Formosa Ha Tinh CSCC (Cayman) International Limited	Cayman Island	General investment	100,320	100,320	10,000,000	50	276,256	(17,729)	-	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	43,348	17,815	-	Subsidiary
China Steel Chemical Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	68,839	68,839	2,450,000	5	31,841	(207,745)	-	Subsidiary
China Steel Chemical Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	15,070	15,070	1,196,000	40	26,095	(1,659)	-	Subsidiary
China Steel Chemical Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	7,000	7,000	700,000	35	14,035	794	-	Subsidiary
China Steel Chemical Corporation	Eminent Venture Capital Corporation	Republic of China	General Investment	13,500	22,500	1,350,000	5	7,858	26,090	-	Subsidiary
China Steel Chemical Corporation	Ever Glory International Co., Ltd.	Cayman Island	International trading and general investment	-	39,920	-	-	-	(2,471)	-	Subsidiary
China Steel Chemical Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	160,000	80,000	16,000,000	9	121,645	36,808	-	Associate
China Steel Chemical Corporation	TaiAn Technologies Corporation	Republic of China	Bio-Tech consultants and management	2,295	2,295	499,998	5	7,151	18,479	-	Associate
China Steel Chemical Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	847	16,934	84,672	6	6,218	(2,756)	-	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	96,734	47,326	-	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	31,777	17,815	-	Subsidiary
Ever Wealthy International Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	9,000	9,000	900,000	45	17,994	793	-	Subsidiary
Ever Wealthy International Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	8,400	8,400	840,000	35	17,334	2,313	-	Subsidiary
Ever Wealthy International Corporation	Ding Da Investment Corporation	Republic of China	General investment	10,495	10,495	897,000	30	15,786	1,455	-	Subsidiary



Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
China Ecotek Corporation	CEC Development Corporation	Samoa	Holding and investment	494,146	494,146	17,000,000	100	962,623	44,480	-	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	490,944	239,750	-	Subsidiary
China Ecotek Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	348,800	348,800	34,880,000	20	294,734	153,194	-	Subsidiary
China Ecotek Corporation	China Ecotek Construction Corporation	Republic of China	Engineering service industry	25,000	25,000	2,500,000	100	40,741	13,647	-	Subsidiary
China Ecotek Corporation	CEC International Corporation	Samoa	Holding and investment	30,642	30,642	10,000,000	100	40,462	308	-	Subsidiary
China Ecotek Corporation	Chiun Yu Investment Corporation	Republic of China	General investment	14,233	14,233	1,196,000	40	23,898	383	-	Subsidiary
China Ecotek Corporation	CEC Holding Company Limited	Samoa	Holding and investment	163,779	163,779	14,860,000	100	21,077	359	-	Subsidiary
China Ecotek Corporation	Chi-Yi Investment Corporation	Republic of China	General investment	8,000	8,000	800,000	40	16,098	798	-	Subsidiary
China Ecotek Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	8,050	8,050	805,000	35	15,286	1,225	-	Subsidiary
China Ecotek Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	6,000	6,000	600,000	30	11,996	793	-	Subsidiary
China Ecotek Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	8,262	8,262	300,000	1	3,885	(207,745)	-	Subsidiary
China Ecotek Corporation	China Ecotek India Private Limited	India	Projects designs, construction and related services	27	27	5,000	-	38	479	-	Subsidiary
China Ecotek Corporation	Econova Technology Corporation	Republic of China	Environmental engineering, M&E engineering, and O&M engineering	-	25,000	-	-	-	(168)	-	Subsidiary
China Ecotek Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	100,000	50,000	10,000,000	6	76,028	36,808	-	Associate
China Ecotek Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	141	2,822	14,112	1	1,035	(2,756)	-	Associate
CEC International Corporation	China Ecotek India Private Limited	India	Projects designs, construction and related services	27,070	27,070	4,995,000	100	37,502	479	-	Subsidiary
CEC Development Corporation	China Ecotek Vietnam Company Limited	Vietnam	Projects designs, construction and related services	302,065	302,065	-	100	706,947	41,455	-	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	501,450	761,987	-	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	1,380,917	99,297	-	Subsidiary
China Steel Structure Co., Ltd.	China Steel Structure Investment Pte. Ltd.	Singapore	Holding and investment	-	134,578	10	100	145,636	258,482	-	Subsidiary
China Steel Structure Co., Ltd.	China Steel Structure Holding Co., Ltd.	Samoa	Holding and investment	-	148,264	4	37	84,211	419,894	-	Subsidiary
China Steel Structure Co., Ltd.	Chiun Yu Investment Corporation	Republic of China	General investment	12,453	12,453	1,046,500	35	20,910	383	-	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	15,446	17,815	-	Subsidiary
China Steel Structure Co., Ltd.	Chi-Yi Investment Corporation	Republic of China	General investment	6,000	6,000	600,000	30	12,074	798	-	Subsidiary
China Steel Structure Co., Ltd.	Li-Ching-Long Investment Corporation	Republic of China	General investment	6,000	6,000	600,000	30	12,030	794	-	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	9,720	23,056	-	Subsidiary
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	4,702	119	-	Associate
China Steel Structure Co., Ltd.	Ascentek Venture Capital Corporation	Republic of China	General investment	635	12,701	63,504	5	4,653	(2,756)	-	Associate
United Steel Engineering & Construction Corporation	United Steel Investment Pte Ltd	Singapore	Holding and investment	126,806	126,806	4,180,000	100	139,363	(6,309)	-	Subsidiary
United Steel Engineering & Construction Corporation	China Prosperity Construction Corporation	Republic of China	Real estate development	53,550	53,550	5,355,000	40	61,088	376	-	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	51,379	(2,319)	-	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
United Steel Engineering & Construction Corporation	Shin Mau Investment Corporation	Republic of China	General investment	13,754	13,754	1,196,000	40	23,765	3,531	-	Subsidiary
United Steel Engineering & Construction Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass Rapid Transit service	15,433	15,433	1,543,276	1	15,573	(189,505)	-	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	117,762	157,381	-	Associate
United Steel Engineering & Construction Corporation	Overseas Investment & Development Corporation	Republic of China	General investment	44,100	44,100	4,410,000	5	49,113	66,902	-	Associate
United Steel Engineering & Construction Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	212	4,234	21,168	2	1,548	(2,756)	-	Associate
United Steel Investment Pte Ltd	Chungkang Steel Structure (Cambodia) Co., Ltd.	Cambodia	Building materials manufacturing, construction engineering	96,283	96,283	310	31	89,860	(14,104)	-	Associate
China Steel Structure Holding Co., Ltd.	China Steel Structure Investment Co., Ltd.	Samoa	Holding and investment	-	397,075	-	-	-	(4,170)	-	Subsidiary
China Steel Structure Investment Pte. Ltd.	China Steel Structure Holding Co., Ltd.	Samoa	Holding and investment	-	248,811	6	63	145,434	419,894	-	Subsidiary
CHC Resources Corporation	Mao Lian Enterprise Co., Ltd.	Republic of China	Real estate lease, management of raw materials	1,100,440	-	2,500	100	1,099,591	(878)	-	Subsidiary
CHC Resources Corporation	CHC Resources Vietnam Co., Ltd	Vietnam	Sales of GBFS	647,338	366,557	-	85	593,134	14,832	-	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	142,061	2,252	-	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	118,272	48,404	-	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	86,443	10,969	-	Subsidiary
CHC Resources Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	12,306	12,306	1,046,500	35	22,833	(1,659)	-	Subsidiary
CHC Resources Corporation	Ding Da Investment Corporation	Republic of China	General investment	12,516	12,516	1,196,000	40	21,048	1,455	-	Subsidiary
CHC Resources Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	9,600	9,600	960,000	40	19,810	2,313	-	Subsidiary
CHC Resources Corporation	Shin Mau Investment Corporation	Republic of China	General investment	10,316	10,316	897,000	30	17,824	3,531	-	Subsidiary
CHC Resources Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	9,200	9,200	920,000	40	17,469	1,225	-	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	9,910	17,815	-	Subsidiary
CHC Resources Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	8,254	8,254	300,000	1	3,885	(207,745)	-	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	109,951	17,775	-	Associate
CHC Resources Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	30,000	15,000	3,000,000	2	22,808	36,808	-	Associate
CHC Resources Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	423	8,467	42,336	3	3,105	(2,756)	-	Associate
Union Steel Development Corporation	Chung Hung Steel Corporation	Republic of China	Manufacture and sale of steel products	1,522	1,522	106,445	-	1,453	528,260	-	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	306,077	50,148	-	Subsidiary
China Steel Security Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass Rapid Transit service	17,000	17,000	1,700,000	1	17,271	(189,505)	-	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	13,867	1,278	-	Subsidiary
China Steel Security Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	10,000	10,000	1,000,000	1	7,603	36,808	-	Associate
China Steel Security Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	141	2,822	14,112	1	1,035	(2,756)	-	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	370,824	87,908	-	Associate
China Prosperity Development Corporation	CK Japan Co., Ltd.	Japan	Real estate lease	151,526	151,526	3,840	80	183,509	13,968	-	Subsidiary
China Prosperity Development Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass Rapid Transit service	130,000	130,000	13,000,000	5	132,228	(189,505)	-	Subsidiary
China Prosperity Development Corporation	China Prosperity Construction Corporation	Republic of China	Real estate development	92,105	92,105	8,032,500	60	91,632	376	-	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	206,083	157,381	-	Associate

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
China Prosperity Development Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	282	5,645	28,224	2	2,074	(2,756)	-	Associate
HIMAG Magnetic Corporation	MagnPower Corporation	Republic of China	Powder metallurgy	218,000	218,000	21,800,000	55	103,066	(79,022)	-	Subsidiary
China Steel Power Holding Corporation	China Steel Power Corporation	Republic of China	Offshore Wind Power Generation	2,003,800	4,800	200,379,990	100	1,728,318	(275,345)	-	Subsidiary
CSC Solar Corporation	China Ecotek Corporation	Republic of China	Environmental engineering, M&E engineering, and O&M engineering	38,447	314	1,259,000	1	38,198	197,435	-	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	66,979	15,342	-	Subsidiary
InfoChamp Systems Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass Rapid Transit service	40,265	40,265	5,200,319	2	52,947	(189,505)	-	Subsidiary
InfoChamp Systems Corporation	Info-Champ System (B.V.I) Corporation	British Virgin Islands	Holding and investment	6,816	6,816	201,000	100	18,210	4,307	-	Subsidiary
InfoChamp Systems Corporation	Majestic Solid Light Corporation	Republic of China	Manufacture and sale of UV LED	4,500	4,500	450,000	45	-	(2,378)	-	Associate
Kaohsiung Rapid Transit Corporation	Taiwan Intelligent Transportation Co., Ltd.	Republic of China	Technical service	26,000	26,000	2,600,000	100	29,719	1,275	-	Subsidiary
China Steel Machinery Corporation	China Steel Machinery Vietnam Co., Ltd.	Vietnam	Machines manufacturing	8,544	8,994	-	100	17,284	3,660	-	Subsidiary
China Steel Machinery Corporation	Overseas Investment & Development Corporation	Republic of China	General investment	95,900	95,900	9,590,000	11	106,845	66,902	-	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	87,846	630,701	-	Subsidiary
Dragon Steel Corporation	CSC Solar Corporation	Republic of China	Solar energy generation	174,400	174,400	17,440,000	10	191,321	153,194	-	Subsidiary
C.S.Aluminium Corporation	ALU Investment Offshore Corporation	British Virgin Islands	Holding and investment	1,063,593	1,063,593	1	100	410,605	(134,913)	-	Subsidiary
C.S.Aluminium Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	847	16,934	84,672	6	6,210	(2,756)	-	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	411,326	(207,745)	-	Subsidiary
United Steel International Development Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	282	5,645	28,224	2	2,070	(2,756)	-	Associate
China Steel Express Corporation	Transglory Investment Corporation	Republic of China	General investment	2,440,000	2,440,000	374,138,548	50	3,255,735	120,233	-	Subsidiary
China Steel Express Corporation	CSE Transport Corporation	Panama	Shipping services for raw materials	316	316	10	100	2,873,280	578,435	-	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	45,974	11,206	-	Subsidiary
China Steel Express Corporation	CSEI Transport (Panama) Corporation	Panama	Shipping services for raw materials	-	316	-	-	-	(10,468)	-	Subsidiary
China Steel Express Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	847	16,934	84,672	6	6,210	(2,756)	-	Associate
Transglory Investment Corporation	Winning Investment Corporation	Republic of China	General investment	321,331	321,331	20,700,000	9	243,478	63,102	-	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	370,099	47,326	-	Subsidiary
Gains Investment Corporation	Eminence Investment Corporation	Republic of China	General investment	1,600,000	1,600,000	150,000,000	100	2,082,431	190,613	-	Subsidiary
Gains Investment Corporation	Winning Investment Corporation	Republic of China	General investment	989,664	989,664	112,700,000	49	1,325,602	63,102	-	Subsidiary
Gains Investment Corporation	Betacera Inc.	Republic of China	Manufacturing and trading of electronic ceramics	150,165	150,165	20,555,253	48	831,368	303,829	-	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	121,118	15,342	-	Subsidiary
Gains Investment Corporation	Eminent Venture Capital Corporation	Republic of China	General Investment	135,000	225,000	13,500,000	50	78,568	26,090	-	Subsidiary
Gains Investment Corporation	Mentor Consulting Corporation	Republic of China	Management consulting services	25,909	25,909	1,000,000	100	28,296	7,522	-	Subsidiary
Gains Investment Corporation	United Steel International Development Corporation	British Virgin Islands	Holding and investment	58,784	58,784	1,850,000	4	24,072	(207,745)	-	Subsidiary
Gains Investment Corporation	Gainsplus Asset Management Inc.	British Virgin Islands	General investment	2,848	2,998	100,000	100	3,282	(272)	-	Subsidiary
Gains Investment Corporation	Fukuta Electric & Machinery Co., Ltd.	Republic of China	Motor manufacturing and selling	525,222	538,688	7,800,395	20	639,241	(97)	-	Associate
Gains Investment Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	400,000	200,000	40,000,000	22	304,112	36,808	-	Associate

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
Gains Investment Corporation	Honley Auto. Parts Co., Ltd.	Republic of China	Manufacture of automotive components	63,311	63,311	4,525,411	3	54,751	(261,710)	-	Associate
Thintech Materials Technology Co., Ltd.	Thintech Global Limited	Samoa	Holding and investment	205,435	205,435	6,800,000	100	46,632	15,092	-	Subsidiary
Betacera Inc.	Lefkara Ltd.	British Virgin Islands	Trading of electronic ceramics and life saving products	387,983	408,418	13,623,000	100	1,302,477	64,369	-	Subsidiary
Betacera Inc.	Eminent III Venture Capital Corporation	Republic of China	General investment	50,000	25,000	5,000,000	3	38,014	36,808	-	Associate
Mentor Consulting Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	141	2,822	14,112	1	1,035	(2,756)	-	Associate
Eminence Investment Corporation	Betacera Inc.	Republic of China	Manufacturing and trading of electronic ceramics	73,510	-	1,608,491	4	77,000	303,829	-	Subsidiary
Eminence Investment Corporation	Shin Mau Investment Corporation	Republic of China	General investment	9,513	9,513	896,999	30	17,824	3,531	-	Subsidiary
Eminence Investment Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	8,805	8,805	747,499	25	16,309	(1,659)	-	Subsidiary
Eminence Investment Corporation	Ding Da Investment Corporation	Republic of China	General investment	8,970	8,970	897,000	30	15,786	1,455	-	Subsidiary
Eminence Investment Corporation	Chiun Yu Investment Corporation	Republic of China	General investment	7,475	7,475	747,500	25	14,936	383	-	Subsidiary
Eminence Investment Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	6,262	6,262	600,000	30	12,030	794	-	Subsidiary
Eminence Investment Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	5,317	5,317	500,000	21	10,316	2,313	-	Subsidiary
Eminence Investment Corporation	Chi-Yi Investment Corporation	Republic of China	General investment	5,222	5,222	501,000	25	10,082	798	-	Subsidiary
Eminence Investment Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	4,762	4,762	476,000	21	9,040	1,225	-	Subsidiary
Eminence Investment Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	4,173	4,173	400,000	20	7,997	793	-	Subsidiary
Eminence Investment Corporation	Fukuta Electric & Machinery Co., Ltd.	Republic of China	Motor manufacturing and selling	13,500	5,940	100,000	-	13,369	(97)	-	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	-	11,290	761,987	-	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	-	8,583	630,701	-	Subsidiary
Shin Mau Investment Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	1,000	1,000	100,000	5	1,999	793	-	Subsidiary
Shin Mau Investment Corporation	Chi-Yi Investment Corporation	Republic of China	General investment	990	990	99,000	5	1,992	798	-	Subsidiary
Ding Da Investment Corporation	China Steel Chemical Corporation	Republic of China	Manufacture of coal chemistry and speciality chemical	17,404	17,404	474,220	-	12,762	716,891	-	Subsidiary
Ding Da Investment Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	990	990	99,000	4	1,878	1,225	-	Subsidiary
Ding Da Investment Corporation	Betacera Inc.	Republic of China	Manufacturing and trading of electronic ceramics	25	25	1,000	-	40	303,829	-	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	-	18	15,342	-	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	-	7,160	197,435	-	Subsidiary
Gau Ruei Investment Corporation	China Steel Chemical Corporation	Republic of China	Manufacture of coal chemistry and speciality chemical	17,584	17,584	474,220	-	12,762	716,891	-	Subsidiary
Gau Ruei Investment Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	1,000	1,000	100,000	4	2,065	2,313	-	Subsidiary
Gau Ruei Investment Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	1,000	1,000	100,000	5	2,005	794	-	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	-	11,290	761,987	-	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	-	6,676	630,701	-	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
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	-	6,563	197,435	-	Subsidiary
China Steel Global Trading Corporation	CSGT International Corporation	Samoa	Holding and investment	631,983	631,983	20,740,000	100	893,791	73,945	-	Subsidiary
China Steel Global Trading Corporation	Chung Mao Trading (Samoa) Corporation	Samoa	Holding and investment	212,822	212,822	11,800,000	100	587,457	26,778	-	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	317,198	(21,994)	-	Subsidiary
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	71,278	23,056	-	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	28,852	(207,745)	-	Subsidiary
China Steel Global Trading Corporation	Chung Mao Trading (BVI) Corporation	British Virgin Islands	Holding and investment	18,741	18,741	326,300	65	10,900	6,007	-	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	211	6,181	-	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	55,266	(261,710)	-	Associate
China Steel Global Trading Corporation	Ascentek Venture Capital Corporation	Republic of China	General investment	282	5,645	28,224	2	2,069	(2,756)	-	Associate
Wabo Global Trading Corporation	CK Japan Co., Ltd.	Japan	Real estate lease	37,488	37,488	960	20	45,633	13,968	-	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	24,488	4,515	-	Subsidiary
Chung Mao Trading (Samoa) Corporation	United Steel International Co., Ltd.	Samoa	Holding and investment	79,872	84,079	3,000,000	20	73,099	41,054	-	Subsidiary
Chung Mao Trading (BVI) Corporation	CSGT Hong Kong Limited	Hong Kong	Buy and sell, and act as an agency for steel products	3,657	3,850	1,000,000	100	13,122	8,482	-	Subsidiary
CSGT International Corporation	CSGT Metals Vietnam Joint Stock Company	Vietnam	Cutting and processing of steel products	246,498	223,492	13,279,770	60	339,013	94,187	-	Subsidiary
CSGT International Corporation	CSGT Trading India Private Limited	India	Buy and sell, and act as an agency for steel products	22,146	23,313	4,752,000	99	20,875	6,201	-	Subsidiary
CSGT International Corporation	TSK Steel Company Limited	Thailand	Steel coil processing and distributing	82,253	86,585	408,000	34	198,692	(15,300)	-	Associate
CSGT International Corporation	Mahindra Auto Steel Private Limited	India	Cutting and processing of steel products	78,548	82,685	16,782,500	25	90,074	8,310	-	Associate
CSGT International Corporation	Hanwa Steel Centre (M) Sdn. Bhd.	Malaysia	Manufacture and sale of steel products	53,726	56,556	5,600,000	14	-	-	-	Associate
CSGT (Singapore) Pte. Ltd.	CSGD Limited	Cyprus	International trade and investment	110,001	113,674	1,876,795	49	259,893	(108,349)	-	Associate
CSC Steel Australia Holdings Pty Ltd	CSC Sonoma Pty Ltd	Australia	Investments in mining industry	360,858	345,322	16,440,001	100	219,894	33,727	-	Subsidiary
CSC Steel Australia Holdings Pty Ltd	9404-5515 Quebec Inc.	Canada	Investments in mining industry	5,795,322	5,545,820	270,122,727	25	7,693,699	2,638,638	-	Associate
China Steel Asia Pacific Holdings Pte Ltd	CSC Steel Holdings Berhad	Malaysia	General investment	1,032,014	1,086,368	171,000,000	46	2,625,449	262,175	-	Subsidiary
CSC Steel Holdings Berhad	CSC Steel Sdn. Bhd.	Malaysia	Manufacture and sale of steel products	2,965,606	3,071,965	359,000,000	100	5,527,443	262,117	-	Subsidiary
CSC Steel Holdings Berhad	Group Steel Corporation (M) Sdn. Bhd.	Malaysia	General investment	504,684	522,784	1,000,000	100	18,298	125	-	Subsidiary
CSC Steel Holdings Berhad	CSGT Metals Vietnam Joint Stock Company	Vietnam	Cutting and processing of steel products	18,807	19,482	1,328,940	6	-	94,256	-	Subsidiary
CSC Steel Holdings Berhad	Hanwa Steel Centre (M) Sdn. Bhd.	Malaysia	Manufacture and sale of steel products	55,834	57,836	8,000,000	20	-	-	-	Associate
CSC Steel Sdn. Bhd.	Constant Mode Sdn. Bhd.	Malaysia	General investment	5,092	5,275	750,000	100	6,576	181	-	Subsidiary

**TABLE 9**

**CHINA STEEL CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 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 December 31, 2019 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 (Note 1)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2020	Accumulated Repatriation of Investment Income as of December 31, 2020	Note
					Outward	Inward							
Betacera (Su Zhou) Co., Ltd.	Manufacturing and trading of electronic ceramics	125,312	2	125,312	-	-	125,312	31,349	100	31,349	474,611	-	Note 3 (1)
CSGT (Shanghai) Co., Ltd.	Buy and sell, and act as an agency for steel products	17,088	2	17,088	-	-	17,088	5,843	100	5,843	40,153	46,588	Note 3 (1)
Chung-Kang Steel Structure (Kunshan) Co., Ltd.	Manufacture and sale of products of steel structure	341,760	2	341,760	-	341,760	-	(4,170)	-	(4,170)	-	248,268	Note 3 (1)
Changzhou China Steel Precision Materials Co., Ltd.	Production and sale of titanium and titanium alloys, nickel and nickel alloys	1,241,728	2	869,210	-	-	869,210	1,529	70	1,071	888,856	-	Note 3 (1)
China Steel Precision Metals Qingdao Co., Ltd.	Cutting and processing of steel products	569,600	2	398,720	-	-	398,720	14,256	70	9,979	430,802	1,658	Note 3 (1)
Changzhou China Steel New Materials Technology Co., Ltd.	Mesophase sales and trading	174,861	1	185,291	-	-	185,291	(11,962)	100	(11,962)	152,827	-	Note 3 (1)
CSGT (Shenzhen) Co., Ltd.	Buy and sell, and act as an agency for steel products	14,810	2	-	14,810	-	14,810	(1,029)	100	(1,029)	14,483	-	Note 3 (1)
HC&C Auto Parts Co., Ltd.	Manufacture of automotive components	1,139,200	2	113,920	-	-	113,920	517	10	52	114,028	-	Note 3 (1)
Wuhan HUADET Environmental Protection Engineering & Technology Co., Ltd.	Consulting services of construction technology	113,920	2	12,816	-	-	12,816	2,647	30	794	72,155	-	Note 3 (1)
Ningbo Huayang Aluminium-Tech Co., Ltd.	Production of aluminum products	1,395,520	2	1,104,170	-	-	1,104,170	(207,359)	79	(164,062)	496,039	93,743	Note 3 (1)
Suzhou Betacera Technology Co., Ltd.	Manufacturing and trading of aeronautical or marine life saving products	427,200	2	427,200	-	-	427,200	3,002	100	3,002	560,498	-	Note 3 (1)
Shanghai Xike Ceramic Electronic Co., Ltd.	Manufacturing and trading of electronic ceramics	34,176	2	34,005	-	-	34,005	10,330	100	10,278	126,569	-	Note 3 (1)
Taicang Thintech Materials Co., Ltd.	Sputtering target manufacturing and sales	193,664	2	193,664	-	-	193,664	15,092	100	15,092	46,632	-	Note 3 (1)
China Steel Precision Metals Kunshan Co., Ltd.	Cutting and processing of steel products	427,200	2	457,389	-	-	457,389	41,054	100	41,055	365,471	-	Note 3 (1)
Wuhan InfoChamp I.T. Co., Ltd.	Enterprise information system integration services	5,696	2	5,696	-	-	5,696	4,518	100	4,518	18,098	55,453	Note 3 (1)
Xiamen Ecotek PRC Company Limited	Sales agency for import and export of equipment and materials	170,880	2	170,880	-	-	170,880	3,145	100	3,145	177,314	-	Note 3 (1)

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 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 5)
China Steel Corporation	1,690,801	1,690,801	193,864,189
China Steel Chemical Corporation	255,067	255,067	3,920,502
China Steel Structure Co., Ltd.	-	-	2,884,235
China Ecotek Corporation	192,240	528,771	1,776,153
C.S.Aluminium Corporation	901,392	901,392	4,576,811
Gains Investment Corporation	52,688	52,688	4,599,253
Thintech Materials Technology Co., Ltd.	193,664	193,664	696,765
Betacera Inc.	586,517	586,517	1,038,128
China Steel Global Trading Corporation	243,562	243,562	-
Infochamp Systems Corporation	5,696	5,696	543,548
CHC Resources Corporation	8,544	8,544	3,224,760

Note 1: The amounts were calculated based on the foreign exchange rate as of December 31, 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 subsidiary CSGT has obtained the certificate of qualified for operating headquarters, which is due on April 29, 2021, 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.

**CHINA STEEL CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2020**

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

Note 1: Major shareholders in the Table above are shareholders owning 5% or more of the Corporation's common and preferred stocks (only ones that have completed dematerialized registration and delivery) based on calculations performed by the Taiwan Depository & Clearing Corporation using data as of the last business date at the end of each quarter. The amount of capital in the consolidated financial statements may differ from the Corporation's actual number of stocks that have completed dematerialized registration and delivery due to different calculation bases.

Note 2: Where the stocks are entrusted by shareholders, information is disclosed by the individual account of settlor who has segregated trust accounts opened by trustees. As for shareholders filing shareholdings of insiders with 10% or more of the Corporation's stocks pursuant to the securities and exchange laws and regulations, the number of stocks owned shall be ones owned by the persons plus ones entrusted where the shareholders have the power to decide how to utilize the trust property. Please access the Market Observation Post System website for information on insiders' shareholding filings.



## THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

ITEM	STATEMENT INDEX
MAJOR ACCOUNTING ITEMS IN ASSETS, LIABILITIES AND EQUITY	
STATEMENT OF CASH AND CASH EQUIVALENTS	1
STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT	9
STATEMENT OF FINANCIAL ASSETS FOR HEDGING - CURRENT	Notes 9 & 28
STATEMENT OF NOTES RECEIVABLE	2
STATEMENT OF ACCOUNTS RECEIVABLE	3
STATEMENT OF OTHER RECEIVABLES	4
STATEMENT OF INVENTORIES	5
STATEMENT OF OTHER FINANCIAL ASSETS	6
STATEMENT OF OTHER CURRENT ASSETS	7
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT	8
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - NONCURRENT	9
STATEMENT OF FINANCIAL ASSETS FOR HEDGING - NONCURRENT	Notes 9 & 28
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	10
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT	Note 14
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	Note 14
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS	11
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS	11
STATEMENT OF CHANGES IN INVESTMENT PROPERTIES	Note 16
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF INVESTMENT PROPERTIES	Note 16
STATEMENT OF DEFERRED TAX ASSETS	Note 25
STATEMENT OF SHORT-TERM BORROWINGS AND BANK OVERDRAFT	12
STATEMENT OF SHORT-TERM BILLS PAYABLE	13
STATEMENT OF FINANCIAL LIABILITIES FOR HEDGING - CURRENT	Notes 9 & 28
STATEMENT OF ACCOUNTS PAYABLE	14
STATEMENT OF OTHER PAYABLES	Note 19
STATEMENT OF PROVISIONS- CURRENT	Note 20
STATEMENT OF OTHER CURRENT LIABILITIES	15
STATEMENT OF FINANCIAL LIABILITIES FOR HEDGING - NONCURRENT	Notes 9 & 28
STATEMENT OF BONDS PAYABLE	16
STATEMENT OF LONG-TERM BANK BORROWINGS	17
STATEMENT OF LEASE LIABILITIES	18
STATEMENT OF LONG-TERM BILLS PAYABLE	19
STATEMENT OF DEFERRED TAX LIABILITIES	Note 25
MAJOR ACCOUNTING ITEMS IN PROFIT OR LOSS	
STATEMENT OF OPERATING REVENUE	20
STATEMENT OF OPERATING COSTS	21
STATEMENT OF OPERATING EXPENSES	22
STATEMENT OF OTHER GAINS AND LOSSES	Note 24 (3)
STATEMENT OF FINANCE COSTS	Note 24 (4)
STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION	23

**STATEMENT 1****CHINA STEEL CORPORATION****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2020****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

---

<b>Item</b>	<b>Maturity Date</b>	<b>Interest Rates (%)</b>	<b>Amount</b>
Cash on hand - including JPY 9,000 thousand (Note)			\$ 18,807
Checking accounts and demand deposits			786,780
Foreign currency deposits - including US\$29,214 thousand, JPY268,024 thousand, CNY12,808 thousand, EUR 37 thousand, AU\$14 thousand, GBP 4 thousand and CHF 12 thousand (Note)			964,273
			<hr/>
			<u>\$ 1,769,860</u>

Note: US\$1=NT\$28.48, JPY1=NT\$0.2763, CNY1=NT\$4.377, EUR1=NT\$ 35.02, AU\$1=NT\$21.95, GBP1=NT\$38.90 and CHF1=NT\$32.31.

**STATEMENT 2**

**CHINA STEEL CORPORATION**

**STATEMENT OF NOTES RECEIVABLE**

**DECEMBER 31, 2020**

**(In Thousands of New Taiwan Dollars)**

---

<b>Customer Name</b>	<b>Amount (Note 2)</b>
Related Parties	
CSBC Corporation, Taiwan	<u>\$ 111,592</u>
Non-Related Parties	
Hota Industrial Mfg. Co., Ltd	\$ 391,532
Others (Note 1)	<u>39,116</u>
	<u>\$ 430,648</u>

Note 1: The amount of individual customer included in others does not exceed 5% of the account balance.

Note 2: There are no notes receivable that are past due but not collected.

**STATEMENT 3****CHINA STEEL CORPORATION****STATEMENT OF ACCOUNTS RECEIVABLE****DECEMBER 31, 2020****(In Thousands of New Taiwan Dollars)**

---

<b>Customer Name</b>	<b>Amount (Note 2)</b>
Related Parties	
China Steel Precision Metals Kunshan Co., Ltd.	\$ 776,853
China Steel Corporation India Pvt Ltd.	298,314
Dragon Steel Corporation	197,029
China Steel Precision Metals Qingdao Co., Ltd.	176,575
China Steel Chemical Corporation	146,342
Others (Note 1)	<u>459,342</u>
	<u>\$ 2,054,455</u>
Non-Related Parties	
Duferco SA	\$ 474,078
Mitumune Corporation	295,651
Others (Note 1)	<u>1,918,399</u>
	<u>\$ 2,688,128</u>

Note 1: The amount of individual customer included in others does not exceed 5% of the account balance.

Note 2: There are no accounts receivable that are past due over 1 year.

**STATEMENT 4**

**CHINA STEEL CORPORATION**

**STATEMENT OF OTHER RECEIVABLES**

**DECEMBER 31, 2020**

**(In Thousands of New Taiwan Dollars)**

---

<b>Item</b>	<b>Amount</b>
Consignment receivable	\$ 425,165
VAT refund receivable	415,342
Royalty receivable	81,429
Others	<u>281,519</u>
	<u>\$ 1,203,455</u>

**STATEMENT 5****CHINA STEEL CORPORATION****STATEMENT OF INVENTORIES  
DECEMBER 31, 2020  
(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Net Realizable Value (Note)
Finished goods	\$ 7,939,742	\$ 8,212,831
Work in progress	13,584,111	15,213,250
Raw materials	6,789,880	6,881,883
Supplies	4,185,748	4,185,748
Raw materials and supplies in transit	6,451,881	6,561,564
Others	<u>586,621</u>	<u>593,504</u>
	<u>\$ 39,537,983</u>	<u>\$ 41,648,780</u>

Note: Allowance for loss on decline in value of inventory of supplies is recognized according to the extent of idleness and valuation at net realizable value. Refer to Note 4 for details.

## CHINA STEEL CORPORATION

## STATEMENT OF OTHER FINANCIAL ASSETS

DECEMBER 31, 2020

(In Thousands of New Taiwan Dollars)

Bank Name	Interest Rates (%)	Period	Amount	Note
Pledged time deposits				
Taiwan Business Bank	0.10	2020.01.19-2021.12.26	\$ 2,250,000	Note 1
Mega Bank	0.07	2020.03.15-2021.03.15	1,000,000	Note 1
Bank of Taiwan	0.05	2020.06.26-2021.06.26	1,000,000	Note 1
First Bank	0.10	2020.02.11-2021.12.03	500,000	Note 1
Chang Hwa Bank	0.10	2020.07.13-2021.11.16	500,000	Note 1
Cathay United Bank	0.09	2020.04.26-2021.11.05	<u>600,000</u>	Note 1
			<u>5,850,000</u>	
Time deposits with original maturities more than 3 months				
Mega Bank	0.12	2020.12.14-2021.12.14	<u>100,000</u>	
Deposits for projects				
First Bank			77,179	Note 2
Mega Bank			<u>10,009</u>	Note 3
			<u>87,188</u>	
			<u>\$ 6,037,188</u>	

Note 1: Time deposits pledged as collateral for bank overdraft.

Note 2: Deposits for offshore funds.

Note 3: Deposits for construction projects and industry - academia cooperation.

**CHINA STEEL CORPORATION**

**STATEMENT OF OTHER CURRENT ASSETS**

**DECEMBER 31, 2020**

**(In Thousands of New Taiwan Dollars)**

---

<b>Item</b>	<b>Amount</b>
Net input VAT	\$ 455,771
Advance payment	86,120
Others	<u>222,194</u>
	<u>\$ 764,085</u>



## CHINA STEEL CORPORATION

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT  
FOR THE YEAR ENDED DECEMBER 31, 2020

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

Name	Balance, January 1, 2020		Additions		Decrease		Balance, December 31, 2020		Collateral	Note
	Shares/Units	Fair Value	Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Fair Value (Note1)		
Domestic listed shares										
Taiwan High Speed Rail Corporation	242,148,000	\$ 9,298,483	-	\$ -	-	\$ (1,622,391)	242,148,000	\$ 7,676,092	None	
Tang Eng Iron Works Co., Ltd.	29,860,691	1,252,656	-	-	-	(97,047)	29,860,691	1,155,609	None	
Rechi Precision Co., Ltd.	23,002,022	527,896	-	-	-	(47,154)	23,002,022	480,742	None	
CSBC Corporation, Taiwan	7,751,346	208,124	-	12,401	-	-	7,751,346	220,525	None	
O-Bank Co., Ltd.	103,847,695	811,051	-	-	-	(91,386)	103,847,695	719,665	None	
Domestic unlisted shares										
CDIB & Partners Investment Holding Corporation	54,000,000	941,425	-	-	-	(113,443)	54,000,000	827,982	None	
CDIB BioScience Ventures I, Inc.	1,063,534	8,093	-	-	-	(427)	1,063,534	7,666	None	
Phalanx Biotech Group, Inc.	1,073,812	6,722	-	-	-	(3,236)	1,073,812	3,486	None	
Taiwan International Windpower Training Corporation	1,500,000	13,213	-	1,131	-	-	1,500,000	14,344	None	
Foreign listed shares										
Maruichi Steel Tube Ltd.	2,000,000	1,700,160	-	-	-	(438,022)	2,000,000	1,262,138	None	
Yodogawa Steel Works, Ltd.	400,000	225,437	-	7,429	-	-	400,000	232,866	None	
Foreign unlisted shares										
CSN Mineracao S.A.	745,562	968,262	-	5,683	-	-	745,562	973,945	None	
Sakura Ferroalloys Sdn. Bhd.	207,290,000	1,338,034	-	-	-	(123,874)	207,290,000	1,214,160	None	
Sakura Ferroalloys Sdn. Bhd. (Preferred Shares)	52,199,745	336,943	4,243,889	-	-	(6,336)	56,443,634	330,607	None	Note 2
DB Metal Co., Ltd.	1,500,000	-	-	-	-	-	1,500,000	-	None	
Formosa Ha Tinh (Cayman) Limited	1,111,418,177	23,324,222	-	-	-	(217,393)	1,111,418,177	23,106,829	None	
		<u>\$ 40,960,721</u>		<u>\$ 26,644</u>		<u>\$ (2,760,709)</u>		<u>\$ 38,226,656</u>		

Note 1: Fair values are measured on the basis of the closing price on the balance sheet date or measured using the valuation techniques in Note 28.

Note 2: An increase to investment in preferred shares of Sakura Ferroalloys Sdn. Bhd. resulted from issuance of new shares due to overpaid foreign currency in respect of prior years. The total shareholding percentage remained unchanged.

## CHINA STEEL CORPORATION

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT AND NONCURRENT  
 FOR THE YEAR ENDED DECEMBER 31, 2020  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name	Balance, January 1, 2020		Additions (Note 1)		Decrease/Reclassify (Note 2)		Balance, December 31, 2020		Collateral	Note
	Shares/Units	Fair Value	Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Fair Value		
Unlisted preference shares - overseas										
East Asia United Steel Corporation (EAUS) - preference A	3,334	\$ 826,071	-	\$ 15,708	(3,334)	\$ (841,779)	-	\$ -	None	Note 2
East Asia United Steel Corporation (EAUS) - preference A	3,333	825,824	-	17,994	-	-	3,333	843,818	None	Note 3
		<u>\$ 1,651,895</u>		<u>\$ 33,702</u>		<u>\$ (841,779)</u>		<u>\$ 843,818</u>		

Note 1: Increase in investment in East Asia United Steel Corporation (EAUS) - preference A resulted from valuation adjustments.

Note 2: Those shares were recognized as financial assets at fair value through profit or loss - current. Please refer to Note 7 for more details.

Note 3: Those shares were recognized as financial assets at fair value through profit of loss - noncurrent.

## CHINA STEEL CORPORATION

**STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investees	Balance, January 1, 2020		Additions (Note 1)		Decrease (Note 1)		Balance, December 31, 2020			Market Value or Net Assets Value		Collateral	Note
	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount	Shares (In Thousands)	% of Ownership	Amount	Unit Price (NT\$)	Total Amount(Note 2)		
Investments in subsidiaries													
Listed companies													
Chung Hung Steel Corporation	582,673	\$ 6,064,076	-	\$ 184,911	-	\$ -	582,673	41	\$ 6,248,987	\$ 15.75 (Note3)	\$ 9,177,102	None	
China Steel Chemical Corporation	68,787	2,104,642	-	-	-	(140,688)	68,787	29	1,963,954	108.50 (Note3)	7,463,409	None	
China Steel Structure Co., Ltd.	66,488	1,274,475	-	56,026	-	-	66,488	33	1,330,501	32.70 (Note3)	2,174,152	None	
China Ecotek Corporation	55,393	1,232,328	-	-	-	(159,698)	55,393	45	1,072,630	34.80 (Note3)	1,927,681	None	
CHC Resources Corporation	49,290	951,904	-	39,366	-	-	49,290	20	991,270	47.45 (Note3)	2,338,791	None	
		<u>11,627,425</u>		<u>280,303</u>		<u>(300,386)</u>			<u>11,607,342</u>		<u>23,081,135</u>		
Unlisted companies													
Dragon Steel Corporation	8,612,586	98,857,201	-	-	-	(2,790,846)	8,612,586	100	96,066,355		97,113,139	None	
CSC Steel Australia Holdings Pty Ltd.	595	19,743,722	-	1,099,109	-	-	595	100	20,842,831		20,842,831	None	
China Steel Express Corporation	422,545	11,869,947	-	1,044,229	-	-	422,545	100	12,914,176		13,322,193	None	
Gains Investment Corporation	559,375	7,112,136	-	900,895	-	-	559,375	100	8,013,031		7,665,421	None	
C. S. Aluminium Corporation	840,122	7,855,607	-	-	-	(282,489)	840,122	100	7,573,118		7,626,492	None	
China Prosperity Development Corporation	509,803	6,806,029	-	360,503	-	-	509,803	100	7,166,532		8,340,390	None	
China Steel and Nippon Steel Vietnam Joint Stock Company	514,304	6,353,422	-	-	-	(412,449)	514,304	56	5,940,973		5,940,973	None	
China Steel Asia Pacific Holdings Pte. Ltd.	191,065	4,293,509	-	118,965	-	-	191,065	100	4,412,474		4,414,246	None	
China Steel Global Trading Corporation	78,827	2,050,305	-	291,005	-	-	78,827	100	2,341,310		2,404,817	None	
Sing Da Marine Structure Corporation	342,100	3,169,040	-	-	-	(1,116,933)	342,100	100	2,052,107		2,215,839	None	
Kaohsiung Rapid Transit Corporation	120,800	1,338,049	-	-	-	(110,172)	120,800	43	1,227,877		1,227,680	None	
CSC Solar Corporation	95,920	1,019,672	-	33,939	-	-	95,920	55	1,053,611		1,052,263	None	
China Steel Resources Corporation	98,112	995,460	-	1,576	-	-	98,112	100	997,036		995,480	None	
China Steel Machinery Corporation	100,067	1,084,455	-	-	-	(135,202)	100,067	74	949,253		1,395,663	None	
China Steel Power Holding Corporation	500	4,719	101,806	853,386	-	-	102,306	51	858,105		882,333	None	Note 4
InfoChamp Systems Corporation	41,466	699,803	-	91,754	-	-	41,466	100	791,557		905,822	None	
China Steel Corporation India Pvt. Ltd.	728,691	1,063,968	-	-	(475,123)	(373,533)	253,568	100	690,435		690,435	None	Note 4
China Steel Security Corporation	25,037	526,997	-	94,978	-	-	25,037	100	621,975		626,111	None	
Himag Magnetic Corporation	19,183	388,716	-	-	-	(5,950)	19,183	69	382,766		384,703	None	
CSC Precision Metal Industrial Corporation	32,250	299,268	-	6,432	-	-	32,250	100	305,700		305,696	None	
United Steel International Co., Ltd.	12,000	254,547	-	37,848	-	-	12,000	80	292,395		292,395	None	
China Steel Management Consulting Corporation	1,000	17,808	-	-	-	(450)	1,000	100	17,358		17,358	None	
China Steel Power Corporation	0.02	-	-	-	-	-	-	-	-		-	None	
Less: Shares held by subsidiaries accounted for as treasury shares	-	175,804,380	-	4,934,619	-	(5,228,024)	-	-	175,510,975		178,662,280		
		<u>8,664,198</u>		<u>8,664,198</u>		<u>-</u>			<u>8,664,198</u>		<u>8,664,198</u>		
		<u>178,767,607</u>		<u>5,214,922</u>		<u>(5,528,410)</u>			<u>178,454,119</u>		<u>193,079,217</u>		
Investments in associates													
Unlisted companies													
Taiwan Rolling Stock Co., Ltd.	95,528	968,793	-	7,964	-	-	95,528	48	976,757		976,757	None	
Kaohsiung Arena Development Corporation	45,000	519,599	-	10,329	-	-	45,000	18	529,928		529,928	None	
Honley Auto. Parts Co., Ltd.	59,088	461,258	-	-	-	(54,847)	59,088	35	406,411		406,411	None	
Hsin Hsin Cement Enterprise Corp.	28,659	359,196	-	7,845	-	-	28,659	31	367,041		382,249	None	
Dyna Rechi Co., Ltd.	40,000	287,626	-	-	-	(13,711)	40,000	23	273,915		273,915	None	
Eminent II Venture Capital Corporation	50,000	441,446	-	-	(20,000)	(227,743)	30,000	46	213,703		213,703	None	Note 4
Overseas Investment & Development Corp.	5,000	53,945	-	1,783	-	-	5,000	6	55,728		55,728	None	
TaiAn Technologies Corporation	833	24,588	833	-	-	(745)	1,666	17	23,843		23,843	None	
		<u>3,116,451</u>		<u>27,921</u>		<u>(297,046)</u>			<u>2,847,326</u>		<u>2,862,534</u>		
		<u>\$ 181,884,058</u>		<u>\$ 5,242,843</u>		<u>\$ (5,825,456)</u>			<u>\$ 181,301,445</u>		<u>\$ 195,941,751</u>		

Note 1: Except for increase or decrease in investment, the change in the current year was mainly from the elimination of unrealized profit or loss from downstream transactions, gain and loss from investment, adjustments in equity from investments and dividends received.

Note 2: Market value of listed companies is the closing price at the balance sheet date. Net asset value of unlisted companies is calculated based on the investees' financial statements and the Corporation's ownership percentage.

Note 3: The unit price is calculated based on the closing price on the Taiwan Stock Exchange at the balance sheet date.

Note 4: Please refer to Note 12 for more details

## CHINA STEEL CORPORATION

**STATEMENT OF RIGHT-OF-USE ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2020  
 (In Thousands of New Taiwan Dollars)**

Item	Balance, January 1, 2020	Additions	Decrease (Note )	Balance, December 31, 2020
Cost				
Land	\$ 1,114,845	\$ 172,895	\$ (140,055)	\$ 1,147,685
Land improvements	471,241	-	-	471,241
Buildings	110,455	59,483	(33,489)	136,449
Machinery	21,635	-	-	21,635
Transportation equipment	<u>31,837</u>	<u>10,587</u>	<u>(23,861)</u>	<u>18,563</u>
Total	<u>1,750,013</u>	<u>\$ 242,965</u>	<u>\$ (197,405)</u>	<u>1,795,573</u>
Accumulated depreciation				
Land	207,028	\$ 212,435	\$ (108,194)	311,269
Land improvements	62,015	62,015	-	124,030
Buildings	44,057	54,354	(33,422)	64,989
Machinery	8,375	8,375	-	16,750
Transportation equipment	<u>18,917</u>	<u>10,090</u>	<u>(20,334)</u>	<u>8,673</u>
Total	<u>340,392</u>	<u>\$ 347,269</u>	<u>\$ (161,950)</u>	<u>525,711</u>
	<u>\$ 1,409,621</u>			<u>\$ 1,269,862</u>

Note: The decrease in right-of-use assets was due to expiration of lease agreements, termination of lease agreements in advance and lease modification.

## CHINA STEEL CORPORATION

## STATEMENT OF SHORT-TERM BORROWINGS AND BANK OVERDRAFT

DECEMBER 31, 2020

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

Type	Contract Period	Range of Interest Rates (%)	Loan Commitments	Balance, End of The Year	Collateral
Unsecured loans					
MUFG Bank	2020.11.25-2021.01.28	0.37	US\$200,000 thousand	\$ 3,000,000	None
Credit Agricole Corporation and Investment Bank	2020.04.29-2021.05.03	0.56	US\$50,000 thousand	<u>900,000</u>	None
				<u>3,900,000</u>	
Bank overdraft	Automatically extend annually	0.10-0.19	NT\$5.74 billion	<u>3,179,332</u>	Note 30
Export bill loans	Automatically renew from credit facility agreement annually	0.32-0.75	US\$346,000 thousand and NT\$0.3 billion	<u>1,039,114</u>	None
Letters of credit					
Taiwan Cooperative Bank	Each borrowing paid back within 180 days started from bank disbursement	-	US\$102,000 thousand	12,189	None
Chang Hwa Bank	Each borrowing paid back within 180 days started from bank disbursement	-	NT\$3.7 billion	3,831	None
E. SUN Bank	Each borrowing paid back within 360 days started from bank disbursement	-	US\$68,000 thousand	1,408	None
				<u>17,428</u>	
Loans from related parties					
China Steel Security Corporation	2020.07.24-2021.06.21	0.45-0.46		100,000	None
China Prosperity Development Corporation	2020.06.24-2021.12.23	0.41-0.45		2,350,000	None
CSC Precision Metal Industrial Corporation	2020.12.04-2021.11.30	0.43		<u>100,000</u>	None
				<u>2,550,000</u>	
				<u>\$ 10,685,874</u>	

Note: Credit line denominated in foreign currencies could be denominated in other currencies for equal amount where credit line remains unchanged.

**CHINA STEEL CORPORATION****STATEMENT OF SHORT-TERM BILLS PAYABLE****DECEMBER 31, 2020****(In Thousands of New Taiwan Dollars)**

Item	Financial Institution	Period	Interest Rates (%)	Amount		
				Issuance Amount	Unamortized Amount	Carrying Amount
Short-term bills payable	Cathay United Bank	2020.12.18-2021.02.05	0.23	\$ 1,000,000	\$ 253	\$ 999,747
	Yuanta Bank	2020.11.23-2021.02.23	0.23-0.24	2,000,000	517	1,999,483
	E.SUN Bank	2020.10.20-2021.01.15	0.30	1,000,000	138	999,862
				<u>\$ 4,000,000</u>	<u>\$ 908</u>	<u>\$ 3,999,092</u>

**CHINA STEEL CORPORATION****STATEMENT OF ACCOUNTS PAYABLE****DECEMBER 31, 2020****(In Thousands of New Taiwan Dollars)**

---

<b>Vendor Name</b>	<b>Amount</b>
Related Parties	
China Steel Express Corporation	\$ 473,670
Dragon Steel Corporation	240,761
C.S. Aluminium Corporation	199,257
Others (Note)	<u>153,297</u>
	<u>\$ 1,066,985</u>
Non-related Parties	
Hamersley Iron Pty. Ltd.	\$ 1,201,468
Vale International Sa	650,765
Teck Coal Ltd.	404,583
Others (Note)	<u>1,884,324</u>
	<u>\$ 4,141,140</u>

Note: The amount of individual vendor in others does not exceed 5% of the account balance.

**CHINA STEEL CORPORATION**

**STATEMENT OF OTHER CURRENT LIABILITIES**

**DECEMBER 31, 2020**

**(In Thousands of New Taiwan Dollars)**

---

<b>Item</b>	<b>Amount</b>
Receipts under custody	\$ 299,342
Financial guarantee liabilities	104,516
Deposits received	74,101
Others	<u>30,730</u>
	<u>\$ 508,689</u>



## CHINA STEEL CORPORATION

STATEMENT OF BONDS PAYABLE  
DECEMBER 31, 2020  
(In Thousands of New Taiwan Dollars)

Bonds Name	Trustee	Issuance Date	Interest Payment Date And Repayment Method	Coupon Rate (%)	Amount					Collateral
					Total Amount	Repayment Paid	Balance, End of The Year	Issuance Costs	Carrying Value	
5-year unsecured bonds	Mega International Commercial Bank Co., Ltd.	2020.12-2025.12	Repayable in December 2024 and December 2025; interest payable annually	0.39	\$ 1,600,000	\$ -	\$ 1,600,000	\$ (1,593 )	\$ 1,598,407	None
7-year unsecured bonds	Taipei Fubon Commercial Bank Co., Ltd.	2014.01-2021.01	Repayable in January 2020 and January 2021; interest payable annually	1.75	6,900,000	3,450,000	3,450,000	(42 )	3,449,958	None
	Hua Nan Bank	2018.05-2025.05	Repayable in May 2024 and May 2025; interest payable annually	0.95	6,000,000	-	6,000,000	(4,388 )	5,995,612	None
	Taipei Fubon Commercial Bank Co., Ltd.	2018.10-2025.10	Repayable 25% in October 2024 and 75% in October 2025; interest payable annually	0.90	4,150,000	-	4,150,000	(3,215 )	4,146,785	None
	Mega International Commercial Bank Co., Ltd.	2020.12-2027.12	Repayable in 70% in December 2026 and 30% in December 2027; interest payable annually	0.43	4,200,000	-	4,200,000	(1,793 )	4,198,207	None
10-year unsecured bonds	Taipei Fubon Commercial Bank Co., Ltd.	2012.08-2022.08	Repayable in August 2021 and August 2022; interest payable annually	1.50	15,000,000	-	15,000,000	(1,972 )	14,998,028	None
	Mega International Commercial Bank Co., Ltd.	2013.07-2023.07	Repayable in July 2022 and July 2023; interest payable annually	1.60	9,700,000	-	9,700,000	(2,472 )	9,697,528	None
	Taipei Fubon Commercial Bank Co., Ltd.	2014.01-2024.01	Repayable in January 2023 and January 2024; interest payable annually	1.95	7,000,000	-	7,000,000	(1,930 )	6,998,070	None
	Taipei Fubon Commercial Bank Co., Ltd.	2018.08-2028.08	Repayable in August 2027 and August 2028; interest payable annually	1.10	5,600,000	-	5,600,000	(5,253 )	5,594,747	None
	Taipei Fubon Commercial Bank Co., Ltd.	2018.10-2028.10	Repayable in October 2027 and October 2028; interest payable annually	1.05	2,250,000	-	2,250,000	(2,266 )	2,247,734	None
15-year unsecured bonds	Mega International Commercial Bank Co., Ltd.	2013.07-2028.07	Repayable 30% in July 2026, 30% in July 2027, and 40% in July 2028; interest payable annually	1.88	3,600,000	-	3,600,000	(1,992 )	3,598,008	None
	Taipei Fubon Commercial Bank Co., Ltd.	2014.01-2029.01	Repayable 30% in January 2027, 30 % in January 2028, and 40% in January 2029; interest payable annually	2.15	9,000,000	-	9,000,000	(4,620 )	8,995,380	None
					75,000,000	3,450,000	71,550,000	(31,536 )	71,518,464	
Less: Current portion					10,950,000	-	10,950,000	(649 )	10,949,351	
					<u>\$ 64,050,000</u>	<u>\$ 3,450,000</u>	<u>\$ 60,600,000</u>	<u>\$ (30,887 )</u>	<u>\$ 60,569,113</u>	

## CHINA STEEL CORPORATION

## STATEMENT OF LONG-TERM BANK BORROWINGS

DECEMBER 31, 2020

(In Thousands of New Taiwan Dollars)

Bank Name	Amount, Contract Period and Repayment Method	Interest Rates (%)	Balance, December 31, 2020			Collateral
			Current	Over 1 Year	Total	
Unsecured Loans						
Bank of Taiwan	NT\$1.5 billion, due in August 2022 with revolving basis	0.57	\$ -	\$ 1,500,000	\$ 1,500,000	None
Bank of Taiwan	NT\$1.5 billion, due in August 2022 with revolving basis	0.57	-	1,500,000	1,500,000	None
Bank of Taiwan	NT\$2 billion, due in August 2022 with revolving basis	0.57	-	2,000,000	2,000,000	None
Bank of Taiwan	JPY 1.214 billion, repaid in November 2022	0.32	-	335,428	335,428	None
Bank of Taiwan	JPY 1.3 billion, repaid in December 2021	0.32	359,190	-	359,190	None
Mega Bank	JPY 1.3 billion, repaid in December 2021	0.32	359,190	-	359,190	None
Mizuho Bank	JPY 3.284 billion, repaid in June 2021	0.24	907,231	-	907,231	None
Sumitomo Mitsui Banking Corporation	NT\$1 billion, due in August 2022 with revolving basis	0.60	-	1,000,000	1,000,000	None
Sumitomo Mitsui Banking Corporation	NT\$1 billion, due in August 2022 with revolving basis	0.58	-	1,000,000	1,000,000	None
			1,625,611	7,335,428	8,961,039	
Less: Financial liabilities for hedging-current			(1,625,611)	-	(1,625,611)	
Financial liabilities for hedging-noncurrent			-	(335,428)	(335,428)	
			<u>\$ -</u>	<u>\$ 7,000,000</u>	<u>\$ 7,000,000</u>	

**CHINA STEEL CORPORATION****STATEMENT OF LEASE LIABILITIES****DECEMBER 31, 2020****(In Thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Object</b>	<b>Period (Note)</b>	<b>Discount Rates (%)</b>	<b>Amount</b>
Land	Lease of land and wharf, etc.	2019.01.01-2027.12.31	0.70-1.47	\$ 839,310
Land improvements	Lease of wharf and relating facilities, etc	2019.01.01-2027.12.31	0.92-1.31	349,834
Buildings	Lease of plants, offices and dorms, etc	2019.01.01-2023.09.30	0.70-0.92	68,553
Machinery	Lease of wharf and relating equipments, etc	2019.01.01-2021.07.21	0.92	4,367
Transportation equipment	Lease of company cars, etc	2019.01.01-2023.03.01	0.86-0.92	10,655
				1,272,719
Less: Current portion				(286,135 )
				\$ 986,854

## CHINA STEEL CORPORATION

## STATEMENT OF LONG-TERM BILLS PAYABLE

DECEMBER 31, 2020

(In Thousands of New Taiwan Dollars)

Item	Financial Institution	Period	Interest Rates (%)	Amount		
				Issuance Amount	Unamortized Amount	Carrying Amount
Long-term bills payable	Cathay United Bank	2019.12.16-2023.12.16	0.57	\$ 3,400,000	\$ 1,181	\$ 3,398,819
	Taishin International Bank	2020.01.06-2024.01.06	0.20	2,000,000	739	1,999,261
	CTBC Bank	2020.04.10-2024.04.10	0.52	<u>1,500,000</u>	<u>572</u>	<u>1,499,428</u>
				<u>\$ 6,900,000</u>	<u>\$ 2,492</u>	<u>\$ 6,897,508</u>

Note: Commercial papers are issued on revolving basis within the contract period of 4 years, starting from 2019 to 2024, and recorded as long-term bills payable.

**CHINA STEEL CORPORATION****STATEMENT OF OPERATING REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

<b>Item</b>	<b>Quantities (Metric Tons)</b>	<b>Amount</b>
Sale of Goods		
Carbon Steel Products		
Cold rolled steel products	3,023,598	\$ 57,417,946
Hot rolled steel products	3,006,891	43,737,074
Wire rods	1,296,512	25,104,608
Plates	871,739	18,084,785
Commercial slabs	1,425,032	16,558,116
Bars	518,432	12,152,701
Pig iron	710	<u>9,067</u>
		173,064,297
Non-carbon steel products		2,447,728
Others		<u>2,352,270</u>
		177,864,295
Others (Note)		<u>5,977,231</u>
		<u>\$ 183,841,526</u>

Note: The amount of each item included in others does not exceed 10% of the account balance.

**STATEMENT 21****CHINA STEEL CORPORATION****STATEMENT OF OPERATING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(In Thousands of New Taiwan Dollars)**

---

Item	Amount
Raw materials used	
Raw materials, beginning of the year	\$ 12,047,408
Raw material purchased	99,483,055
Gain from physical count	142,724
Raw materials, end of the year	<u>(6,789,880)</u>
	104,883,307
Direct labor	4,475,832
Manufacturing expenses	<u>50,621,027</u>
Manufacturing cost	159,980,166
Work in progress, beginning of the year	21,096,102
Work in progress, end of the year	<u>(13,584,111)</u>
	167,492,157
Finished goods, beginning of the year	10,689,410
Finished goods, end of the year	(7,939,742)
Others, beginning of the year	366,267
Others, end of the year	(586,621)
Non-manufacturing cost or service cost	(1,247,826)
Others	<u>1,724,297</u>
	170,497,942
Costs of goods sold	170,497,942
Others (Note)	<u>5,116,847</u>
	<u>\$ 175,614,789</u>

Note: The amount of each item in others does not exceed 10% of the account balance.

## CHINA STEEL CORPORATION

**STATEMENT OF OPERATING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(In Thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Selling Expenses</b>	<b>General and Administrative Expenses</b>	<b>Research and Development Expenses</b>	<b>Total</b>
Payroll expense	\$ 507,704	\$ 1,264,463	\$ 666,679	\$ 2,438,846
Professional fee	111,877	636,293	606,827	1,354,997
Depreciation expense, depletion and amortization	370,823	477,950	271,524	1,120,297
Traveling expense	784,187	38,245	2,627	825,059
Packing and processing fee	558,472	39,240	128,146	725,858
Repair and maintenance expense	129,884	124,760	51,357	306,001
Consumables	34,913	34,167	121,312	190,392
Others	<u>115,483</u>	<u>380,738</u>	<u>32,481</u>	<u>528,702</u>
Total	<u>\$ 2,613,343</u>	<u>\$ 2,995,856</u>	<u>\$ 1,880,953</u>	<u>\$ 7,490,152</u>

## CHINA STEEL CORPORATION

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION  
 FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019  
 (In Thousands of New Taiwan Dollars)

	Year Ended December 31, 2020				Year Ended December 31, 2019			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Others	Total	Classified as Operating Costs	Classified as Operating Expenses	Classified as Others	Total
Employee benefits								
Salaries	\$ 10,201,777	\$ 1,976,752	\$ 87,735	\$ 12,266,264	\$ 12,840,729	\$ 2,529,374	\$ 74,153	\$ 15,444,256
Labor and health insurance	785,117	141,798	398	927,313	850,590	158,240	458	1,009,288
Post-employment benefits	672,681	232,062	132	904,875	691,975	254,840	172	946,987
Termination benefits	-	-	83,748	83,748	-	-	57,947	57,947
Remuneration of directors	-	5,156	-	5,156	-	15,372	-	15,372
Others	460,946	83,078	14,728	558,752	469,701	88,009	12,675	570,385
	<u>\$ 12,120,521</u>	<u>\$ 2,438,846</u>	<u>\$ 186,741</u>	<u>\$ 14,746,108</u>	<u>\$ 14,852,995</u>	<u>\$ 3,045,835</u>	<u>\$ 145,405</u>	<u>\$ 18,044,235</u>
Depreciation	\$ 14,007,500	\$ 1,120,297	\$ 122,159	\$ 15,249,956	\$ 16,109,211	\$ 1,115,688	\$ 204,586	\$ 17,429,485
Amortization	9,956	-	-	9,956	9,956	1	-	9,957

Note 1: As of December 31, 2020 and 2019, the Corporation had 10,138 and 10,211 employees, respectively. Among them 6 directors did not serve concurrently as employees in 2020 and 2019, respectively.

Note 2: Additional disclosures are as follows:

1) Average employee benefits for the year ended December 31, 2020 was NT\$ 1,455 thousand (Amounts of employee benefits for the year ended December 31, 2020 less amounts of remuneration of directors for the year ended December 31, 2020/number of employees for the year ended December 31, 2020 less number of directors not serving concurrently as employees for the year ended December 31, 2020)

Average employee benefits for the year ended December 31, 2019 was NT\$ 1,767 thousand (Amounts of employee benefits for the year ended December 31, 2019 less amounts of remuneration of directors for the year ended December 31, 2019/number of employees for the year ended December 31, 2019 less number of directors not serving concurrently as employees for the year ended December 31, 2019)

2) Average salaries for the year ended December 31, 2020 was NT\$ 1,211 thousand (Amounts of salaries for the year ended December 31, 2020/number of employees for the year ended December 31, 2020 less number of directors not serving concurrently as employees for the year ended December 31, 2020)

Average salaries for the year ended December 31, 2019 was NT\$ 1,513 thousand (Amounts of salaries for the year ended December 31, 2019/number of employees for the year ended December 31, 2019 less number of directors not serving concurrently as employees for the year ended December 31, 2019)

3) Changes of adjustments of average salaries was (20)% (Average salaries for the year ended December 31, 2020 less average salaries for the year ended December 31, 2019/average salaries for the year ended December 31, 2019)

4) The Corporation does not have any supervisor.



5) The Corporation's remuneration policies are as follows:

a) Remuneration policy for directors

The remuneration policy for directors shall be handled in accordance with the Corporation's Articles of Incorporation and Organization Regulations for Remuneration Committee, formulated upon the recommendation of the Remuneration Committee, and submitted to the Board of Directors for approval.

- i Remuneration for directors: It's distributed according to Article 6 of the Corporation's Articles of Incorporation, which stipulates that "If there is profit in any given fiscal year, the Corporation shall set aside no less than 0.1% as the remuneration in stock or cash for employees, and no more than 0.15% as the remuneration for Directors."
- ii Remuneration for independent directors: The Corporation pays a fixed compensation monthly to the independent directors, who shall not receive the aforesaid remuneration for directors.
- iii Travel allowance: The Corporation pays a monthly travel allowance to directors who do not receive the salary and benefits for the Corporation's Chairman or managements.
- iv Attendance fee: The Corporation pays an attendance fee to directors who do not receive salary and benefits for the Corporation's Chairman or managements for attending meetings held by the functional committees under the Corporation's Board of Directors.

b) Remuneration policy for the managements

With regard to salary and benefits for appointed managements, the Remuneration Committee, which comprises three independent directors appointed by the Board of Directors, shall study and formulate (as well as regularly review) the performance evaluation system, evaluation results, and related remuneration system for appointed managements. In addition to referencing the typical pay levels of industry peers and listed companies, the reasonableness of correlation between individual performance, the Corporation's business performance, and future risks are also taken into consideration while determining the performance and remuneration for appointed managements.

c) Compensation policy for employees

Employee compensation mainly includes basic salary, bonuses, and remuneration for employees. Employee compensation standards are formulated based on their duties and responsibilities, current market salary standards, the Corporation's financial status and organizational structure. Bonuses and remuneration for employees reflect the Corporation's profitability in the current year and are also related to the individual performance of employees. Employees who have yet to reach the maximum job grade for the positions they hold after joining the Corporation are given opportunities for salary adjustments every year based on their job grade and individual performance. The range of salary adjustment is highly correlated with an employee's performance. In addition, the Corporation will also offer annual salary adjustments based on market salary trends and its operating conditions.