

China Steel Corporation

**Parent Company Only Financial Statements for the
Years Ended December 31, 2025 and 2024 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
China Steel Corporation

Opinion

We have audited the accompanying parent company only financial statements of China Steel Corporation (the "Corporation"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Corporation as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only 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 parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only 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 parent company only financial statements for the year ended December 31, 2025 are stated as follows:

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. Revenue recognition is presumed to be significant risk as revenue is subject to fluctuation in terms of market demand and it is the main focus of the users of financial report; therefore, revenue recognition was deemed to be a key audit matter. Refer to Notes 4 and 23 to the Corporation's parent company only financial statements for the related accounting policies and disclosures on sales revenue.

Our audit procedures performed included the following:

1. We understood the design and implementation of the procedures regarding approval of sales order, shipping and cash collection process of the Corporation's steel department.
2. We evaluated the appropriateness of the recorded sales amounts by checking the nature, quantities, unit price and sales of major goods of the Corporation's steel department sales; we also reviewed comparative information of a two-year period.
3. We verified the occurrence and validity of the specific goods by confirming the correctness on the shipping documents or bill of lading and cash collection receipts.
4. We obtained subsequent details of the abovementioned specific goods and checked whether there were any material and unusual sales returns and allowances and confirmed the appropriateness of accounting treatment and presentation.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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 Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 Standards on Auditing of 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 parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of 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 parent company only 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 parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only 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 parent company only financial statements. We are responsible for the direction, supervision, and performance of the 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 parent company only financial statements for the year ended December 31, 2025 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 Jr-Shian Ke.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2026

Notice to Readers

The accompanying parent company only financial statements are intended only to present the 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 parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

China Steel Corporation

PARENT COMPANY ONLY BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 3,516,795	1	\$ 4,002,599	1
Financial assets for hedging - current (Notes 9 and 28)	590,061	-	2,646,813	1
Contract assets - current (Note 23)	-	-	1,107,403	-
Notes receivable (Note 10)	299,989	-	401,953	-
Accounts receivable, net (Note 10)	2,690,304	1	2,472,964	1
Accounts receivable - related parties (Notes 10 and 29)	854,142	-	486,985	-
Other receivables	3,680,943	1	1,375,220	-
Other receivables - loans to related parties (Note 29)	1,750,000	-	4,010,000	1
Current tax assets	21,338	-	23,277	-
Inventories (Note 11)	46,841,163	11	55,169,177	12
Other financial assets - current (Notes 13 and 30)	5,993,115	1	5,993,002	1
Other current assets	900,585	-	943,936	-
Total current assets	67,138,435	15	78,633,329	17
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss - noncurrent (Note 7)	410,892	-	648,129	-
Financial assets at fair value through other comprehensive income - noncurrent (Note 8)	39,895,311	9	38,114,125	8
Financial assets for hedging - noncurrent (Notes 9 and 28)	3,970	-	9,060	-
Investments accounted for using the equity method (Notes 12 and 30)	168,990,099	38	184,216,719	39
Property, plant and equipment (Notes 14 and 29)	161,977,621	36	152,519,303	33
Right-of-use assets (Note 15)	708,528	-	938,449	-
Investment properties (Note 16)	7,263,116	2	7,284,237	2
Intangible assets	10	-	10	-
Deferred tax assets (Note 25)	2,227,054	-	2,336,044	1
Refundable deposits	264,740	-	189,351	-
Other financial assets - noncurrent (Note 13)	15,000	-	-	-
Total noncurrent assets	381,756,341	85	386,255,427	83
TOTAL	\$ 448,894,776	100	\$ 464,888,756	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings and bank overdraft (Notes 17, 29 and 30)	\$ 12,456,974	3	\$ 15,211,826	3
Short-term bills payable (Note 17)	8,885,071	2	15,175,393	3
Financial liabilities for hedging - current (Notes 9, 17 and 28)	-	-	944,025	-
Contract liabilities - current (Note 23)	1,085,954	-	1,444,455	-
Accounts payable	4,155,392	1	7,360,483	2
Accounts payable - related parties (Note 29)	674,399	-	814,490	-
Other payables (Notes 19 and 29)	11,242,496	3	10,753,520	2
Current tax liabilities	216,923	-	317,318	-
Provisions - current (Note 20)	3,815,735	1	2,079,034	1
Lease liabilities - current (Note 15)	319,383	-	362,882	-
Current portion of bonds payable (Note 18)	11,217,949	2	6,911,758	2
Refund liabilities - current	1,176,993	-	1,551,246	-
Other current liabilities	474,527	-	473,914	-
Total current liabilities	55,721,796	12	63,400,344	13
NONCURRENT LIABILITIES				
Financial liabilities for hedging - noncurrent (Notes 9, 17 and 28)	680,009	-	-	-
Bonds payable (Note 18)	39,576,521	9	37,202,275	8
Long-term bank borrowings (Note 17)	21,000,000	5	16,500,000	4
Long-term bills payable (Note 17)	23,978,545	5	29,972,493	6
Deferred tax liabilities (Note 25)	12,158,471	3	12,499,763	3
Lease liabilities - noncurrent (Note 15)	394,592	-	569,010	-
Net defined benefit liabilities (Note 21)	2,751,321	1	3,444,700	1
Total noncurrent liabilities	100,539,459	23	100,188,241	22
Total liabilities	156,261,255	35	163,588,585	35
EQUITY (Note 22)				
Share capital				
Ordinary shares	157,348,610	35	157,348,610	34
Preference shares	382,680	-	382,680	-
Total share capital	157,731,290	35	157,731,290	34
Capital surplus	41,189,617	9	41,082,914	9
Retained earnings				
Legal reserve	75,163,029	17	74,847,259	16
Special reserve	29,343,767	6	26,912,231	6
Unappropriated earnings	4,330,829	1	17,127,981	4
Total retained earnings	108,837,625	24	118,887,471	26
Other equity	(2,006,778)	-	(3,478,031)	(1)
Treasury shares	(13,118,233)	(3)	(12,923,473)	(3)
Total equity	292,633,521	65	301,300,171	65
TOTAL	\$ 448,894,776	100	\$ 464,888,756	100

The accompanying notes are an integral part of the parent company only financial statements.

China Steel Corporation

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	For the Year Ended December 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 23 and 29)	\$ 167,024,879	100	\$ 193,545,508	100
OPERATING COSTS (Notes 11 and 29)	<u>160,292,232</u>	<u>96</u>	<u>182,607,617</u>	<u>94</u>
GROSS PROFIT	6,732,647	4	10,937,891	6
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>58,156</u>	<u>-</u>	<u>(28,137)</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>6,790,803</u>	<u>4</u>	<u>10,909,754</u>	<u>6</u>
OPERATING EXPENSES				
Selling and marketing expenses	2,246,529	1	2,308,823	1
General and administrative expenses	2,762,069	2	2,849,209	2
Research and development expenses	<u>2,152,309</u>	<u>1</u>	<u>2,287,194</u>	<u>1</u>
Total operating expenses	<u>7,160,907</u>	<u>4</u>	<u>7,445,226</u>	<u>4</u>
PROFIT (LOSS) FROM OPERATIONS	<u>(370,104)</u>	<u>-</u>	<u>3,464,528</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 24 and 29)	266,792	-	248,647	-
Other income (Notes 24 and 29)	1,504,224	1	1,452,488	1
Other gains and losses (Notes 24 and 29)	60,355	-	247,782	-
Finance costs (Notes 24 and 29)	(1,502,745)	(1)	(1,532,739)	(1)
Share of profit or loss of subsidiaries and associates	<u>(4,712,694)</u>	<u>(3)</u>	<u>(1,030,863)</u>	<u>-</u>
Total non-operating income and expenses	<u>(4,384,068)</u>	<u>(3)</u>	<u>(614,685)</u>	<u>-</u>
PROFIT (LOSS) BEFORE INCOME TAX	(4,754,172)	(3)	2,849,843	2
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 25)	<u>(404,987)</u>	<u>-</u>	<u>871,491</u>	<u>1</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>(4,349,185)</u>	<u>(3)</u>	<u>1,978,352</u>	<u>1</u>

(Continued)

China Steel Corporation

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	For the Year Ended December 31			
	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (Notes 22 and 25)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	\$ 610,434	-	\$ 857,061	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	1,600,328	1	(4,386,833)	(2)
Gains and losses on hedging instruments	64,283	-	5,467	-
Share of the other comprehensive income (loss) of subsidiaries and associates	(898,587)	-	1,654,475	1
Income tax expense relating to items that will not be reclassified subsequently to profit or loss	(132,734)	-	(170,733)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	(43,931)	-	1,043,586	1
Share of the other comprehensive income (loss) of subsidiaries and associates	<u>(200,756)</u>	<u>-</u>	<u>438,805</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>999,037</u>	<u>1</u>	<u>(558,172)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ (3,350,148)</u>	<u>(2)</u>	<u>\$ 1,420,180</u>	<u>1</u>
EARNINGS (LOSS) PER SHARE (Note 26)				
Basic	<u>\$ (0.29)</u>		<u>\$ 0.13</u>	
Diluted	<u>\$ (0.29)</u>		<u>\$ 0.13</u>	

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

China Steel Corporation

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Share Capital		Capital Surplus	Retained Earnings			Other Equity					Total 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	
BALANCE AT JANUARY 1, 2024	\$ 157,348,610	\$ 382,680	\$ 40,688,818	\$ 74,683,304	\$ 26,913,635	\$ 19,642,513	\$ (6,296,189)	\$ 273,982	\$ 4,523,877	\$ (1,498,330)	\$ (12,394,740)	\$ 305,766,490
Appropriation of 2023 earnings (Note 22)												
Legal reserve	-	-	-	163,955	-	(163,955)	-	-	-	-	-	-
Cash dividends to ordinary shareholders - NT\$0.35 per share	-	-	-	-	-	(5,454,701)	-	-	-	-	-	(5,454,701)
Cash dividends to preference shareholders - NT\$1.40 per share	-	-	-	-	-	(53,575)	-	-	-	-	-	(53,575)
Reversal of special reserve	-	-	-	-	(1,404)	1,404	-	-	-	-	-	-
Net profit for the year ended December 31, 2024	-	-	-	-	-	1,978,352	-	-	-	-	-	1,978,352
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	904,977	1,482,391	(3,203,719)	258,179	(1,463,149)	-	(558,172)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	2,883,329	1,482,391	(3,203,719)	258,179	(1,463,149)	-	1,420,180
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	(333,972)	(333,972)
Acquisition of the Corporation's shares held by subsidiaries	-	-	-	-	-	-	-	-	-	-	(194,761)	(194,761)
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	117,485	-	-	-	-	-	-	-	-	117,485
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	516,552	-	(516,552)	-	(516,552)	-	-
Adjustment from changes in equity of subsidiaries and associates	-	-	276,611	-	-	(243,586)	-	-	-	-	-	33,025
BALANCE AT DECEMBER 31, 2024	157,348,610	382,680	41,082,914	74,847,259	26,912,231	17,127,981	(4,813,798)	(3,446,289)	4,782,056	(3,478,031)	(12,923,473)	301,300,171
Appropriation of 2024 earnings (Note 22)												
Legal reserve	-	-	-	315,770	-	(315,770)	-	-	-	-	-	-
Special reserve	-	-	-	-	2,431,770	(2,431,770)	-	-	-	-	-	-
Cash dividends to ordinary shareholders - NT\$0.33 per share	-	-	-	-	-	(5,143,004)	-	-	-	-	-	(5,143,004)
Cash dividends to preference shareholders - NT\$1.40 per share	-	-	-	-	-	(53,575)	-	-	-	-	-	(53,575)
Reversal of special reserve	-	-	-	-	(234)	234	-	-	-	-	-	-
Net loss for the year ended December 31, 2025	-	-	-	-	-	(4,349,185)	-	-	-	-	-	(4,349,185)
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	398,103	(244,687)	970,689	(125,068)	600,934	-	999,037
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	(3,951,082)	(244,687)	970,689	(125,068)	600,934	-	(3,350,148)
Acquisition of the Corporation's shares held by subsidiaries	-	-	-	-	-	-	-	-	-	-	(194,760)	(194,760)
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	113,303	-	-	-	-	-	-	-	-	113,303
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	(30,897)	-	-	(26,979)	-	-	-	-	-	(57,876)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(870,319)	-	870,319	-	870,319	-	-
Adjustment from changes in equity of subsidiaries and associates	-	-	24,297	-	-	(4,887)	-	-	-	-	-	19,410
BALANCE AT DECEMBER 31, 2025	\$ 157,348,610	\$ 382,680	\$ 41,189,617	\$ 75,163,029	\$ 29,343,767	\$ 4,330,829	\$ (5,058,485)	\$ (1,605,281)	\$ 4,656,988	\$ (2,006,778)	\$ (13,118,233)	\$ 292,633,521

The accompanying notes are an integral part of the parent company only financial statements.

China Steel Corporation

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	<u>For the Year Ended December 31</u>	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	\$ (4,754,172)	\$ 2,849,843
Adjustments for:		
Depreciation expense	13,797,064	13,443,993
Net gain on financial assets at fair value through profit or loss	(19,287)	(13,701)
Finance costs	1,502,745	1,532,739
Interest income	(266,792)	(248,647)
Dividend income	(565,133)	(498,534)
Share of loss of subsidiaries and associates	4,712,694	1,030,863
Gain on disposal of property, plant and equipment	(5,840)	(6,644)
Write-down (reversal) of inventories	(1,308,056)	1,072,560
Unrealized (realized) gain on the transactions with subsidiaries and associates	(58,156)	28,137
Recognition (reversal) of provisions	1,794,352	(1,915,277)
Others	(68,061)	(135,762)
Changes in operating assets and liabilities		
Financial assets for hedging	2,115,078	625,408
Contract assets	1,107,413	(486,375)
Notes receivable	101,964	104,007
Accounts receivable	(217,340)	(733,707)
Accounts receivable - related parties	(367,157)	593,713
Other receivables	(145,249)	360,010
Inventories	9,702,930	5,993,178
Other current assets	43,351	50,708
Contract liabilities	(358,501)	344,502
Accounts payable	(3,205,091)	1,689,188
Accounts payable - related parties	(140,091)	(115,141)
Other payables	99,863	(1,270,060)
Provisions	(57,651)	(24,565)
Other current liabilities	613	(12,274)
Net defined benefit liabilities	(82,945)	33,885
Refund liabilities	(374,253)	98,732
Cash generated from operations	<u>22,984,292</u>	<u>24,390,779</u>
Income taxes paid	<u>(58,505)</u>	<u>(26,714)</u>
Net cash generated from operating activities	<u>22,925,787</u>	<u>24,364,065</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(186,875)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	14,174	-
Proceeds from disposal of financial assets at fair value through profit or loss	255,641	-
Derecognition of financial liabilities for hedging	(255,641)	-
Acquisition of investments accounted for using the equity method	-	(10,000)
Acquisition of property, plant and equipment	(18,086,736)	(17,355,773)

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China Steel Corporation

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2025	2024
Proceeds from disposal of property, plant and equipment	\$ 4,711	\$ -
Increase in refundable deposits	(75,389)	(20,169)
Decrease in other receivables - loans to related parties	260,000	490,000
Increase in other financial assets	(15,113)	-
Decrease in other financial assets	-	13,065
Interest received	278,988	248,775
Dividends received from subsidiaries and associates	6,106,092	5,333,078
Dividends received from others	565,133	509,902
Proceeds from the capital reduction of associates	<u>68,250</u>	<u>-</u>
Net cash used in investing activities	<u>(11,066,765)</u>	<u>(10,791,122)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	43,372,030	52,063,158
Repayments of short-term borrowings	(46,878,854)	(49,700,000)
Proceeds from short-term bills payable	35,809,678	55,446,886
Repayments of short-term bills payable	(42,100,000)	(76,800,000)
Proceeds from bonds payable	13,600,000	1,570,000
Repayments of bonds payable	(6,912,500)	(8,337,500)
Proceeds from long-term bank borrowings	41,000,000	41,500,000
Repayments of long-term bank borrowings	(37,000,000)	(30,500,000)
Proceeds from long-term bills payable	2,006,052	21,588,065
Repayments of long-term bills payable	(8,000,000)	(5,600,000)
Repayments of principal of lease liabilities	(395,251)	(445,472)
Dividends paid	(5,196,331)	(5,505,817)
Payments for buy-back of ordinary shares	-	(333,972)
Acquisition of additional interests in subsidiaries	(727,104)	(2,515,690)
Interest paid	(1,855,338)	(1,958,538)
Proceeds from the capital reduction of subsidiaries	<u>1,680,820</u>	<u>917,560</u>
Net cash used in financing activities	<u>(11,596,798)</u>	<u>(8,611,320)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	262,224	4,961,623
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,995,243</u>	<u>(2,966,380)</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,257,467</u>	<u>\$ 1,995,243</u>
Reconciliation of the amounts in the parent company only statements of cash flows with the equivalent items reported in the parent company only balance sheets as of December 31, 2025 and 2024:		
Cash and cash equivalents in the parent company only balance sheets	\$ 3,516,795	\$ 4,002,599
Bank overdraft	<u>(1,259,328)</u>	<u>(2,007,356)</u>
Cash and cash equivalents in the parent company only statements of cash flows	<u>\$ 2,257,467</u>	<u>\$ 1,995,243</u>

The accompanying notes are an integral part of the parent company only financial statements.

(Concluded)

China Steel Corporation

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (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, 2025, the Ministry of Economic Affairs (MOEA), Republic of China owned 20% of the Corporation’s issued shares.

The parent company only financial statements are presented in the Corporation’s functional currency, the New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Corporation’s board of directors and authorized for issue on February 26, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Corporation’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

As of the date the parent company only financial statements were authorized for issue, the Corporation has assessed that the application of other standards will not have a material impact on the Corporation’s financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

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

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

IFRS 18 will supersede IAS 1” Presentation of Financial Statements”. The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Corporation shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Corporation shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Corporation shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Corporation as a whole, the Corporation shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Corporation shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Corporation shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Corporation has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Corporation is continuously assessing the other impacts of the above amended standards and interpretations on the Corporation's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

For readers' convenience, the accompanying parent company only 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 parent company only 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 parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only 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 are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which 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 the 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 the asset or liability.

The subsidiaries and associates are incorporated in the parent company only financial statements under the equity method. To make net profit for the year, other comprehensive income and equity in the parent company only financial statements equal to those attributed to owners of the Corporation on consolidated financial statements, the effect of the differences between basis of parent company only and basis of consolidation are adjusted in the investments accounted for using the 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 used for an exchange or used to settle a liability for more than 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities expected 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 parent company only financial statements are authorized for issue; and
- 3) Liabilities for which the Corporation does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

d. Foreign currencies

In preparing the parent company only 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 parent company only 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 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 parent company only financial statements. Profits and losses on transactions with subsidiaries other than downstream are recognized in parent company only 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 Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition 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 the 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 not allocated to any asset, including goodwill, which forms part of 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 parent company only 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 and accumulated impairment loss.

Property, plant, and equipment in the course of construction are carried at cost. Cost includes professional fees and borrowing costs eligible for capitalization. Samples produced when testing whether an item of property, plant and equipment is functioning properly before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those samples and the cost of those samples are recognized in profit or loss. 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.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting year with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

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

k. Impairment of property, plant and equipment, right - of use assets, investment properties 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, investment properties 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. Corporate

assets are allocated to individual cash-generating units on a reasonable and consistent basis of allocation.

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 or depreciation) had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized in profit or loss.

1. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. 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, and any dividends and interest earned on such financial assets are recognized in other income; any remeasurement gains or losses on such financial assets are recognized in other gains and losses.

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. Foreign currency 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 3 months from the date of acquisition, high liquidity, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

Bank balances used by the Corporation that are subject to third-party contractual restrictions are included as part of cash unless the restrictions result in a bank balance that no longer meets the definition of cash. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the balance sheets.

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 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 similar to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion 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.

The amount recognized in gains and losses on hedging instruments relating to the effective portion are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

m. Provisions

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

n. Carbon fee liabilities

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the carbon fee liabilities are recognized and measured on the basis of the best estimate of the expenditure required to settle the obligation for the current year.

o. Treasury shares

Treasury shares represent the outstanding shares that the Corporation buys back from the market, which are stated at cost and shown as a deduction in equity.

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

p. 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.

q. 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 comprise 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 parent company only 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 parent company only balance sheets.

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.

r. 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.

s. 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 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.

t. 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 Act in the ROC, an additional tax on unappropriated earnings is provided for 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 parent company only 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.

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. 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 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 assets 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 liabilities are settled or the assets are 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

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.

5. MATERIAL 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 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 estimates and underlying assumptions are reviewed on an ongoing basis.

Key sources of estimation uncertainty

a. Write-down 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. 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 unlisted equity securities includes assumptions not based on observable market prices or interest rates; therefore, the fair value may change significantly.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2025	2024
Cash on hand	\$ 18,127	\$ 18,209
Checking accounts and demand deposits	3,498,668	3,969,390
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	<u>-</u>	<u>15,000</u>
	<u>\$ 3,516,795</u>	<u>\$ 4,002,599</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	2025	2024
<u>Noncurrent</u>		
Foreign unlisted preference shares	<u>\$ 410,892</u>	<u>\$ 648,129</u>

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

	December 31	
	2025	2024
<u>Noncurrent</u>		
Domestic investments		
Listed shares	\$ 9,365,540	\$ 9,387,759
Unlisted shares	<u>1,400,051</u>	<u>1,107,084</u>
	<u>10,765,591</u>	<u>10,494,843</u>
Foreign investments		
Listed shares	2,994,288	2,550,333
Unlisted shares	<u>26,135,432</u>	<u>25,068,949</u>
	<u>29,129,720</u>	<u>27,619,282</u>
	<u>\$ 39,895,311</u>	<u>\$ 38,114,125</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

	December 31	
	2025	2024
<u>Financial assets for hedging - current</u>		
Foreign exchange forward contracts	\$ 39,742	\$ 116,062
Hedging foreign currency deposits	<u>550,319</u>	<u>2,530,751</u>
	<u>\$ 590,061</u>	<u>\$ 2,646,813</u>
<u>Financial assets for hedging - noncurrent</u>		
Foreign exchange forward contracts	<u>\$ 3,970</u>	<u>\$ 9,060</u>
<u>Financial liabilities for hedging - current</u>		
Bank loans (Note 17)	<u>\$ -</u>	<u>\$ 944,025</u>
<u>Financial liabilities for hedging - noncurrent</u>		
Bank loans (Note 17)	<u>\$ 680,009</u>	<u>\$ -</u>

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

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

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Notes receivable		
Operating	\$ 299,989	\$ 401,953
Non-operating	<u>-</u>	<u>-</u>
	299,989	401,953
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 299,989</u>	<u>\$ 401,953</u>
Accounts receivable	\$ 3,544,446	\$ 2,959,949
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
	<u>\$ 3,544,446</u>	<u>\$ 2,959,949</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 at 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, 2025

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 365 Days	Total
Gross carrying amount	\$ 3,844,435	\$ -	\$ -	\$ -	\$ 3,844,435
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 3,844,435</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,844,435</u>

December 31, 2024

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 365 Days	Total
Gross carrying amount	\$ 3,361,785	\$ 117	\$ -	\$ -	\$ 3,361,902
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amortized cost	<u>\$ 3,361,785</u>	<u>\$ 117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,361,902</u>

The Corporation entered into accounts receivable factoring agreements (without recourse) with Mega Bank, Bank of Taiwan, Taishin 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:

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, 2025						
Mega Bank	\$ 793,739	\$ 2,574,610	\$ 2,598,867	\$ 769,482	2.16-2.73	NT\$9 billion
Bank of Taiwan	401,855	1,065,249	1,124,743	342,361	2.16-2.73	NT\$2.1 billion
Bank of Taiwan	235,668	1,255,052	1,266,618	224,102	5.22-6.70	USD130,000 thousand
Taishin Bank	2,392,118	6,843,800	7,931,284	1,304,634	5.12-5.86	USD250,000 thousand
CTBC Bank	1,121,942	3,275,838	3,790,610	607,170	4.79-5.83	USD60,000 thousand
Mizuho Bank	14,708	1,144,706	1,103,089	56,325	4.65-6.15	USD10,000 thousand
	<u>\$ 4,960,030</u>	<u>\$ 16,159,255</u>	<u>\$ 17,815,211</u>	<u>\$ 3,304,074</u>		
For the Year Ended December 31, 2024						
Mega Bank	\$ 983,565	\$ 2,541,688	\$ 2,731,514	\$ 793,739	1.98-2.73	NT\$9 billion
Bank of Taiwan	370,934	1,122,729	1,091,808	401,855	1.99-2.73	NT\$2.1 billion
Bank of Taiwan	265,937	3,124,227	3,154,496	235,668	6.25-7.00	USD130,000 thousand
Taishin Bank	2,668,013	7,507,816	7,783,711	2,392,118	5.86-6.43	USD250,000 thousand
CTBC Bank	824,245	2,947,871	2,650,174	1,121,942	5.83-6.45	USD60,000 thousand
Mizuho Bank	16,783	657,047	659,122	14,708	5.98-6.24	USD10,000 thousand
	<u>\$ 5,129,477</u>	<u>\$ 17,901,378</u>	<u>\$ 18,070,825</u>	<u>\$ 4,960,030</u>		

11. INVENTORIES

	December 31	
	2025	2024
Finished goods	\$ 10,980,255	\$ 12,378,472
Work in progress	15,518,278	18,891,770
Raw materials	9,692,562	9,794,005
Supplies	4,898,420	4,599,485
Inventory in transit	5,660,704	9,353,165
Others	<u>90,944</u>	<u>152,280</u>
	<u>\$ 46,841,163</u>	<u>\$ 55,169,177</u>

The costs of inventories recognized as operating costs for the years ended December 31, 2025 and 2024 were NT\$156,543,938 thousand and NT\$178,721,378 thousand, respectively, including reversal of loss on inventory NT\$1,308,056 thousand and loss on inventory NT\$1,072,560 thousand, respectively. Reversal of loss on inventory was due to the disappearance of the factors that previously caused the net realizable value of inventories to be lower than the cost.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Investments in subsidiaries	\$ 166,982,413	\$ 182,172,770
Investments in associates	<u>2,007,686</u>	<u>2,043,949</u>
	<u>\$ 168,990,099</u>	<u>\$ 184,216,719</u>

a. Investments in subsidiaries

	<u>December 31</u>			
	<u>2025</u>		<u>2024</u>	
	<u>Amount</u>	<u>% of Owner - ship</u>	<u>Amount</u>	<u>% of Owner - ship</u>
Listed companies				
Chung Hung Steel Corporation (CHS)	\$ 5,394,184	41	\$ 6,193,283	41
China Steel Chemical Corporation (CSCC)	2,426,153	29	2,535,393	29
CHC Resources Corporation (CHC)	1,258,247	20	1,221,225	20
China Steel Structure Co., Ltd. (CSSC)	1,214,230	33	1,136,666	33
China Ecotek Corporation (CEC)	<u>692,187</u>	45	<u>859,488</u>	45
	10,985,001		11,946,055	
Less: Shares held by subsidiaries accounted for as treasury shares	<u>2,334,638</u>		<u>2,278,080</u>	
	<u>8,650,363</u>		<u>9,667,975</u>	
Unlisted companies				
Dragon Steel Corporation (DSC)	80,198,667	100	88,314,319	100
CSC Steel Australia Holdings Pty Ltd. (CSC SAH)	22,650,773	100	24,657,957	100
China Steel Express Corporation (CSE)	12,953,380	100	13,491,924	100
Gains Investment Corporation (GIC)	10,694,462	100	10,359,825	100
C.S.Aluminium Corporation (CSAC)	8,490,232	100	8,746,751	100
China Steel Power Holding Corporation (CPHC)	6,602,088	51	7,733,839	51
China Steel and Nippon Steel Vietnam Joint Stock Company (CSVC)	6,442,987	56	7,190,678	56
China Prosperity Development Corporation (CPDC)	5,051,496	100	5,029,492	100
China Steel Asia Pacific Holdings Pte. Ltd. (CSAP)	4,035,424	100	4,551,322	100
China Steel Global Trading Corporation (CSGT)	2,601,179	100	2,825,637	100
Kaohsiung Rapid Transit Corporation (KRTC)	1,237,524	44	1,200,006	44
CSC Solar Corporation (CSCSOLAR)	1,141,075	55	1,128,305	55
China Steel Resources Corporation (CSRC)	1,010,739	100	1,007,882	100
China Steel Security Corporation (CSS)	522,346	100	534,912	100
CSCI Steel Corporation India Pvt. Ltd. (CSCI)	432,557	100	743,960	100
China Steel Machinery Corporation (CSMC)	432,099	74	582,875	74
HIMAG Magnetic Corporation (HIMAG)	367,497	69	355,595	69
Infochamp Systems Corporation (Info Champ)	314,884	100	436,345	100
Sing Da Marine Structure Corporation (SDMS)	19,665	100	341,334	47
China Steel Management Consulting Corporation (CMCC)	<u>18,251</u>	100	<u>18,910</u>	100
	165,217,325		179,251,868	

	December 31			
	2025		2024	
	Amount	% of Owner - ship	Amount	% of Owner - ship
Less: Shares held by subsidiaries accounted for as treasury shares	<u>\$ 6,885,275</u>		<u>\$ 6,747,073</u>	
	<u>158,332,050</u>		<u>172,504,795</u>	
	<u>\$ 166,982,413</u>		<u>\$ 182,172,770</u>	

For the years ended December 31, 2025 and 2024, the subsidiary CSAP reduced its capital by NT\$915,820 thousand and NT\$917,560 thousand, respectively; the Corporation's percentage of shareholding remained unchanged.

For the year ended December 31, 2025, the subsidiary CPHC reduced its capital by NT\$1,530,000 thousand; the Corporation's percentage of shareholding remained unchanged.

For the years ended December 31, 2025 and 2024, the Corporation subscribed for 43,503 thousand shares and 250,869 thousand shares of its subsidiary CPHC for cash consideration of NT\$435,030 thousand and NT\$2,508,690 thousand, respectively; the Corporation's percentage of shareholding remained unchanged.

For the year ended December 31, 2025, the Corporation subscribed for 111,376 thousand shares of its subsidiary SDMS for cash consideration of NT\$292,074 thousand, the Corporation's percentage of shareholding increased to 100%.

For the year ended December 31, 2024, the Corporation subscribed for 1,286 thousand shares of its subsidiary KRTC for cash consideration of NT\$7,000 thousand, the Corporation's percentage of shareholding increased to 44%.

Refer to Note 30 for information relating to investments accounted for using the equity method as collateral.

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

	December 31	
	2025	2024
CHS	<u>\$ 9,177,102</u>	<u>\$ 10,342,448</u>
CSCC	<u>\$ 4,684,407</u>	<u>\$ 6,335,300</u>
CHC	<u>\$ 3,465,059</u>	<u>\$ 3,307,332</u>
CEC	<u>\$ 2,946,915</u>	<u>\$ 3,384,521</u>
CSSC	<u>\$ 2,785,841</u>	<u>\$ 3,364,285</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

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

	For the Year Ended December 31	
	2025	2024
The Corporation's share of		
Net profit for the year	\$ 22,318	\$ 6,730
Other comprehensive income (loss)	<u>31,493</u>	<u>(18,123)</u>
 Total comprehensive income (loss)	 <u>\$ 53,811</u>	 <u>\$ (11,393)</u>

Refer to Table 6 "Information on Investees" for the above investees' main business nature, principal places of business and countries of incorporation.

13. OTHER FINANCIAL ASSETS

	December 31	
	2025	2024
<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>43,115</u>	<u>43,002</u>
	<u>\$ 5,993,115</u>	<u>\$ 5,993,002</u>
<u>Noncurrent</u>		
Time deposits	<u>\$ 15,000</u>	<u>\$ -</u>

14. PROPERTY, PLANT AND EQUIPMENT

For the Year Ended December 31, 2025

	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, 2025	\$ 51,392,362	\$ 4,772,418	\$ 70,106,356	\$ 398,072,068	\$ 2,661,127	\$ 7,830,671	\$ 6,468,018	\$ 35,911,163	\$ 577,214,183
Additions	-	812,068	8,338,124	7,749,088	210,618	566,288	641,818	4,510,179	22,828,183
Disposals	-	-	(11,777)	(1,301,111)	(140,476)	(302,538)	(556,619)	-	(2,312,521)
Reclassification	-	-	(542)	-	-	-	-	-	(542)
Balance at December 31, 2025	<u>\$ 51,392,362</u>	<u>\$ 5,584,486</u>	<u>\$ 78,432,161</u>	<u>\$ 404,520,045</u>	<u>\$ 2,731,269</u>	<u>\$ 8,094,421</u>	<u>\$ 6,553,217</u>	<u>\$ 40,421,342</u>	<u>\$ 597,729,303</u>
<u>Accumulated depreciation and impairment</u>									
Balance at January 1, 2025	\$ -	\$ 4,629,301	\$ 49,591,314	\$ 359,040,691	\$ 2,140,299	\$ 6,708,387	\$ 2,584,888	\$ -	\$ 424,694,880
Depreciation	-	15,081	1,808,044	10,334,694	134,180	502,603	573,501	-	13,368,103
Disposals	-	-	(11,777)	(1,300,386)	(140,372)	(302,039)	(556,619)	-	(2,311,193)
Reclassification	-	-	(108)	-	-	-	-	-	(108)
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 4,644,382</u>	<u>\$ 51,387,473</u>	<u>\$ 368,074,999</u>	<u>\$ 2,134,107</u>	<u>\$ 6,908,951</u>	<u>\$ 2,601,770</u>	<u>\$ -</u>	<u>\$ 435,751,682</u>
Carrying amount at December 31, 2025	<u>\$ 51,392,362</u>	<u>\$ 940,104</u>	<u>\$ 27,044,688</u>	<u>\$ 36,445,046</u>	<u>\$ 597,162</u>	<u>\$ 1,185,470</u>	<u>\$ 3,951,447</u>	<u>\$ 40,421,342</u>	<u>\$ 161,977,621</u>

For the Year Ended December 31, 2024

	Land	Land Improvements	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Spare Parts	Construction in Progress and Equipment to be Inspected	Total
Cost									
Balance at January 1, 2024	\$ 51,408,190	\$ 4,772,418	\$ 69,245,834	\$ 395,783,445	\$ 2,564,152	\$ 8,038,042	\$ 6,555,312	\$ 25,026,966	\$ 563,394,359
Additions	-	-	871,539	4,936,532	174,015	337,456	624,505	10,884,197	17,828,244
Disposals	-	-	(19,417)	(2,651,726)	(77,040)	(541,010)	(711,799)	-	(4,000,992)
Reclassification	(15,828)	-	8,400	3,817	-	(3,817)	-	-	(7,428)
Balance at December 31, 2024	<u>\$ 51,392,362</u>	<u>\$ 4,772,418</u>	<u>\$ 70,106,356</u>	<u>\$ 398,072,068</u>	<u>\$ 2,661,127</u>	<u>\$ 7,830,671</u>	<u>\$ 6,468,018</u>	<u>\$ 35,911,163</u>	<u>\$ 577,214,183</u>
Accumulated depreciation and impairment									
Balance at January 1, 2024	\$ -	\$ 4,617,962	\$ 47,943,017	\$ 351,561,882	\$ 2,101,306	\$ 6,774,897	\$ 2,713,431	\$ -	\$ 415,712,495
Depreciation	-	11,339	1,661,236	10,126,622	115,895	477,797	583,256	-	12,976,145
Disposals	-	-	(19,417)	(2,651,630)	(76,902)	(540,490)	(711,799)	-	(4,000,238)
Reclassification	-	-	6,478	3,817	-	(3,817)	-	-	6,478
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 4,629,301</u>	<u>\$ 49,591,314</u>	<u>\$ 359,040,691</u>	<u>\$ 2,140,299</u>	<u>\$ 6,708,387</u>	<u>\$ 2,584,888</u>	<u>\$ -</u>	<u>\$ 424,694,880</u>
Carrying amount at December 31, 2024	<u>\$ 51,392,362</u>	<u>\$ 143,117</u>	<u>\$ 20,515,042</u>	<u>\$ 39,031,377</u>	<u>\$ 520,828</u>	<u>\$ 1,122,284</u>	<u>\$ 3,883,130</u>	<u>\$ 35,911,163</u>	<u>\$ 152,519,303</u>

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

Land improvements	20-40 years
Buildings	
Main structure	10-60 years
Others	4-40 years
Machinery and equipment	
Power equipment	3-25 years
Process equipment	8-18 years
Lifting equipment	5-12 years
Others	3-17 years
Transportation equipment	5-20 years
Other equipment	3-12 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>December 31</u>	
	2025	2024
<u>Carrying amounts</u>		
Land	\$ 440,424	\$ 630,070
Land improvements	100,047	154,720
Buildings	159,530	140,033
Transportation equipment	<u>8,527</u>	<u>13,626</u>
	<u>\$ 708,528</u>	<u>\$ 938,449</u>

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	<u>\$ 196,598</u>	<u>\$ 379,714</u>
Depreciation charge for right-of-use assets		
Land	\$ 235,643	\$ 258,253
Land improvements	54,673	54,672
Buildings	109,498	121,205
Transportation equipment	7,592	7,611
Others	<u>-</u>	<u>4,431</u>
	<u>\$ 407,406</u>	<u>\$ 446,172</u>

b. Lease liabilities

	December 31	
	2025	2024
<u>Carrying amounts</u>		
Current	<u>\$ 319,383</u>	<u>\$ 362,882</u>
Non-current	<u>\$ 394,592</u>	<u>\$ 569,010</u>

Range of discount rate (%) for lease liabilities was as follows:

	December 31	
	2025	2024
Land	0.59-2.13	0.59-1.93
Land improvements	1.31-1.69	1.31-1.69
Buildings	1.69-1.92	0.63-1.91
Transportation equipment	1.67-1.92	0.95-1.74

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 announced land value. The lease term started from January 2008 to December 2027.

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

The Corporation enters into lease arrangements with the subsidiary CSE and CSEP 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.

d. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases and low-value asset leases	<u>\$ 46,830</u>	<u>\$ 51,570</u>
Expenses relating to variable leases payments not included in the measurement of lease liabilities	<u>\$ 2,143,695</u>	<u>\$ 1,994,863</u>
Total cash outflow for leases	<u>\$ (2,598,560)</u>	<u>\$ (2,507,587)</u>

For land, buildings and some transportation equipment which qualify as short-term leases and office 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, 2025

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2025	\$ 6,407,911	\$ 1,278,589	\$ 7,686,500
Reclassification	<u>-</u>	<u>542</u>	<u>542</u>
Balance at December 31, 2025	<u>\$ 6,407,911</u>	<u>\$ 1,279,131</u>	<u>\$ 7,687,042</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2025	\$ -	\$ 402,263	\$ 402,263
Depreciation	-	21,555	21,555
Reclassification	<u>-</u>	<u>108</u>	<u>108</u>
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 423,926</u>	<u>\$ 423,926</u>
Carrying amount at December 31, 2025	<u>\$ 6,407,911</u>	<u>\$ 855,205</u>	<u>\$ 7,263,116</u>

For the Year Ended December 31, 2024

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2024	\$ 6,392,083	\$ 1,286,989	\$ 7,679,072
Reclassification	<u>15,828</u>	<u>(8,400)</u>	<u>7,428</u>
Balance at December 31, 2024	<u>\$ 6,407,911</u>	<u>\$ 1,278,589</u>	<u>\$ 7,686,500</u>

	Land	Buildings	Total
<u>Accumulated depreciation</u>			
Balance at January 1, 2024	\$ -	\$ 387,065	\$ 387,065
Depreciation	-	21,676	21,676
Reclassification	<u>-</u>	<u>(6,478)</u>	<u>(6,478)</u>
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 402,263</u>	<u>\$ 402,263</u>
Carrying amount at December 31, 2024	<u>\$ 6,407,911</u>	<u>\$ 876,326</u>	<u>\$ 7,284,237</u>

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

Buildings 5-60 years

The determination of fair value was performed by independent qualified professional valuers or the management of the Corporation, which used the valuation model that market participants would use in determining the fair value, and the fair value was measured using Level 3 inputs. The valuation was measured under the comparative approach, income approach, cost approach and land developing analysis approach similar to the transaction price of the real estate market. The significant unobservable inputs used include discount rates and depreciation rates. The fair value as appraised was as follows:

	<u>December 31</u>	
	2025	2024
Fair value	<u>\$ 24,511,700</u>	<u>\$ 24,538,730</u>

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

17. BORROWINGS

a. Short-term borrowings and bank overdraft

	<u>December 31</u>	
	2025	2024
Unsecured loans	\$ 9,000,000	\$ 10,300,000
Bank overdraft (Note 30)	1,259,328	2,007,356
Letters of credit and export bill loans	817,646	1,514,470
Loans from related parties (Note 29)	<u>1,380,000</u>	<u>1,390,000</u>
	<u>\$ 12,456,974</u>	<u>\$ 15,211,826</u>
Range of interest rates (%)	0.00-5.07	0.00-5.50

b. Short-term bills payable

	December 31	
	2025	2024
Commercial paper	\$ 8,900,000	\$ 15,200,000
Less: Unamortized discounts	<u>14,929</u>	<u>24,607</u>
	<u>\$ 8,885,071</u>	<u>\$ 15,175,393</u>
Range of interest rate (%)	1.52-1.62	1.73-1.85

The above commercial paper was unsecured.

c. Long-term borrowings

	December 31	
	2025	2024
Unsecured loans	\$ 21,680,009	\$ 17,444,025
Less: Financial liabilities for hedging - current	-	944,025
Less: Financial liabilities for hedging - noncurrent	<u>680,009</u>	<u>-</u>
	<u>\$ 21,000,000</u>	<u>\$ 16,500,000</u>
Range of interest rate (%)	1.07-1.81	0.72-1.94

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

d. Long-term bills payable

	December 31	
	2025	2024
Commercial paper	\$ 24,000,000	\$ 30,000,000
Less: Unamortized discounts	<u>21,455</u>	<u>27,507</u>
	<u>\$ 23,978,545</u>	<u>\$ 29,972,493</u>
Range of interest rate (%)	1.48-1.75	1.40-1.82

The Corporation entered into commercial paper contracts revolving issuance with financial institutions. The duration of the contracts is three to five years. Under these agreements, commercial papers are issued with maturities of 27 to 60 days and are reissued on a revolving basis upon maturity. According to the IFRS Q&A “Liability Classification of Funds Raised Through The Revolving Issuance of Commercial Papers” issued by the Accounting Research and Development Foundation (ARDF), such liabilities shall be classified as current liabilities. However, as all the aforementioned recurring issuances of commercial papers were made prior to December 31, 2025, in accordance with the Q&A “Transition Requirements of the ARDF Q&A - Liability Classification of Funds Raised Through The Revolving Issuance of Commercial Papers” issued by the FSC on August 15, 2025, these commercial papers shall not be applicable to the above-mentioned ARDF Q&A. Subsequent recurring issuances on or after January 1, 2026, will be classified as current liabilities in accordance with the prescribed standards.

18. BONDS PAYABLE

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Unsecured domestic bonds	\$ 50,820,000	\$ 44,132,500
Less: Issuance cost of bonds payable	25,530	18,467
Current portion	<u>11,217,949</u>	<u>6,911,758</u>
	<u>\$ 39,576,521</u>	<u>\$ 37,202,275</u>

The major terms of unsecured domestic bonds are as follows:

Issuance Period	Total Amount	Coupon Rate (%)	Repayment and Interest Payment
December 2020 to December 2025	\$ 1,600,000	0.39	Repayable 50% in December 2024 and 50% in December 2025; interest payable annually
May 2018 to May 2025	6,000,000	0.95	Repayable 50% in May 2024 and 50% in 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 2018 to August 2028	5,600,000	1.10	Repayable 50% in August 2027 and 50% in August 2028; interest payable annually
October 2018 to October 2028	2,250,000	1.05	Repayable 50% in October 2027 and 50% in 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
July 2023 to July 2026	7,200,000	1.50	Repayable in July 2026; interest payable annually
July 2023 to July 2028	3,800,000	1.57	Repayable 50% in July 2027 and 50% in July 2028; interest payable annually
May 2024 to May 2029	1,570,000	1.84	Repayable in May 2029; interest payable annually
April 2025 to April 2030	5,800,000	2.06	Repayable in April 2030; interest payable annually
September 2025 to September 2030	7,800,000	1.89	Repayable 50% in September 2029 and 50% in September 2030; interest payable annually

19. OTHER PAYABLES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Salaries and bonus	\$ 2,500,211	\$ 2,664,696
Purchase of equipment	2,035,077	1,745,732
Outsourced repair and construction	685,204	546,965
Consignment payable	644,425	321,900
Interest payable	512,106	412,587
Others	<u>4,865,473</u>	<u>5,061,640</u>
	<u>\$ 11,242,496</u>	<u>\$ 10,753,520</u>

Starting from 2025, the Corporation recognizes carbon fee liabilities in accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC. In May 2025, the Corporation submitted its self-determined reduction plan to the competent authority; however, it has not yet been approved. The Corporation has conducted a self-assessment and determined that it is able to achieve the designated targets of the current year. The Corporation will submit the implementation progress report of the self-determined reduction plan for the current year in accordance with the regulations before April 30, 2026; therefore, the carbon fee liabilities are calculated based on the preferential rate.

20. PROVISIONS

	<u>December 31</u>		
	<u>2025</u>	<u>2024</u>	
Onerous contracts (a)	\$ 1,834,478	\$ 1,486,581	
Construction warranties (b)	<u>1,981,257</u>	<u>592,453</u>	
	<u>\$ 3,815,735</u>	<u>\$ 2,079,034</u>	
	Onerous Contracts	Construction Warranties	Total
Balance at January 1, 2025	\$ 1,486,581	\$ 592,453	\$ 2,079,034
Recognized	347,897	1,446,455	1,794,352
Paid	<u>-</u>	<u>(57,651)</u>	<u>(57,651)</u>
Balance at December 31, 2025	<u>\$ 1,834,478</u>	<u>\$ 1,981,257</u>	<u>\$ 3,815,735</u>
Balance at January 1, 2024	\$ 3,665,773	\$ 353,103	\$ 4,018,876
Recognition (reversal)	(2,179,192)	263,915	(1,915,277)
Paid	<u>-</u>	<u>(24,565)</u>	<u>(24,565)</u>
Balance at December 31, 2024	<u>\$ 1,486,581</u>	<u>\$ 592,453</u>	<u>\$ 2,079,034</u>

- a. The provision for onerous contracts of the Corporation comes from the non-cancellable purchase contracts of which the provision amounts are measured using the difference between the unavoidable costs of meeting the contractual obligations and the economic benefits expected to be received from the contracts; and the non-cancellable construction contracts of which the provision amounts are measured using the difference between the expected unavoidable costs of meeting the contractual obligations and the economic benefits expected to be received from the 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 parent company only balance sheets were as follows:

	December 31	
	2025	2024
Present value of defined benefit obligation	\$ 11,635,579	\$ 13,200,180
Fair value of plan assets	<u>(8,848,342)</u>	<u>(9,708,873)</u>
Deficit	2,787,237	3,491,307
Net defined benefit liabilities - recognized in other payables	<u>(35,916)</u>	<u>(46,607)</u>
Net defined benefit liabilities	<u>\$ 2,751,321</u>	<u>\$ 3,444,700</u>

Movements of net defined benefit liabilities were as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2025	<u>\$ 13,200,180</u>	<u>\$ (9,708,873)</u>	<u>\$ 3,491,307</u>
Service cost			
Current service cost	142,413	-	142,413
Interest expense (income)	<u>181,502</u>	<u>(135,428)</u>	<u>46,074</u>
Recognized in profit or loss	<u>323,915</u>	<u>(135,428)</u>	<u>188,487</u>

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Liabilities
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ (723,716)	\$ (723,716)
Actuarial loss - experience adjustments	<u>113,282</u>	<u>-</u>	<u>113,282</u>
Recognized in other comprehensive loss (income)	<u>113,282</u>	<u>(723,716)</u>	<u>(610,434)</u>
Contributions from the employer	-	(242,065)	(242,065)
Benefits paid	(2,024,787)	1,984,729	(40,058)
Contributions of employee returning to the Corporation	<u>22,989</u>	<u>(22,989)</u>	<u>-</u>
	<u>(2,001,798)</u>	<u>1,719,675</u>	<u>(282,123)</u>
Balance at December 31, 2025	<u>\$ 11,635,579</u>	<u>\$ (8,848,342)</u>	<u>\$ 2,787,237</u>
Balance at January 1, 2024	<u>\$ 14,248,229</u>	<u>\$ (9,926,368)</u>	<u>\$ 4,321,861</u>
Service cost			
Current service cost	339,846	-	339,846
Interest expense (income)	<u>178,103</u>	<u>(127,112)</u>	<u>50,991</u>
Recognized in profit or loss	<u>517,949</u>	<u>(127,112)</u>	<u>390,837</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(931,139)	(931,139)
Actuarial gain - changes in financial assumptions	(96,685)	-	(96,685)
Actuarial loss - experience adjustments	<u>170,763</u>	<u>-</u>	<u>170,763</u>
Recognized in other comprehensive loss (income)	<u>74,078</u>	<u>(931,139)</u>	<u>(857,061)</u>
Contributions from the employer	-	(314,578)	(314,578)
Benefits paid	(1,656,899)	1,607,147	(49,752)
Contributions of employee returning to the Corporation	<u>16,823</u>	<u>(16,823)</u>	<u>-</u>
	<u>(1,640,076)</u>	<u>1,275,746</u>	<u>(364,330)</u>
Balance at December 31, 2024	<u>\$ 13,200,180</u>	<u>\$ (9,708,873)</u>	<u>\$ 3,491,307</u>

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

	For the Year Ended December 31	
	2025	2024
Operating costs	\$ 57,949	\$ 233,810
Operating expenses	130,483	156,923
Others	<u>55</u>	<u>104</u>
	<u>\$ 188,487</u>	<u>\$ 390,837</u>

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

1) Investment risk

The plan assets are invested in domestic and foreign equity securities, 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 obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	<u>December 31</u>	
	2025	2024
Discount rate (%)	1.375	1.375
Expected rate of salary increase (%)	3.000	3.000
Turnover rate (%)	0.000-2.500	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:

	<u>December 31</u>	
	2025	2024
Discount rate		
0.25% increase	<u>\$ (162,765)</u>	<u>\$ (188,923)</u>
0.25% decrease	<u>\$ 167,853</u>	<u>\$ 194,897</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 167,882</u>	<u>\$ 194,422</u>
0.25% decrease	<u>\$ (163,636)</u>	<u>\$ (189,425)</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.

	<u>December 31</u>	
	2025	2024
The expected contributions to the plan for the next year	<u>\$ 240,320</u>	<u>\$ 280,928</u>
The average duration of the defined benefit obligation	4.9 years	5.0 years

22. EQUITY

a. Share capital

	<u>December 31</u>	
	2025	2024
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

The Corporation's Articles of 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, the Corporation issued 126,512,550 units of GDR in the Europe U.S., and Asia. 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, 2025 and 2024, the outstanding depositary receipts were 388,627 units and 413,493 units, equivalent to 7,772,850 ordinary shares (including 310 fractional shares), and 8,270,170 ordinary shares (including 310 fractional shares), which represented 0.04% and 0.05% of all the outstanding ordinary shares, respectively.

b. Capital surplus

	<u>December 31</u>	
	<u>2025</u>	<u>2024</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	8,880,133	8,766,830
Others	<u>13,626</u>	<u>44,523</u>
	<u>40,048,525</u>	<u>39,966,119</u>
May be used to offset deficit only		
Share of change in equity of subsidiaries (see 2 below)	924,905	907,802
Share of change in equity of associates	<u>216,187</u>	<u>208,993</u>
	<u>1,141,092</u>	<u>1,116,795</u>
	<u>\$ 41,189,617</u>	<u>\$ 41,082,914</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 and once a year).
- 2) The capital surplus included the share of change in equity of subsidiaries recognized without any actual acquisition or disposal of subsidiaries' share by the Corporation or the adjustments to capital surplus of subsidiaries under equity method.

c. Retained earnings and dividend policy

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

- 1) 10% as legal reserve;
- 2) Preference share dividends at 14% of par value;
- 3) Ordinary share dividends at 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 shares dividends, propose to appropriate a special reserve or to retain certain earnings. These proposals should be submitted to the shareholders' meeting for approval.

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

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

Under Rule issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards", 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 2024 and 2023 had been approved in the shareholders' meeting in June 2025 and 2024, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividend Per Share (NT\$)	
	For the Year Ended December 31		2024	2023
	2024	2023	2024	2023
Legal reserve	\$ 315,770	\$ 163,955		
Special reserve	2,431,770	-		
Preference shares				
Cash dividends	53,575	53,575	<u>\$ 1.40</u>	<u>\$ 1.40</u>
Ordinary shares				
Cash dividends	5,143,004	5,454,701	<u>\$ 0.33</u>	<u>\$ 0.35</u>

The appropriations of earnings for 2025 had been proposed by the Corporation's board of directors on February 26, 2026 as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Statutory appropriation of special reserve	\$ 267,449	
Reversal of special reserve	(1,558,486)	
Preference shares		
Cash dividends	53,575	<u>\$ 1.40</u>
Ordinary shares		
Cash dividends	2,337,729	<u>\$ 0.15</u>

The appropriations of earnings for 2025 are subject to the resolution of the shareholder's meeting to be held in May 2026.

d. Special reserves

	For the Year Ended December 31	
	2025	2024
Balance, beginning of the year	\$ 26,912,231	\$ 26,913,635
Special reserve		
Difference due from the Corporation's shares held by subsidiaries in prices lower than carrying amount	2,431,770	-
Reversal in respect of		
Disposal of property, plant and equipment	<u>(234)</u>	<u>(1,404)</u>
Balance, end of the year	<u>\$ 29,343,767</u>	<u>\$ 26,912,231</u>

e. Other equity items

1) Exchange differences on translating foreign operations

	For the Year Ended December 31	
	2025	2024
Balance, beginning of the year	<u>\$ (4,813,798)</u>	<u>\$ (6,296,189)</u>
Recognized during the year		
Exchange differences on translating the net assets of foreign operations	(43,931)	1,043,586
Share from accounted for using the equity method	<u>(200,756)</u>	<u>438,805</u>
Other comprehensive income (loss) recognized in the year	<u>(244,687)</u>	<u>1,482,391</u>
Balance, end of the year	<u>\$ (5,058,485)</u>	<u>\$ (4,813,798)</u>

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

	For the Year Ended December 31	
	2025	2024
Balance, beginning of the year	<u>\$ (3,446,289)</u>	<u>\$ 273,982</u>
Recognized during the year		
Unrealized gains and losses - equity instruments	1,600,328	(4,386,833)
Share from accounted for using the equity method	<u>(629,639)</u>	<u>1,183,114</u>
Other comprehensive income (loss) recognized in the year	<u>970,689</u>	<u>(3,203,719)</u>
Cumulative unrealized gain or loss of equity instruments transferred to retained earnings due to disposal	<u>870,319</u>	<u>(516,552)</u>
Balance, end of the year	<u>\$ (1,605,281)</u>	<u>\$ (3,446,289)</u>

3) Gains and losses on hedging instrument

	Cash Flow Hedges	Fair Value Hedges	Hedges of Net Investments in Foreign Operations	Total
Balance at January 1, 2025	\$ 800,940	\$ 192,330	\$ 3,788,786	\$ 4,782,056
Increase (decrease) in the year	<u>(136,115)</u>	<u>11,047</u>	<u>-</u>	<u>(125,068)</u>
Balance at December 31, 2025	<u>\$ 664,825</u>	<u>\$ 203,377</u>	<u>\$ 3,788,786</u>	<u>\$ 4,656,988</u>
Balance at January 1, 2024	\$ 551,623	\$ 183,468	\$ 3,788,786	\$ 4,523,877
Increase in the year	<u>249,317</u>	<u>8,862</u>	<u>-</u>	<u>258,179</u>
Balance at December 31, 2024	<u>\$ 800,940</u>	<u>\$ 192,330</u>	<u>\$ 3,788,786</u>	<u>\$ 4,782,056</u>

a) Cash flow hedges

	For the Year Ended December 31	
	2025	2024
Balance, beginning of the year	<u>\$ 800,940</u>	<u>\$ 551,623</u>
Recognized during the year		
Foreign currency risk - hedging foreign currency deposits	26,487	(77,241)
Foreign currency risk - foreign exchange forward contracts	(81,410)	46,539
Income tax effect	10,985	6,140
Share from accounted for using the equity method	(178,704)	252,033
Reclassification adjustment		
Foreign currency risk - hedging foreign currency deposits	108,159	27,307
Income tax effect	<u>(21,632)</u>	<u>(5,461)</u>
Other comprehensive income (loss) recognized in the year	<u>(136,115)</u>	<u>249,317</u>
Balance, end of the year	<u>\$ 664,825</u>	<u>\$ 800,940</u>

b) Fair value hedges

	For the Year Ended December 31	
	2025	2024
Balance, beginning of the year	<u>\$ 192,330</u>	<u>\$ 183,468</u>
Recognized during the year		
Foreign currency risk - foreign currency bank loans	<u>11,047</u>	<u>8,862</u>
Other comprehensive income recognized in the year	<u>11,047</u>	<u>8,862</u>
Balance, end of the year	<u>\$ 203,377</u>	<u>\$ 192,330</u>

c) Hedges of net investments in foreign operations

For the Year Ended December 31
2025 **2024**

Balance, beginning/end of the year \$ 3,788,786 \$ 3,788,786

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, 2025					
Shares Transferred to Employees	150,000	-	-	150,000	\$ 3,898,320
Shares held by subsidiaries reclassified from investments accounted for using the equity method to treasury shares	<u>335,468</u>	<u>7,655</u>	-	<u>343,123</u>	<u>9,219,913</u>
	<u>485,468</u>	<u>7,655</u>	-	<u>493,123</u>	<u>\$ 13,118,233</u>
For the year ended December 31, 2024					
Shares Transferred to Employees	137,426	12,574	-	150,000	\$ 3,898,320
Shares held by subsidiaries reclassified from investments accounted for using the equity method to treasury shares	<u>327,813</u>	<u>7,655</u>	-	<u>335,468</u>	<u>9,025,153</u>
	<u>465,239</u>	<u>20,229</u>	-	<u>485,468</u>	<u>\$ 12,923,473</u>

The Corporation's shares 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) based on the percentage of ownership held by the Corporation. 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 or decrease of treasury shares was mainly due to acquisition and sale of the Corporation's shares by subsidiaries or change in percentage of ownership.

Refer to Table 3 for the Corporation's shares held by subsidiaries as of December 31, 2025 were 524,286 thousand shares regardless of the percentage of ownership held by the Corporation. As of December 31, 2025 and 2024 the market values of the treasury shares calculated by combined holding percentage were NT\$6,520,694 thousand and NT\$6,593,383 thousand, respectively.

In November 2023, the Corporation's Board of Directors resolved to buy back 150,000 thousand shares of ordinary shares from the open market for transfer to employees. At the end of the exercise period, the actual buy back shares amounted to 150,000 thousand shares, with a payment of NT\$3,898,320 thousand, which had not yet been transferred to employees.

Under the Securities and Exchange Act, the number of shares bought back may not exceed 10% of the total number of issued and outstanding shares of the Corporation. The total amount of the shares bought back may not exceed the amount of retained earnings plus premium on capital stock plus realized capital reserve. The shares bought back to transfer to employees shall be transferred within five years from the date of buyback. The shares not transferred within the announced time limit shall be deemed as not issued by the Corporation, and amendment registration shall be processed.

The shares bought back for transfer to employees shall not be pledged and have no rights to vote and receive dividends.

23. OPERATING REVENUES

a. Contract balances

	December 31, 2025	December 31, 2024	January 1, 2024
Notes and accounts receivable (Note 10)	<u>\$ 3,844,435</u>	<u>\$ 3,361,902</u>	<u>\$ 3,325,915</u>
Contract assets			
Construction contracts	<u>\$ -</u>	<u>\$ 1,107,403</u>	<u>\$ 621,028</u>
Contract liabilities			
Sale of goods	\$ 730,759	\$ 1,179,866	\$ 827,881
Construction contracts	<u>355,195</u>	<u>264,589</u>	<u>272,072</u>
	<u>\$ 1,085,954</u>	<u>\$ 1,444,455</u>	<u>\$ 1,099,953</u>

b. Disaggregation of revenue

For the year ended December 31, 2025

<u>Type of goods or services</u>	Steel Department	Others	Total
Revenue from the sale of goods	\$ 162,310,425	\$ -	\$ 162,310,425
Others	<u>-</u>	<u>4,714,454</u>	<u>4,714,454</u>
	<u>\$ 162,310,425</u>	<u>\$ 4,714,454</u>	<u>\$ 167,024,879</u>

For the year ended December 31, 2024

<u>Type of goods or services</u>	Steel Department	Others	Total
Revenue from the sale of goods	\$ 187,490,138	\$ -	\$ 187,490,138
Others	<u>-</u>	<u>6,055,370</u>	<u>6,055,370</u>
	<u>\$ 187,490,138</u>	<u>\$ 6,055,370</u>	<u>\$ 193,545,508</u>

c. Partially completed contracts

As of December 31, 2025 and 2024, the transaction prices allocated to the performance obligations that were not fully satisfied amounted to NT\$1,807,568 thousand and NT\$1,974,869 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 May 2031.

24. PROFIT (LOSS) BEFORE INCOME TAX

a. Interest income

	For the Year Ended December 31	
	2025	2024
Bank deposits	\$ 112,439	\$ 133,597
Others	<u>154,353</u>	<u>115,050</u>
	<u>\$ 266,792</u>	<u>\$ 248,647</u>

b. Other income

	For the Year Ended December 31	
	2025	2024
Rental income	\$ 490,193	\$ 472,316
Dividend income	565,133	498,534
Royalty income	112,501	104,110
Others	<u>336,397</u>	<u>377,528</u>
	<u>\$ 1,504,224</u>	<u>\$ 1,452,488</u>

c. Other gains and losses

	For the Year Ended December 31	
	2025	2024
Net foreign exchange gain	\$ 483,954	\$ 685,564
Gain arising from financial assets at fair value through profit or loss	19,287	13,701
Gain on disposal of property, plant and equipment	5,840	6,644
Others	<u>(448,726)</u>	<u>(458,127)</u>
	<u>\$ 60,355</u>	<u>\$ 247,782</u>

The components of net foreign exchange gain were as follows:

	For the Year Ended December 31	
	2025	2024
Foreign exchange gain	\$ 1,251,526	\$ 1,113,866
Foreign exchange loss	<u>(767,572)</u>	<u>(428,302)</u>
Net foreign exchange gain	<u>\$ 483,954</u>	<u>\$ 685,564</u>

d. Finance costs

	For the Year Ended December 31	
	2025	2024
Interest of bonds payable	\$ 729,516	\$ 644,193
Interest of short-term borrowings and bank overdraft	533,653	439,737
Interest of bills payable	678,904	809,357
Interest of lease liabilities	<u>12,784</u>	<u>15,682</u>
Total interest expense for financial liabilities measured at amortized cost	1,954,857	1,908,969
Less: Amounts included in the cost of qualifying assets	<u>452,112</u>	<u>376,230</u>
	<u>\$ 1,502,745</u>	<u>\$ 1,532,739</u>

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2025	2024
Capitalized amounts	<u>\$ 452,112</u>	<u>\$ 376,230</u>
Capitalized annual rates (%)	1.49-1.75	1.43-1.70

e. Depreciation and amortization

	For the Year Ended December 31	
	2025	2024
Property, plant and equipment	\$ 13,368,103	\$ 12,976,145
Right-of-use assets	407,406	446,172
Investment properties	<u>21,555</u>	<u>21,676</u>
	<u>\$ 13,797,064</u>	<u>\$ 13,443,993</u>
An analysis of depreciation by function		
Operating costs	\$ 13,087,030	\$ 12,770,745
Operating expenses	675,952	639,044
Others	<u>34,082</u>	<u>34,204</u>
	<u>\$ 13,797,064</u>	<u>\$ 13,443,993</u>

f. Employee benefits

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits		
Salaries	\$ 12,439,353	\$ 12,987,617
Labor and health insurance	997,217	999,348
Others	<u>493,935</u>	<u>527,735</u>
	<u>13,930,505</u>	<u>14,514,700</u>

	For the Year Ended December 31	
	2025	2024
Post-employment benefits		
Defined contribution plans	\$ 485,956	\$ 459,046
Defined benefit plans (Note 21)	<u>188,487</u>	<u>390,837</u>
	<u>674,443</u>	<u>849,883</u>
Termination benefits	<u>67,488</u>	<u>36,277</u>
	<u>\$ 14,672,436</u>	<u>\$ 15,400,860</u>
Analysis of employee benefits by function		
Operating costs	\$ 12,071,923	\$ 12,670,858
Operating expenses	2,444,315	2,630,314
Others	<u>156,198</u>	<u>99,688</u>
	<u>\$ 14,672,436</u>	<u>\$ 15,400,860</u>

g. Compensation of employees and remuneration of directors

According to the Articles of Incorporation, the article stipulates the Corporation distributed compensation of employees 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 compensation of employees and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Corporation resolved the amendments to the Articles of Incorporation at their 2025 regular meeting. The amendments explicitly stipulate the allocation of 30% to 50% of the compensation of employees as compensation distributions for non-executive employees.

The compensation of employees (including non-executive employees) and remuneration of directors for the years ended December 31, 2025 and 2024 which had been approved by the Corporation's board of directors in February 2026 and 2025, respectively, were as follows:

	For the Year Ended December 31	
	2025	2024
Compensation of employees	\$ -	\$ 2,853
Remuneration of directors	-	-

No compensation of employees and remuneration of directors was estimated due to the loss before income tax for the year ended December 31, 2025.

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

There is no difference between the amounts of compensation of employees and remuneration of directors approved in the board of directors and the amounts recognized in the financial statements for the years ended December 31, 2024 and 2023.

Information on the compensation of employees and remuneration of directors resolved by the board of directors are available on 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 expense (benefit) were as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current year	\$ 20,970	\$ 355,310
In respect of prior years	(60,993)	15,950
Deferred tax		
In respect of the current year	(365,235)	584,087
In respect of prior years	<u>271</u>	<u>(83,856)</u>
	<u>\$ (404,987)</u>	<u>\$ 871,491</u>

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

	For the Year Ended December 31	
	2025	2024
Profit (loss) before income tax	<u>\$ (4,754,172)</u>	<u>\$ 2,849,843</u>
Income tax expense (benefit) calculated at the statutory rate	\$ (950,834)	\$ 569,969
Non-deductible expenses in determining taxable income	11,611	11,327
Unrealized and tax-exempt income	1,056,159	538,382
Realized investment loss	(470,246)	(150,924)
Investment credits in respect of the current year	(11,924)	(29,357)
Others	20,969	-
Adjustments for prior years' tax in respect of the current year	<u>(60,722)</u>	<u>(67,906)</u>
	<u>\$ (404,987)</u>	<u>\$ 871,491</u>

b. Income tax recognized directly in equity

	For the Year Ended December 31	
	2025	2024
Current tax		
Reversal of special reserve due to disposal of property, plant and equipment	\$ 72	\$ 434
Deferred tax		
Reversal of special reserve due to disposal of property, plant and equipment	<u>(72)</u>	<u>(434)</u>
	<u>\$ -</u>	<u>\$ -</u>

c. Income tax recognized in other comprehensive income (loss)

	For the Year Ended December 31	
	2025	2024
Current - fair value changes of cash flow hedges	\$ 10,985	\$ 6,140
Current - remeasurement of defined benefit plan	(122,087)	(171,412)
Fair value changes of hedging instruments in cash flow hedges transferred to adjust carrying amounts of hedged items	<u>(21,632)</u>	<u>(5,461)</u>
	<u>\$ (132,734)</u>	<u>\$ (170,733)</u>

d. Deferred tax assets and liabilities

Movements of deferred tax assets and liabilities were as follows:

For the Year Ended December 31, 2025

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Balance, End of Year
<u>Deferred tax assets</u>					
Temporary differences					
Defined benefit pension plan	\$ 698,261	\$ (18,727)	\$ (122,087)	\$ -	\$ 557,447
Unrealized loss on inventories	979,564	(261,611)	-	-	717,953
Provision	415,807	347,340	-	-	763,147
Unrealized gain on the transactions with subsidiaries and associates	163,609	(11,631)	-	-	151,978
Others	<u>78,803</u>	<u>(31,627)</u>	<u>(10,647)</u>	<u>-</u>	<u>36,529</u>
	<u>\$ 2,336,044</u>	<u>\$ 23,744</u>	<u>\$ (132,734)</u>	<u>\$ -</u>	<u>\$ 2,227,054</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Land value increment tax	\$ 10,011,916	\$ -	\$ -	\$ -	\$ 10,011,916
Depreciation	272,950	(36,258)	-	-	236,692
Foreign investment gain	2,113,086	(314,116)	-	-	1,798,970
Others	<u>101,811</u>	<u>9,154</u>	<u>-</u>	<u>(72)</u>	<u>110,893</u>
	<u>\$ 12,499,763</u>	<u>\$ (341,220)</u>	<u>\$ -</u>	<u>\$ (72)</u>	<u>\$ 12,158,471</u>

For the Year Ended December 31, 2024

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Balance, End of Year
<u>Deferred tax assets</u>					
Temporary differences					
Defined benefit pension plan	\$ 864,372	\$ 5,301	\$ (171,412)	\$ -	\$ 698,261
Unrealized loss on inventories	765,052	214,512	-	-	979,564
Provision	803,775	(387,968)	-	-	415,807
Unrealized gain on the transactions with subsidiaries and associates	157,982	5,627	-	-	163,609
Others	<u>106,085</u>	<u>(27,961)</u>	<u>679</u>	<u>-</u>	<u>78,803</u>
	<u>\$ 2,697,266</u>	<u>\$ (190,489)</u>	<u>\$ (170,733)</u>	<u>\$ -</u>	<u>\$ 2,336,044</u>

	Balance, Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Balance, End of Year
<u>Deferred tax liabilities</u>					
Temporary differences					
Land value increment tax	\$ 10,011,916	\$ -	\$ -	\$ -	\$ 10,011,916
Depreciation	309,643	(36,693)	-	-	272,950
Foreign investment gain	1,766,241	346,845	-	-	2,113,086
Others	<u>102,655</u>	<u>(410)</u>	<u>-</u>	<u>(434)</u>	<u>101,811</u>
	<u>\$ 12,190,455</u>	<u>\$ 309,742</u>	<u>\$ -</u>	<u>\$ (434)</u>	<u>\$ 12,499,763</u>

e. Income tax assessments

The Corporation's income tax returns through 2023 have been assessed by the tax authorities, except for the income tax return of 2022 which has not yet been approved.

26. EARNINGS (LOSS) PER SHARE

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

Net profit (loss) for the year

	<u>For the Year Ended December 31</u>	
	2025	2024
Net profit (loss) for the year	\$ (4,349,185)	\$ 1,978,352
Less: Dividends on preference shares	<u>-</u>	<u>53,575</u>
Net profit (loss) used in computation of basic earnings (loss) per share	(4,349,185)	1,924,777
Add: Dividends on preference shares	<u>-</u>	<u>-</u>
Net profit (loss) used in computation of diluted earnings (loss) per share	<u>\$ (4,349,185)</u>	<u>\$ 1,924,777</u>

Number of shares (in thousand shares)

	<u>For the Year Ended December 31</u>	
	2025	2024
Weighted average number of ordinary shares used in computation of basic earnings (loss) per share	15,244,927	15,252,583
Effect of dilutive potential ordinary shares:		
Compensation of employees	-	924
Convertible preference shares	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares used in computation of diluted earnings (loss) per share	<u>15,244,927</u>	<u>15,253,507</u>

Preference shares were not included in the calculation of diluted earnings (loss) per share for the years ended December 31, 2025 and 2024 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 Corporation believes the carrying amounts of financial instruments, including cash and cash equivalents, receivables and payables recognized in the parent company only financial statements approximated their fair values.

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

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>December 31, 2025</u>				
Financial assets at fair value through profit or loss				
Foreign unlisted preference shares	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 410,892</u>	\$ <u> 410,892</u>
Financial assets at fair value through other comprehensive income				
Equity instruments				
Domestic listed shares	\$ 9,365,540	\$ -	\$ -	\$ 9,365,540
Foreign listed shares	2,994,288	-	-	2,994,288
Domestic unlisted shares	-	-	1,400,051	1,400,051
Foreign unlisted shares	<u> -</u>	<u> -</u>	<u> 26,135,432</u>	<u> 26,135,432</u>
	<u>\$ 12,359,828</u>	<u>\$ -</u>	<u>\$ 27,535,483</u>	<u>\$ 39,895,311</u>
Financial assets for hedging				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 43,712</u>	<u>\$ -</u>	<u>\$ 43,712</u>

	Level 1	Level 2	Level 3	Total
<u>December 31, 2024</u>				
Financial assets at fair value through profit or loss				
Foreign unlisted preference shares	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 648,129</u>	\$ <u> 648,129</u>
Financial assets at fair value through other comprehensive income				
Equity instruments				
Domestic listed shares	\$ 9,387,759	\$ -	\$ -	\$ 9,387,759
Foreign listed shares	2,550,333	-	-	2,550,333
Domestic unlisted shares	-	-	1,107,084	1,107,084
Foreign unlisted shares	<u> -</u>	<u> -</u>	<u> 25,068,949</u>	<u> 25,068,949</u>
	<u>\$ 11,938,092</u>	<u>\$ -</u>	<u>\$ 26,176,033</u>	<u>\$ 38,114,125</u>
Financial assets for hedging				
Foreign exchange forward contracts	\$ <u> -</u>	\$ <u> 125,122</u>	\$ <u> -</u>	\$ <u> 125,122</u>

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2025 and 2024.

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

For the year ended December 31, 2025

Financial Assets	Financial Assets at Fair Value Through Profit or Loss	Financial Assets at Fair Value Through Other Comprehensive Income	Total
Balance, beginning of the year	\$ 648,129	\$ 26,176,033	\$ 26,824,162
Recognized in profit or loss	18,404	-	18,404
Recognized in other comprehensive income (loss)	-	1,178,592	1,178,592
Reclassification	-	8,157	8,157
Purchases	-	186,875	186,875
Disposals/settlements	<u>(255,641)</u>	<u>(14,174)</u>	<u>(269,815)</u>
Balance, end of the year	<u>\$ 410,892</u>	<u>\$ 27,535,483</u>	<u>\$ 27,946,375</u>

For the year ended December 31, 2024

Financial Assets	Financial Assets at Fair Value Through Profit or Loss	Financial Assets at Fair Value Through Other Comprehensive Income	Total
Balance, beginning of the year	\$ 658,398	\$ 29,354,299	\$ 30,012,697
Recognized in profit or loss	(10,269)	-	(10,269)
Recognized in other comprehensive income (loss)	<u>-</u>	<u>(3,178,266)</u>	<u>(3,178,266)</u>
Balance, end of the year	<u>\$ 648,129</u>	<u>\$ 26,176,033</u>	<u>\$ 26,824,162</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, fair values were determined based on industry types or 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 returns by using a discounted cash flow model. Significant unobservable inputs were as follows; if the long-term pre-tax operating income rate increased or discount rate decreased, the fair value of the investments would increase.

	<u>December 31</u>	
	2025	2024
Long-term pre-tax operating income rate (%)	13.90	12.24
Discount rate (%)	10.02	10.82

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:

	<u>December 31</u>	
	2025	2024
Long-term pre-tax operating income rate		
Increase 1%	<u>\$ 194,185</u>	<u>\$ 212,514</u>
Decrease 1%	<u>\$ (194,185)</u>	<u>\$ (212,514)</u>
Discount rate		
Increase 1%	<u>\$ (329,743)</u>	<u>\$ (275,039)</u>
Decrease 1%	<u>\$ 425,029</u>	<u>\$ 347,455</u>

- c) For parts of 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

	December 31	
	2025	2024
<u>Financial assets</u>		
Financial assets at fair value through profit or loss	\$ 410,892	\$ 648,129
Financial assets for hedging	594,031	2,655,873
Financial assets at amortized cost 1)	19,065,028	18,932,074
Financial assets at fair value through other comprehensive income	39,895,311	38,114,125
<u>Financial liabilities</u>		
Financial liabilities for hedging	680,009	944,025
Financial liabilities at amortized cost 2)	134,133,084	141,195,494

- 1) The balances include 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 include 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 33.

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.

	USD Impact				
	For the Year Ended				
	December 31				
	2025		2024		
Pre-tax profit or loss	\$	(383)	i	\$ 26,781	i
Equity		(427)	ii	(541)	ii

i. These were mainly attributable to the exposure of cash, outstanding receivables 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.

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 and purchase foreign currency to hedge. Those transactions are designated as cash flow hedges.

ii. The Corporation has designated certain foreign currency bank 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 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 foreign currency bank borrowing as a hedge instrument to hedge the investments.

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

December 31, 2025

Hedging Instruments/ Hedged Items	Line Item in Balance Sheet	Carrying Amount	
		Asset	Liability
Cash flow hedge			
Foreign exchange forward contracts/Forecast purchases contracts	Financial assets for hedging	\$ 43,712	\$ -
Hedging foreign currency deposits/Forecast purchases and construction contracts	Financial assets for hedging	550,319	-
Net investment hedge in foreign operations			
Foreign currency bank borrowings/Investment in foreign operations	-	-	-
Fair value hedge			
Foreign currency bank borrowings/Financial assets at FVTOCI	Financial liabilities for hedging	-	243,771
Foreign currency bank borrowings/Financial assets at FVTPL	Financial liabilities for hedging	-	436,238

Hedging Instruments/ Hedged Items	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Other Equity		Fair Value Hedge – Hedged Items’ Carrying Amount	Fair Value Hedge – Accumulated Amount of Fair Value Hedge Adjustments
			Continuing Hedges	Discontinuing Hedges		
Cash flow hedge						
Foreign exchange forward contracts/Forecast purchases contracts	\$ (81,410)	\$ 81,410	\$ 43,712	\$ -	NA	NA
Hedging foreign currency deposits/Forecast purchases and construction contracts	134,646	(134,646)	(54,976)	-	NA	NA
Net investment hedge in foreign operations						
Foreign currency bank borrowings/Investment in foreign operations	-	-	-	3,788,786	NA	NA
Fair value hedge						
Foreign currency bank borrowings/Financial assets at FVTOCI	11,047	(10,938)	114,457	88,920	\$ 546,578	\$ (104,470)
Foreign currency bank borrowings/Financial assets at FVTPL	883	(20,220)	NA	NA	410,892	(232,685)

December 31, 2024

Hedging Instruments/ Hedged Items	Line Item in Balance Sheet	Carrying Amount	
		Asset	Liability
Cash flow hedge			
Foreign exchange forward contracts/Forecast purchases contracts	Financial assets for hedging	\$ 125,122	\$ -
Hedging foreign currency deposits/Forecast purchases and construction contracts	Financial assets for hedging	2,530,751	-

Hedging Instruments/ Hedged Items	Line Item in Balance Sheet	Carrying Amount	
		Asset	Liability
Net investment hedge in foreign operations			
Foreign currency bank borrowings/Investment in foreign operations	-	\$ -	\$ -
Fair value hedge			
Foreign currency bank borrowings/Financial assets at FVTOCI	Financial liabilities for hedging	-	254,819
Foreign currency bank borrowings/Financial assets at FVTPL	Financial liabilities for hedging	-	689,206

Hedging Instruments/ Hedged Items	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	Balance in Other Equity		Fair Value Hedge – Hedged Items’ Carrying Amount	Fair Value Hedge – Accumulated Amount of Fair Value Hedge Adjustments
			Continuing Hedges	Discontinuing Hedges		
Cash flow hedge						
Foreign exchange forward contracts/ Forecast purchases contracts	\$ 46,539	\$ (46,539)	\$ 125,122	\$ -	NA	NA
Hedging foreign currency deposits/ Forecast purchases and construction contracts	(49,934)	49,934	(189,622)	-	NA	NA
Net investment hedge in foreign operations						
Foreign currency bank borrowings/Investment in foreign operations	-	-	-	3,788,786	NA	NA
Fair value hedge						
Foreign currency bank borrowings/Financial assets at FVTOCI	8,862	(8,775)	103,410	88,920	\$ 471,016	\$ (93,532)
Foreign currency bank borrowings/Financial assets at FVTPL	23,970	(24,331)	NA	NA	648,129	(318,697)

For the year ended December 31, 2025

Effect on Comprehensive Income (Loss)	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	\$ (81,410)	\$ -	-	\$ -	\$ -
Hedging foreign currency deposits	134,646	-	-	-	-

For the year ended December 31, 2024

Effect on Comprehensive Income (Loss)	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	\$ 46,539	\$ -	-	\$ -	\$ -
Hedging foreign currency deposits	(49,934)	-	-	-	-

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

	Currency	Period for Generating Cash Flows and Maturity Date	Contract Amount (In Thousands)
<u>December 31, 2025</u>			
Buy	NTD/USD	2026.03-2027.05	NTD434,156/USD14,407
Buy	NTD/EUR	2026.02	NTD12,632/EUR370
<u>December 31, 2024</u>			
Buy	NTD/USD	2025.02-2026.08	NTD952,652/USD31,318
Buy	NTD/EUR	2025.01-2025.07	NTD98,442/EUR2,904

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:

	<u>December 31</u>	
	2025	2024
Fair value interest rate risk		
Financial liabilities	\$ 60,393,516	\$ 60,221,318
Cash flow interest rate risk		
Financial liabilities	58,115,528	62,628,344

If interest rates had been 1% higher/lower and all other variables were held constant, the Corporation's pre-tax loss for the year ended December 31, 2025 would have been higher/lower by NT\$581,155 thousand, and pre-tax profit for the year ended December 31, 2024 would have been lower/higher by NT\$626,283 thousand.

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, 2025 and 2024 would have been lower/higher by NT\$123,598 thousand and NT\$119,381 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 parent company only 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, 2025 and 2024, the maximum credit risk of off-balance-sheet guarantees provided to related parties for procurement and investment compliance was NT\$8,870,932 thousand and NT\$8,221,334 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 span regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates or financial guarantee periods.

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

	Less Than 1 Year	1-5 Years	Over 5 Years	Total
<u>December 31, 2025</u>				
Non-derivative financial liabilities				
Non-interest bearing liabilities	\$ 15,560,181	\$ -	\$ -	\$ 15,560,181
Lease liabilities	327,280	282,706	140,648	750,634
Variable interest rate liabilities	12,895,892	45,996,445	-	58,892,337
Fixed interest rate liabilities	21,352,682	40,999,202	-	62,351,884
Refund liabilities	1,176,993	-	-	1,176,993
Financial guarantee liabilities	-	2,268,844	6,602,088	8,870,932
	<u>\$ 51,313,028</u>	<u>\$ 89,547,197</u>	<u>\$ 6,742,736</u>	<u>\$ 147,602,961</u>
<u>December 31, 2024</u>				
Non-derivative financial liabilities				
Non-interest bearing liabilities	\$ 18,515,906	\$ -	\$ -	\$ 18,515,906
Lease liabilities	372,845	453,813	145,595	972,253
Variable interest rate liabilities	16,512,757	46,931,480	-	63,444,237
Fixed interest rate liabilities	23,077,801	38,227,659	-	61,305,460
Refund liabilities	1,551,246	-	-	1,551,246
Financial guarantee liabilities	-	496,411	7,724,923	8,221,334
	<u>\$ 60,030,555</u>	<u>\$ 86,109,363</u>	<u>\$ 7,870,518</u>	<u>\$ 154,010,436</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 balance sheet date, 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 and Nippon Steel Vietnam Joint Stock Company (CSVC)	Subsidiary
CSGT (Singapore) Pte. Ltd.	Subsidiary
CSE Transport Corporation	Subsidiary
Mentor Consulting Corporation	Subsidiary
Steel Castle Technology Corporation	Subsidiary
Union Steel Development Corporation	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 Metals Vietnam Joint Stock Company (CSGT-VTM)	Subsidiary
CSC Steel Sdn. Bhd. (CSCM)	Subsidiary
CSGT Japan Co., Ltd.	Subsidiary
CSGT (Shenzhen) Co., Ltd.	Subsidiary
CSGT (Shanghai) Co., Ltd.	Subsidiary
Gau Ruei Investment Corporation	Subsidiary
Chiun Yu Investment Corporation	Subsidiary
Taiwan Intelligent Transportation Co., Ltd.	Subsidiary
CSCI Steel Corporation India Pvt. Ltd. (CSCI)	Subsidiary
China Steel Precision Metals Qingdao Co., Ltd. (CSMQ)	Subsidiary
China Steel Precision Metals Kunshan Co., Ltd. (CSPK)	Subsidiary

Company	Relationship
Hung Kao Investment Corporation	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 (KRTC)	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
CSC Steel Australia Holdings Pty Ltd	Subsidiary
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 Co., Ltd.	Associate
Eminent II Venture Capital Corporation	Associate
Overseas Investment & Development Corporation	Associate
Kaohsiung Arena Development Corporation	Associate
Formosa Ha Tinh (Cayman) Limited (FHC)	Other related party
Formosa Ha Tinh Steel Corporation	Other related party
CSC Educational Foundation	Other related party
CDIB Bioscience Ventures I, Inc.	The Corporation as key management of other related parties (Before November 2024)
Rechi Precision Co., Ltd.	The Corporation as key management of other related parties
East Asia United Steel Corporation	The Corporation as key management of other related parties
Taiwan High Speed Rail Corporation (THSRC)	The Corporation as key management of other related parties
Tang Eng Iron Works Co., Ltd.	The Corporation as key management of other related parties
Taiwan International Windpower Training Corporation Ltd.	The Corporation as key management of other related parties
Sakura Ferroalloys Sdn. Bhd.	The Corporation as key management of other related parties
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	For the Year Ended December 31	
		2025	2024
Revenue from sales of goods	Subsidiaries	\$ 20,754,006	\$ 23,960,422
	Others	<u>663,067</u>	<u>881,593</u>
		<u>\$ 21,417,073</u>	<u>\$ 24,842,015</u>

Sales to related parties were made at arm's length and at terms applicable to similar transactions in the market except for terms of sales to DSC, CSGT, CSCM, CSVC, CSGT-VTM, CSMQ and CSPK, in which the receivables were collected within 5-85 days after shipment, and terms of sales to some subsidiaries without similar transactions with other unrelated parties.

c. Purchase of goods

Related Parties Types	For the Year Ended December 31	
	2025	2024
Subsidiaries	\$ 15,656,244	\$ 19,816,591
Others	<u>833,685</u>	<u>845,383</u>
	<u>\$ 16,489,929</u>	<u>\$ 20,661,974</u>

Purchases from related parties were made at arm's length and at terms 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	December 31	
		2025	2024
Accounts receivable	Subsidiaries	\$ 752,213	\$ 482,357
	The Corporation as key management of other related parties	<u>101,929</u>	<u>4,628</u>
		<u>\$ 854,142</u>	<u>\$ 486,985</u>

No guarantee had been received for receivables from related parties. For the years ended December 31, 2025 and 2024, 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	December 31	
		2025	2024
Accounts payable	Subsidiaries	\$ 589,052	\$ 806,605
	The Corporation as key management of other related parties	70,228	-
	Others	<u>15,119</u>	<u>7,885</u>
		<u>\$ 674,399</u>	<u>\$ 814,490</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	
	2025	2024
Subsidiaries		
CSRC	\$ 650,000	\$ 730,000
CSAC	600,000	900,000
KRTC	400,000	200,000
SDMS	-	2,000,000
Others	<u>100,000</u>	<u>180,000</u>
	<u>\$ 1,750,000</u>	<u>\$ 4,010,000</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, 2025 and 2024, the interest rate was 1.72%-1.77% and 1.82%-1.94%, respectively.

Loans to the Corporation's subsidiaries were unsecured loans with interest income of NT\$64,206 thousand and NT\$64,336 thousand for the years ended December 31, 2025 and 2024, respectively.

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

Related Parties Types/Names	December 31	
	2025	2024
Subsidiaries		
CPDC	\$ 710,000	\$ 720,000
CSMC	550,000	550,000
Others	<u>120,000</u>	<u>120,000</u>
	<u>\$ 1,380,000</u>	<u>\$ 1,390,000</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, 2025 and 2024, the interest rate was 1.67% and 1.82%-1.84%, respectively.

Loans from the Corporation's subsidiaries were unsecured loans with interest expense of NT\$24,100 thousand and NT\$29,222 thousand for the years ended December 31, 2025 and 2024, respectively.

h. Other related parties transactions

- 1) The Corporation signed brokerage contract with its subsidiary DSC. For the years ended December 31, 2025 and 2024, the commission revenue was NT\$302,161 thousand and NT\$456,033 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	
	2025	2024
Subsidiary DSC	\$ <u>644,425</u>	\$ <u>321,900</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	
	2025	2024
Subsidiaries	\$ 883,368	\$ 1,443,945
The Corporation as key management of other related parties	139,649	499,939
Other related party	72,932	61,044
Others	<u>4,536</u>	<u>4,545</u>
	\$ <u>1,100,485</u>	\$ <u>2,009,473</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.

Related Parties Types	For the Year Ended December 31	
	2025	2024
Subsidiaries	\$ 9,896,230	\$ 9,934,339
Others	<u>114,395</u>	<u>41,029</u>
	\$ <u>10,010,625</u>	\$ <u>9,975,368</u>

4) Capital expenditures

Related Parties Types/Names	For the Year Ended December 31	
	2025	2024
Subsidiaries		
CEC	\$ 4,571,488	\$ 4,372,736
CSMC	1,697,315	2,747,657
Others	<u>1,549,337</u>	<u>2,534,434</u>
	\$ <u>7,818,140</u>	\$ <u>9,654,827</u>

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

Related Parties Types/Names	December 31	
	2025	2024
Subsidiaries		
CEC	\$ 506,065	\$ 427,733
CSMC	252,532	86,153

Related Parties Types/Names	December 31	
	2025	2024
USEC	\$ 192,679	\$ 236,119
Others	<u>111,564</u>	<u>95,385</u>
	<u>\$1,062,840</u>	<u>\$ 845,390</u>

- 5) In December 2025, the Corporation acquired the main assets and liabilities of the subsidiary SDMS with a cash consideration of NT\$137,730 thousand to assist SDMS in improving its financial structure and realigning its business strategy.
- 6) As of December 31, 2025 and 2024, guarantees provided to the related parties for investment compliance were as follows:

Related Parties Types/Names	December 31	
	2025	2024
Subsidiaries - ZN		
Amount endorsed	\$ 7,156,210	\$ 7,156,210
Amount utilized	<u>(6,602,088)</u>	<u>(7,156,210)</u>
	<u>\$ 554,122</u>	<u>\$ -</u>
Subsidiaries - SDMS		
Amount endorsed	\$ 1,504,065	\$ -
Amount utilized	<u>(1,504,065)</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>
The Corporation as key management of other related parties		
Amount endorsed	\$ 1,037,068	\$ 1,340,633
Amount utilized	<u>(764,779)</u>	<u>(1,065,124)</u>
	<u>\$ 272,289</u>	<u>\$ 275,509</u>

i. Compensation of key management personnel

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

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	\$ 53,872	\$ 50,357
Post-employment benefits	<u>1,573</u>	<u>1,618</u>
	<u>\$ 55,445</u>	<u>\$ 51,975</u>

30. ASSETS PLEDGED AS COLLATERAL OR SECURITY

The Corporation's assets mortgaged or pledged as collateral for bank overdraft and ZN's long-term borrowings and financing amount were as follows:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Other financial assets - time deposits	\$ 5,850,000	\$ 5,850,000
Investments accounted for using the equity method - shares	<u>6,602,088</u>	<u>7,733,839</u>
	<u>\$ 12,452,088</u>	<u>\$ 13,583,839</u>

The shares of the Subsidiaries CPHC and ZN was mortgaged or pledged as collateral for their long-term borrowings and financing amount.

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Corporation as of December 31, 2025 were as follows:

- a. The Corporation provided letters of credits for NT\$1.3 billion guaranteed by financial institutions for several constructions, lease contracts and payment.
- b. Unused letters of credit for importation of materials and machinery amounted to NT\$1 billion.
- c. Property purchase and construction contracts for NT\$12.3 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 3 years. Contracted annual purchases of 6,040,000 metric tons of coal, 13,330,000 metric tons of iron ore, and 1,820,000 metric tons of limestone are at prices negotiable with the counterparties. Purchase commitments as of December 31, 2025 were US\$0.9 billion (including 2,300,000 metric tons of coal, 4,900,000 metric tons of iron ore, and 360,000 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\$8,870,932 thousand.

32. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Corporation issued 5-year and 7-year unsecured corporate bonds in the total amount of NT\$10.3 billion in January 2026 for repaying the bank loans and supporting the working capital needs.

33. 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:

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount (In Thousands of New Taiwan Dollars)
<u>December 31, 2025</u>			
Monetary foreign assets			
USD	\$ 124,413	31.4300	\$ 3,910,291
AUD	67,563	21.0100	1,419,493
Non-monetary foreign assets			
Financial assets at fair value through other comprehensive income			
USD	789,136	31.4300	24,802,537
JPY	11,428,000	0.2008	2,294,743
MYR	271,698	7.4805	2,032,440
Investments accounted for using the equity method			
USD	333,391	31.4300	10,478,411
AUD	1,078,095	21.0100	22,650,773
Monetary foreign liabilities			
USD	121,837	31.4300	3,829,324
<u>December 31, 2024</u>			
Monetary foreign assets			
USD	146,207	32.7850	4,793,394
JPY	13,785,124	0.2099	2,893,498
Non-monetary foreign assets			
Financial assets at fair value through other comprehensive income			
USD	718,838	32.7850	23,567,119
JPY	9,238,000	0.2099	1,939,056
MYR	299,074	7.0655	2,113,107
Investments accounted for using the equity method			
USD	358,157	32.7850	11,742,000
AUD	1,209,316	20.3900	24,657,957
Monetary foreign liabilities			
USD	226,243	32.7850	7,417,366
JPY	6,296,725	0.2099	1,321,683

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

34. 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) Significant marketable securities held (Table 3)
 - 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
 - 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
 - 6) Information on investees (Table 6)
- 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 7)
 - 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 4)
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period (Table 4)
 - 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)

35. SEGMENT INFORMATION

Disclosure of the segment information in parent company only financial statements is waived.

TABLE 1

CHINA STEEL CORPORATION AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE PERIOD ENDED DECEMBER 31, 2025**

(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 (Note 1)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits	Note
													Item	Value			
0	China Steel Corporation	C.S.Aluminium Corporation	Other receivables	Yes	1,900,000	1,800,000	600,000	1.76%-1.92%	2	-	Operating capital	-	-	-	29,263,352	58,526,704	Note 2
0	China Steel Corporation	China Steel Resources Corporation	Other receivables	Yes	800,000	700,000	650,000	1.76%-1.92%	2	-	Operating capital	-	-	-	29,263,352	58,526,704	Note 2
0	China Steel Corporation	HIMAG Magnetic Corporation	Other receivables	Yes	300,000	200,000	100,000	1.76%-1.94%	2	-	Operating capital	-	-	-	29,263,352	58,526,704	Note 2
0	China Steel Corporation	Sing Da Marine Structure Corporation	Other receivables	Yes	2,500,000	500,000	-	1.71%-1.86%	2	-	Operating capital	-	-	-	29,263,352	58,526,704	Note 2
0	China Steel Corporation	Kaohsiung Rapid Transit Corporation	Other receivables	Yes	1,300,000	900,000	400,000	1.71%-1.86%	2	-	Operating capital	-	-	-	29,263,352	58,526,704	Note 2
0	China Steel Corporation	Chung Hung Steel Corporation	Other receivables	Yes	1,300,000	1,200,000	-	N/A	2	-	Operating capital	-	-	-	29,263,352	58,526,704	Note 2
1	China Steel Security Corporation	Steel Castle Technology Corporation	Other receivables	Yes	150,000	150,000	-	N/A	2	-	Operating capital	-	-	-	204,178	204,178	Note 3
2	China Prosperity Development Corporation	China Prosperity Construction Corporation	Other receivables	Yes	100,000	100,000	-	1.66%-1.79%	2	-	Operating capital	-	-	-	2,485,424	2,485,424	Note 4
2	China Prosperity Development Corporation	China Steel Corporation	Other receivables	Yes	1,050,000	850,000	710,000	1.66%-1.84%	2	-	Operating capital	-	-	-	2,485,424	2,485,424	Note 4
3	ThinTech Materials Technology Co., Ltd.	Changzhou China Steel Precision Materials Co., Ltd.	Other receivables	Yes	27,438	-	-	N/A	2	-	Operating capital	-	-	-	565,058	753,411	Note 5
4	HIMAG Magnetic Corporation	MagnPower Corporation	Other receivables	Yes	180,000	170,000	170,000	2.41%	2	-	Operating capital	-	-	-	211,795.00	211,795.00	Note 6
5	Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd.	Other receivables	Yes	145,928	94,416	53,952	2.00%	2	-	Operating capital	-	-	-	315,209	472,813	Note 7
6	InfoChamp Systems Corporation	China Steel Corporation	Other receivables	Yes	120,000	120,000	120,000	1.66%-1.84%	2	-	Operating capital	-	-	-	308,302	352,346	Note 8
7	China Steel Machinery Corporation	China Steel Corporation	Other receivables	Yes	550,000	550,000	550,000	1.66%-1.82%	2	-	Operating capital	-	-	-	760,642	760,642	Note 9
8	China Steel Power Corporation	CI III Zhong Neng K/S SCSp	Other receivables	Yes	1,100,000	1,100,000	1,100,000	1.60%	2	-	Repayments of bank borrowings	-	-	-	5,176,002	5,176,002	Note 10
9	China Steel Express Corporation	China Steel Corporation	Other receivables	Yes	500,000	500,000	-	N/A	2	-	Operating capital	-	-	-	1,221,851	2,443,702	Note 11

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 Security 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 Security Corporation.
- Note 4: 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 5: 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 6: According to “The Process of Financing Others” established by HIMAG Magnetic 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 HIMAG Magnetic Corporation.
- Note 7: 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 8: According to “The Process of Financing Others” established by InfoChamp Systems 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 InfoChamp Systems Corporation, respectively.
- Note 9: According to “The Process of Financing Others” established by China Steel Machinery 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 Machinery Corporation.
- Note 10: According to “The Process of Financing Others” established by China Steel Power 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 Corporation.
- Note 11: According to “The Process of Financing Others” established by China Steel Express 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 China Steel Express Corporation, respectively.

TABLE 2

CHINA STEEL CORPORATION AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE PERIOD ENDED DECEMBER 31, 2025**

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

NO.	Endorsement/Guarantee Provider	Endorsee/Guaranteee		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	Sing Da Marine Structure Corporation	2	87,790,056	1,504,065	1,504,065	1,504,065	-	1	117,053,408	Y	N	N	Notes 2 and 3
0	China Steel Corporation	China Steel Power Corporation	2	87,790,056	7,156,210	7,156,210	6,602,088	6,602,088	2	117,053,408	Y	N	N	Notes 2 and 3
0	China Steel Corporation	Sakura Ferroalloys Sdn. Bhd.	6	87,790,056	1,364,257	1,037,068	764,779	-	-	117,053,408	N	N	N	Note 3
1	ThinTech Materials Precision Materials Co., Ltd.	Changzhou China Steel Technology Co., Ltd.	2	753,411	59,449	-	-	-	-	753,411	N	N	Y	Note 4
2	HIMAG Magnetic Corporation	MagnPower Corporation	2	529,489	190,000	190,000	60,000	-	36	529,489	N	N	N	Note 5
3	China Steel Power Holding Corporation	China Steel Power Corporation	2	64,726,356	13,986,000	10,986,000	10,986,000	12,940,005	85	64,726,356	N	N	N	Note 6
4	InfoChamp Systems Corporation	Wuhan InfoChamp I.T. Co., Ltd.	2	264,259	48,862	39,047	3,151	-	4	440,432	N	N	Y	Note 7
4	InfoChamp Systems Corporation	Industrial Technology Research Institute	5	264,259	60,000	60,000	59,830	-	7	440,432	N	N	N	Note 7
4	InfoChamp Systems Corporation	Tang Steel International Engineering Technology Corp.	5	264,259	42,686	41,967	41,967	-	5	440,432	N	N	Y	Note 7
5	United Steel Engineering & Construction Corporation	China Prosperity Construction Corporation	5	939,272	500,000	500,000	140,000	256,250	35	21,133,626	N	N	N	Note 8
6	CSC Steel Holdings Berhad	CSC Steel Sdn. Bhd.	2	2,822,208	1,104,265	1,104,265	192,364	-	16	2,822,208	N	N	N	Note 9
7	Wuhan InfoChamp I.T. Co., Ltd.	InfoChamp Systems Corporation	3	133,809	42,170	41,460	41,460	-	155	160,571	N	N	N	Note 10
7	Wuhan InfoChamp I.T. Co., Ltd.	Tang Steel International Engineering Technology Corp.	5	133,809	42,686	41,967	41,967	-	157	160,571	N	N	Y	Note 10

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: 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 4: 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 5: According to “The Process of making endorsements/quadrants” established by HIMAG Magnetic Corporation, both the ceilings on the amounts for any single entity or the aggregate amounts to the entities shall not exceed 100% of the net worth of HIMAG Magnetic Corporation.
- Note 6: According to “The Process of making endorsements/quadrants” established by China Steel Power Holding Corporation, both the ceilings on the amounts for any single entity or the aggregate amounts to the entities shall not exceed 500% of the net worth of China Steel Power Holding Corporation.
- Note 7: 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 8: According to “The Process of making endorsements/quadrants” established by United Steel Engineering & Construction Corporation, the ceilings on the amounts for any single entity or the aggregate amounts to the entities shall not exceed two-thirds and 1500% of the net worth of United Steel Engineering & Construction Corporation, respectively. However, the ceilings on the amounts to China Steel Structure Co., Ltd. shall not exceed 1500% of the net worth of United Steel Engineering & Construction Corporation.
- Note 9: According to “The Process of making endorsements/quadrants” established by CSC Steel Holdings Berhad, 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 CSC Steel Holdings Berhad.
- Note 10: 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.

TABLE 3

CHINA STEEL CORPORATION AND SUBSIDIARIES

**SIGNIFICANT MARKETABLE SECURITIES HELD
DECEMBER 31, 2025**

(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, 2025				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	6,780,144	4	6,780,144	
China Steel Corporation	Common stock	Maruichi Steel Tube Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	6,000,000	1,748,165	2	1,748,165	
China Steel Corporation	Common stock	O-Bank Co., Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	103,847,695	949,168	3	949,168	
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	910,751	9	910,751	
China Steel Corporation	Common stock	CSN Mineracao S.A.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	22,366,860	699,545	-	699,545	
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	570,450	5	570,450	
China Steel Corporation	Common stock	YODOKO, Ltd.	No relation	Financial assets at fair value through other comprehensive income - noncurrent	2,000,000	546,578	1	546,578	
China Steel Corporation	Common stock	Formosa Ha Tinh (Cayman) Limited	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	1,111,418,177	24,102,992	20	24,102,992	
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	1,597,462	15	1,597,462	
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	1,189,237	5	1,189,237	
China Steel Corporation	Common stock	Taiwan Smart Electricity & Energy Co., Ltd.	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	19,687,500	193,581	13	193,581	
China Steel Corporation	Common stock	Taiwan International Windpower Training Corporation Ltd.	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	1,500,000	16,258	15	16,258	
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)	2,222	410,892	6	410,892	
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	434,978	19	434,978	
Chung Hung Steel Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	34,359,239	652,826	-	652,826	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2025				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Chung Hung Steel Corporation	Common stock	PACIFIC HARBOUR STEVEDORING CORP.	The held company as its supervisor	Financial assets at fair value through other comprehensive income - noncurrent	250,000	6,623	5	6,623	
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	19,076	-	19,076	
China Steel Chemical Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	3,746,915	71,191	-	71,191	
China Steel Chemical Corporation	Preferred stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income-current	229,000	8,920	-	8,920	
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	323,716	-	323,716	
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	80,299	-	80,299	
China Ecotek Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	1,150,000	21,850	-	21,850	
China Steel Structure Co., Ltd.	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	7,436,878	141,301	-	141,301	
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	71,163	-	71,163	
CHC Resources Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	10,401,806	197,634	-	197,634	
Union Steel Development Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - current	423,849	8,053	-	8,053	
Union Steel Development Corporation	Certificate of entitlement	Shanghai Bao Shun Steel Corporation	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	-	18,619	19	18,619	
China Steel Security Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	2,349,975	44,650	-	44,650	
China Prosperity Development Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	952,979	18,107	-	18,107	
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	2,400,000	14,208	8	14,208	
HIMAG Magnetic Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - noncurrent	325,505	6,185	-	6,185	
InfoChamp Systems Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - noncurrent	3,834,338	72,852	-	72,852	
InfoChamp Systems Corporation	Common stock	iPASS Corporation	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	3,828,188	23,807	3	23,807	
Kaohsiung Rapid Transit Corporation	Common stock	iPASS Corporation	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	9,912,843	61,646	7	61,646	
C.S.Aluminium Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	4,431,944	84,207	-	84,207	
China Steel Express Corporation	Common stock	China Steel Corporation	Parent company	Financial assets at fair value through other comprehensive income - current	8,801,555	167,230	-	167,230	
Transglory Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	257,615,331	4,894,691	2	4,894,691	Note 1
Transglory Investment Corporation	Mutual fund	Fubon Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	24,998,999	392,702	-	392,702	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2025				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
Gains Investment Corporation	Common stock	BRIGHTON-BEST INTERNATIONAL (TAIWAN) INC.	No relation	Financial assets at fair value through other comprehensive income - current	21,117,242	712,707	-	712,707	
Gains Investment Corporation	Common stock	ENLI TECHNOLOGY CO., LTD.	No relation	Financial assets at fair value through other comprehensive income - current	908,802	501,659	-	501,659	
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	47,569	-	47,569	
Gains Investment Corporation	Common stock	GE TECHNOLOGY INC.	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	1,219,801	16,290	5	16,290	
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	1,895,578	12,705	7	12,705	
Winning Investment Corporation	Common stock	China Steel Corporation	The ultimate parent company	Financial assets at fair value through other comprehensive income - noncurrent	160,506,339	3,049,620	1	3,049,620	Note 2
Betacera Inc.	Common stock	HCT REGENERATIVE CO., LTD	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	1,294,153	39,279	19	39,279	
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	27,241	-	27,241	
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	30,512	-	30,512	
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	30,718	-	30,718	
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	28,984	-	28,984	
Jiing-Cheng-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	27,776	-	27,776	
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	28,373	-	28,373	
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	30,503	-	30,503	
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	29,301	-	29,301	
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	30,842	-	30,842	
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	82,641	-	82,641	
China Steel Global Trading Corporation	Common stock	Nippon Steel Thai Sumilox Co., Ltd.	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	1,110	135,003	15	135,003	
China Steel Global Trading Corporation	Preferred stock	Nippon Steel Thai Sumilox Co., Ltd.	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	15	48,821	15	48,821	

Held Company Name	Type and Name of Marketable Securities		Relationship with The Company	Financial Statement Account	DECEMBER 31, 2025				Note
					Shares/Units	Carrying Value	Percentage of Ownership (%)	Fair Value	
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	9,260	-	9,260	
Chung Mao Trading (Samoa) Corporation	Certificate of entitlement	Changshin Metal Product(Foshan) Co., Ltd.	The held company as its director	Financial assets at fair value through other comprehensive income - noncurrent	-	124,491	15	124,491	
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	4,729,358	13	4,729,358	
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	-	364,588	6	364,588	
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	-	84,861	12	84,861	
CSC Steel Sdn. Bhd.	Mutual fund	UOBAM - United Money Market Fund	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	238,056,272	1,020,187	-	1,020,187	
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)	158,404,491	710,596	-	710,596	
CSC Steel Sdn. Bhd.	Mutual fund	RHB CASH MANAGMENT FUND 2	No relation	Financial assets mandatorily classified as at fair value through profit or loss - current (including measurement)	46,441,592	572,826	-	572,826	

Note 1: Parent company's stocks pledged as collateral amounted to 53,500 thousand shares and NT\$1,016,500 thousand.

Note 2: Parent company's stocks pledged as collateral amounted to 123,100 thousand shares and NT\$2,338,900 thousand.

TABLE 4

CHINA STEEL CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE PERIOD ENDED DECEMBER 31, 2025
(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	(4,080,205)	(2)	Letter of credit/ Receivables were collected after final acceptance	-		22,668	1	
China Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	Subsidiary	Sales	(3,898,309)	(2)	Accounts receivable factoring agreements/ Receivables were collected within 14 days after shipment date	-		143,441	4	
China Steel Corporation	China Steel Structure Co., Ltd.	Subsidiary	Sales	(3,809,988)	(2)	Letter of credit/ Accounts received in advance before shipment date	-		117,414	3	
China Steel Corporation	CSCI Steel Corporation India Pvt. Ltd.	Subsidiary	Sales	(3,275,838)	(2)	Accounts receivable factoring agreements	-		-	-	
China Steel Corporation	China Steel Chemical Corporation	Subsidiary	Sales	(1,971,104)	(1)	Letter of credit	-		160,404	4	
China Steel Corporation	CSC Steel Sdn. Bhd.	Subsidiary	Sales	(1,332,099)	(1)	Receivables were collected within 14 days after shipment date	-		21,793	1	
China Steel Corporation	CSGT Metals Vietnam Joint Stock Company	Subsidiary	Sales	(1,117,703)	(1)	Receivables were collected within 14 days after shipment date	-		27,125	1	
China Steel Corporation	CHC Resources Corporation	Subsidiary	Sales	(792,792)	-	Letter of credit	-		23,301	1	
China Steel Corporation	China Steel Global Trading Corporation	Subsidiary	Sales	(756,558)	-	Receivables were collected within 10 days after shipment date	-		6,221	-	
China Steel Corporation	TSK Steel Company Limited	Associate	Sales	(558,608)	-	Letter of credit/ Accounts received in advance before shipment date	-		-	-	
China Steel Corporation	China Steel Precision Metals Kunshan Co., Ltd.	Subsidiary	Sales	(443,173)	-	Receivables were collected within 85 days after shipment date	-		124,383	3	
China Steel Corporation	HIMAG Magnetic Corporation	Subsidiary	Sales	(118,549)	-	Letter of credit/ Accounts received in advance before shipment date	-		1,228	-	
China Steel Corporation	Dragon Steel Corporation	Subsidiary	Service revenue and other operating revenue	(627,803)	-	By contract terms	-		30,603	1	
China Steel Corporation	China Steel Chemical Corporation	Subsidiary	Service revenue and other operating revenue	(188,952)	-	By contract terms	-		32,391	1	
China Steel Corporation	C.S.Aluminium Corporation	Subsidiary	Service revenue and other operating revenue	(138,215)	-	By contract terms	-		9,022	-	
China Steel Corporation	Tang Eng Iron Works Co., Ltd.	The held company as its director	Service revenue and other operating revenue	(117,515)	-	By contract terms	-		6,367	-	
China Steel Corporation	China Steel Express Corporation	Subsidiary	Purchases	5,543,937	5	Payment against copy of B/L	-	NO THIRD-PARTY COULD BE COMPARED	(158,613)	(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		% of Total
China Steel Corporation	Dragon Steel Corporation	Subsidiary	Purchases	4,363,866	4	Payment within 5 days after shipment date / Payment after final acceptance	-		(27,733)	(1)	
China Steel Corporation	C.S.Aluminium Corporation	Subsidiary	Purchases	2,428,802	2	Payment after final acceptance	-		(152,064)	(3)	
China Steel Corporation	CSE Transport Corporation	Subsidiary	Purchases	1,735,628	2	Payment against copy of B/L	-	NO THIRD-PARTY COULD BE COMPARED	(98,648)	(2)	
China Steel Corporation	China Steel Global Trading Corporation	Subsidiary	Purchases	982,662	1	Payment after final acceptance	-		(105,293)	(2)	
China Steel Corporation	Sakura Ferroalloys Sdn. Bhd.	The held company as its director	Purchases	706,262	1	Payment after shipping document specified	-		(70,228)	(1)	
China Steel Corporation	HIMAG Magnetic Corporation	Subsidiary	Purchases	214,000	-	Payment after final acceptance	-		(4,203)	-	
China Steel Corporation	Hsin Hsin Cement Enterprise Corporation	Associate	Purchases	125,804	-	Payment after final acceptance	-		(15,119)	-	
China Steel Corporation	Betacera Inc.	Subsidiary	Purchases	100,091	-	Payment after final acceptance	-		(5,440)	-	
Dragon Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	The same parent company	Sales	(4,377,088)	(7)	Receivables were collected within 5 days after shipment date	-		192,708	8	
Dragon Steel Corporation	China Steel Corporation	Parent company	Sales	(4,293,005)	(7)	Receivables were collected within 5 days after shipment date / Receivables were collected after final acceptance	-		54,049	2	
Dragon Steel Corporation	Chung Hung Steel Corporation	The same parent company	Sales	(3,322,589)	(5)	Receivables were collected within 5 days after shipment date	-		4,826	-	
Dragon Steel Corporation	CSC Steel Sdn. Bhd.	The same parent company	Sales	(2,513,052)	(4)	Receivables were collected within 5 days after shipment date	-		93,481	4	
Dragon Steel Corporation	China Steel Structure Co., Ltd.	The same parent company	Sales	(1,689,722)	(3)	Receivables were collected within 5 days after shipment date / Letter of credit	-		246,699	10	
Dragon Steel Corporation	China Steel Chemical Corporation	The same parent company	Sales	(832,980)	(1)	Receivables were collected within 5 days after shipment date	-		15,679	1	
Dragon Steel Corporation	China Steel Global Trading Corporation	The same parent company	Sales	(684,775)	(1)	Receivables were collected within 5 days after shipment date / Accounts received in advance before shipment date	-		671	-	
Dragon Steel Corporation	CHC Resources Corporation	The same parent company	Sales	(354,399)	(1)	Receivables were collected within 5 days after shipment date / Letter of credit	-		11,653	-	
Dragon Steel Corporation	China Steel Express Corporation	The same parent company	Purchases	2,681,402	6	Payment against copy of B/L	-	NO THIRD-PARTY COULD BE COMPARED	(122,290)	(4)	
Dragon Steel Corporation	C.S.Aluminium Corporation	The same parent company	Purchases	706,315	2	Payment after final acceptance	-	NO THIRD-PARTY COULD BE COMPARED	(134,355)	(5)	
Dragon Steel Corporation	CSE Transport Corporation	The same parent company	Purchases	622,480	1	Payment against copy of B/L	-	NO THIRD-PARTY COULD BE COMPARED	(20,037)	(1)	
Dragon Steel Corporation	Sakura Ferroalloys Sdn. Bhd.	The parent company as director of the board of related party	Purchases	433,904	1	Payment after shipping document specified	-	NO THIRD-PARTY COULD BE COMPARED	(15,228)	(1)	
Dragon Steel Corporation	China Steel Corporation	Parent company	Purchases	238,716	1	Payment within 5 days after shipment date	-		(438)	-	
Dragon Steel Corporation	China Steel Global Trading Corporation	The same parent company	Purchases	218,797	-	Payment after final acceptance	-	NO THIRD-PARTY COULD BE COMPARED	(31,281)	(1)	

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	
Betacera Inc.	China Steel Corporation	The ultimate parent company	Sales	(579,977)	(18)	Receivables were collected after final acceptance	-		5,440	1
Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	Subsidiary	Sales	(467,268)	(15)	Net 90-180 days from the end of the month of when invoice is issued	-		-	-
Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	Subsidiary	Purchases	1,415,629	55	Net 90-180 days from the end of the month of when invoice is issued	-		(331,702)	(44)
Betacera Inc.	Suzhou Betacera Technology Co., Ltd.	Subsidiary	Purchases	521,536	20	Net 90-180 days from the end of the month of when invoice is issued	-		(138,625)	(19)
Betacera Inc.	Shanghai Xike Ceramic Electronic Co., Ltd.	Subsidiary	Purchases	140,641	5	Net 90-180 days from the end of the month of when invoice is issued	-		(92,853)	(12)
Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	Parent company	Sales	(1,399,255)	(91)	Net 90-180 days from the end of the month of when invoice is issued	-		333,511	92
Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	Parent company	Purchases	465,551	51	Net 90-180 days from the end of the month of when invoice is issued	-		-	-
Shanghai Xike Ceramic Electronic Co., Ltd.	Betacera Inc.	Parent company	Sales	(140,220)	(66)	Net 90-180 days from the end of the month of when invoice is issued	-		93,359	86
Suzhou Betacera Technology Co., Ltd.	Betacera Inc.	Parent company	Sales	(515,409)	(100)	Net 90-180 days from the end of the month of when invoice is issued	-		139,381	100
ThinTech Materials Technology Co., Ltd.	China Steel Corporation	The ultimate parent company	Sales	(191,392)	(3)	Receivables were collected within 30 days after final acceptance	-		-	-
China Steel Express Corporation	China Steel Corporation	Parent company	Service revenue	(6,624,482)	(51)	Receivable were collected within 10 working days against copy of B/L	-		175,036	46
China Steel Express Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(2,938,635)	(23)	Receivable were collected within 10 working days against copy of B/L	-		122,290	32
China Steel Express Corporation	CHC Resources Corporation	The same parent company	Service revenue	(880,343)	(7)	Receivable were collected within 10 working days against copy of B/L	-		54,680	14
China Steel Express Corporation	China Steel Global Trading Corporation	The same parent company	Service revenue	(138,216)	(1)	Receivable were collected within 10 working days against copy of B/L	-		-	-
China Steel Express Corporation	CSE Transport Corporation	Subsidiary	Purchases	254,622	2	Payment against copy of B/L	-		(7,481)	(8)
CSE Transport Corporation	China Steel Corporation	The ultimate parent company	Service revenue	(1,726,285)	(49)	Receivable were collected within 10 working days against copy of B/L	-		98,648	67
CSE Transport Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(624,330)	(18)	Receivable were collected within 10 working days against copy of B/L	-		20,037	14
CSE Transport Corporation	China Steel Express Corporation	Parent company	Service revenue	(250,698)	(7)	Receivable were collected within 10 working days against copy of B/L	-		7,481	5
Kaoport Stevedoring Corporation	China Steel Corporation	The ultimate parent company	Service revenue	(190,324)	(61)	Receivable were collected within 30 working days against copy of B/L	-		9,175	76
Kaoport Stevedoring Corporation	China Steel Express Corporation	Parent company	Service revenue	(100,038)	(32)	Receivable were collected within 30 working days against copy of B/L	-		-	-
C.S.Aluminium Corporation	China Steel Corporation	Parent company	Sales	(2,428,802)	(13)	Receivables were collected after final acceptance	-		152,064	25
C.S.Aluminium Corporation	Dragon Steel Corporation	The same parent company	Sales	(706,315)	(4)	Receivables were collected after final acceptance	-		134,355	22
CSC Steel Sdn. Bhd.	Dragon Steel Corporation	The same parent company	Purchases	2,592,978	34	Payment after shipping document specified	-		(87,792)	(57)

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	
CSC Steel Sdn. Bhd.	China Steel Corporation	The ultimate parent company	Purchases	1,309,973	17	Payment after shipping document specified	-	(21,423)	(14)	
CSC Steel Sdn. Bhd.	Chung Hung Steel Corporation	The same parent company	Purchases	742,556	10	Payment after shipping document specified	-	(14,995)	(10)	
CSC Steel Sdn. Bhd.	China Steel Global Trading Corporation	The same parent company	Purchases	188,827	3	Payment after shipping document specified	-	-	-	
Chung Hung Steel Corporation	CSC Steel Sdn. Bhd.	The same parent company	Sales	(712,157)	(4)	T/T within 7 working days against copy of B/L	-	15,255	5	
Chung Hung Steel Corporation	China Steel Corporation	Parent company	Service revenue	(200,483)	(1)	T/T as the end of the month of when invoice is issued after final acceptance	-	14,021	5	
Chung Hung Steel Corporation	China Steel Corporation	Parent company	Purchases	4,137,801	28	Letter of credit at sight / Payment after final acceptance	-	(24,323)	(41)	
Chung Hung Steel Corporation	Dragon Steel Corporation	The same parent company	Purchases	3,355,438	22	Letter of credit at sight	-	-	-	
China Steel Chemical Corporation	Linyuan Advanced Materials Technology Co., Ltd.	Subsidiary of director of the board	Sales	(802,601)	(14)	Receivables are collected as the end of every month of when invoice is issued	-	73,617	20	
China Steel Chemical Corporation	China Steel Corporation	Parent company	Purchases	1,971,104	67	Letter of credit at sight	-	(199,967)	(89)	
China Steel Chemical Corporation	Dragon Steel Corporation	The same parent company	Purchases	832,980	28	Letter of credit at sight	-	-	-	
China Steel Global Trading Corporation	China Steel Corporation	Parent company	Sales	(982,662)	(14)	Receivables were collected after final acceptance	-	105,292	47	
China Steel Global Trading Corporation	Dragon Steel Corporation	The same parent company	Sales	(218,797)	(3)	Receivables were collected after final acceptance	-	31,281	14	
China Steel Global Trading Corporation	CSC Steel Sdn. Bhd.	The same parent company	Sales	(208,657)	(3)	Receivable were collected within 7 working days against copy of B/L	-	-	-	
China Steel Global Trading Corporation	China Steel Corporation	Parent company	Service revenue	(181,345)	(71)	By contract terms	-	47,125	21	
China Steel Global Trading Corporation	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	3,617,338	52	Payment from counter-party notice after shipping	-	(61,738)	(42)	
China Steel Global Trading Corporation	China Steel Corporation	Parent company	Purchases	1,444,358	21	Payment within 10 days after shipment date	-	(6,222)	(4)	Note
CSGT Metals Vietnam Joint Stock Company	China Steel Corporation	The ultimate parent company	Purchases	1,134,517	64	Payment within 14 days after shipment date	-	(27,125)	(33)	Note
CSGT Metals Vietnam Joint Stock Company	China Steel and Nippon Steel Vietnam Joint Stock Company	The same parent company	Purchases	411,189	23	Payment after shipment date	-	(52,252)	(64)	
CSGT Metals Vietnam Joint Stock Company	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	134,976	8	Accounts received in advance before shipment date	-	-	-	
China Steel Precision Metals Kunshan Co., Ltd.	China Steel Corporation	The ultimate parent company	Purchases	444,655	86	Payment within 85 days after shipment date	-	(124,383)	(98)	
CHC Resources Corporation	TAIWAN CEMENT CORPORATION	Director of the board	Sales	(867,410)	(7)	Net 60 days from the end of the month of when invoice is issued	-	187,707	13	
CHC Resources Corporation	YA TUNG READY-MIXED CONCRETE CORP.	Subsidiary of director of the board	Sales	(571,399)	(5)	Net 60 days from the end of the month of when invoice is issued	-	76,655	6	
CHC Resources Corporation	Universal Cement Corporation	Director of the board	Sales	(251,004)	(2)	Net 60 days from the end of the month of when invoice is issued	-	14,974	1	
CHC Resources Corporation	C.S.Aluminium Corporation	The same parent company	Sales	(126,807)	(1)	Net 30 days from the end of the month of when invoice is issued	-	17,586	1	
CHC Resources Corporation	China Steel Corporation	Parent company	Service revenue	(3,012,593)	(24)	Receivables were collected after final acceptance	-	487,124	35	
CHC Resources Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(1,469,394)	(12)	Receivables were collected after final acceptance	-	118,129	8	
CHC Resources Corporation	China Steel Resources Corporation	The same parent company	Service revenue	(712,808)	(6)	Receivables were collected after final acceptance	-	61,480	4	

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	TAIWAN CEMENT CORPORATION	Director of the board	Service revenue	(136,544)	(1)	Net 60 days from the end of the month of when invoice is issued	-		187,707	13
CHC Resources Corporation	China Steel Corporation	Parent company	Purchases	804,436	21	Letter of credit	-	(23,301)	(9)	
CHC Resources Corporation	Dragon Steel Corporation	The same parent company	Purchases	354,311	9	Letter of credit	-	(10,308)	(4)	
CHC Resources Corporation	ASIA CEMENT CORPORATION	Director of the board	Purchases	201,149	5	45 days after B/L	-	(14,060)	(5)	
CHC Resources Corporation	Chung Hung Steel Corporation	The same parent company	Purchases	177,488	5	Letter of credit	-	(12,945)	(5)	
CHC Resources Corporation	TAIWAN CEMENT CORPORATION	Director of the board	Purchases	143,871	4	45 days after B/L	-	(17,340)	(7)	
CHC Resources Corporation	China Steel Express Corporation	The same parent company	Purchases	138,415	4	Payment against copy of B/L	-	-	-	
CHC Resources Corporation	China Steel Global Trading Corporation	The same parent company	Purchases	131,631	3	Prepaid before shipment date	-	-	-	
Union Steel Development Corporation	CHC Resources Corporation	Parent company	Service revenue	(260,421)	(65)	By contract terms	-	46,804	80	
CHC Resources Vietnam Co., Ltd	Formosa Ha Tinh Steel Corporation	Other related parties	Service revenue	(193,243)	(15)	Net 10 days from invoice date	-	22,052	34	
CHC Resources Vietnam Co., Ltd	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	379,277	89	Prepaid before shipment date	-	-	-	
InfoChamp Systems Corporation	China Steel Corporation	Parent company	Service revenue	(708,137)	(41)	By contract terms	-	65,627	24	
InfoChamp Systems Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(210,369)	(12)	By contract terms	-	7,521	3	
China Steel Structure Co., Ltd.	China Steel Corporation	Parent company	Service revenue	(429,181)	(3)	Contractual period	-	28,080	2	
China Steel Structure Co., Ltd.	Dragon Steel Corporation	The same parent company	Service revenue	(102,933)	(1)	Contractual period	-	9,599	1	
China Steel Structure Co., Ltd.	China Steel Corporation	Parent company	Purchases	3,809,988	55	Letter of credit / Prepaid before shipment date	-	(118,937)	(6)	
China Steel Structure Co., Ltd.	Dragon Steel Corporation	The same parent company	Purchases	1,692,640	24	Letter of credit	-	(243,937)	(12)	
United Steel Engineering & Construction Corporation	China Steel Corporation	The ultimate parent company	Construction revenue	(907,608)	(17)	Contractual period	-	70,169	35	
United Steel Engineering & Construction Corporation	China Prosperity Construction Corporation	The same parent company	Construction revenue	(232,181)	(4)	Contractual period	-	16,356	8	
United Steel Engineering & Construction Corporation	CHC Resources Corporation	The same parent company	Construction revenue	(128,569)	(2)	Contractual period	-	51,373	26	
China Ecotek Corporation	China Steel Corporation	Parent company	Construction revenue	(6,122,164)	(55)	Contractual period	-	314,011	45	
China Ecotek Corporation	Dragon Steel Corporation	The same parent company	Construction revenue	(3,638,934)	(32)	Contractual period	-	232,618	33	
China Ecotek Corporation	CSC Solar Corporation	The same parent company	Construction revenue	(147,549)	(1)	Contractual period	-	11,443	2	
China Ecotek Corporation	China Steel Machinery Corporation	The same parent company	Purchases	244,610	2	Contractual period	-	-	-	
China Ecotek Vietnam Company Limited	China Steel and Nippon Steel Vietnam Joint Stock Company	The same parent company	Construction revenue	(109,553)	(70)	Contractual period	-	9,388	57	
China Steel Security Corporation	China Steel Corporation	Parent company	Service revenue	(425,911)	(24)	By contract terms	-	35,828	22	
China Steel Security Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(123,986)	(7)	By contract terms	-	3,570	2	
Steel Castle Technology Corporation	United Steel Engineering & Construction Corporation	The same parent company	Service revenue	(1,070,660)	(48)	By contract terms	-	-	-	
Steel Castle Technology Corporation	China Steel Corporation	The ultimate parent company	Service revenue	(763,293)	(34)	By contract terms	-	126,956	78	
Steel Castle Technology Corporation	Dragon Steel Corporation	The same parent company	Service revenue	(286,162)	(13)	By contract terms	-	14,369	9	
HIMAG Magnetic Corporation	China Steel Corporation	Parent company	Sales	(217,772)	(29)	Receivables were collected after final acceptance	-	4,203	7	
HIMAG Magnetic Corporation	China Steel Corporation	Parent company	Purchases	120,488	27	Letter of credit / Prepaid before shipment date	-	(705)	(3)	
China Steel Machinery Corporation	China Steel Corporation	Parent company	Construction revenue	(2,063,036)	(45)	Receivables were collected after final acceptance	-	352,112	73	
China Steel Machinery Corporation	Dragon Steel Corporation	The same parent company	Construction revenue	(1,794,948)	(39)	Receivables were collected after final acceptance	-	114,601	24	
China Steel Machinery Corporation	China Ecotek Corporation	The same parent company	Construction revenue	(193,925)	(4)	Receivables were collected after final acceptance	-	-	-	
China Steel and Nippon Steel Vietnam Joint Stock Company	NIPPON STEEL SALES VIETNAM COMPANY LIMITED	Other related parties	Sales	(1,161,951)	(7)	Accounts receivable, 10 days term	-	52,201	4	
China Steel and Nippon Steel Vietnam Joint Stock Company	NS BlueScope (Vietnam) Limited	Other related parties	Sales	(520,927)	(3)	Accounts receivable, 60 days term	-	108,233	9	
China Steel and Nippon Steel Vietnam Joint Stock Company	CSGT Metals Vietnam Joint Stock Company	The same parent company	Sales	(418,386)	(3)	Accounts receivable, 30 days term	-	53,227	5	
China Steel and Nippon Steel Vietnam Joint Stock Company	CSCI Steel Corporation India Pvt. Ltd.	The same parent company	Sales	(262,775)	(2)	Accounts receivable, 30 days term	-	113,555	10	

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 and Nippon Steel Vietnam Joint Stock Company	NIPPON STEEL TRADING CORPORATION	Other related parties	Sales	(235,266)	(1)	Receivables were collected within 20 days after shipment date/ Letter of credit	-	-	-	-	
China Steel and Nippon Steel Vietnam Joint Stock Company	China Steel Corporation	Parent company	Purchases	8,504,614	63	14 days after B/L/ Payment to the bank after the Corporation's shipment date	-	(243,959)	(14)	Note	
China Steel and Nippon Steel Vietnam Joint Stock Company	NIPPON STEEL TRADING CORPORATION	Director of the board	Purchases	3,942,978	29	14 days after B/L	-	-	-		
China Steel and Nippon Steel Vietnam Joint Stock Company	Formosa Ha Tinh Steel Corporation	Other related parties	Purchases	1,010,746	8	08 days after B/L	-	(61,411)	(4)		
China Steel and Nippon Steel Vietnam Joint Stock Company	China Ecotek Vietnam Company Limited	The same parent company	Outsourcing construction fee	110,533	28	Payment as the end of every month of when invoice is issued	-	(9,565)	(1)		
CSCI Steel Corporation India Pvt. Ltd.	China Steel Corporation	Parent company	Purchases	3,271,236	92	Payment to the bank after the Corporation's shipment date	-	-	-		
CSCI Steel Corporation India Pvt. Ltd.	China Steel and Nippon Steel Vietnam Joint Stock Company	The same parent company	Purchases	262,775	7	Accounts payable, days term	-	(113,555)	(16)		
China Steel Resources Corporation	China Steel Corporation	Parent company	Service revenue	(892,802)	(100)	Net 60 days from the end of the month of when invoice is issued	-	76,020	100		
CSC Solar Corporation	China Steel Corporation	Parent company	Sales	(148,810)	(25)	Contractual period	-	10,410	22		

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

TABLE 5

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, 2025
(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	China Steel Resources Corporation	Subsidiary	653,174	-	-	-	-	-	Note
China Steel Corporation	C.S.Aluminium Corporation	Subsidiary	616,204	-	-	-	616,204	-	Note
China Steel Corporation	Kaohsiung Rapid Transit Corporation	Subsidiary	401,110	-	-	-	-	-	Note
China Steel Corporation	China Steel Chemical Corporation	Subsidiary	192,795	10	-	-	160,550	-	
China Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	Subsidiary	146,754	52	-	-	146,754	-	
China Steel Corporation	China Steel Precision Metals Kunshan Co., Ltd.	Subsidiary	124,383	4	-	-	18,076	-	
China Steel Corporation	China Steel Structure Co., Ltd.	Subsidiary	117,414	46	-	-	117,414	-	
China Steel Corporation	HIMAG Magnetic Corporation	Subsidiary	101,907	-	-	-	453	-	Note
Dragon Steel Corporation	China Steel Structure Co., Ltd.	The same parent company	246,699	12	-	-	246,699	-	
Dragon Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	The same parent company	192,708	45	-	-	192,708	-	
Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	Parent company	334,371	4	-	-	99,503	-	
Suzhou Betacera Technology Co., Ltd.	Betacera Inc.	Parent company	139,381	4	-	-	32,057	-	
China Steel Express Corporation	China Steel Corporation	Parent company	175,036	35	-	-	175,036	-	
China Steel Express Corporation	Dragon Steel Corporation	The same parent company	122,290	21	-	-	122,290	-	
C.S.Aluminium Corporation	China Steel Corporation	Parent company	152,064	16	-	-	152,064	-	
C.S.Aluminium Corporation	Dragon Steel Corporation	The same parent company	134,355	5	-	-	134,355	-	
China Prosperity Development Corporation	China Steel Corporation	Parent company	719,499	-	-	-	-	-	Note
Chung Hung Steel Corporation	China Steel Corporation	Parent company	303,987	-	-	-	160,515	-	Note
China Steel Global Trading Corporation	China Steel Corporation	Parent company	152,417	9	-	-	105,551	-	
CHC Resources Corporation	China Steel Corporation	Parent company	487,124	7	-	-	320,221	-	
CHC Resources Corporation	TAIWAN CEMENT CORPORATION	Director of the board	187,707	5	4,205	Expected to be received before the end of FEB. 2026	4,199	-	
CHC Resources Corporation	Dragon Steel Corporation	The same parent company	118,129	9	-	-	70,630	-	
InfoChamp Systems Corporation	China Steel Corporation	Parent company	121,605	-	-	-	-	-	Note
China Ecotek Corporation	China Steel Corporation	Parent company	314,011	23	-	-	287,894	-	
China Ecotek Corporation	Dragon Steel Corporation	The same parent company	232,618	14	-	-	148,899	-	
Steel Castle Technology Corporation	China Steel Corporation	The ultimate parent company	126,956	9	-	-	110,332	-	
HIMAG Magnetic Corporation	MagnPower Corporation	Subsidiary	174,141	-	-	-	1,591	-	Note
China Steel Machinery Corporation	China Steel Corporation	Parent company	554,603	-	-	-	-	-	Note
China Steel Machinery Corporation	China Steel Corporation	Parent company	352,112	9	-	-	180,619	-	
China Steel Machinery Corporation	Dragon Steel Corporation	The same parent company	114,601	9	-	-	113,650	-	
China Steel and Nippon Steel Vietnam Joint Stock Company	CSCI Steel Corporation India Pvt. Ltd.	The same parent company	113,555	-	-	-	113,555	-	Note
China Steel and Nippon Steel Vietnam Joint Stock Company	NS BlueScope (Vietnam) Limited	Other related parties	108,233	6	-	-	54,471	-	
China Steel Power Corporation	CI III Zhong Neng K/S SCSp	Other related parties	1,100,000	-	-	-	-	-	Note

Note: Other receivables.

TABLE 6

CHINA STEEL CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTEEES
FOR THE PERIOD ENDED DECEMBER 31, 2025**

(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, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
China Steel Corporation	Chung Hung Steel Corporation	Republic of China	Manufacture and sale of steel products	5,539,872	5,539,872	582,673,153	41	5,394,184	(1,847,819)	(770,895)	Subsidiary
China Steel Corporation	China Steel Chemical Corporation	Republic of China	Manufacture of coal chemicals and specialty chemicals, and production and sale of anode materials and carbon materials	334,285	334,285	68,787,183	29	2,426,153	615,824	173,296	Subsidiary
China Steel Corporation	CHC Resources Corporation	Republic of China	Manufacture and sale of GBFS powder and GBFS cement, air-cooled BFS and BOFS, recycling of resources	261,677	261,677	49,289,597	20	1,258,247	1,233,105	243,155	Subsidiary
China Steel Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of steel structures	1,024,194	1,024,194	66,487,844	33	1,214,230	638,401	175,111	Subsidiary
China Steel Corporation	China Ecotec Corporation	Republic of China	Environmental and electromechanical engineering, Operation & Maintenance (O&M)	554,268	554,268	55,393,138	45	692,187	495,280	17,262	Subsidiary
China Steel Corporation	Dragon Steel Corporation	Republic of China	Hot-rolled coils, H beams, billets, flat steels	95,779,069	95,779,069	8,612,586,123	100	80,198,667	(7,967,672)	(8,113,287)	Subsidiary
China Steel Corporation	CSC Steel Australia Holdings Pty Ltd	Australia	General investment	17,359,623	17,359,623	594,638	100	22,650,773	1,395,452	1,395,452	Subsidiary
China Steel Corporation	China Steel Express Corporation	Republic of China	Raw material shipping services and ship leasing	2,504,071	2,504,071	422,545,250	100	12,953,380	1,818,313	1,673,865	Subsidiary
China Steel Corporation	Gains Investment Corporation	Republic of China	General investment	4,999,940	4,999,940	596,992,650	100	10,694,462	482,429	455,408	Subsidiary
China Steel Corporation	C.S.Aluminium Corporation	Republic of China	Production and trading of aluminum products and other non-ferrous metal products	3,922,801	3,922,801	840,122,049	100	8,490,232	(110,814)	(63,709)	Subsidiary
China Steel Corporation	China Steel Power Holding Corporation	Republic of China	General investment	5,605,920	6,700,890	560,592,000	51	6,602,088	646,680	329,807	Subsidiary
China Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	Vietnam	Manufacture and sale of steel products	9,651,239	9,651,239	514,304,000	56	6,442,987	(797,864)	(446,804)	Subsidiary
China Steel Corporation	China Prosperity Development Corporation	Republic of China	Development of real estate	4,749,938	4,749,938	509,802,912	100	5,051,496	236,186	237,029	Subsidiary
China Steel Corporation	China Steel Asia Pacific Holdings Pte Ltd	Singapore	Holding and investment	3,857,298	4,773,118	79,766,623	100	4,035,424	293,554	293,554	Subsidiary
China Steel Corporation	China Steel Global Trading Corporation	Republic of China	Sales agent and trading of steel products	309,502	309,502	78,827,362	100	2,601,179	240,476	239,298	Subsidiary
China Steel Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass rapid transit system operations	4,038,501	4,038,501	122,085,874	44	1,237,524	82,364	36,010	Subsidiary
China Steel Corporation	CSC Solar Corporation	Republic of China	Solar power generation	959,200	959,200	95,920,000	55	1,141,075	115,936	64,046	Subsidiary
China Steel Corporation	China Steel Resources Corporation	Republic of China	Manufacture of other non-metallic mineral products	981,120	981,120	98,112,000	100	1,010,739	14,795	15,600	Subsidiary
China Steel Corporation	China Steel Security Corporation	Republic of China	On-site guarding and system security	149,940	149,940	25,036,986	100	522,346	85,787	85,515	Subsidiary
China Steel Corporation	CSCI Steel Corporation India Pvt. Ltd.	India	Electrical sheets	3,795,159	3,795,159	253,567,202	100	432,557	(251,731)	(251,731)	Subsidiary
China Steel Corporation	China Steel Machinery Corporation	Republic of China	Manufacture and sale of mechanical equipment, including steel making equipment, rolling stock, transportation equipment, power plant equipment, etc.	591,748	591,748	100,066,400	74	432,099	70,249	(61,744)	Subsidiary
China Steel Corporation	HIMAG Magnetic Corporation	Republic of China	Manufacture and trading of magnetic materials, specialty chemicals and iron oxide	389,497	389,497	27,815,765	69	367,497	16,916	11,714	Subsidiary
China Steel Corporation	InfoChamp Systems Corporation	Republic of China	ERP system integration services	357,602	357,602	41,465,634	100	314,884	171,597	75,606	Subsidiary
China Steel Corporation	Sing Da Marine Structure Corporation	Republic of China	Steel structure related business	4,963,074	4,671,000	74,710,458	100	19,665	(635,641)	(550,340)	Subsidiary
China Steel Corporation	China Steel Management Consulting Corporation	Republic of China	Corporate business management consulting	15,144	15,144	999,993	100	18,251	1,771	1,771	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
China Steel Corporation	China Steel Power Corporation	Republic of China	Offshore Wind Power Generation	-	-	8	-	-	646,955	-	Subsidiary
China Steel Corporation	Taiwan Rolling Stock Co., Ltd.	Republic of China	Manufacture of railway vehicles	970,044	970,044	95,527,811	48	698,265	10,079	4,814	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	600,942	204,878	36,878	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	431,503	130,861	42,734	Associate
China Steel Corporation	Eminent II Venture Capital Corporation	Republic of China	General investment	126,750	195,000	12,675,000	46	95,057	(15,242)	(7,049)	Associate
China Steel Corporation	Honley Auto. Parts Co., Ltd.	Republic of China	Manufacture of automotive components	591,639	591,639	35,751,427	29	91,408	(166,049)	(51,268)	Associate
China Steel Corporation	Overseas Investment & Development Corporation	Republic of China	General investment	50,000	50,000	5,000,000	6	68,458	45,678	2,539	Associate
China Steel Corporation	TaiAn Technologies Corporation	Republic of China	Bio-Tech consultants and management	7,629	7,629	1,666,700	17	22,053	3,477	579	Associate
China Steel Corporation	Taiwan Smart Electricity & Energy Co., Ltd.	Republic of China	Renewable Energy-Based Electricity Retailing Enterprise	-	10,000	-	-	-	(13,819)	(6,909)	Refer to Table 3
Chung Hung Steel Corporation	Transglory Investment Corporation	Republic of China	General investment	2,001,152	2,001,152	337,554,151	40	2,352,569	102,354	-	Subsidiary
Chung Hung Steel Corporation	Pro-Ascetek Investment Corporation	Republic of China	General investment	200,000	200,000	20,000,000	17	220,574	22,315	-	Subsidiary
Chung Hung Steel Corporation	Hung Kao Investment Corporation	Republic of China	General investment	26,000	26,000	2,600,000	100	23,645	207	-	Subsidiary
China Steel Chemical Corporation	CHC Resources Corporation	Republic of China	Manufacture and sale of GBFS powder and GBFS cement, air-cooled BFS and BOFS, recycling of resources	91,338	91,338	15,019,341	6	398,290	1,233,105	-	Subsidiary
China Steel Chemical Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of steel structures	13,675	13,675	600,069	-	17,030	638,401	-	Subsidiary
China Steel Chemical Corporation	Ever Wealthy International Corporation	Republic of China	General investment	300,083	300,083	107,712,232	100	1,369,969	33,529	-	Subsidiary
China Steel Chemical Corporation	Transglory Investment Corporation	Republic of China	General investment	450,000	450,000	75,911,726	9	528,840	102,354	-	Subsidiary
China Steel Chemical Corporation	CSC Solar Corporation	Republic of China	Solar power generation	261,600	261,600	26,160,000	15	310,201	115,936	-	Subsidiary
China Steel Chemical Corporation	Pro-Ascetek Investment Corporation	Republic of China	General investment	60,000	60,000	6,000,000	5	66,172	22,315	-	Subsidiary
China Steel Chemical Corporation	HIMAG Magnetic Corporation	Republic of China	Manufacture and trading of magnetic materials, specialty chemicals and iron oxide	47,950	47,950	3,133,744	8	41,459	16,916	-	Subsidiary
China Steel Chemical Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	15,070	15,070	1,196,000	40	24,331	113	-	Subsidiary
China Steel Chemical Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	7,000	7,000	700,000	35	11,003	527	-	Subsidiary
China Steel Chemical Corporation	Eminent Venture Capital Corporation	Republic of China	General Investment	3,375	3,375	337,500	5	3,647	(8,207)	-	Subsidiary
China Steel Chemical Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	160,000	160,000	16,000,000	9	121,541	(62,293)	-	Associate
China Steel Chemical Corporation	TaiAn Technologies Corporation	Republic of China	Bio-Tech consultants and management	2,295	2,295	499,998	5	6,615	3,477	-	Associate
Ever Wealthy International Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of steel structures	29,281	29,281	532,000	-	15,327	638,401	-	Subsidiary
Ever Wealthy International Corporation	ThinTech Materials Technology Co., Ltd.	Republic of China	Manufacture and sale of sputtering targets	34,176	42,396	4,815,748	4	83,629	(8,207)	-	Subsidiary
Ever Wealthy International Corporation	HIMAG Magnetic Corporation	Republic of China	Manufacture and trading of magnetic materials, specialty chemicals and iron oxide	33,015	33,015	2,297,860	6	30,393	16,916	-	Subsidiary
Ever Wealthy International Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	8,400	8,400	840,000	35	15,264	3,079	-	Subsidiary
Ever Wealthy International Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	9,000	9,000	900,000	45	14,148	527	-	Subsidiary
Ever Wealthy International Corporation	Ding Da Investment Corporation	Republic of China	General investment	10,495	10,495	897,000	30	14,106	1,872	-	Subsidiary
Ever Wealthy International Corporation	Honley Auto. Parts Co., Ltd.	Republic of China	Manufacture of automotive components	104,549	100,985	8,183,029	7	80,036	(166,049)	-	Associate
China Ecotek Corporation	CEC Development Corporation	Samoa	General investment	478,579	478,579	17,000,000	100	1,010,301	29,927	-	Subsidiary
China Ecotek Corporation	China Steel Machinery Corporation	Republic of China	Manufacture and sale of mechanical equipment, including steel making equipment, rolling stock, transportation equipment, power plant equipment, etc.	329,174	329,174	35,204,170	26	494,798	70,249	-	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
				China Ecotek Corporation	CSC Solar Corporation	Republic of China	Solar power generation	348,800			
China Ecotek Corporation	Pro-Ascetek Investment Corporation	Republic of China	General investment	60,000	60,000	6,000,000	5	66,172	22,315	-	Subsidiary
China Ecotek Corporation	CEC International Corporation	Samoa	General investment	30,642	30,642	10,000,000	100	33,329	(156)	-	Subsidiary
China Ecotek Corporation	Chiun Yu Investment Corporation	Republic of China	General investment	14,233	14,233	1,196,000	40	21,374	851	-	Subsidiary
China Ecotek Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	8,050	8,050	805,000	35	13,037	1,703	-	Subsidiary
China Ecotek Corporation	Chi-Yi Investment Corporation	Republic of China	General investment	8,000	8,000	800,000	40	12,658	530	-	Subsidiary
China Ecotek Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	6,000	6,000	600,000	30	9,432	527	-	Subsidiary
China Ecotek Corporation	China Ecotek India Private Limited	India	Construction engineering	27	27	5,000	-	33	(147)	-	Subsidiary
China Ecotek Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	100,000	100,000	10,000,000	6	75,963	(62,293)	-	Associate
China Ecotek Corporation	Honley Auto. Parts Co., Ltd.	Republic of China	Manufacture of automotive components	34,000	34,000	2,000,000	2	31,532	(166,049)	-	Associate
CEC International Corporation	China Ecotek India Private Limited	India	Construction engineering	27,070	27,070	4,995,000	100	33,074	(147)	-	Subsidiary
CEC Development Corporation	China Ecotek Vietnam Company Limited	Vietnam	Construction engineering	302,065	302,065	-	100	807,451	27,588	-	Subsidiary
China Steel Structure Co., Ltd.	CHC Resources Corporation	Republic of China	Manufacture and sale of GBFS powder and GBFS cement, air-cooled BFS and BOFS, recycling of resources	132,715	132,715	23,182,738	9	615,239	1,233,105	-	Subsidiary
China Steel Structure Co., Ltd.	United Steel Engineering & Construction Corporation	Republic of China	Contracting and management of civil engineering construction, etc.	410,000	410,000	80,000,000	100	1,408,908	148,461	-	Subsidiary
China Steel Structure Co., Ltd.	Pro-Ascetek Investment Corporation	Republic of China	General investment	40,000	40,000	4,000,000	3	44,071	22,315	-	Subsidiary
China Steel Structure Co., Ltd.	Chiun Yu Investment Corporation	Republic of China	General investment	12,453	12,453	1,046,500	35	18,703	851	-	Subsidiary
China Steel Structure Co., Ltd.	HIMAG Magnetic Corporation	Republic of China	Manufacture and trading of magnetic materials, specialty chemicals and iron oxide	17,080	17,080	1,116,252	3	14,773	16,916	-	Subsidiary
China Steel Structure Co., Ltd.	Chi-Yi Investment Corporation	Republic of China	General investment	6,000	6,000	600,000	30	9,493	530	-	Subsidiary
China Steel Structure Co., Ltd.	Li-Ching-Long Investment Corporation	Republic of China	General investment	6,000	6,000	600,000	30	9,432	527	-	Subsidiary
China Steel Structure Co., Ltd.	Wabo Global Trading Corporation	Republic of China	Sales agent and trading of steel products	1,500	1,500	714,000	6	7,114	15,099	-	Subsidiary
China Steel Structure Co., Ltd.	China Steel Structure Holding Co., Ltd.	Samoa	Holding and investment	-	-	10	100	84	(37)	-	Subsidiary
China Steel Structure Co., Ltd.	Sing Da Marine Structure Corporation	Republic of China	Steel structure related business	-	250,000	-	-	-	(635,641)	-	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	8,695	6,051	-	Associate
United Steel Engineering & Construction Corporation	Transglory Investment Corporation	Republic of China	General investment	287,500	287,500	27,503,866	3	191,927	102,354	-	Subsidiary
United Steel Engineering & Construction Corporation	China Prosperity Construction Corporation	Republic of China	Development of real estate	53,550	53,550	5,355,000	40	51,726	(7,490)	-	Subsidiary
United Steel Engineering & Construction Corporation	Pro-Ascetek Investment Corporation	Republic of China	General investment	20,000	20,000	2,000,000	2	22,101	22,315	-	Subsidiary
United Steel Engineering & Construction Corporation	Shin Mau Investment Corporation	Republic of China	General investment	13,754	13,754	1,196,000	40	21,645	4,232	-	Subsidiary
United Steel Engineering & Construction Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass rapid transit system operations	15,433	15,433	1,543,276	1	15,532	82,364	-	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	133,970	204,878	-	Associate
United Steel Engineering & Construction Corporation	Overseas Investment & Development Corporation	Republic of China	General investment	44,100	44,100	4,410,000	5	59,991	45,678	-	Associate
CHC Resources Corporation	CHC Resources Vietnam Co., Ltd.	Vietnam	Manufacture and sales of ground granulated BFS and sale of water-quenched slag	647,338	647,338	-	85	723,779	107,376	-	Subsidiary
CHC Resources Corporation	Yu Cheng Lime Corporation	Republic of China	Real estate leasing and tally service of raw materials	126,010	126,010	108,000	90	142,193	3,089	-	Subsidiary
CHC Resources Corporation	Union Steel Development Corporation	Republic of China	Manufacture and sale of iron powder, contract manufacturing and sale of refractory materials, trading and labor dispatching	53,345	53,345	4,668,333	93	96,912	21,802	-	Subsidiary
CHC Resources Corporation	Pao Good Industrial Co., Ltd.	Republic of China	Trading of fly ash, production and sale of dry-mix mortar and trading business	50,937	50,937	5,408,550	51	87,722	8,504	-	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
				CHC Resources Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	30,000			
CHC Resources Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	12,306	12,306	1,046,500	35	21,289	113	-	Subsidiary
CHC Resources Corporation	Ding Da Investment Corporation	Republic of China	General investment	12,516	12,516	1,196,000	40	18,808	1,872	-	Subsidiary
CHC Resources Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	9,600	9,600	960,000	40	17,445	3,079	-	Subsidiary
CHC Resources Corporation	Shin Mau Investment Corporation	Republic of China	General investment	10,316	10,316	897,000	30	16,234	4,232	-	Subsidiary
CHC Resources Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	9,200	9,200	920,000	40	14,900	1,703	-	Subsidiary
CHC Resources Corporation	HIMAG Magnetic Corporation	Republic of China	Manufacture and trading of magnetic materials, specialty chemicals and iron oxide	10,970	10,970	716,938	2	9,478	16,916	-	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	133,196	130,861	-	Associate
CHC Resources Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	30,000	30,000	3,000,000	2	22,789	(62,293)	-	Associate
China Steel Security Corporation	Steel Castle Technology Corporation	Republic of China	Installation of fire protection equipment	31,257	31,257	13,000,000	100	285,584	57,761	-	Subsidiary
China Steel Security Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass rapid transit system operations	17,000	17,000	1,700,000	1	17,227	82,364	-	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	14,233	1,523	-	Subsidiary
China Steel Security Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	10,000	10,000	1,000,000	1	7,596	(62,293)	-	Associate
China Prosperity Development Corporation	Chateau International Development Co., Ltd.	Republic of China	Development of leisure business	125,288	127,173	23,208,623	16	384,196	(70,545)	-	Associate
China Prosperity Development Corporation	CK Japan Co., Ltd.	Japan	Leasing of real estate	151,526	151,526	3,840	80	173,817	10,764	-	Subsidiary
China Prosperity Development Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass rapid transit system operations	130,000	130,000	13,000,000	5	131,882	82,364	-	Subsidiary
China Prosperity Development Corporation	China Prosperity Construction Corporation	Republic of China	Development of real estate	92,105	92,105	8,032,500	60	77,588	(7,490)	-	Subsidiary
China Prosperity Development Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	50,000	50,000	5,000,000	4	55,157	22,315	-	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	233,700	204,878	-	Associate
HIMAG Magnetic Corporation	MagnPower Corporation	Republic of China	Powder metallurgy	400,208	400,208	18,210,000	100	(8,178)	(9,163)	-	Subsidiary
China Steel Power Holding Corporation	China Steel Power Corporation	Republic of China	Offshore Wind Power Generation	10,986,000	13,133,000	1,098,599,990	100	12,940,005	646,955	-	Subsidiary
CSC Solar Corporation	China Ecotek Corporation	Republic of China	Environmental and electromechanical engineering, Operation & Maintenance (O&M)	-	4,826	-	-	-	495,280	-	Subsidiary
CSC Solar Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	30,000	30,000	3,000,000	3	33,086	22,315	-	Subsidiary
InfoChamp Systems Corporation	Universal Exchange Inc.	Republic of China	Wholesale, service of IT software and electronic information services supply	60,784	60,784	5,825,030	35	79,500	36,573	-	Subsidiary
InfoChamp Systems Corporation	Kaohsiung Rapid Transit Corporation	Republic of China	Mass rapid transit system operations	40,265	40,265	5,200,319	2	52,809	82,364	-	Subsidiary
InfoChamp Systems Corporation	Info-Champ System (B.V.I) Corporation	British Virgin Islands	Holding and investment	6,816	6,816	201,000	100	28,579	4,919	-	Subsidiary
InfoChamp Systems Corporation	Majestic Solid Light Corporation	Republic of China	Manufacture and sale of UV LED	4,500	4,500	450,000	45	-	-	-	Associate
Kaohsiung Rapid Transit Corporation	Taiwan Intelligent Transportation Co., Ltd.	Republic of China	Technical services	26,000	26,000	2,600,000	100	25,956	(2,524)	-	Subsidiary
China Steel Machinery Corporation	Sing Da Marine Structure Corporation	Republic of China	Steel structure related business	-	250,000	-	-	-	(635,641)	-	Subsidiary
China Steel Machinery Corporation	Overseas Investment & Development Corporation	Republic of China	General investment	95,900	95,900	9,590,000	11	130,511	45,678	-	Associate
Dragon Steel Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of steel structures	138,375	138,375	4,217,000	2	119,695	638,401	-	Subsidiary
Dragon Steel Corporation	CSC Solar Corporation	Republic of China	Solar power generation	174,400	174,400	17,440,000	10	206,801	115,936	-	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
Dragon Steel Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	100,000	100,000	10,000,000	8	110,287	22,315	-	Subsidiary
C.S.Aluminium Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	30,000	30,000	3,000,000	3	33,086	22,315	-	Subsidiary
China Steel Express Corporation	CSE Transport Corporation	Panama	Dry bulk shipping business	316	316	10	100	4,744,218	457,083	-	Subsidiary
China Steel Express Corporation	Transglory Investment Corporation	Republic of China	General investment	2,440,000	2,440,000	411,610,257	48	2,868,806	102,354	-	Subsidiary
China Steel Express Corporation	Kaoport Stevedoring Corporation	Republic of China	Ship stevedoring	35,013	35,013	3,275,000	66	53,967	14,794	-	Subsidiary
Transglory Investment Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of steel structures	210,064	210,064	3,655,000	2	102,645	638,401	-	Subsidiary
Transglory Investment Corporation	Winning Investment Corporation	Republic of China	General investment	952,620	809,084	69,000,000	30	544,627	22,388	-	Subsidiary
Gains Investment Corporation	ThinTech Materials Technology Co., Ltd.	Republic of China	Manufacture and sale of sputtering targets	816,723	817,156	50,867,058	47	882,998	(8,207)	-	Subsidiary
Gains Investment Corporation	Eminence Investment Corporation	Republic of China	General investment	1,600,000	1,600,000	150,000,000	100	2,554,363	114,086	-	Subsidiary
Gains Investment Corporation	Betacera Inc.	Republic of China	Manufacture and trading of electronic ceramics	150,165	150,165	20,555,253	48	1,369,618	454,204	-	Subsidiary
Gains Investment Corporation	Winning Investment Corporation	Republic of China	General investment	989,664	989,664	112,700,000	49	889,558	22,388	-	Subsidiary
Gains Investment Corporation	Universal Exchange Inc.	Republic of China	Wholesale, service of IT software and electronic information services supply	170,432	170,432	10,533,713	64	143,760	36,573	-	Subsidiary
Gains Investment Corporation	Pro-Ascentek Investment Corporation	Republic of China	General investment	60,000	60,000	6,000,000	5	66,172	22,315	-	Subsidiary
Gains Investment Corporation	Eminent Venture Capital Corporation	Republic of China	General Investment	33,750	33,750	3,375,000	50	36,468	(8,207)	-	Subsidiary
Gains Investment Corporation	Mentor Consulting Corporation	Republic of China	Management consulting business	25,909	25,909	1,000,000	100	35,751	13,543	-	Subsidiary
Gains Investment Corporation	Fukuta Electric & Machinery Co., Ltd.	Republic of China	Motor manufacturing and selling	646,481	646,481	8,798,519	17	759,292	134,653	-	Associate
Gains Investment Corporation	Eminent III Venture Capital Corporation	Republic of China	General investment	400,000	400,000	40,000,000	22	279,609	(62,293)	-	Associate
Gains Investment Corporation	Honley Auto. Parts Co., Ltd.	Republic of China	Manufacture of automotive components	104,246	104,246	8,642,160	7	85,860	(166,049)	-	Associate
ThinTech Materials Technology Co., Ltd.	Pro-Ascentek Investment Corporation	Republic of China	General investment	30,000	30,000	3,000,000	3	33,086	22,315	-	Subsidiary
ThinTech Materials Technology Co., Ltd.	OmniGains Investment Corporation	Samoa	Holding and investment	-	274,710	-	-	-	6,893	-	Subsidiary
ThinTech Materials Technology Co., Ltd.	Thintech Global Limited	Samoa	Holding and investment	-	205,435	-	-	-	12,593	-	Subsidiary
Betacera Inc.	Lefkara Ltd.	British Virgin Islands	Holding and Investment	428,171	446,630	13,623,000	100	2,088,210	117,002	-	Subsidiary
Betacera Inc.	Eminent III Venture Capital Corporation	Republic of China	General investment	50,000	50,000	5,000,000	3	34,951	(62,293)	-	Associate
Universal Exchange Inc.	Pro-Ascentek Investment Corporation	Republic of China	General investment	20,000	20,000	2,000,000	2	22,057	22,315	-	Subsidiary
Pro-Ascentek Investment Corporation	Betacera Inc.	Republic of China	Manufacture and trading of electronic ceramics	77,278	77,278	1,608,491	4	113,957	454,204	-	Subsidiary
Pro-Ascentek Investment Corporation	Fukuta Electric & Machinery Co., Ltd.	Republic of China	Motor manufacturing and selling	-	986	-	-	-	134,653	-	Associate
Eminence Investment Corporation	Shin Mau Investment Corporation	Republic of China	General investment	9,513	9,513	896,999	30	16,234	4,232	-	Subsidiary
Eminence Investment Corporation	Gau Ruei Investment Corporation	Republic of China	General investment	8,805	8,805	747,499	25	15,207	113	-	Subsidiary
Eminence Investment Corporation	Ding Da Investment Corporation	Republic of China	General investment	8,970	8,970	897,000	30	14,106	1,872	-	Subsidiary
Eminence Investment Corporation	Chiun Yu Investment Corporation	Republic of China	General investment	7,475	7,475	747,500	25	13,359	851	-	Subsidiary
Eminence Investment Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	6,262	6,262	600,000	30	9,432	527	-	Subsidiary
Eminence Investment Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	5,317	5,317	500,000	21	9,085	3,079	-	Subsidiary
Eminence Investment Corporation	Chi-Yi Investment Corporation	Republic of China	General investment	5,222	5,222	501,000	25	7,927	530	-	Subsidiary
Eminence Investment Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	4,762	4,762	476,000	21	7,711	1,703	-	Subsidiary

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2025	December 31, 2024	Number of Shares	%	Carrying Amount			
				Eminence Investment Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	4,173			
Eminence Investment Corporation	Fukuta Electric & Machinery Co., Ltd.	Republic of China	Motor manufacturing and selling	23,521	23,521	186,000	-	25,260	134,653	-	Associate
Shin Mau Investment Corporation	CHC Resources Corporation	Republic of China	Manufacture and sale of GBFS powder and GBFS cement, air-cooled BFS and BOFS, recycling of resources	5,454	5,454	512,685	-	13,795	1,233,105	-	Subsidiary
Shin Mau Investment Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of steel structures	5,619	5,619	341,896	-	9,548	638,401	-	Subsidiary
Shin Mau Investment Corporation	Hung-Chuan Investment Corporation	Republic of China	General investment	1,000	1,000	100,000	5	1,572	527	-	Subsidiary
Shin Mau Investment Corporation	Chi-Yi Investment Corporation	Republic of China	General investment	990	990	99,000	5	1,566	530	-	Subsidiary
Ding Da Investment Corporation	China Steel Chemical Corporation	Republic of China	Manufacture of coal chemicals and specialty chemicals, and production and sale of anode materials and carbon materials	17,404	17,404	474,220	-	15,610	615,824	-	Subsidiary
Ding Da Investment Corporation	Jiing-Cherng-Fa Investment Corporation	Republic of China	General investment	990	990	99,000	4	1,602	1,703	-	Subsidiary
Ding Da Investment Corporation	Betacera Inc.	Republic of China	Manufacture and trading of electronic ceramics	25	25	1,000	-	64	454,204	-	Subsidiary
Ding Da Investment Corporation	Universal Exchange Inc.	Republic of China	Wholesale, service of IT software and electronic information services supply	17	17	1,600	-	22	36,573	-	Subsidiary
Jiing-Cherng-Fa Investment Corporation	China Ecotek Corporation	Republic of China	Environmental and electromechanical engineering, Operation & Maintenance (O&M)	7,874	7,874	302,052	-	9,156	495,280	-	Subsidiary
Gau Ruei Investment Corporation	China Steel Chemical Corporation	Republic of China	Manufacture of coal chemicals and specialty chemicals, and production and sale of anode materials and carbon materials	17,584	17,584	474,220	-	15,610	615,824	-	Subsidiary
Gau Ruei Investment Corporation	Sheng Lih Dar Investment Corporation	Republic of China	General investment	1,000	1,000	100,000	4	1,819	3,079	-	Subsidiary
Gau Ruei Investment Corporation	Li-Ching-Long Investment Corporation	Republic of China	General investment	1,000	1,000	100,000	5	1,572	527	-	Subsidiary
Sheng Lih Dar Investment Corporation	CHC Resources Corporation	Republic of China	Manufacture and sale of GBFS powder and GBFS cement, air-cooled BFS and BOFS, recycling of resources	5,678	5,678	512,535	-	13,795	1,233,105	-	Subsidiary
Chiun Yu Investment Corporation	China Ecotek Corporation	Republic of China	Environmental and electromechanical engineering, Operation & Maintenance (O&M)	5,764	5,764	275,469	-	8,393	495,280	-	Subsidiary
Chiun Yu Investment Corporation	China Steel Structure Co., Ltd.	Republic of China	Manufacture and sale of steel structures	3,559	3,559	275,896	-	7,863	638,401	-	Subsidiary
China Steel Global Trading Corporation	CSGT International Corporation	Samoa	Holding and investment	631,983	631,983	20,740,000	100	1,034,352	140,412	-	Subsidiary
China Steel Global Trading Corporation	CSGT (Singapore) Pte. Ltd.	Singapore	Sales agent and trading of steel products	22,600	22,600	6,100,000	100	888,533	8,482	-	Subsidiary
China Steel Global Trading Corporation	Chung Mao Trading (Samoa) Corporation	Samoa	Holding and investment	2,927	127,847	3,500,000	100	166,143	6,657	-	Subsidiary
China Steel Global Trading Corporation	Wabo Global Trading Corporation	Republic of China	Sales agent and trading of steel products	11,000	11,000	5,236,000	44	52,173	15,099	-	Subsidiary
China Steel Global Trading Corporation	CSGT Trading India Private Limited	India	Sales agent and trading of steel products	240	240	48,000	1	241	427	-	Subsidiary
Wabo Global Trading Corporation	CK Japan Co., Ltd.	Japan	Leasing of real estate	37,488	37,488	960	20	43,469	10,764	-	Subsidiary
Wabo Global Trading Corporation	CSGT Japan Co., Ltd.	Japan	Sales agent and trading of steel products	10,160	10,160	800	100	23,547	(15)	-	Subsidiary
CSGT International Corporation	CSGT Metals Vietnam Joint Stock Company	Vietnam	Cutting and processing of steel products	272,030	283,758	13,279,770	60	451,997	150,278	-	Subsidiary
CSGT International Corporation	CSGT Trading India Private Limited	India	Sales agent and trading of steel products	24,440	25,494	4,752,000	99	23,979	428	-	Subsidiary
CSGT International Corporation	TSK Steel Company Limited	Thailand	Steel coil processing and distributing	90,773	94,686	408,000	34	240,307	83,984	-	Associate
CSGT (Singapore) Pte. Ltd.	CSGD SA	Switzerland	International trade and investment	124,746	123,113	1,876,795	49	839,846	(28,640)	-	Associate
CSC Steel Australia Holdings Pty Ltd	CSC Sonoma Pty Ltd	Australia	Mining investment	345,404	335,212	16,440,001	100	198,603	5,486	-	Subsidiary
CSC Steel Australia Holdings Pty Ltd	9404-5515 Quebec Inc.	Canada	Investments in mining industry	5,547,140	5,383,445	270,122,727	25	6,995,406	609,327	-	Associate
China Steel Asia Pacific Holdings Pte Ltd	CSC Steel Holdings Berhad	Malaysia	General investment	1,138,911	1,188,011	171,000,000	46	3,266,637	487,232	-	Subsidiary
CSC Steel Holdings Berhad	CSC Steel Sdn. Bhd.	Malaysia	Manufacture and sale of steel products	3,267,430	3,086,161	359,000,000	100	6,901,589	486,368	-	Subsidiary
CSC Steel Sdn. Bhd.	Constant Mode Sdn. Bhd.	Malaysia	General investment	5,610	5,299	750,000	100	8,360	233	-	Subsidiary

CHINA STEEL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE PERIOD ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025 (Note 1)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
Betacera (Su Zhou) Co., Ltd.	Manufacture and trading of electronic ceramics	138,292	2	138,292	-	-	138,292	76,142	100	76,142	828,463	-	Note 3 (1)
CSGT (Shanghai) Co., Ltd.	Sales agent and trading of steel products	18,858	2	18,858	-	-	18,858	3,958	100	3,958	33,024	65,205	Note 3 (1)
Changzhou China Steel Precision Materials Co., Ltd.	Production and sale of titanium and titanium alloys, nickel and nickel alloys	1,599,158	1	1,456,362	-	-	1,456,362	25,193	70	17,635	1,166,167	94,812	Note 3 (1)
China Steel Precision Metals Qingdao Co., Ltd.	Cutting and processing of steel products	628,600	1	440,020	-	-	440,020	(28,573)	70	(20,001)	369,643	24,649	Note 3 (1)
Changzhou China Steel New Materials Technology Co., Ltd.	Processing and sale of green mesophase powder	179,615	1	204,484	-	-	204,484	(12,505)	100	(12,505)	185,408	-	Note 3 (1)
CSGT (Shenzhen) Co., Ltd.	Sales agent and trading of steel products	25,144	1	16,344	-	-	16,344	1,478	65	961	17,465	7,875	Note 3 (1)
HC&C Auto Parts Co., Ltd.	Manufacture of automotive components	817,180	2	125,720	-	-	125,720	(15,360)	15	(2,362)	114,781	-	Note 3 (1)
Suzhou Betacera Technology Co., Ltd.	Manufacture and trading of life-saving equipment for shipping and aviation	471,450	2	471,450	-	-	471,450	26,209	100	26,209	728,819	-	Note 3 (1)
Shanghai Xike Ceramic Electronic Co., Ltd.	Manufacture and trading of electronic ceramics	37,716	2	37,527	-	-	37,527	8,093	100	8,053	357,032	-	Note 3 (1)
China Steel Precision Metals Kunshan Co., Ltd.	Cutting and processing of steel products	471,450	1	504,766	-	-	504,766	(21,875)	100	(21,875)	440,019	1,102	Note 3 (1)
Wuhan InfoChamp I.T. Co., Ltd.	ERP system integration services	6,286	2	6,286	-	-	6,286	5,017	100	5,017	26,753	168,203	Note 3 (1)
Xiamen Ecotek PRC Company Limited	Sales agency for import and export of equipment and materials	188,580	2	188,580	-	-	188,580	2,778	100	2,778	196,621	-	Note 3 (1)

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2025 (Note 1)	Investment Amount Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 4)
China Steel Corporation	125,720	125,720	175,580,112
China Steel Chemical Corporation	204,484	204,484	4,690,967
China Ecotek Corporation	188,580	188,580	2,293,275
Thintech Materials Technology Co., Ltd.	1,456,362	1,456,362	-
Betacera Inc.	647,269	647,269	1,710,241
China Steel Global Trading Corporation	979,988	979,988	1,584,992
Infochamp Systems Corporation	6,286	6,286	528,519

Note 1: The amounts were calculated based on the foreign exchange rate as of December 31, 2025.

Note 2: Methods of investment are classified as below:

- 1) Direct investment.
- 2) Investments through a holding company registered in a third region.
- 3) Partial direct investment, and partial 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 ThinTech Materials Technology Co., Ltd. has obtained the certificate of qualified for operating headquarters, issued by the Industrial Development Bureau, MOEA, the limit on investment in Mainland China pursuant to "Principle of investment or Technical Cooperation in Mainland China" on August 29, 2008, is not applicable, while other companies, investments shall not exceed 60% of their net worth.

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CHINA STEEL CORPORATION**STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Item	Maturity Date	Interest Rates (%)	Amount
Cash on hand - including JPY9,000 thousand (Note)			\$ 18,127
Checking accounts and demand deposits			974,917
Foreign currency deposits - including US\$62,566 thousand, JPY1,221,924 thousand, CNY66,705 thousand, EUR6 thousand and AUD563 thousand (Note)			2,523,751
			<hr/>
			<u>\$ 3,516,795</u>

Note: US\$1=NT\$31.4300, JPY1=NT\$0.2008, CNY1=NT\$4.4960, EUR1=NT\$36.9000, AUD1=NT\$21.0100.

STATEMENT 2

CHINA STEEL CORPORATION

STATEMENT OF NOTES RECEIVABLE

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Customer Name	Amount (Note 2)
Non-Related Parties	
Hota Industrial Mfg. Co., Ltd	\$ 294,707
Others (Note 1)	<u>5,282</u>
	<u>\$ 299,989</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.

CHINA STEEL CORPORATION**STATEMENT OF ACCOUNTS RECEIVABLE****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

Customer Name	Amount (Note 2)
Related Parties	
China Steel Chemical Corporation	\$ 192,795
China Steel and Nippon Steel Vietnam Joint Stock Company	146,754
China Steel Precision Metals Kunshan Co., Ltd.	124,383
China Steel Structure Co., Ltd.	117,414
Taiwan High Speed Rail Corporation	80,300
Others (Note 1)	<u>192,496</u>
	<u>\$ 854,142</u>
Non-Related Parties	
Cargill International Trading Pte Ltd.	\$ 734,044
Sahaviriya Steel Industries PLC	262,779
Duferco SA	202,859
CPC CORPORATION, TAIWAN	149,966
Others (Note 1)	<u>1,340,656</u>
	<u>\$ 2,690,304</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, 2025
(In Thousands of New Taiwan Dollars)**

Item	Amount
Dividends receivable	\$ 1,407,670
Receivable from capital reduction	765,000
VAT refund receivable	723,832
Consignment receivable	653,809
Others	<u>130,632</u>
	<u>\$ 3,680,943</u>

STATEMENT 5**CHINA STEEL CORPORATION****STATEMENT OF INVENTORIES
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Net Realizable Value (Note)
Finished goods	\$ 10,980,255	\$ 11,482,906
Work in progress	15,518,278	16,469,887
Raw materials	9,692,562	10,732,028
Supplies	4,898,420	4,898,420
Inventory in transit	5,660,704	5,878,035
Others	<u>90,944</u>	<u>91,333</u>
	<u>\$ 46,841,163</u>	<u>\$ 49,552,609</u>

Note: Allowance for decline in value of inventory of supplies is recognized according to the extent of obsolescence and slow-moving conditions, with the remaining balance measured at net realizable value. Refer to Note 4 for details.

CHINA STEEL CORPORATION

STATEMENT OF OTHER FINANCIAL ASSETS

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Bank Name	Interest Rates (%)	Period	Amount	Note
Pledged time deposits				
Taiwan Business Bank	0.83	2025.01.19-2026.12.26	\$ 2,250,000	Note 1
Mega Bank	0.68	2025.03.15-2026.03.15	1,000,000	Note 1
Bank of Taiwan	0.71	2025.06.26-2026.06.26	1,000,000	Note 1
First Bank	0.87	2025.02.11-2026.12.03	500,000	Note 1
Chang Hwa Bank	0.80	2025.07.13-2026.11.16	500,000	Note 1
Cathay United Bank	0.68	2025.04.26-2026.11.05	<u>600,000</u>	Note 1
			<u>5,850,000</u>	
Time deposits with original maturities more than 3 months				
Mega Bank	0.69	2025.12.14-2026.12.14	100,000	
Bank of Kaohsiung	1.73	2025.07.16-2026.08.16	<u>15,000</u>	
			<u>115,000</u>	
Deposits for projects				
Cathay United Bank			15,001	Note 2
Mega Bank			<u>28,114</u>	Note 2
			<u>43,115</u>	
			<u>\$ 6,008,115</u>	

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

Note 2: Deposits for project funds.

CHINA STEEL CORPORATION

STATEMENT OF OTHER CURRENT ASSETS
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Item	Amount
Net input VAT	\$ 352,675
Advance operation cooperation fee	316,912
Prepaid insurance	121,760
Others	<u>109,238</u>
	<u>\$ 900,585</u>

CHINA STEEL CORPORATION

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Name	Balance, January 1, 2025		Additions		Decrease		Balance, December 31, 2025		Collateral	Note
	Shares/Units	Fair Value	Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Fair Value (Note 1)		
Domestic listed shares										
Taiwan High Speed Rail Corporation	242,148,000	\$ 6,731,714	-	\$ 48,430	-	\$ -	242,148,000	\$ 6,780,144	None	
Tang Eng Iron Works Co., Ltd.	29,860,691	936,132	-	-	-	(25,381)	29,860,691	910,751	None	
Rechi Precision Co., Ltd.	23,002,022	576,201	-	-	-	(5,751)	23,002,022	570,450	None	
CSBC Corporation, Taiwan	7,751,346	116,658	-	38,369	-	-	7,751,346	155,027	None	
O-Bank Co., Ltd.	103,847,695	1,027,054	-	-	-	(77,886)	103,847,695	949,168	None	
Domestic unlisted shares										
CDIB & Partners Investment Holding Corporation	54,000,000	1,088,565	-	100,672	-	-	54,000,000	1,189,237	None	
CDIB Bioscience Ventures I, Inc.	1,063,534	912	-	-	(1,063,534)	(912)	-	-	None	Note 3
Phalanx Biotech Group, Inc.	332,881	1,377	-	-	-	(402)	332,881	975	None	
Taiwan Smart Electricity & Energy Co., Ltd.	-	-	19,687,500	193,581	-	-	19,687,500	193,581	None	Note 2
Taiwan International Windpower Training Corporation Ltd.	1,500,000	16,230	-	28	-	-	1,500,000	16,258	None	
Foreign listed shares										
Maruichi Steel Tube Ltd.	2,000,000	1,468,040	4,000,000	280,125	-	-	6,000,000	1,748,165	None	Note 2
YODOKO, Ltd.	400,000	471,016	1,600,000	75,562	-	-	2,000,000	546,578	None	Note 2
CSN Mineracao S.A.	22,366,860	611,277	-	88,268	-	-	22,366,860	699,545	None	
Foreign unlisted shares										
Sakura Ferroalloys Sdn. Bhd.	207,290,000	1,660,865	-	-	-	(63,403)	207,290,000	1,597,462	None	
Sakura Ferroalloys Sdn. Bhd. (Preferred Shares)	56,443,634	452,242	-	-	-	(17,264)	56,443,634	434,978	None	
DB Metal Co., Ltd.	1,500,000	-	-	-	(1,500,000)	-	-	-	None	Note 3
Formosa Ha Tinh (Cayman) Limited	1,111,418,177	22,955,842	-	1,147,150	-	-	1,111,418,177	24,102,992	None	
		<u>\$ 38,114,125</u>		<u>\$ 1,972,185</u>		<u>\$ (190,999)</u>		<u>\$ 39,895,311</u>		

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

Note 2: Increase in the number of shares in the current year resulted from stock split, acquisition and reclassification of financial instruments.

Note 3: Decrease in the number of shares in the current year resulted from the settlement and disposal of financial instruments.

CHINA STEEL CORPORATION

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - NONCURRENT
FOR THE YEAR ENDED DECEMBER 31, 2025

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

Name	Balance, January 1, 2025		Additions		Decrease (Note)		Balance, December 31, 2025		Collateral
	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	3,333	\$ 648,129	-	\$ -	(1,111)	\$ (237,237)	2,222	\$ 410,892	None

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

CHINA STEEL CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investees	Balance, January 1, 2025		Additions (Note 1)		Decrease (Note 1)		Balance, December 31, 2025			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	\$ 6,193,283	-	\$ -	-	\$ (799,099)	582,673	41	\$ 5,394,184	\$ 15.75 (Note 3)	\$ 9,177,102	None	
China Steel Chemical Corporation	68,787	2,535,393	-	-	-	(109,240)	68,787	29	2,426,153	68.10 (Note 3)	4,684,407	None	
CHC Resources Corporation	49,290	1,221,225	-	37,022	-	-	49,290	20	1,258,247	70.30 (Note 3)	3,465,059	None	
China Steel Structure Co., Ltd.	66,488	1,136,666	-	77,564	-	-	66,488	33	1,214,230	41.90 (Note 3)	2,785,841	None	
China Ecotec Corporation	55,393	859,488	-	-	-	(167,301)	55,393	45	692,187	53.20 (Note 3)	2,946,915	None	
		<u>11,946,055</u>		<u>114,586</u>		<u>(1,075,640)</u>			<u>10,985,001</u>		<u>23,059,324</u>		
Unlisted companies													
Dragon Steel Corporation	8,612,586	88,314,319	-	-	-	(8,115,652)	8,612,586	100	80,198,667		80,637,968	None	
CSC Steel Australia Holdings Pty Ltd.	595	24,657,957	-	-	-	(2,007,184)	595	100	22,650,773		22,650,773	None	
China Steel Express Corporation	422,545	13,491,924	-	-	-	(538,544)	422,545	100	12,953,380		12,218,512	None	
Gains Investment Corporation	596,993	10,359,825	-	334,637	-	-	596,993	100	10,694,462		9,869,483	None	
C. S. Aluminium Corporation	840,122	8,746,751	-	-	-	(256,519)	840,122	100	8,490,232		8,346,668	None	
China Steel Power Holding Corporation	670,089	7,733,839	-	-	(109,497)	(1,131,751)	560,592	51	6,602,088		6,602,088	Note 30	Note 4
China Steel and Nippon Steel Vietnam Joint Stock Company	514,304	7,190,678	-	-	-	(747,691)	514,304	56	6,442,987		6,442,998	None	
China Prosperity Development Corporation	509,803	5,029,492	-	22,004	-	-	509,803	100	5,051,496		6,213,562	None	
China Steel Asia Pacific Holdings Pte. Ltd.	116,997	4,551,322	-	-	(37,230)	(515,898)	79,767	100	4,035,424		4,035,496	None	Note 4
China Steel Global Trading Corporation	78,827	2,825,637	-	-	-	(224,458)	78,827	100	2,601,179		2,641,654	None	
Kaohsiung Rapid Transit Corporation	122,086	1,200,006	-	37,518	-	-	122,086	44	1,237,524		1,237,492	None	
CSC Solar Corporation	95,920	1,128,305	-	12,770	-	-	95,920	55	1,141,075		1,137,405	None	
China Steel Resources Corporation	98,112	1,007,882	-	2,857	-	-	98,112	100	1,010,739		1,006,339	None	
CSCI Steel Corporation India Pvt. Ltd.	253,568	743,960	-	-	-	(311,403)	253,568	100	432,557		432,557	None	
China Steel Security Corporation	25,037	534,912	-	-	-	(12,566)	25,037	100	522,346		510,243	None	
China Steel Machinery Corporation	100,067	582,875	-	-	-	(150,776)	100,067	74	432,099		1,406,618	None	
Himag Magnetic Corporation	27,816	355,595	-	11,902	-	-	27,816	69	367,497		367,942	None	
InfoChamp Systems Corporation	41,466	436,345	-	-	-	(121,461)	41,466	100	314,884		880,777	None	
Sing Da Marine Structure Corporation	122,695	341,334	-	-	(47,985)	(321,669)	74,710	100	19,665		111,443	None	Note 4
China Steel Management Consulting Corporation	1,000	18,910	-	-	-	(659)	1,000	100	18,251		18,251	None	
Less: Shares held by subsidiaries accounted for as treasury shares	-	179,251,868	-	421,688	-	(14,456,231)	-	-	165,217,325		166,768,269		
		<u>9,025,153</u>		<u>194,760</u>		<u>-</u>			<u>9,219,913</u>		<u>9,219,913</u>		
		<u>182,172,770</u>		<u>341,514</u>		<u>(15,531,871)</u>			<u>166,982,413</u>		<u>180,607,680</u>		
Investments in associates													
Unlisted companies													
Taiwan Rolling Stock Co., Ltd.	95,528	700,663	-	-	-	(2,398)	95,528	48	698,265		698,265	None	
Kaohsiung Arena Development Corporation	45,000	586,564	-	14,378	-	-	45,000	18	600,942		600,942	None	
Hsin Hsin Cement Enterprise Corporation	28,659	406,383	-	25,120	-	-	28,659	31	431,503		434,582	None	
Eminent II Venture Capital Corporation	19,500	115,747	-	-	(6,825)	(20,690)	12,675	46	95,057		95,057	None	
Honley Auto. Parts Co., Ltd.	35,751	134,769	-	-	-	(43,361)	35,751	29	91,408		91,408	None	
Overseas Investment & Development Corporation	5,000	67,701	-	757	-	-	5,000	6	68,458		68,458	None	
TaiAn Technologies Corporation	1,666	22,583	-	-	-	(530)	1,666	17	22,053		22,053	None	
Taiwan Smart Electricity & Energy Co., Ltd.	1,000	9,539	-	-	(1,000)	(9,539)	-	-	-		-	None	
		<u>2,043,949</u>		<u>40,255</u>		<u>(76,518)</u>			<u>2,007,686</u>		<u>2,010,765</u>		
		<u>\$ 184,216,719</u>		<u>\$ 381,769</u>		<u>\$ (15,608,389)</u>			<u>\$ 168,990,099</u>		<u>\$ 182,618,445</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, 2025
 (In Thousands of New Taiwan Dollars)

Item	Balance, January 1, 2025	Additions	Decrease (Note)	Balance, December 31, 2025
Cost				
Land	\$ 1,349,692	\$ 57,390	\$ (104,923)	\$ 1,302,159
Land improvements	455,257	-	-	455,257
Buildings	328,200	136,546	(188,798)	275,948
Transportation equipment	<u>22,232</u>	<u>2,662</u>	<u>(1,431)</u>	<u>23,463</u>
Total	<u>2,155,381</u>	<u>\$ 196,598</u>	<u>\$ (295,152)</u>	<u>2,056,827</u>
Accumulated depreciation				
Land	719,622	\$ 235,643	\$ (93,530)	861,735
Land improvements	300,537	54,673	-	355,210
Buildings	188,167	109,498	(181,247)	116,418
Transportation equipment	<u>8,606</u>	<u>7,592</u>	<u>(1,262)</u>	<u>14,936</u>
Total	<u>1,216,932</u>	<u>\$ 407,406</u>	<u>\$ (276,039)</u>	<u>1,348,299</u>
	<u>\$ 938,449</u>			<u>\$ 708,528</u>

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

CHINA STEEL CORPORATION

STATEMENT OF SHORT-TERM BORROWINGS AND BANK OVERDRAFT
DECEMBER 31, 2025

(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					
CTBC Bank	2025.12.19-2026.03.19		NT\$4 billion	\$ 1,500,000	None
Bank of Taiwan	2025.07.17-2026.01.13		NT\$6 billion	1,500,000	None
Mega Bank	2025.12.01-2026.02.26		NT\$5 billion	2,500,000	None
Mizuho Bank	2025.12.12-2026.01.12		US\$0.16 billion	1,000,000	None
E.SUN Bank	2025.12.19-2026.01.19		NT\$2 billion	1,000,000	None
Hua Nan Bank	2025.09.18-2026.03.18		NT\$3.3 billion	1,000,000	None
Bangkok Bank	2025.12.01-2026.01.02		US\$0.1 billion	500,000	None
		1.70-1.78		<u>9,000,000</u>	
Bank overdraft	Automatically renew from credit facility agreement annually	0.82-0.88	NT\$5.79 billion	1,259,328	Note 30
Export bill loans	Automatically renew from credit facility agreement annually	1.13-5.07	US\$0.456 billion and NT\$1.3 billion	814,975	None
Letters of credit					
Bangkok Bank	Each borrowing paid back within 180 days started from bank disbursement	0.00	US\$0.1 billion	2,671	None
Loans from related parties					
China Prosperity Development Corporation	2025.03.21-2026.03.13			710,000	None
InfoChamp Systems Corporation	2025.03.21-2026.03.12			120,000	None
China Steel Machinery Corporation	2025.07.03-2026.06.22			550,000	None
		1.67		<u>1,380,000</u>	
				<u>\$ 12,456,974</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, 2025

(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	2025.10.22-2026.03.18		\$ 5,500,000	\$ 12,545	\$ 5,487,455
	China Bills Finance Corporation	2025.12.05-2026.02.03		900,000	868	899,132
	Yuanta Commercial Bank	2025.10.13-2026.01.09		1,000,000	350	999,650
	Mega Bills Finance Corporation	2025.10.22-2026.01.21		1,000,000	857	999,143
	E.SUN Bank	2025.10.17-2026.01.15		<u>500,000</u>	<u>309</u>	<u>499,691</u>
			1.52-1.62	<u>\$ 8,900,000</u>	<u>\$ 14,929</u>	<u>\$ 8,885,071</u>

CHINA STEEL CORPORATION**STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

Vendor Name	Amount
Related Parties	
China Steel Express Corporation	\$ 158,613
C.S.Aluminium Corporation	152,064
China Steel Global Trading Corporation	105,293
CSE Transport Corporation	98,648
Sakura Ferroalloys Sdn. Bhd.	70,228
Others (Note)	<u>89,553</u>
	<u>\$ 674,399</u>
Non-related Parties	
BM Alliance Coal Marketing Pty Ltd.	\$ 736,790
Roy Hill Iron Ore Pty Ltd	322,276
Lake Vermont Marketing Pty Ltd	212,078
Others (Note)	<u>2,884,248</u>
	<u>\$ 4,155,392</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, 2025

(In Thousands of New Taiwan Dollars)

Item	Amount
Receipts under custody	\$ 263,705
Deposits received	134,137
Others	<u>76,685</u>
	<u>\$ 474,527</u>

CHINA STEEL CORPORATION

STATEMENT OF BONDS PAYABLE

DECEMBER 31, 2025

(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	
3-year unsecured bonds	Taipei Fubon Commercial Bank Co., Ltd.	2023.07-2026.07	Repayable in July 2026; interest payable annually	1.50	\$ 7,200,000	\$ -	\$ 7,200,000	\$ (1,542)	\$ 7,198,458	None
5-year unsecured bonds	Taipei Fubon Commercial Bank Co., Ltd.	2023.07-2028.07	Repayable 50% in July 2027 and 50% in July 2028; interest payable annually	1.57	3,800,000	-	3,800,000	(2,067)	3,797,933	None
	Taipei Fubon Commercial Bank Co., Ltd.	2024.05-2029.05	Repayable in May 2029; interest payable annually	1.84	1,570,000	-	1,570,000	(2,059)	1,567,941	None
	Taipei Fubon Commercial Bank Co., Ltd.	2025.04-2030.04	Repayable in April 2030; interest payable annually	2.06	5,800,000	-	5,800,000	(6,205)	5,793,795	None
	Taipei Fubon Commercial Bank Co., Ltd.	2025.09-2030.09	Repayable 50% in September 2029 and 50% in September 2030; interest payable annually	1.89	7,800,000	-	7,800,000	(8,456)	7,791,544	None
7-year unsecured bonds	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	(1,122)	4,198,878	None
10-year unsecured bonds	Taipei Fubon Commercial Bank Co., Ltd.	2018.08-2028.08	Repayable 50% in August 2027 and 50% in August 2028; interest payable annually	1.10	5,600,000	-	5,600,000	(1,575)	5,598,425	None
	Taipei Fubon Commercial Bank Co., Ltd.	2018.10-2028.10	Repayable 50% in October 2027 and 50% in October 2028; interest payable annually	1.05	2,250,000	-	2,250,000	(715)	2,249,285	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	(463)	3,599,537	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	(1,326)	8,998,674	None
					50,820,000	-	50,820,000	(25,530)	50,794,470	
Less: Current portion					11,220,000	-	11,220,000	(2,051)	11,217,949	
					\$ 39,600,000	\$ -	\$ 39,600,000	\$ (23,479)	\$ 39,576,521	

CHINA STEEL CORPORATION

STATEMENT OF LONG-TERM BANK BORROWINGS

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Bank Name	Amount, Contract Period and Repayment Method	Interest Rates (%)	Balance, December 31, 2025			Collateral
			Current	Over 1 Year	Total	
Unsecured Loans						
Bank of Taiwan	NT\$7.0 billion, due in May 2027 with revolving basis		\$ -	\$ 7,000,000	\$ 7,000,000	None
Bank of Taiwan	JPY 2.173 billion, repaid in June 2028		-	436,238	436,238	None
Taiwan Cooperative Bank	NT\$5.0 billion, due in August 2027 with revolving basis		-	5,000,000	5,000,000	None
Taiwan Cooperative Bank	NT\$1.0 billion, due in August 2028 with revolving basis		-	1,000,000	1,000,000	None
First Commercial Bank	NT\$3.0 billion, due in January 2028 with revolving basis		-	3,000,000	3,000,000	None
Chang Hwa Bank	NT\$1.0 billion, due in July 2027 with revolving basis		-	1,000,000	1,000,000	None
The Export-Import Bank of Roc	NT\$1.0 billion, repaid in May 2028		-	1,000,000	1,000,000	None
Mega Bank	NT\$1.0 billion, due in October 2028 with revolving basis		-	1,000,000	1,000,000	None
Mizuho Bank	JPY 1.214 billion, repaid in November 2028		-	243,771	243,771	None
Yuanta Commercial Bank	NT\$2.0 billion, due in August 2028 with revolving basis		-	2,000,000	2,000,000	None
		1.07-1.81	-	21,680,009	21,680,009	
Less: Financial liabilities for hedging-noncurrent			-	(680,009)	(680,009)	
			<u>\$ -</u>	<u>\$ 21,000,000</u>	<u>\$ 21,000,000</u>	

CHINA STEEL CORPORATION**STATEMENT OF LEASE LIABILITIES****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

Item	Object	Period	Discount Rates (%)	Amount
Land	Lease of land and wharf, etc.	2020.06.01-2028.07.21	0.59-2.13	\$ 449,229
Land improvements	Lease of wharf and relating facilities, etc	2019.01.01-2027.12.31	1.31-1.69	99,396
Buildings	Lease of plants, offices and dorms, etc	2024.01.01-2028.07.21	1.69-1.92	156,017
Transportation equipment	Lease of company cars, etc	2023.07.05-2028.07.29	1.67-1.92	9,333
				<u>713,975</u>
Less: Current portion				<u>(319,383)</u>
				<u>\$ 394,592</u>

CHINA STEEL CORPORATION

STATEMENT OF LONG-TERM BILLS PAYABLE

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Financial Institution	Period	Interest Rates (%)	Amount		
				Issuance Amount	Unamortized Amount	Carrying Amount
Long-term bills payable	Mega Bills Finance Corporation	2024.03.25-2028.12.15		\$ 8,000,000	\$ 4,078	\$ 7,995,922
	China Bills Finance Corporation	2024.03.26-2029.12.18		7,000,000	2,937	6,997,063
	Ta Ching Bills Finance Corporation	2024.04.18-2027.04.17		2,000,000	2,022	1,997,978
	Taishin International Bank	2024.12.31-2029.03.20		5,000,000	10,310	4,989,690
	Union Bank Of Taiwan	2024.03.18-2027.03.18		2,000,000	2,108	1,997,892
			1.48-1.75	<u>\$24,000,000</u>	<u>\$ 21,455</u>	<u>\$23,978,545</u>

CHINA STEEL CORPORATION**STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Item	Quantities (Metric Tons)	Amount
Sale of Goods		
Carbon Steel Products		
Cold rolled steel products	2,356,356	\$ 54,789,935
Hot rolled steel products	2,414,762	41,659,773
Bars and wire rods	1,296,565	31,270,688
Plates	843,994	24,588,816
Commercial slabs	464,483	<u>6,358,237</u>
		158,667,449
Non-carbon steel products		558,293
Others		<u>3,084,683</u>
		162,310,425
Others (Note)		<u>4,714,454</u>
		<u>\$ 167,024,879</u>

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

CHINA STEEL CORPORATION**STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)**

Item	Amount
Raw materials used	
Raw materials, beginning of the year	\$ 9,794,005
Raw material purchased	91,190,975
Gain from physical count	74,878
Raw materials, end of the year	<u>(9,692,562)</u>
	91,367,296
Direct labor	4,458,675
Manufacturing expenses	<u>58,101,810</u>
Manufacturing cost	153,927,781
Work in progress, beginning of the year	18,891,770
Work in progress, end of the year	<u>(15,518,278)</u>
	157,301,273
Finished goods, beginning of the year	12,378,472
Finished goods, end of the year	<u>(10,980,255)</u>
Others, beginning of the year	152,280
Others, end of the year	<u>(90,944)</u>
Non-manufacturing cost or service cost	(1,685,617)
Others	<u>(490,140)</u>
	156,585,069
Costs of goods sold	156,585,069
Others (Note)	<u>3,707,163</u>
	<u>\$ 160,292,232</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, 2025
 (In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Payroll expense	\$ 471,934	\$ 1,230,447	\$ 741,934	\$ 2,444,315
Professional fee	113,633	796,697	953,715	1,864,045
Depreciation expense, depletion and amortization	264,379	191,945	219,628	675,952
Traveling expense	671,547	35,001	5,988	712,536
Packing and processing fee	437,510	37,153	4,291	478,954
Maintenance and warranty fee	140,369	128,730	37,258	306,357
Materials and supplies	25,717	29,016	141,896	196,629
Others	<u>121,440</u>	<u>313,080</u>	<u>47,599</u>	<u>482,119</u>
Total	<u>\$ 2,246,529</u>	<u>\$ 2,762,069</u>	<u>\$ 2,152,309</u>	<u>\$ 7,160,907</u>

CHINA STEEL CORPORATION

STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION
 FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024
 (In Thousands of New Taiwan Dollars)

	For The Year Ended December 31, 2025				For The Year Ended December 31, 2024			
	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	\$ 10,362,790	\$ 2,002,702	\$ 69,480	\$ 12,434,972	\$ 10,779,943	\$ 2,153,382	\$ 48,816	\$ 12,982,141
Labor and health insurance	840,728	154,074	2,415	997,217	840,504	157,899	945	999,348
Post-employment benefits	464,014	209,121	1,308	674,443	616,251	233,124	508	849,883
Termination benefits	-	-	67,488	67,488	-	-	36,277	36,277
Remuneration of directors	-	4,381	-	4,381	-	5,476	-	5,476
Others	404,391	74,037	15,507	493,935	434,160	80,433	13,142	527,735
	<u>\$ 12,071,923</u>	<u>\$ 2,444,315</u>	<u>\$ 156,198</u>	<u>\$ 14,672,436</u>	<u>\$ 12,670,858</u>	<u>\$ 2,630,314</u>	<u>\$ 99,688</u>	<u>\$ 15,400,860</u>
Depreciation	\$ 13,087,030	\$ 675,952	\$ 34,082	\$ 13,797,064	\$ 12,770,745	\$ 639,044	\$ 34,204	\$ 13,443,993
Amortization	-	-	-	-	-	-	-	-

Note 1: As of December 31, 2025 and 2024, the Corporation had 9,348 and 9,632 employees, respectively. Among them 6 and 7 directors did not serve concurrently as employees in 2025 and 2024, respectively.

Note 2: Additional disclosures are as follows:

- 1) Average employee benefits for the year ended December 31, 2025 was NT\$1,570 thousand (Amounts of employee benefits for the year ended December 31, 2025 less amounts of remuneration of directors for the year ended December 31, 2025/number of employees for the year ended December 31, 2025 less number of directors not serving concurrently as employees for the year ended December 31, 2025).

Average employee benefits for the year ended December 31, 2024 was NT\$1,600 thousand (Amounts of employee benefits for the year ended December 31, 2024 less amounts of remuneration of directors for the year ended December 31, 2024/number of employees for the year ended December 31, 2024 less number of directors not serving concurrently as employees for the year ended December 31, 2024).

- 2) Average salaries for the year ended December 31, 2025 was NT\$1,331 thousand (Amounts of salaries for the year ended December 31, 2025/number of employees for the year ended December 31, 2025 less number of directors not serving concurrently as employees for the year ended December 31, 2025).

Average salaries for the year ended December 31, 2024 was NT\$1,349 thousand (Amounts of salaries for the year ended December 31, 2024/number of employees for the year ended December 31, 2024 less number of directors not serving concurrently as employees for the year ended December 31, 2024).

- 3) Changes of adjustments of average salaries was (1)% (Average salaries for the year ended December 31, 2025 less average salaries for the year ended December 31, 2024/average salaries for the year ended December 31, 2024).

- 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, furthermore, 30% to 50% of the compensation of employees should be distributed to the non-executive employees, and no more than 0.15% as the remuneration for Directors," and Article 9 of the Rules Governing the Performance Evaluation of the Board of Directors, which stipulates that "The results of the performance evaluation for the Corporation's directors shall be used as a reference for the election or nomination of directors; the results of performance evaluation for each director (excluding independent directors) shall be used as a reference for determining the remuneration allocation 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 and the Corporation's project study and consultation meetings, etc.

b) Remuneration policy for the managements

With regard to salary and benefits for appointed managements, the Remuneration Committee, which comprises four 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.