

# **China Steel Corporation and Subsidiaries**

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

## REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of China Steel Corporation as of and for the year ended December 31, 2025, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, China Steel Corporation and Subsidiaries did not prepare a separate set of combined financial statements.

Very truly yours,

China Steel Corporation

By

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Chien-Chih Hwang  
Chairman

February 26, 2026

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
China Steel Corporation

### Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation and its subsidiaries as of December 31, 2025 and 2024, and their consolidated financial performance and their consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### 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 Consolidated Financial Statements section of our report. We are independent of the Corporation and its subsidiaries 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 consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated 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 and its subsidiaries' consolidated 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 and its subsidiaries manufacture and sell steel products and engage in mechanical, communications, and electrical engineering. Revenue from sale of goods of steel department represented over 70% 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, 24 and 37 to the consolidated

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.

#### **Other Matter**

We have also audited the parent company only financial statements of China Steel Corporation as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation and its subsidiaries' 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 and its subsidiaries 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 and its subsidiaries' financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 and its subsidiaries' 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 and its subsidiaries' 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 consolidated 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 and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group 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 consolidated 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 consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.*

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

# CHINA STEEL CORPORATION AND SUBSIDIARIES

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

ASSETS	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 19,079,435	3	\$ 17,828,047	3
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	4,504,660	1	4,252,624	1
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	9,765,902	1	9,111,712	1
Financial assets for hedging - current (Notes 4 and 9)	1,230,149	-	3,674,587	1
Contract assets - current (Notes 4 and 24)	6,900,605	1	9,180,905	1
Notes receivable (Notes 4 and 10)	1,237,316	-	1,646,347	-
Accounts receivable, net (Notes 4 and 10)	13,128,149	2	14,118,383	2
Accounts receivable - related parties (Notes 4, 10 and 31)	152,375	-	66,297	-
Other receivables (Notes 4 and 31)	3,326,064	-	1,811,987	-
Current tax assets	95,137	-	105,690	-
Inventories (Notes 4, 5, 11 and 32)	92,490,887	14	107,682,955	15
Non-current assets held for sale (Note 4)	216,246	-	-	-
Other financial assets - current (Notes 13 and 32)	21,367,277	3	18,275,667	3
Other current assets	4,280,675	1	5,143,302	1
<b>Total current assets</b>	<b>177,774,877</b>	<b>26</b>	<b>192,898,503</b>	<b>28</b>
<b>NONCURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - noncurrent (Notes 4 and 7)	560,685	-	802,175	-
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 5 and 8)	47,759,250	7	46,292,740	7
Financial assets at amortized cost - noncurrent	20,000	-	20,000	-
Financial assets for hedging - noncurrent (Notes 4 and 9)	998,930	-	1,257,410	-
Investments accounted for using the equity method (Notes 4 and 12)	12,813,331	2	14,705,994	2
Property, plant and equipment (Notes 4, 14 and 32)	390,532,916	58	397,633,498	57
Right-of-use assets (Notes 4, 15 and 32)	12,406,540	2	12,625,727	2
Investment properties (Notes 4, 16 and 32)	9,787,924	2	10,035,899	2
Intangible assets (Note 4)	1,092,791	-	1,136,536	-
Deferred tax assets (Notes 4 and 26)	14,545,801	2	11,615,773	2
Refundable deposits	631,876	-	594,345	-
Other financial assets - noncurrent (Notes 13 and 32)	2,566,437	1	3,041,404	-
Other noncurrent assets	2,355,615	-	2,399,333	-
<b>Total noncurrent assets</b>	<b>496,072,096</b>	<b>74</b>	<b>502,160,834</b>	<b>72</b>
<b>TOTAL</b>	<b>\$ 673,846,973</b>	<b>100</b>	<b>\$ 695,059,337</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings and bank overdraft (Notes 17 and 32)	\$ 30,933,146	5	\$ 36,169,577	5
Short-term bills payable (Note 17)	25,120,388	4	25,608,233	4
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	3,595	-	1,055	-
Financial liabilities for hedging - current (Notes 4 and 9)	93,931	-	1,120,637	-
Contract liabilities - current (Notes 4 and 24)	7,259,724	1	5,120,893	1
Notes payable	512,524	-	609,229	-
Accounts payable (Note 19)	13,875,654	2	18,189,691	3
Accounts payable - related parties (Notes 19 and 31)	178,019	-	357,633	-
Other payables (Notes 20 and 31)	19,113,843	3	26,948,594	4
Current tax liabilities	1,115,018	-	1,121,303	-
Provisions - current (Notes 4 and 21)	6,253,896	1	3,505,488	-
Lease liabilities - current (Notes 4 and 15)	1,022,925	-	1,027,307	-
Current portion of bonds payable (Note 18)	16,217,949	2	13,536,337	2
Current portion of long-term bank borrowings (Notes 17 and 32)	4,708,193	1	10,871,064	2
Refund liabilities - current	1,056,397	-	1,245,936	-
Other current liabilities	1,483,261	-	1,510,307	-
<b>Total current liabilities</b>	<b>128,948,463</b>	<b>19</b>	<b>146,943,284</b>	<b>21</b>
<b>NONCURRENT LIABILITIES</b>				
Financial liabilities for hedging - noncurrent (Notes 4 and 9)	684,217	-	-	-
Contract liabilities - noncurrent (Notes 4 and 24)	41,565	-	45,116	-
Bonds payable (Note 18)	55,011,160	8	54,134,815	8
Long-term bank borrowings (Notes 17 and 32)	85,270,954	13	71,419,133	10
Long-term bills payable (Note 17)	42,464,031	6	49,227,680	7
Provisions - noncurrent (Notes 4 and 21)	1,670,498	-	1,629,694	-
Deferred tax liabilities (Notes 4 and 26)	15,243,773	2	14,918,196	2
Lease liabilities - noncurrent (Notes 4 and 15)	9,838,913	2	9,824,040	2
Net defined benefit liabilities (Notes 4 and 22)	3,469,973	1	4,259,939	1
Other noncurrent liabilities	1,284,421	-	1,171,546	-
<b>Total noncurrent liabilities</b>	<b>214,979,505</b>	<b>32</b>	<b>206,630,159</b>	<b>30</b>
<b>Total liabilities</b>	<b>343,927,968</b>	<b>51</b>	<b>353,573,443</b>	<b>51</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4 and 23)</b>				
Share capital				
Ordinary shares	157,348,610	23	157,348,610	23
Preference shares	382,680	-	382,680	-
Total share capital	157,731,290	23	157,731,290	23
Capital surplus	41,189,617	6	41,082,914	6
Retained earnings				
Legal reserve	75,163,029	11	74,847,259	11
Special reserve	29,343,767	4	26,912,231	4
Unappropriated earnings	4,330,829	1	17,127,981	2
Total retained earnings	108,837,625	16	118,887,471	17
Other equity	(2,006,778)	-	(3,478,031)	(1)
Treasury shares	(13,118,233)	(2)	(12,923,473)	(2)
<b>Total equity attributable to owners of the Corporation</b>	<b>292,633,521</b>	<b>43</b>	<b>301,300,171</b>	<b>43</b>
<b>NON-CONTROLLING INTERESTS</b>	<b>37,285,484</b>	<b>6</b>	<b>40,185,723</b>	<b>6</b>
<b>Total equity</b>	<b>329,919,005</b>	<b>49</b>	<b>341,485,894</b>	<b>49</b>
<b>TOTAL</b>	<b>\$ 673,846,973</b>	<b>100</b>	<b>\$ 695,059,337</b>	<b>100</b>

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

# CHINA STEEL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Year Ended December 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUES (Notes 4, 24, 31 and 37)	\$ 317,155,264	100	\$ 360,535,714	100
OPERATING COSTS (Notes 11, 25 and 31)	<u>308,130,007</u>	<u>97</u>	<u>345,474,550</u>	<u>96</u>
GROSS PROFIT	<u>9,025,257</u>	<u>3</u>	<u>15,061,164</u>	<u>4</u>
OPERATING EXPENSES				
Selling and marketing expenses	3,978,732	1	4,094,332	1
General and administrative expenses	6,751,119	2	6,875,982	2
Research and development expenses	2,172,583	1	2,266,904	1
Expected credit loss recognized	<u>26,901</u>	<u>-</u>	<u>31,951</u>	<u>-</u>
Total operating expenses	<u>12,929,335</u>	<u>4</u>	<u>13,269,169</u>	<u>4</u>
PROFIT (LOSS) FROM OPERATIONS	<u>(3,904,078)</u>	<u>(1)</u>	<u>1,791,995</u>	<u>-</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 25)	1,131,818	-	1,254,622	1
Other income (Notes 25 and 31)	2,567,654	1	4,034,199	1
Other gains and losses (Note 25)	370,980	-	811,433	-
Finance costs (Notes 4 and 25)	(5,054,071)	(1)	(4,046,420)	(1)
Share of the profit of associates	<u>203,001</u>	<u>-</u>	<u>731,736</u>	<u>-</u>
Total non-operating income and expenses	<u>(780,618)</u>	<u>-</u>	<u>2,785,570</u>	<u>1</u>
PROFIT (LOSS) BEFORE INCOME TAX	(4,684,696)	(1)	4,577,565	1
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 26)	<u>(1,177,995)</u>	<u>-</u>	<u>701,577</u>	<u>-</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>(3,506,701)</u>	<u>(1)</u>	<u>3,875,988</u>	<u>1</u>
OTHER COMPREHENSIVE INCOME (Notes 23 and 26)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	442,862	-	1,246,247	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	2,211,438	-	(3,504,446)	(1)

(Continued)

# CHINA STEEL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED 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	%
Gains and losses on hedging instruments	\$ (25,709)	-	\$ (388,895)	-
Share of the other comprehensive loss of associates	(1,202,554)	-	(57,609)	-
Income tax benefit (expense) relating to items that will not be reclassified subsequently to profit or loss	(90,045)	-	341,556	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	155,770	-	1,415,004	-
Unrealized gains and losses on investments in debt instruments designated as at fair value through other comprehensive income	(1,241)	-	3,929	-
Gains and losses on hedging instruments	(265,666)	-	940,835	-
Share of the other comprehensive income (loss) of associates	(553,163)	-	783,605	-
Income tax benefit (expense) relating to items that may be reclassified subsequently to profit or loss	<u>50,959</u>	<u>-</u>	<u>(66,164)</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>722,651</u>	<u>-</u>	<u>714,062</u>	<u>(1)</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>	<u>\$ (2,784,050)</u>	<u>(1)</u>	<u>\$ 4,590,050</u>	<u>-</u>
<b>NET PROFIT (LOSS) ATTRIBUTABLE TO:</b>				
Owners of the Corporation	\$ (4,349,185)	(1)	\$ 1,978,352	1
Non-controlling interests	<u>842,484</u>	<u>-</u>	<u>1,897,636</u>	<u>-</u>
	<u>\$ (3,506,701)</u>	<u>(1)</u>	<u>\$ 3,875,988</u>	<u>1</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:</b>				
Owners of the Corporation	\$ (3,350,148)	(1)	\$ 1,420,180	-
Non-controlling interests	<u>566,098</u>	<u>-</u>	<u>3,169,870</u>	<u>-</u>
	<u>\$ (2,784,050)</u>	<u>(1)</u>	<u>\$ 4,590,050</u>	<u>-</u>
<b>EARNINGS (LOSS) PER SHARE (Note 27)</b>				
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 consolidated financial statements.

(Concluded)

# CHINA STEEL CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Corporation												Non-controlling Interests	Total Equity
	Equity Attributable to Owners of the Corporation						Other Equity							
	Share Capital			Retained Earnings			Exchange Differences on Translating Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Gains and Losses on Hedging Instruments	Total Other Equity	Treasury Shares	Total Equity Attributable to Owners of the Corporation		
Ordinary Shares	Preference Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings									
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	\$ 36,485,008	\$ 342,251,498
Appropriation of 2023 earnings (Note 23)	-	-	-	163,955	-	(163,955)	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends to ordinary shareholders - NT\$0.35 per share	-	-	-	-	-	(5,454,701)	-	-	-	-	-	(5,454,701)	-	(5,454,701)
Cash dividends to preference shareholders - NT\$1.40 per share	-	-	-	-	-	(53,575)	-	-	-	-	-	(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	1,897,636	3,875,988
Other comprehensive income 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)	1,272,234	714,062
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	2,883,329	1,482,391	(3,203,719)	258,179	(1,463,149)	-	1,420,180	3,169,870	4,590,050
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	(333,972)	(333,972)	-	(333,972)
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	117,485	-	-	-	-	-	-	-	-	117,485	-	117,485
Adjustment of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	530,845	530,845
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	516,552	-	(516,552)	-	(516,552)	-	-	-	-
Adjustment of other equity	-	-	276,611	-	-	(243,586)	-	-	-	-	(194,761)	(161,736)	-	(161,736)
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	\$ 40,185,723	\$ 341,485,894
BALANCE AT JANUARY 1, 2025	\$ 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	\$ 40,185,723	\$ 341,485,894
Appropriation of 2024 earnings (Note 23)	-	-	-	315,770	-	(315,770)	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	2,431,770	(2,431,770)	-	-	-	-	-	-	-	-
Cash dividends to ordinary shareholders - NT\$0.33 per share	-	-	-	-	-	(5,143,004)	-	-	-	-	-	(5,143,004)	-	(5,143,004)
Cash dividends to preference shareholders - NT\$1.40 per share	-	-	-	-	-	(53,575)	-	-	-	-	-	(53,575)	-	(53,575)
Reversal of special reserve	-	-	-	-	(234)	234	-	-	-	-	-	-	-	-
Net profit (loss) for the year ended December 31, 2025	-	-	-	-	-	(4,349,185)	-	-	-	-	-	(4,349,185)	842,484	(3,506,701)
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	(276,386)	722,651
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)	566,098	(2,784,050)
Adjustment to capital surplus arising from dividends paid to subsidiaries	-	-	113,303	-	-	-	-	-	-	-	-	113,303	-	113,303
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	(30,897)	-	-	(26,979)	-	-	-	-	-	(57,876)	-	(57,876)
Adjustment of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(3,466,337)	(3,466,337)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(870,319)	-	870,319	-	870,319	-	-	-	-
Adjustment of other equity	-	-	24,297	-	-	(4,887)	-	-	-	-	(194,760)	(175,350)	-	(175,350)
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	\$ 37,285,484	\$ 329,919,005

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

# CHINA STEEL CORPORATION AND SUBSIDIARIES

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit (loss) before income tax	\$ (4,684,696)	\$ 4,577,565
Adjustments for:		
Depreciation expense	32,545,494	32,146,850
Amortization expense	153,609	187,763
Expected credit loss recognized	26,901	31,951
Net gain on financial assets and liabilities at fair value through profit or loss	(161,789)	(157,353)
Finance costs	5,054,071	4,046,420
Interest income	(1,131,818)	(1,254,622)
Dividends income	(1,920,752)	(2,803,348)
Share of the profit of associates	(187,519)	(714,558)
Loss (gain) on disposal of property, plant and equipment	(176,491)	73,375
Gain on disposal of non-current assets held for sale	-	(255,677)
Gain on disposal of investments	(45,466)	(100,657)
Write-down (reversal) of inventories	(2,280,298)	1,585,718
Impairment losses recognized on non-financial assets	33,165	283,938
Recognition (reversal) of provisions	2,868,538	(2,568,749)
Others	(12,787)	(115,688)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	124,680	160,240
Financial assets for hedging	2,498,059	1,364,827
Contract assets	2,338,216	(402,396)
Notes receivable	409,031	460,694
Accounts receivable	975,582	(3,488,501)
Accounts receivable - related parties	(86,078)	84,291
Other receivables	(334,281)	(298,744)
Inventories	17,363,614	10,976,691
Other current assets	952,636	(361,905)
Financial liabilities for hedging	(102,513)	107,227
Contract liabilities	2,135,280	1,253,349
Notes payable	(96,705)	(510,926)
Accounts payable	(4,314,037)	1,057,314
Accounts payable - related parties	(179,614)	268,854
Other payables	(334,096)	(564,803)
Provisions	(105,755)	(98,724)
Other current liabilities	(27,046)	43,769
Net defined benefit liabilities	(347,104)	(7,358)
Refund liabilities	(189,539)	(367,966)
Cash generated from operations	50,760,492	44,638,861
Income taxes paid	(1,461,274)	(2,352,364)

(Continued)

# CHINA STEEL CORPORATION AND SUBSIDIARIES

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Net cash generated from operating activities	\$ 49,299,218	\$ 42,286,497
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of financial assets at fair value through other comprehensive income	(6,690,848)	(5,062,970)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6,966,415	5,139,278
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	255	74,980
Acquisition of financial assets at fair value through profit or loss	(2,932,210)	(2,946,745)
Proceeds from disposal of financial assets at fair value through profit or loss	3,156,673	2,557,074
Derecognition of financial liabilities for hedging	(255,641)	-
Acquisition of investments accounted for using the equity method	(3,564)	(75,590)
Proceeds from disposal of investments accounted for using the equity method	12,550	75,091
Disposal of subsidiaries	-	7,187
Proceeds from the capital reduction of investments accounted for using the equity method	68,250	-
Proceeds from disposal of non-current assets held for sale	-	278,814
Acquisition of property, plant and equipment	(32,157,586)	(42,768,491)
Proceeds from disposal of property, plant and equipment	236,371	44,083
Decrease (increase) in refundable deposits	(127,540)	112,716
Increase in other receivables	(1,100,000)	-
Acquisition of intangible assets	(76,127)	(63,897)
Acquisition of investment properties	(15,488)	-
Increase in other financial assets	(2,616,643)	(2,383,136)
Decrease (increase) in other noncurrent assets	55,182	(16,813)
Interest received	1,051,242	969,327
Dividends received from associates	545,635	616,573
Dividends received from others	<u>1,920,390</u>	<u>2,818,758</u>
Net cash used in investing activities	<u>(31,962,684)</u>	<u>(40,623,761)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	198,226,744	296,071,527
Repayments of short-term borrowings	(202,905,748)	(291,076,463)
Proceeds from short-term bills payable	112,878,114	140,482,693
Repayments of short-term bills payable	(113,365,959)	(177,820,259)
Proceeds from bonds payable	17,100,000	9,020,461
Repayments of bonds payable	(13,537,500)	(11,962,500)
Proceeds from long-term bank borrowings	100,761,062	119,046,891
Repayments of long-term bank borrowings	(92,788,423)	(94,644,512)

(Continued)

# CHINA STEEL CORPORATION AND SUBSIDIARIES

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Proceeds from long-term bills payable	\$ 10,005,221	\$ 32,176,312
Repayments of long-term bills payable	(16,768,870)	(7,648,895)
Repayments of principal of lease liabilities	(1,118,226)	(1,165,484)
Increase (decrease) in other noncurrent liabilities	112,875	(25,654)
Dividends paid to owners of the Corporation	(5,196,331)	(5,505,817)
Payments for buy-back of ordinary shares	-	(333,972)
Acquisition of additional interests in subsidiary	(352,410)	(223,248)
Partial disposal of interests in subsidiaries without loss of control	57,005	110,610
Interest paid	(5,546,665)	(5,233,505)
Increase (decrease) in non-controlling interests	<u>(3,442,473)</u>	<u>314,719</u>
Net cash generated from (used in) financing activities	<u>(15,881,584)</u>	<u>1,582,904</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>298,703</u>	<u>899,982</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,753,653	4,145,622
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>15,065,137</u>	<u>10,919,515</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 16,818,790</u>	<u>\$ 15,065,137</u>
Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of December 31, 2025 and 2024:		
Cash and cash equivalents in the consolidated balance sheets	\$ 19,079,435	\$ 17,828,047
Bank overdraft	<u>(2,260,645)</u>	<u>(2,762,910)</u>
Cash and cash equivalents in the consolidated statements of cash flows	<u>\$ 16,818,790</u>	<u>\$ 15,065,137</u>

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

(Concluded)

# CHINA STEEL CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

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

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

As of December 31, 2025, the Ministry of Economic Affairs (MOEA), Republic of China owned 20 % of the Corporation’s issued shares.

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

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated 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 and its subsidiaries’ 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 consolidated financial statements were authorized for issue, the Corporation and its subsidiaries have assessed that the application of other standards will not have a material impact on the Corporation and its subsidiaries' 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 and its subsidiaries 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 and its subsidiaries 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 and its subsidiaries shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Corporation and its subsidiaries 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 and its subsidiaries as a whole, the Corporation and its subsidiaries 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 and its subsidiaries 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 and its subsidiaries shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Corporation and its subsidiaries have a specific main operating activity, they shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how they classify 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 consolidated financial statements were authorized for issue, the Corporation and its subsidiaries are continuously assessing the other impacts of the above amended standards and interpretations on the Corporation and its subsidiaries’ 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 consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If inconsistencies arise between the English version and the Chinese version or if differences arise in the interpretations between the two versions, the Chinese version of the consolidated financial statements shall prevail.

##### **a. Statement of compliance**

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

##### **b. Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined 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.

##### **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 consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Corporation and its subsidiaries do 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. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the subsidiary's own equity instruments do not affect its classification as current or non-current if the subsidiary classifies the option as an equity instrument.

For the Corporation and its subsidiaries' construction-related business, which has an operating cycle of over one year, the length of the operating cycle is the basis for classifying the Corporation and its subsidiaries' construction assets and liabilities as current or noncurrent.

#### d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Corporation's ownership interests in subsidiaries that do not result in the Corporation losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Corporation's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

The consolidated entities were as follows:

Investor	Investee	Main Businesses	Percentage of Ownership (%)		Additional Descriptions
			December 31, 2025	December 31, 2024	
China Steel Corporation	Dragon Steel Corporation (DSC)	Hot-rolled coils, H beams, billets, flat steels	100	100	
	Gains Investment Corporation (GIC)	General investment	100	100	
	China Steel Express Corporation (CSE)	Raw material shipping services and ship leasing	100	100	
	C.S.Aluminium Corporation (CSAC)	Production and trading of aluminum products and other non-ferrous metal products	100	100	

Investor	Investee	Main Businesses	Percentage of Ownership (%)		Additional Descriptions
			December 31, 2025	December 31, 2024	
Gains Investment Corporation	China Prosperity Development Corporation (CPDC)	Development of real estate	100	100	
	China Steel Asia Pacific Holdings Pte Ltd (CSAP)	Holding and investment	100	100	
	Chung Hung Steel Corporation (CHS)	Manufacture and sale of steel products	41	41	Refer to 2) below
	China Steel Chemical Corporation (CSCC)	Manufacture of coal chemicals and specialty chemicals, and production and sale of anode materials and carbon materials	29	29	Refer to 1) below
	China Steel Global Trading Corporation (CSGT)	Sales agent and trading of steel products	100	100	
	CHC Resources Corporation (CHC)	Manufacture and sale of GBFS powder and GBFS cement, air-cooled BFS and BOFS, recycling of resources	20	20	Direct and indirect ownerships amounted to 36%, and refer to 1) below
	InfoChamp Systems Corporation (InfoChamp)	ERP system integration services	100	100	
	China Steel Structure Co., Ltd. (CSSC)	Manufacture and sale of steel structures	33	33	Direct and indirect ownerships amounted to 38%, and refer to 1) below
	China Ecotek Corporation (CEC)	Environmental and electromechanical engineering, Operation & Maintenance (O&M)	45	45	Refer to 1) below
	China Steel Security Corporation (CSS)	On-site guarding and system security	100	100	
	HIMAG Magnetic Corporation (HIMAG)	Manufacture and trading of magnetic materials, specialty chemicals and iron oxide	69	69	Direct and indirect ownerships amounted to 88%
	China Steel Machinery Corporation (CSMC)	Manufacture and sale of mechanical equipment, including steel making equipment, rolling stock, transportation equipment, power plant equipment, etc.	74	74	Direct and indirect ownerships amounted to 100%
	China Steel Management Consulting Corporation (CMCC)	Corporate business management consulting	100	100	
	Eminent Venture Capital Corporation (Eminent VC)	General Investment	-	-	Indirect ownership amounted to 55%
	CSC Steel Australia Holdings Pty Ltd (CSC SAH)	General investment	100	100	
	China Steel and Nippon Steel Vietnam Joint Stock Company (CSVC)	Manufacture and sale of steel products	56	56	
	CSCI Steel Corporation India Pvt. Ltd. (CSCI)	Electrical sheets	100	100	
	Kaohsiung Rapid Transit Corporation (KRTC)	Mass rapid transit system operations	44	44	Direct and indirect ownerships amounted to 52%
	China Steel Resources Corporation (CSRC)	Manufacture of other non-metallic mineral products	100	100	
	CSC Solar Corporation (CSCSOLAR)	Solar power generation	55	55	Direct and indirect ownerships amounted to 100%
	Sing Da Marine Structure Corporation (SDMS)	Steel structure related business	100	47	After the investment was restructured in July 2025, the direct ownerships amounted to 100%
	China Steel Power Holding Corporation (CPHC)	General investment	51	51	
Eminence Investment Corporation (EIC)	General investment	100	100		
Betacera Inc. (BETACERA)	Manufacture and trading of electronic ceramics	48	48	Direct and indirect ownerships amounted to 52%	
ThinTech Materials Technology Co., Ltd. (TTMC)	Manufacture and sale of sputtering targets	47	47	Direct and indirect ownerships amounted to 51%, and refer to 1) below	
Universal Exchange Inc. (UEC)	Wholesale, service of IT software and electronic information services supply	64	64	Direct and indirect ownerships amounted to 99%	
Mentor Consulting Corporation (MCC)	Management consulting business	100	100		

Investor	Investee	Main Businesses	Percentage of Ownership (%)		Additional Descriptions
			December 31, 2025	December 31, 2024	
Eminence Investment Corporation	Winning Investment Corporation (WIC)	General investment	49	49	Direct and indirect ownerships amounted to 79%
	Pro-Ascentek Investment Corporation (PAIC)	General investment	5	5	Direct and indirect ownerships amounted to 61%
	OmniGains Investment Corporation (OG)	Holding and investment	-	-	The investment was restructured in May 2024; End of settlement in October 2025
	Shin Mau Investment Corporation (SMIC)	General investment	30	30	Direct and indirect ownerships amounted to 100%
	Ding Da Investment Corporation (DDIC)	General investment	30	30	Direct and indirect ownerships amounted to 100%
	Gau Ruei Investment Corporation (GRIC)	General investment	25	25	Direct and indirect ownerships amounted to 100%
	Chiun Yu Investment Corporation (CYIC)	General investment	25	25	Direct and indirect ownerships amounted to 100%
Shin Mau Investment Corporation	Hung-Chuan Investment Corporation (HCIC)	General investment	5	5	Direct and indirect ownerships amounted to 100%
	Chi-Yi Investment Corporation (CYIIC)	General investment	5	5	Direct and indirect ownerships amounted to 100%
Ding Da Investment Corporation	Jiing-Cherng-Fa Investment Corporation (JCFIC)	General investment	4	4	Direct and indirect ownerships amounted to 100%
Gau Ruei Investment Corporation	Sheng Lih Dar Investment Corporation (SLDIC)	General investment	4	4	Direct and indirect ownerships amounted to 100%
	Li-Ching-Long Investment Corporation (LCLIC)	General investment	5	5	Direct and indirect ownerships amounted to 100%
Betacera Inc. Lefkara Ltd.	Lefkara Ltd. (Lefkara)	Holding and Investment	100	100	
	Betacera (Su Zhou) Co., Ltd. (BSZ)	Manufacture and trading of electronic ceramics	100	100	
	Shanghai Xike Ceramic Electronic Co., Ltd. (SHXCE)	Manufacture and trading of electronic ceramics	100	100	
	Suzhou Betacera Technology Co., Ltd. (SBTC)	Manufacture and trading of life-saving equipment for shipping and aviation	100	100	
ThinTech Materials Technology Co., Ltd.	Thintech Global Limited (TTGL)	Holding and investment	-	100	End of settlement in October 2025
	Changzhou China Steel Precision Materials Co., Ltd. (CSPM)	Production and sale of titanium and titanium alloys, nickel and nickel alloys	70	35	After the investment was restructured in May 2024, the direct and indirect ownerships amounted to 70%
Thintech Global Limited	OmniGains Investment Corporation (OG)	Holding and investment	-	100	After the investment was restructured in May 2024, the direct ownerships amounted to 100%; End of settlement in October 2025
	Taicang Thintech Materials Co., Ltd. (TCMC)	Sputtering target manufacturing and sales	-	-	Disposal in November 2024

Investor	Investee	Main Businesses	Percentage of Ownership (%)		Additional Descriptions
			December 31, 2025	December 31, 2024	
China Steel Express Corporation	CSE Transport Corporation (CSEP)	Dry bulk shipping business	100	100	Direct and indirect ownerships amounted to 100%
	Transglory Investment Corporation (TIC)	General investment	48	48	
China Prosperity Development Corporation	Kaoport Stevedoring Corporation (KPC)	Ship stevedoring	66	66	Direct and indirect ownerships amounted to 100%
	CK Japan Co., Ltd. (CKJCL)	Leasing of real estate	80	80	
	China Prosperity Construction Corporation (CPCC)	Development of real estate	60	60	
China Steel Asia Pacific Holdings Pte Ltd	CSC Steel Holdings Berhad (CSHB)	General investment	46	46	Refer to 2) below
	Changzhou China Steel Precision Materials Co., Ltd. (CSPM)	Production and sale of titanium and titanium alloys, nickel and nickel alloys	-	-	The investment was restructured in May 2024
CSC Steel Holdings Berhad	CSC Steel Sdn. Bhd. (CSCM)	Manufacture and sale of steel products	100	100	
CSC Steel Sdn. Bhd.	Constant Mode Sdn. Bhd. (CMSB)	General investment	100	100	
Chung Hung Steel Corporation	Hung Kao Investment Corporation (HKIC)	General investment	100	100	
China Steel Chemical Corporation	Ever Wealthy International Corporation (EWIC)	General investment	100	100	
Ever Wealthy International Corporation	Changzhou China Steel New Materials Technology Co., Ltd. (CSNCMT)	Processing and sale of green mesophase powder	100	100	
China Steel Global Trading Corporation	Chung Mao Trading (Samoa) Corporation (SAMOA)	Holding and investment	100	100	Direct and indirect ownerships amounted to 50%
	Wabo Global Trading Corporation (WABO)	Sales agent and trading of steel products	44	44	
Chung Mao Trading (Samoa) Corporation	CSGT (Singapore) Pte. Ltd. (CSGTSNG)	Sales agent and trading of steel products	100	100	Direct and indirect ownerships amounted to 100%
	CSGT International Corporation (CIC)	Holding and investment	100	100	
	CSGT (Shenzhen) Co., Ltd. (SZH)	Sales agent and trading of steel products	65	65	
	China Steel Precision Metals Kunshan Co., Ltd. (CSPK)	Cutting and processing of steel products	100	100	
	China Steel Precision Metals Qingdao Co., Ltd. (CSMQ)	Cutting and processing of steel products	70	70	
	CSGT (Shanghai) Co., Ltd. (CSGTPRC)	Sales agent and trading of steel products	100	100	
	CSGT Japan Co., Ltd. (CSGTJPN)	Sales agent and trading of steel products	100	100	
CSGT International Corporation	CSGT Metals Vietnam Joint Stock Company (CSGT-VTM)	Cutting and processing of steel products	60	60	Direct and indirect ownerships amounted to 100%
	CSGT Trading India Private Limited (CSGTIN)	Sales agent and trading of steel products	99	99	
CHC Resources Corporation	Union Steel Development Corporation (USDC)	Manufacture and sale of iron powder, contract manufacturing and sale of refractory materials, trading and labor dispatching	93	93	Direct and indirect ownerships amounted to 100%
	Pao Good Industrial Co., Ltd. (PG)	Trading of fly ash, production and sale of dry-mix mortar and trading business	51	51	
	Yu Cheng Lime Corporation (YCC)	Real estate leasing and tally service of raw materials	90	90	
	CHC Resources Vietnam Co., Ltd (CHCV)	Manufacture and sales of ground granulated BFS and sale of water-quenched slag	85	85	
InfoChamp Systems Corporation	Info-Champ System (B.V.I) Corporation (ICSCB)	Holding and investment	100	100	
Info-Champ System (B.V.I) Corporation	Wuhan InfoChamp I.T. Co., Ltd. (WICIT)	ERP system integration services	100	100	
China Steel Structure Co., Ltd.	United Steel Engineering & Construction Corporation (USEC)	Contracting and management of civil engineering construction, etc.	100	100	Direct and indirect ownerships amounted to 100%
	China Steel Structure Holding Co., Ltd. (CSSHCL)	Holding and investment	100	100	
China Ecotek Corporation	CEC International Corporation (CECIC)	General investment	100	100	Direct and indirect ownerships amounted to 100%
	CEC Development Corporation (CDC)	General investment	100	100	
	China Ecotek India Private Limited (CECI)	Construction engineering	-	-	
CEC International Corporation	China Ecotek India Private Limited (CECI)	Construction engineering	100	100	
CEC Development Corporation	China Ecotek Vietnam Company Limited (CEVC)	Construction engineering	100	100	
China Steel Security Corporation	Xiamen Ecotek PRC Company Limited (XEP)	Sales agency for import and export of equipment and materials	100	100	Direct and indirect ownerships amounted to 100%
	Steel Castle Technology Corporation (SCTC)	Installation of fire protection equipment	100	100	

Investor	Investee	Main Businesses	Percentage of Ownership (%)		Additional Descriptions
			December 31, 2025	December 31, 2024	
	China Steel Management And Maintenance For Buildings Corporation (CSMM)	Management and maintenance for buildings	100	100	
HIMAG Magnetic Corporation	MagnPower Corporation (MPC)	Powder metallurgy	100	100	After repurchasing shares from external shareholders in June 2024, the direct ownerships amounted to 100%
CSC Steel Australia Holdings Pty Ltd	CSC Sonoma Pty Ltd (CSC Sonoma)	Mining investment	100	100	
Kaohsiung Rapid Transit Corporation	Taiwan Intelligent Transportation Co., Ltd. (TITC)	Technical services	100	100	
China Steel Power Holding Corporation	China Steel Power Corporation (ZN)	Offshore Wind Power Generation	100	100	

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

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

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

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests are initially measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

When a business combination is achieved in stages, the Corporation and its subsidiaries' previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized on the same basis as would be required if that interest were directly disposed of by the Corporation and its subsidiaries.

f. Foreign currencies

In preparing the financial statements of each individual consolidated entity, transactions in currencies other than the entity'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 rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year 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 on the retranslation of non-monetary items are included in profit or loss for the year 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 case, the exchange differences are also recognized directly in other comprehensive income.

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

For the purpose of presenting consolidated financial statements, the functional currencies of the Corporation's entities (including subsidiaries and associates in other countries that use currency different from the currency of the Corporation) are translated into the presentation currency - New Taiwan dollars 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 (attributed to the owners of the Corporation and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Corporation and its subsidiaries' entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Corporation 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 re-attributed to non-controlling interests of the subsidiary and 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.

g. Inventories

Inventories manufactured or traded by the Corporation and its subsidiaries consist of raw materials, supplies, finished goods, work-in-process, etc. Inventories 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. 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 or weighted-average cost.

Besides the goods manufactured or traded by the Corporation and its subsidiaries, inventories also include buildings and lands under construction and held for sale and prepayment for land.

The cost of buildings construction is calculated by each different construction project. The expenditure on land before acquiring land ownership is recorded as prepayment for land. The construction and other costs after acquiring land ownership are recognized as construction in progress, which will be transferred to property held for sale after the completion, and transferred to operating costs based on the ratio of area sold to total area when the lands and buildings are sold and the criteria of revenue recognition were met.

Before the transfer of land ownership and the completion of construction, interest arising from land purchase and cost of construction in progress (including costs of lands and constructions) is capitalized and recorded as acquisition cost of land and construction cost.

#### h. Investment in associates

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

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

Any excess of the cost of acquisition over the Corporation and its subsidiaries' 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 and its subsidiaries' 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 and its subsidiaries subscribe 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 and its subsidiaries' proportionate interest in the associate. The Corporation and its subsidiaries record such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Corporation and its subsidiaries' share of equity of associates. If the Corporation and its subsidiaries' 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 a deduction to capital surplus, but the capital surplus recognized from investments accounted for using equity method is insufficient, the shortage is deducted from retained earnings.

When the Corporation and its subsidiaries' share of losses of an associate equal or exceed their 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 and its subsidiaries' net investment in the associate), the Corporation and its subsidiaries discontinue recognizing their share of further losses. Additional losses and liabilities are recognized only to the extent that the Corporation and its subsidiaries have 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.

The Corporation and its subsidiaries discontinue the use of the equity method from the date on which their investment cease to be associates. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. 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 and its subsidiaries account 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 and its subsidiaries transact with their associates, profits and losses on these transactions are recognized in the consolidated financial statements only to the extent of interests in the

associate that are not related to the Corporation and its subsidiaries.

i. Joint operations

A joint operation is a joint arrangement whereby the Corporation and its subsidiaries and other parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Any acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business should be treated as a business combination, except when the parties sharing joint control are under the common control of the same ultimate controlling party or parties both before and after the acquisition and that control is not transitory.

The Corporation and its subsidiaries recognize the following items in relation to their interests in a joint operation:

- 1) The assets, including their share of any assets held jointly;
- 2) The liabilities, including their share of any liabilities incurred jointly;
- 3) The revenue from the sale of their share of the output arising from the joint operation;
- 4) The share of the revenue from the sale of the output of the joint operation; and
- 5) The expenses, including their share of any expenses incurred jointly.

The Corporation and its subsidiaries account for the assets, liabilities, revenue and expenses relating to their interests in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenue and expenses.

When the Corporation and its subsidiaries sell or contribute assets to their joint operation, they recognize gains and losses resulting from such a transaction only to the extent of the other parties' interests in the joint operation. When the Corporation and its subsidiaries purchase assets from its joint operation, they do not recognize their share of the gain or loss until they resell those assets to a third party.

j. Property, plant and equipment

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

Properties 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 and depreciation of the machineries in the recycling plant of the subsidiary CHC is calculated by the working-hour method, other depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. If the lease term is shorter than the useful lives, assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting year, 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.

k. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation, also include land held for a currently undetermined future use.

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

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.

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.

l. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Corporation and its subsidiaries' cash-generating units or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

m. 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) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

### 3) 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.

#### n. Impairment of property, plant and equipment, right-of-use assets, investment properties and intangible assets

At the end of each reporting period, the Corporation and its subsidiaries review the carrying amounts of their property, plant and equipment, right-of-use assets, investment properties and intangible assets, excluding goodwill, 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 and its subsidiaries estimate the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the 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. The impairment loss is recognized in profit or loss.

Before the Corporation and its subsidiaries recognize an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Corporation and its subsidiaries expect to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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 immediately in profit or loss.

#### o. Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Recognition of depreciation of those assets would cease.

#### p. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation and its subsidiaries become 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, investments in debt 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 or losses.

ii Investments in equity instruments at FVTOCI

On initial recognition, the Corporation and its subsidiaries may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation 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, they will be transferred to retained earnings.

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

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and
- ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv 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.

Financial assets at amortized cost, including cash and cash equivalents, notes and accounts receivable (including related parties) at amortized cost, other receivables, refundable deposits and other financial assets, are measured at amortized cost, which equals to gross carrying amount determined by 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 a financial asset.

Cash equivalents include time deposits, negotiable certificates of deposit, commercial papers and bonds with repurchase agreements 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 and its subsidiaries 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 and its subsidiaries' consolidated 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 consolidated balance sheets.

b) Impairment of financial assets and contract assets

The Corporation and its subsidiaries recognize a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable), investments in debt instruments at FVTOCI and contract assets.

The Corporation and its subsidiaries always recognize lifetime expected credit loss (ECL) for accounts receivable and contract assets. For other financial assets, the Corporation and its subsidiaries recognize lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Corporation and its subsidiaries measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. 12-month ECL represents the portion of lifetime ECL 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 ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Corporation and its subsidiaries derecognize 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 other than in its entirety, the Corporation and its subsidiaries allocates the previous carrying amount of the financial asset between the part it continues to recognize and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part that is no longer recognized is treated in the same way as when the financial asset is derecognized in entirety. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

2) Equity instruments

Debt and equity instruments issued by the Corporation and its subsidiaries 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 and its subsidiaries are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

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

i Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading.

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss.

ii Financial guarantee contracts

Financial guarantee contracts issued by the Corporation and its subsidiaries, if not designated as at FVTPL, are subsequently measured at the higher of the amount of the loss allowance reflecting expected credit loss 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 and its subsidiaries enter into foreign exchange forward contracts, foreign exchange swap contracts and interest swap contracts to manage their exposure to foreign exchange rate and interest rate.

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) Hedging accounting

The Corporation and its subsidiaries designate 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 and 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 items 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 and its subsidiaries discontinue 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 and losses on derivatives that are designated and qualified as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately 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 and its subsidiaries discontinue 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.

q. 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.

r. 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.

s. 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 equity method at the acquisition cost.

t. Revenue recognition

The Corporation and its subsidiaries identify the contract with the customers, allocate the transaction price to the performance obligations, and recognize 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 and its subsidiaries to customers to satisfy performance obligations, as follows: domestic sales - when products are moved out of the Corporation and its subsidiaries' 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 and its subsidiaries 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 and its subsidiaries transfer 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 and its subsidiaries do 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 and its subsidiaries recognize revenue from construction contract over time. The Corporation and its subsidiaries measure the progress on the basis of costs incurred relative to the total expected costs or the units produced and installed relative to estimated total units under the contract 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 and its subsidiaries recognize a contract liability for the difference. Certain amount retained by the customer as specified in the contract is intended to ensure that the subsidiaries adequately complete all their contractual obligations. Such retention receivables are recognized as contract assets until the subsidiaries satisfy their performance obligations.

## 3) Revenue from rendering of services

Revenue from rendering of services is recognized when services are provided by reference to the stage of completion of the services provided.

## u. Leases

At the inception of a contract, the Corporation and its subsidiaries assess whether the contract is, or contains, a lease.

### 1) The Corporation and its subsidiaries 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 and its subsidiaries assess 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 Corporation and its subsidiaries. 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 and its subsidiaries as lessee

The Corporation and its subsidiaries recognize 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 are initially measured at cost, which comprise the initial measurement of lease liabilities. Right-of-use assets are 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 consolidated 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 and its subsidiaries use 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 and its subsidiaries remeasure 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 and its subsidiaries account 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 consolidated 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.

v. 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.

All borrowing costs other than those stated above are recognized in profit or loss in the period in which they are incurred.

w. Government grants

Government grants are not recognized until there is reasonable assurance that the Corporation and its subsidiaries will comply with the conditions attaching to them and that the grants will be received.

x. 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 and its subsidiaries' 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 and its subsidiaries can no longer withdraw the offer of the termination benefit and when the Corporation and its subsidiaries recognize any related restructuring costs.

y. Taxation

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

1) Current tax

The Corporation and its subsidiaries' income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

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 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 temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Corporation and its subsidiaries are 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 each balance sheet date 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 balance sheet date 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 balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation and its subsidiaries expect, 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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

In the application of the Corporation and its subsidiaries' 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 and its subsidiaries use 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 30, the Corporation and its subsidiaries 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**

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Cash on hand	\$ 42,927	\$ 40,471
Checking accounts and demand deposits	12,425,744	12,038,907
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits and negotiable certificates of deposit	2,488,537	2,856,445
Commercial papers	3,507,580	2,832,224
Bonds with repurchase agreements	<u>614,647</u>	<u>60,000</u>
	<u>\$ 19,079,435</u>	<u>\$ 17,828,047</u>

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Mutual funds	\$ 4,428,098	\$ 3,941,496
Listed shares	35,527	108,063
Emerging market shares	3,827	54,358
Corporate bonds	10,155	16,604
Convertible bonds	27,053	82,103
Subordinated debt	<u>-</u>	<u>50,000</u>
	<u>\$ 4,504,660</u>	<u>\$ 4,252,624</u>
<u>Financial assets at FVTPL - noncurrent</u>		
Financial assets mandatorily classified as at FVTPL		
Unlisted shares	\$ 518,301	\$ 765,759
Emerging market shares	24,291	24,001
Mutual funds	<u>18,093</u>	<u>12,415</u>
	<u>\$ 560,685</u>	<u>\$ 802,175</u>

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Financial liabilities at FVTPL - current</u>		
Financial liabilities held for trading		
Foreign exchange forward contracts (a)	\$ 985	\$ 1,055
Foreign exchange swap contracts (a)	<u>2,610</u>	<u>-</u>
	<u>\$ 3,595</u>	<u>\$ 1,055</u>

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

	<b>Currency</b>	<b>Maturity Date</b>	<b>Contract Amount (In Thousands)</b>
<u>December 31, 2025</u>			
Sell	USD/NTD	2026.06	USD3,000/NTD92,400
Foreign exchange swap contracts	CNY/NTD	2026.09	CNY12,000/NTD51,245
<u>December 31, 2024</u>			
Sell	USD/NTD	2025.01-2025.06	USD3,200/NTD102,524

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Current</u>		
Domestic investments		
Listed shares	\$ 9,588,508	\$ 9,002,573
Emerging market shares and unlisted shares	<u>34,089</u>	<u>27,444</u>
	<u>9,622,597</u>	<u>9,030,017</u>
Foreign investments		
Listed shares	46,481	-
Subordinated debt	46,211	46,683
Corporate bonds	<u>50,613</u>	<u>35,012</u>
	<u>143,305</u>	<u>81,695</u>
	<u>\$ 9,765,902</u>	<u>\$ 9,111,712</u>

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Noncurrent</u>		
Domestic investments		
Listed shares	\$ 9,489,320	\$ 9,489,769
Emerging market shares and unlisted shares	<u>3,191,858</u>	<u>3,237,503</u>
	<u>12,681,178</u>	<u>12,727,272</u>
Foreign investments		
Unlisted shares	31,255,856	30,006,173
Listed shares	3,022,671	2,581,581
Certificate of entitlement	<u>799,545</u>	<u>977,714</u>
	<u>35,078,072</u>	<u>33,565,468</u>
	<u>\$ 47,759,250</u>	<u>\$ 46,292,740</u>

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

## 9. FINANCIAL INSTRUMENTS FOR HEDGING

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Financial assets for hedging - current</u>		
Hedging foreign currency deposits	\$ 831,313	\$ 3,268,645
Foreign exchange forward contracts	62,063	121,335
Interest rate swap contracts	278,711	284,607
Futures contracts	<u>58,062</u>	<u>-</u>
	<u>\$ 1,230,149</u>	<u>\$ 3,674,587</u>
<u>Financial assets for hedging - noncurrent</u>		
Foreign exchange forward contracts	\$ 4,449	\$ 9,692
Interest rate swap contracts	<u>994,481</u>	<u>1,247,718</u>
	<u>\$ 998,930</u>	<u>\$ 1,257,410</u>
<u>Financial liabilities for hedging - current</u>		
Bank loans (Note 17)	\$ -	\$ 944,025
Material borrowing contracts	83,420	169,085
Foreign exchange forward contracts	5,242	7,527
Interest rate swap contracts	<u>5,269</u>	<u>-</u>
	<u>\$ 93,931</u>	<u>\$ 1,120,637</u>

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Financial liabilities for hedging - noncurrent</u>		
Bank loans (Note 17)	\$ 680,009	\$ -
Foreign exchange forward contracts	2,944	-
Interest rate swap contracts	<u>1,264</u>	<u>-</u>
	<u>\$ 684,217</u>	<u>\$ -</u>

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

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Notes receivable		
Operating	\$ 1,237,316	\$ 1,645,157
Non-operating	<u>-</u>	<u>1,190</u>
	<u>\$ 1,237,316</u>	<u>\$ 1,646,347</u>
Accounts receivable	\$ 13,473,851	\$ 14,354,199
Less: Allowance for impairment loss	<u>193,327</u>	<u>169,519</u>
	<u>\$ 13,280,524</u>	<u>\$ 14,184,680</u>

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

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

The Corporation and its subsidiaries continue to monitor the collection of receivables to ensure that proper actions are made to collect past due receivables. Additionally, the Corporation and its subsidiaries review the recoverable amount of receivables one by one 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	Over 365 Days	Total
Gross carrying amount	\$ 14,124,066	\$ 242,613	\$ 45,844	\$ 15,086	\$ 283,558	\$ 14,711,167
Loss allowance (Lifetime ECL)	<u>(5,665)</u>	<u>(3)</u>	<u>(33,867)</u>	<u>(11,099)</u>	<u>(142,693)</u>	<u>(193,327)</u>
Amortized cost	<u>\$ 14,118,401</u>	<u>\$ 242,610</u>	<u>\$ 11,977</u>	<u>\$ 3,987</u>	<u>\$ 140,865</u>	<u>\$ 14,517,840</u>

## December 31, 2024

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 15,213,203	\$ 405,336	\$ 61,326	\$ 29,375	\$ 291,306	\$ 16,000,546
Loss allowance (Lifetime ECL)	<u>(8,135)</u>	<u>-</u>	<u>(4,243)</u>	<u>(12,032)</u>	<u>(145,109)</u>	<u>(169,519)</u>
Amortized cost	<u>\$ 15,205,068</u>	<u>\$ 405,336</u>	<u>\$ 57,083</u>	<u>\$ 17,343</u>	<u>\$ 146,197</u>	<u>\$ 15,831,027</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 169,519	\$ 142,389
Recognition	26,901	27,340
Written off	(2,672)	(416)
Effect of foreign currency exchange differences	<u>(421)</u>	<u>206</u>
Balance, end of year	<u>\$ 193,327</u>	<u>\$ 169,519</u>

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

For the years ended December 31, 2025 and 2024, the related information for the Corporation and its subsidiary CHS'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	Interest Rate on Advances Received (%)	Credit Line
<u>For the Year Ended December 31, 2025</u>						
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
Mega Bank	161,929	350,589	387,408	125,110	2.22	NT\$408,000 thousand
	<u>\$ 5,121,959</u>	<u>\$ 16,509,844</u>	<u>\$ 18,202,619</u>	<u>\$ 3,429,184</u>		
<u>For the Year Ended December 31, 2024</u>						
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

Counterparty	Advances Received at Year - Beginning	Receivables Sold	Amounts Collected by Bank	Advances Received at Year - End	Interest Rate on Advances Received (%)	Credit Line
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
Mega Bank	85,722	410,583	334,376	161,929	2.17	NT\$485,000 thousand
Bank of Taiwan	1,791	-	1,791	-	-	-
	<u>\$ 5,216,990</u>	<u>\$ 18,311,961</u>	<u>\$ 18,406,992</u>	<u>\$ 5,121,959</u>		

The subsidiary CSAC entered into accounts receivable factoring agreements with the bank. Under the agreements, if the accounts receivable cannot be received when due, the bank is empowered to demand payment of outstanding balances from CSAC. Therefore, the material risks and rewards of the accounts receivable have not been transferred from CSAC. All accounts receivable continue to be recognized and the transferred accounts receivable are used as collateral for borrowings. Refer to Note 32 for information relating to accounts receivable pledged as collateral.

The subsidiary CSPM entered into notes receivable discounting agreements with the bank. Under the agreements, if the notes receivable cannot be received when due, the bank is empowered to demand payment of outstanding balances from CSPM. Therefore, the material risks and rewards of the notes receivable have not been transferred from CSPM. All notes receivable continue to be recognized and the transferred notes receivable are used as collateral for borrowings. Refer to Note 32 for information relating to notes receivable pledged as collateral.

As of December 31, 2025 and 2024, the carrying amount of these accounts receivable and notes receivable that have been transferred but not derecognized were NT\$190,332 thousand and NT\$266,617 thousand, respectively, and the carrying amount of the related short-term borrowings were NT\$190,332 thousand and NT\$266,617 thousand, respectively.

## 11. INVENTORIES

	December 31	
	2025	2024
Work in progress	\$ 24,791,029	\$ 28,236,837
Finished goods	22,547,695	27,961,260
Raw materials	21,948,232	25,014,366
Supplies	12,585,639	13,048,523
Inventory in transit	9,195,278	12,307,349
Buildings and lands for sale and under construction	518,341	305,790
Others	<u>904,673</u>	<u>808,830</u>
	<u>\$ 92,490,887</u>	<u>\$ 107,682,955</u>

The costs of inventories recognized as operating costs for the years ended December 31, 2025 and 2024 were NT\$252,872,793 thousand and NT\$291,565,866 thousand, respectively, including reversal of loss on inventory NT\$2,280,298 thousand and loss on inventory NT\$1,585,718 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>
Material associate		
9404-5515 Québec Inc	\$ 6,995,406	\$ 8,926,064
Associates that are not individually material	<u>5,817,925</u>	<u>5,779,930</u>
	<u>\$ 12,813,331</u>	<u>\$ 14,705,994</u>

### a. Material associate

Name of Associate	Nature of Activities	Principal Place of Business	Percentage of Ownership and Voting Rights (%)	
			December 31, 2025	December 31, 2024
9404-5515 Québec Inc.	Mineral Investment	Canada	25	25

The summarized financial information below represents amounts shown in the financial statements of 9404-5515 Québec Inc., which have been prepared in accordance with the IFRS Accounting Standards, and converted to the functional currency and adjusted for the purposes of applying the equity method.

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Current assets	\$ 1,050,648	\$ 1,813,424
Noncurrent assets	29,278,046	36,063,589
Current liabilities	<u>(1,822,558)</u>	<u>(1,503,486)</u>
Equity	<u>\$ 28,506,136</u>	<u>\$ 36,373,527</u>
Equity attributable to the Corporation and its subsidiaries (carrying amount of the investment)	<u>\$ 6,995,406</u>	<u>\$ 8,926,064</u>
	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Net profit for the year	<u>\$ 609,327</u>	<u>\$ 2,611,183</u>
Total comprehensive income (loss) for the year	<u>\$ (7,217,885)</u>	<u>\$ 5,890,165</u>
Dividends received from 9404-5515 Québec Inc.	<u>\$ 448,981</u>	<u>\$ 395,192</u>
Comprehensive income (loss) attributable to the Corporation and its subsidiaries	<u>\$ (1,771,269)</u>	<u>\$ 1,445,446</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
The Corporation and its subsidiaries' share of		
Net profit for the year	\$ 37,990	\$ 73,774
Other comprehensive income (loss)	<u>165,081</u>	<u>(78,666)</u>
Total comprehensive income (loss)	<u>\$ 203,071</u>	<u>\$ (4,892)</u>

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Chateau International Development Co., Ltd.	<u>\$ 606,905</u>	<u>\$ 798,603</u>

Refer to Table 7 “Information on Investees” for the nature of main business, principal place of business and countries of incorporation of associates that are not individually material.

### 13. OTHER FINANCIAL ASSETS

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Current</u>		
Time deposits with original maturities of more than 3 months	\$ 13,320,402	\$ 11,499,200
Pledged time deposits (Note 32)	6,753,262	6,399,482
Pledged demand deposits (Note 32)	1,209,882	300,000
Deposits for projects	<u>83,731</u>	<u>76,985</u>
	<u>\$ 21,367,277</u>	<u>\$ 18,275,667</u>
<u>Noncurrent</u>		
Pledged receivables (Note 32)	\$ 2,000,000	\$ 2,000,000
Pledged time deposits (Note 32)	285,749	299,805
Time deposits	259,990	731,295
Deposits for projects	<u>20,698</u>	<u>10,304</u>
	<u>\$ 2,566,437</u>	<u>\$ 3,041,404</u>

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

### 14. PROPERTY, PLANT AND EQUIPMENT

Refer to Table 9 for the movements of property, plant and equipment for the years ended December 31, 2025 and 2024.

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	3-60 years
Others	3-40 years
Machinery and equipment	
Power equipment	3-40 years
Process equipment	5-25 years
Lifting equipment	5-25 years
Others	2-40 years

Transportation equipment	
Ship equipment	18 years
Others	2-20 years
Other equipment	2-35 years

The subsidiary CHS bought farmlands for warehousing at the Gangshan District in Kaohsiung City. However, certain regulations prohibit CHS from registering the title of these farmlands in CHS's name; therefore, the registration was made in the name of an individual person. The individual person consented to fully cooperate with CHS in freely changing the land title to CHS or to other name under CHS's instructions. Meanwhile, the land had been pledged to CHS as collateral. The above-mentioned farmlands had completed the change of its land category and registration of the title to CHS in 2024.

The subsidiary CEC has experienced suboptimal utilization of certain machinery and equipment, and anticipates a decline in the future cash inflows generated from these assets. CEC carried out a review of the recoverable amount of the related machinery and equipment and determined that the carrying amount exceeded the recoverable amount. The review led to the recognition of an impairment loss of NT\$30,000 thousand, which was recognized in operating costs for the year ended December 31, 2025.

In alignment with the expansion of the Taichung Grinding Plant, the subsidiary CHC will relocate the equipment of its Nanti Plant recently, and certain facilities within the plant will subsequently be dismantled. It is assessed that the facilities and equipment slated for demolition have no economic benefits. CHC carried out a review of the recoverable amount of the related facilities and equipment and determined that the carrying amount exceeded the recoverable amount. The review led to the recognition of an impairment loss of NT\$16,292 thousand, which was recognized in operating costs for the year ended December 31, 2025.

The coal-fired equipment has been replaced by gas-fired equipment at the subsidiary CHC's factory. It is assessed that the coal-fired equipment and factory buildings have no economic benefits. CHC carried out a review of the recoverable amount of the related buildings and coal-fired equipment and determined that the carrying amount exceeded the recoverable amount. The review led to the recognition of an impairment loss of NT\$49,541 thousand, which was recognized in operating costs for the year ended December 31, 2024.

The subsidiary MPC carried out a review of the recoverable amount of machinery and other equipment and determined that the carrying amount exceeded the recoverable amount and thus recognized an impairment loss of NT\$203,517 thousand, which was recognized in operating costs for the year ended December 31, 2024. The recoverable amount of the relevant assets was determined based on their value in use.

The subsidiary SDMS carried out a review of the recoverable amount of parts of production machinery and determined that the carrying amount exceeded the recoverable amount and thus recognized an impairment loss of NT\$30,880 thousand, which was recognized in operating costs for the year ended December 31, 2024.

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

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Carrying amounts</u>		
Land	\$ 11,478,636	\$ 11,644,775
Land improvements	100,046	154,720
Buildings	715,650	716,494
Machinery	22,001	819
Transportation equipment	86,085	103,503
Office equipment	2,470	3,642
Others	<u>1,652</u>	<u>1,774</u>
	<u>\$ 12,406,540</u>	<u>\$ 12,625,727</u>
<b>For the Year Ended December 31</b>		
	<b>2025</b>	<b>2024</b>
Additions to right-of-use assets	<u>\$ 1,174,763</u>	<u>\$ 1,377,336</u>
Depreciation charge for right-of-use assets		
Land	\$ 877,768	\$ 865,409
Land improvements	54,674	54,672
Buildings	293,190	316,924
Machinery	16,216	47,266
Transportation equipment	57,525	58,109
Office equipment	4,002	5,977
Others	<u>122</u>	<u>4,553</u>
	<u>\$ 1,303,497</u>	<u>\$ 1,352,910</u>

### b. Lease liabilities

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Carrying amounts</u>		
Current	\$ 1,022,925	\$ 1,027,307
Non-current	<u>9,838,913</u>	<u>9,824,040</u>
	<u>\$ 10,861,838</u>	<u>\$ 10,851,347</u>

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Land	0.59-2.21	0.59-2.21
Land improvements	1.31-1.69	1.31-1.69
Buildings	0.56-5.04	0.56-5.04

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Machinery	0.59-1.80	0.59-1.78
Transportation equipment	0.59-2.08	0.36-2.08
Office equipment	0.86-1.92	0.59-0.95
Others	2.00-2.01	2.00-2.01

c. Material lease activities and terms

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

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

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

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

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

Refer to Note 32 for the carrying amount of right-of-use assets that had been pledged by the Corporation and its subsidiaries to secure borrowings.

d. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Expenses relating to short-term leases and low-value asset leases	<u>\$ 157,844</u>	<u>\$ 217,357</u>
Expenses relating to variable leases payments not included in the measurement of lease liabilities	<u>\$ 1,041</u>	<u>\$ 1,159</u>
Total cash outflow for leases	<u>\$ (1,485,985)</u>	<u>\$ (1,587,807)</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 and its subsidiaries have elected to apply the recognition exemption and thus did not recognize right-of-use assets and lease liabilities for these leases.

## 16. INVESTMENT PROPERTIES

For the year ended December 31, 2025

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2025	\$ 8,520,250	\$ 2,897,813	\$ 11,418,063
Additions	-	15,488	15,488
Transfers to non-current assets held for sale	-	(306,430)	(306,430)
Effect of foreign currency exchange difference	<u>(5,169)</u>	<u>(11,210)</u>	<u>(16,379)</u>
Balance at December 31, 2025	<u>\$ 8,515,081</u>	<u>\$ 2,595,661</u>	<u>\$ 11,110,742</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2025	\$ 42,034	\$ 1,340,130	\$ 1,382,164
Depreciation	-	48,951	48,951
Impairment loss (reversed)	(13,127)	-	(13,127)
Transfers to non-current assets held for sale	-	(91,586)	(91,586)
Effect of foreign currency exchange difference	<u>-</u>	<u>(3,584)</u>	<u>(3,584)</u>
Balance at December 31, 2025	<u>\$ 28,907</u>	<u>\$ 1,293,911</u>	<u>\$ 1,322,818</u>
Carrying amount at December 31, 2025	<u>\$ 8,486,174</u>	<u>\$ 1,301,750</u>	<u>\$ 9,787,924</u>

For the year ended December 31, 2024

	<b>Land</b>	<b>Buildings</b>	<b>Total</b>
<u>Cost</u>			
Balance at January 1, 2024	\$ 8,431,994	\$ 2,595,926	\$ 11,027,920
Transfers from property, plant and equipment	92,838	310,065	402,903
Effect of foreign currency exchange difference	<u>(4,582)</u>	<u>(8,178)</u>	<u>(12,760)</u>
Balance at December 31, 2024	<u>\$ 8,520,250</u>	<u>\$ 2,897,813</u>	<u>\$ 11,418,063</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2024	\$ 42,034	\$ 1,220,740	\$ 1,262,774
Depreciation	-	42,153	42,153
Transfers from property, plant and equipment	-	78,833	78,833
Effect of foreign currency exchange difference	<u>-</u>	<u>(1,596)</u>	<u>(1,596)</u>
Balance at December 31, 2024	<u>\$ 42,034</u>	<u>\$ 1,340,130</u>	<u>\$ 1,382,164</u>
Carrying amount at December 31, 2024	<u>\$ 8,478,216</u>	<u>\$ 1,557,683</u>	<u>\$ 10,035,899</u>

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

Buildings 7-60 years

The determination of fair value was performed by independent qualified professional valuers or the management of the Corporation and its subsidiaries, 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>	
	<b>2025</b>	<b>2024</b>
Fair value	<u>\$ 30,748,740</u>	<u>\$ 29,206,353</u>

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

## 17. BORROWINGS

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

	<u>December 31</u>	
	<b>2025</b>	<b>2024</b>
Unsecured loans	\$ 26,959,903	\$ 29,635,211
Bank overdraft (Note 32)	2,260,645	2,762,910
Letters of credit and export bill loans	1,522,266	3,504,839
Secured loans (Note 32)	<u>190,332</u>	<u>266,617</u>
	<u>\$ 30,933,146</u>	<u>\$ 36,169,577</u>
Range of interest rate (%)	0.00-7.05	0.00-7.92

### b. Short-term bills payable

	<u>December 31</u>	
	<b>2025</b>	<b>2024</b>
Commercial paper	\$ 25,150,600	\$ 25,640,000
Less: Unamortized discounts	<u>30,212</u>	<u>31,767</u>
	<u>\$ 25,120,388</u>	<u>\$ 25,608,233</u>
Range of interest rate (%)	1.52-2.88	1.50-2.68

The above commercial paper was secured by Ta Ching Bills Finance Corporation, China Bills Finance Corporation, Taiwan Finance Corporation, Mega Bills Finance Corporation, Grand Bills Finance Corporation, Dah Chung Bills Finance Corporation and Mizuho Bank, Ltd.

c. Long-term borrowings

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Syndicated bank loans	\$ 44,792,966	\$ 38,835,814
Mortgage loans (Note 32)	4,189,131	5,876,613
Unsecured loans	<u>41,677,059</u>	<u>38,521,795</u>
	90,659,156	83,234,222
Less: Current portion	4,708,193	10,871,064
Financial liabilities for hedging - current	-	944,025
Financial liabilities for hedging - non-current	<u>680,009</u>	<u>-</u>
	<u>\$ 85,270,954</u>	<u>\$ 71,419,133</u>
Range of interest rate (%)	0.95-9.20	0.72-6.40

- 1) The subsidiary CSCI entered into a syndicated credit facility agreement with financial institutions for a US\$105,000 thousand of credit line. Under the agreement, the Corporation should meet certain financial ratios and criteria based on its reviewed consolidated financial statements for the six months ended June 30 and audited consolidated annual financial statements. The loans had been repaid. CSCI entered into a new syndicated credit facility agreement for a US\$75,000 thousand of credit line in 2024. Under the agreement, the Corporation should meet certain financial ratios and criteria based on its reviewed consolidated financial statements for the six months ended June 30 and audited consolidated annual financial statements. The Corporation was in compliance with the syndicated credit facility agreement based on its audited consolidated financial statements for the years ended December 31, 2025 and 2024.
- 2) The subsidiary ZN entered into a syndicated credit facility agreement with financial institutions for a NT\$45.55 billion and EUR\$40,000 thousand of credit line. Under the agreement, the Corporation and certain investors should hold ownerships directly and indirectly amounted to 51% and maintain more than half the total number of directors. As of December 31, 2025, the Corporation was in compliance with the syndicated credit facility agreement.
- 3) The subsidiary CHS entered into a syndicated credit facility agreement with financial institutions for a NT\$6 billion of credit line. Under the agreement, CHS should meet certain financial ratios and criteria based on its audited consolidated annual financial statements. The subsidiary CHS was in compliance with the syndicated credit facility agreement based on its audited consolidated financial statements for the year ended December 31, 2024. The subsidiary CHS wasn't in compliance with the syndicated credit facility agreement based on its audited consolidated financial statements for the year ended December 31, 2025; however, all of syndicated credit banks agreed to waive the financial ratio covenant for this year in December 2025. Consequently, as of December 31, 2025, the loans were classified as non-current liabilities.
- 4) The subsidiary CSCC entered into a credit facility agreement with Taipei Fubon Bank for a NT\$500,000 thousand of credit line. Under the agreement, CSCC should meet certain financial ratios and criteria based on its audited consolidated annual financial statements. The agreement expired in the fourth quarter of 2024.

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

d. Long-term bills payable

	<u>December 31</u>	
	<b>2025</b>	<b>2024</b>
Commercial paper	\$ 42,500,000	\$ 49,270,000
Less: Unamortized discounts	<u>35,969</u>	<u>42,320</u>
	<u>\$ 42,464,031</u>	<u>\$ 49,227,680</u>
Range of interest rate (%)	1.48-1.92	1.40-1.97

The Corporation and its subsidiaries entered into commercial paper contracts revolving issuance and guaranteed underwriting purchase with financial institutions. The duration of the contracts is two to five years. Under these agreements, commercial papers are issued with maturities of 18 to 87 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.

The above commercial paper was secured by Mega Bank.

## 18. BONDS PAYABLE

	<u>December 31</u>	
	<b>2025</b>	<b>2024</b>
Unsecured domestic bonds	\$ 71,270,000	\$ 67,707,500
Less: Issuance cost of bonds payable	40,891	36,348
Current portion	<u>16,217,949</u>	<u>13,536,337</u>
	<u>\$ 55,011,160</u>	<u>\$ 54,134,815</u>

a. The major terms of unsecured domestic bonds are as follows:

Issuer	Issuance Period	Total Amount	Coupon Rate (%)	Repayment and Interest Payment
The Corporation	May 2018 to May 2025	\$ 6,000,000	0.95	Repayable in May 2024 and May 2025; interest payable annually
The Corporation	October 2018 to October 2025	4,150,000	0.90	Repayable 25% in October 2024 and 75% in October 2025; interest payable annually
The Corporation	December 2020 to December 2025	1,600,000	0.39	Repayable in December 2024 and December 2025; interest payable annually
The Corporation	July 2023 to July 2026	7,200,000	1.50	Repayable in July 2026; interest payable annually
The Corporation	December 2020 to December 2027	4,200,000	0.43	Repayable 70% in December 2026 and 30% in December 2027; interest payable annually
The Corporation	July 2023 to July 2028	3,800,000	1.57	Repayable in July 2027 and July 2028; interest payable annually

Issuer	Issuance Period	Total Amount	Coupon Rate (%)	Repayment and Interest Payment
The Corporation	July 2013 to July 2028	\$ 3,600,000	1.88	Repayable 30% in July 2026, 30% in July 2027 and 40% in July 2028; interest payable annually
The Corporation	August 2018 to August 2028	5,600,000	1.10	Repayable in August 2027 and August 2028; interest payable annually
The Corporation	October 2018 to October 2028	2,250,000	1.05	Repayable in October 2027 and October 2028; interest payable annually
The Corporation	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
The Corporation	May 2024 to May 2029	1,570,000	1.84	Repayable in May 2029; interest payable annually
The Corporation	April 2025 to April 2030	5,800,000	2.06	Repayable in April 2030; interest payable annually
The Corporation	September 2025 to September 2030	7,800,000	1.89	Repayable in September 2029 and September 2030; interest payable annually
DSC	June 2018 to June 2025	2,250,000	1.00	Repayable in June 2024 and June 2025; interest payable annually
DSC	June 2020 to June 2025	5,000,000	0.73	Repayable in June 2024 and June 2025; interest payable annually
DSC	June 2023 to June 2026	5,000,000	1.55	Repayable in June 2026; interest payable annually
DSC	December 2023 to December 2028	4,500,000	1.79	Repayable in December 2027 and December 2028; interest payable annually
DSC	April 2024 to April 2029	4,400,000	1.72	Repayable in April 2028 and April 2029; interest payable annually
DSC	August 2024 to August 2029	3,050,000	2.25	Repayable in August 2028 and August 2029; interest payable annually
DSC	January 2025 to January 2030	3,500,000	2.19	Repayable in January 2029 and January 2030; interest payable annually
CHS	March 2020 to March 2025	2,000,000	0.78	Repayable in March 2025; interest payable annually
CHS	September 2020 to September 2025	1,000,000	0.65	Repayable in September 2025; interest payable annually

## 19. ACCOUNTS PAYABLE (INCLUDING RELATED PARTIES)

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

## 20. OTHER PAYABLES

	December 31	
	2025	2024
Salaries and bonus	\$ 6,789,261	\$ 7,180,961
Purchase of equipment	1,804,446	9,506,173
Outsourced repair and construction	802,642	780,120

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Interest payable	\$ 753,837	\$ 624,371
Dividends payable	372,649	372,387
Compensation of employees and remuneration of directors	230,701	290,458
Others	<u>8,360,307</u>	<u>8,194,124</u>
	<u>\$ 19,113,843</u>	<u>\$ 26,948,594</u>

Starting from 2025, the Corporation and its subsidiaries recognize carbon fee liabilities in accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC. The Corporation and its subsidiaries submitted their self-determined reduction plan to the competent authority; however, they have not yet been approved. The Corporation and its subsidiaries have conducted self-assessment and determined that they are able to achieve the designated targets of the current year. The Corporation and its subsidiaries 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 provision are calculated based on the preferential rate.

## 21. PROVISIONS

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<b>Current</b>		
Onerous contracts (a)	\$ 3,707,896	\$ 2,359,280
Construction warranties (b)	<u>2,546,000</u>	<u>1,146,208</u>
	<u>\$ 6,253,896</u>	<u>\$ 3,505,488</u>
<b>Noncurrent</b>		
Provision for stabilization funds (c)	\$ 530,600	\$ 519,856
Provision for decommissioning obligations (d)	642,943	629,543
Others	<u>496,955</u>	<u>480,295</u>
	<u>\$ 1,670,498</u>	<u>\$ 1,629,694</u>

	<b>Onerous Contracts</b>	<b>Construction Warranties</b>	<b>Provision for Stabilization Funds</b>	<b>Provision for Decommissioning Obligations</b>	<b>Others</b>	<b>Total</b>
Balance at January 1, 2025	\$ 2,359,280	\$ 1,146,208	\$ 519,856	\$ 629,543	\$ 480,295	\$ 5,135,182
Recognized	1,347,008	1,469,560	11,158	13,400	51,970	2,893,096
Paid	-	(69,768)	(414)	-	(35,573)	(105,755)
Effect of foreign currency exchange differences	<u>1,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>263</u>	<u>1,871</u>
Balance at December 31, 2025	<u>\$ 3,707,896</u>	<u>\$ 2,546,000</u>	<u>\$ 530,600</u>	<u>\$ 642,943</u>	<u>\$ 496,955</u>	<u>\$ 7,924,394</u>

	Onerous Contracts	Construction Warranties	Provision for Stabilization Funds	Provision for Decommissioning Obligations	Others	Total
Balance at January 1, 2024	\$ 5,288,693	\$ 921,513	\$ 560,513	\$ -	\$ 387,403	\$ 7,158,122
Recognized (reversal)	(2,931,343)	267,502	11,182	629,543	95,092	(1,928,024)
Paid	-	(42,807)	(51,839)	-	(4,078)	(98,724)
Effect of foreign currency exchange differences	1,930	-	-	-	1,878	3,808
Balance at December 31, 2024	<u>\$ 2,359,280</u>	<u>\$ 1,146,208</u>	<u>\$ 519,856</u>	<u>\$ 629,543</u>	<u>\$ 480,295</u>	<u>\$ 5,135,182</u>

- a. The provision for onerous contracts of the Corporation and its subsidiaries 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 and its subsidiaries' obligations for warranties. The estimate had been made on the basis of historical warranty trends.
- c. The provision for stabilization funds represents the provision recognized in accordance with the build-operate-transfer contract by the subsidiary KRTC. The provision was used for capital demand due to force majeure, exceptional events, operating deficits, etc. The provision for stabilization funds was recognized based on increase in stabilization funds.
- d. The provision for decommissioning obligations represents the subsidiary ZN's obligation to restore the offshore land used for the construction and operation of its offshore wind farm in the waters off the coast of Changhua. This provision was recognized on the present value of the best estimate of the future outflow of economic benefits. The estimate will be reviewed regularly and adjusted according to the relevant regulations for the use of offshore land.

## 22. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

The Corporation and its domestic subsidiaries 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 and its subsidiaries make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The foreign subsidiaries also make contribution in accordance with the local regulations, which is a defined contribution plan.

### b. Defined benefit plans

The Corporation and its domestic subsidiaries 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 and its domestic subsidiaries make 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 and its domestic subsidiaries assess 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 and its domestic subsidiaries are 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 and its subsidiaries have no right to influence the investment policy and strategy. The Corporation and some of its subsidiaries also makes contributions, equal to a certain percentage of salaries of management personnel, to another pension fund, which are deposited and administered by the officers’ pension fund management committee. The Corporation and some of its subsidiaries, also set up rules of consolation payment and holiday benefits, which are defined benefit plans.

The amounts included in the consolidated balance sheets in respect of the Corporation and its subsidiaries’ defined benefit plans were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Present value of defined benefit obligation	\$ 18,353,724	\$ 19,635,641
Fair value of plan assets	<u>(15,196,747)</u>	<u>(15,678,978)</u>
Deficit	3,156,977	3,956,663
Net defined benefit liabilities - recognized as other payables, other current assets or other noncurrent assets	<u>312,996</u>	<u>303,276</u>
Net defined benefit liabilities	<u>\$ 3,469,973</u>	<u>\$ 4,259,939</u>

Movements of net defined benefit liabilities were as follows:

	<b>Present Value of Defined Benefit Obligation</b>	<b>Fair Value of Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Balance at January 1, 2025	<u>\$ 19,635,641</u>	<u>\$ (15,678,978)</u>	<u>\$ 3,956,663</u>
Service cost			
Current service cost	236,811	-	236,811
Past service cost and loss on settlements	1,546	-	1,546
Interest expense (income)	<u>275,859</u>	<u>(225,775)</u>	<u>50,084</u>
Recognized in profit or loss	<u>514,216</u>	<u>(225,775)</u>	<u>288,441</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,145,605)	(1,145,605)
Actuarial loss - changes in demographic assumptions	1,400	-	1,400
Actuarial loss - changes in financial assumptions	90,969	-	90,969
Actuarial loss - experience adjustments	<u>610,374</u>	<u>-</u>	<u>610,374</u>
Recognized in other comprehensive loss (income)	<u>702,743</u>	<u>(1,145,605)</u>	<u>(442,862)</u>
Contributions from the employer	-	(566,919)	(566,919)
Benefits paid	(2,486,806)	2,419,680	(67,126)
Liabilities extinguished on settlement	(11,322)	-	(11,322)
Others	<u>(748)</u>	<u>850</u>	<u>102</u>
	<u>(2,498,876)</u>	<u>1,853,611</u>	<u>(645,265)</u>
Balance at December 31, 2025	<u>\$ 18,353,724</u>	<u>\$ (15,196,747)</u>	<u>\$ 3,156,977</u>

	<b>Present Value of Defined Benefit Obligation</b>	<b>Fair Value of Plan Assets</b>	<b>Net Defined Benefit Liabilities</b>
Balance at January 1, 2024	<u>\$ 20,759,927</u>	<u>\$ (15,358,613)</u>	<u>\$ 5,401,314</u>
Service cost			
Current service cost	449,062	-	449,062
Past service cost and loss on settlements	57	-	57
Interest expense (income)	<u>260,261</u>	<u>(197,458)</u>	<u>62,803</u>
Recognized in profit or loss	<u>709,380</u>	<u>(197,458)</u>	<u>511,922</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,413,866)	(1,413,866)
Actuarial gain - changes in financial assumptions	(152,587)	-	(152,587)
Actuarial loss - experience adjustments	<u>320,206</u>	<u>-</u>	<u>320,206</u>
Recognized in other comprehensive loss (income)	<u>167,619</u>	<u>(1,413,866)</u>	<u>(1,246,247)</u>
Contributions from the employer	-	(627,463)	(627,463)
Benefits paid	(1,986,411)	1,918,769	(67,642)
Liabilities extinguished on settlement	(15,199)	-	(15,199)
Others	<u>325</u>	<u>(347)</u>	<u>(22)</u>
	<u>(2,001,285)</u>	<u>1,290,959</u>	<u>(710,326)</u>
Balance at December 31, 2024	<u>\$ 19,635,641</u>	<u>\$ (15,678,978)</u>	<u>\$ 3,956,663</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Operating costs	\$ 133,514	\$ 323,963
Operating expenses	154,503	187,063
Others	<u>424</u>	<u>896</u>
	<u>\$ 288,441</u>	<u>\$ 511,922</u>

Through the defined benefit plans under the Labor Standards Act, the Corporation and its subsidiaries are 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 (%)	1.25-1.63	1.38-1.63
Expected rate of salary increase (%)	2.000-4.000	2.000-4.000
Turnover rate (%)	0.000-17.000	0.000-17.000

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>\$ (459,858)</u>	<u>\$ (473,737)</u>
0.25% decrease	<u>\$ 477,023</u>	<u>\$ 491,705</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 471,767</u>	<u>\$ 486,225</u>
0.25% decrease	<u>\$ (456,564)</u>	<u>\$ (470,294)</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>\$ 407,079</u>	<u>\$ 619,702</u>
The average duration of the defined benefit obligation	4.4-14.4years	4.6-14.6 years

## 23. EQUITY

### a. Share capital

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Number of shares authorized (in thousands)	<u>17,000,000</u>	<u>17,000,000</u>
Shares authorized	<u>\$ 170,000,000</u>	<u>\$ 170,000,000</u>
Number of shares issued and fully paid (in thousands)		
Ordinary shares (in thousands)	15,734,861	15,734,861
Preference shares (in thousands)	<u>38,268</u>	<u>38,268</u>
	<u>15,773,129</u>	<u>15,773,129</u>
Shares issued		
Ordinary shares	\$ 157,348,610	\$ 157,348,610
Preference shares	<u>382,680</u>	<u>382,680</u>
	<u>\$ 157,731,290</u>	<u>\$ 157,731,290</u>

#### 1) Ordinary shares

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

#### 2) Preference shares

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 deficits, 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 deficits 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:

	<b>Appropriation of Earnings</b>		<b>Dividend Per Share (NT\$)</b>	
	<b>For the Year Ended December 31</b>			
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
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:

	<b>Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance, beginning of the year	\$ (4,813,798)	\$ (6,296,189)
Recognized during the year		
Exchange differences on translating the net assets of foreign operations	262,904	764,193
Income tax relating to exchange differences arising on translating the net assets of foreign operations	44,110	(63,882)
Share from accounted for using the equity method	<u>(551,701)</u>	<u>782,080</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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance, beginning of the year	\$ (3,446,289)	\$ 273,982
Recognized during the year		
Unrealized gains and losses - equity instruments	2,179,044	(3,748,749)
Unrealized gains and losses - debt instruments	(370)	1,170
Income tax relating to unrealized gains and losses	10,439	575,342
Share from accounted for using the equity method	<u>(1,218,424)</u>	<u>(31,482)</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

	<b>Cash Flow Hedges</b>	<b>Fair Value Hedges</b>	<b>Hedges of Net Investments in Foreign Operations</b>	<b>Total</b>
Balance at January 1, 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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance, beginning of the year	\$ 800,940	\$ 551,623
Recognized during the year		
Foreign currency risk - foreign exchange forward contracts and hedging foreign currency deposits	(91,540)	(210,337)
Interest rate risk - interest rate swap contracts	(244,081)	384,974
Share from accounted for using the equity method	(6,783)	(26,340)
Income tax effect	12,527	2,804
Reclassification adjustment		
Foreign currency risk - hedging foreign currency deposits	106,464	4,152
Interest rate risk - interest rate swap contracts	108,591	94,852
Income tax effect	(21,293)	(788)
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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance, beginning of the year	\$ 192,330	\$ 183,468
Recognized during the year		
Foreign currency risk - foreign currency bank loans	<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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance, beginning/end of the year	<u>\$ 3,788,786</u>	<u>\$ 3,788,786</u>

f. Treasury shares

Purpose of Treasury Shares	Thousand Shares			December 31	
	Beginning of Year	Additions	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>-</u>	<u>343,123</u>	<u>9,219,913</u>
	<u>485,468</u>	<u>7,655</u>	<u>-</u>	<u>493,123</u>	<u>\$ 13,118,233</u>

Purpose of Treasury Shares	Thousand Shares			December 31	
	Beginning of Year	Additions	Reduction	Thousand Shares	Book Value
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>-</u>	<u>335,468</u>	<u>9,025,153</u>
	<u>465,239</u>	<u>20,229</u>	<u>-</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.

g. Non-controlling interests

	For the Year Ended December 31	
	2025	2024
Balance, beginning of the year	\$ 40,185,723	\$ 36,485,008
Attributable to non-controlling interests:		
Share of net profit for the year	842,484	1,897,636
Other comprehensive income (loss) for the year		
Exchange differences on translating foreign operations	(107,134)	650,811
Income tax relating to exchange differences on translating foreign operations	6,849	(2,282)
Unrealized gains and losses on financial assets at fair value through other comprehensive income	31,523	247,062

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Income tax relating to unrealized gains and losses on financial assets at fair value through other comprehensive income	\$ -	\$ 12,237
Gains and losses on hedging instrument	(181,856)	269,437
Income tax relating to gains and losses on hedging instrument	1,385	(1,054)
Remeasurement of defined benefit plans	(58,096)	115,405
Income tax relating to remeasurement of defined benefit plans	9,827	(21,127)
Share of other comprehensive income of associates accounted for using the equity method	21,116	1,745
Non-controlling interests arising from capital increase (decrease) of subsidiaries	(1,052,030)	2,411,035
Dividend distributed by subsidiaries	(2,390,443)	(2,096,316)
Acquisition of non-controlling interests of subsidiaries	(352,410)	(223,248)
Partial disposal of subsidiaries	16,948	28,511
Others	<u>311,598</u>	<u>410,863</u>
Balance, end of the year	<u>\$ 37,285,484</u>	<u>\$ 40,185,723</u>

## 24. OPERATING REVENUE

### a. Contract balances

	<b>December 31, 2025</b>	<b>December 31, 2024</b>	<b>January 1, 2024</b>
Notes and accounts receivable (Note 10)	<u>\$ 14,517,840</u>	<u>\$ 15,829,837</u>	<u>\$ 12,891,681</u>
Contract assets			
Construction contracts	\$ 5,456,008	\$ 8,071,872	\$ 7,893,576
Retentions receivable	1,334,654	1,002,982	926,612
Others	<u>109,943</u>	<u>106,051</u>	<u>105,715</u>
	<u>\$ 6,900,605</u>	<u>\$ 9,180,905</u>	<u>\$ 8,925,903</u>
Contract liabilities			
Construction contracts	\$ 4,291,438	\$ 2,848,223	\$ 2,418,280
Sale of goods	2,827,245	2,225,877	1,456,840
Others	<u>182,606</u>	<u>91,909</u>	<u>37,540</u>
	<u>\$ 7,301,289</u>	<u>\$ 5,166,009</u>	<u>\$ 3,912,660</u>

b. Disaggregation of revenue

For the year ended December 31, 2025

Type of goods or services	<b>Steel Department</b>	<b>Others</b>	<b>Total</b>
Revenue from the sale of goods	\$ 231,974,577	\$ 46,978,889	\$ 278,953,466
Construction contract, service and other revenue	<u>4,318,489</u>	<u>33,883,309</u>	<u>38,201,798</u>
	<u>\$ 236,293,066</u>	<u>\$ 80,862,198</u>	<u>\$ 317,155,264</u>

For the year ended December 31, 2024

Type of goods or services	<b>Steel Department</b>	<b>Others</b>	<b>Total</b>
Revenue from the sale of goods	\$ 274,346,890	\$ 51,485,195	\$ 325,832,085
Construction contract, service and other revenue	<u>5,336,583</u>	<u>29,367,046</u>	<u>34,703,629</u>
	<u>\$ 279,683,473</u>	<u>\$ 80,852,241</u>	<u>\$ 360,535,714</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\$37,704,470 thousand and NT\$31,996,261 thousand, respectively. The Corporation and its subsidiaries will recognize revenue as the construction is being completed and the expected timing for recognition of revenue is on various dates through December 2037.

**25. PROFIT (LOSS) BEFORE INCOME TAX**

a. Interest income

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Bank deposits	\$ 940,286	\$ 1,121,033
Others	<u>191,532</u>	<u>133,589</u>
	<u>\$ 1,131,818</u>	<u>\$ 1,254,622</u>

b. Other income

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Dividend income	\$ 1,511,214	\$ 2,431,612
Rental income	184,105	167,753
Others	<u>872,335</u>	<u>1,434,834</u>
	<u>\$ 2,567,654</u>	<u>\$ 4,034,199</u>

c. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Net foreign exchange gain	\$ 640,686	\$ 1,114,974
Gain arising from financial assets at fair value through profit or loss	127,297	56,826
Gain (loss) on disposal of property, plant and equipment	17,587	(73,375)
Gain on disposal of investments	8,040	56,047
Gain on disposal of non-current assets held for sale	-	255,677
Others	<u>(422,630)</u>	<u>(598,716)</u>
	<u>\$ 370,980</u>	<u>\$ 811,433</u>

The components of net foreign exchange gain were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Foreign exchange gain	\$ 2,383,857	\$ 2,225,730
Foreign exchange loss	<u>(1,743,171)</u>	<u>(1,110,756)</u>
Net foreign exchange gain	<u>\$ 640,686</u>	<u>\$ 1,114,974</u>

d. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Total interest expense	\$ 5,689,526	\$ 5,260,817
Less: Amounts included in the cost of qualifying assets	<u>635,455</u>	<u>1,214,397</u>
	<u>\$ 5,054,071</u>	<u>\$ 4,046,420</u>

Information about capitalized interest was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Capitalized amounts	\$ 635,455	\$ 1,214,397
Capitalized annual rates (%)	1.04-3.30	1.06-3.73

e. Impairment loss recognized (reversed) on non-financial assets

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Property, plant and equipment	\$ 46,292	\$ 283,938
Investment properties	<u>(13,127)</u>	<u>-</u>
	<u>\$ 33,165</u>	<u>\$ 283,938</u>
Analysis of recognition of impairment loss on non-financial assets by function		
Operating costs	<u>\$ 33,165</u>	<u>\$ 283,938</u>

f. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Property, plant and equipment	\$ 31,193,046	\$ 30,751,787
Right-of-use assets	1,303,497	1,352,910
Investment properties	48,951	42,153
Intangible assets	119,154	150,109
Others	<u>34,455</u>	<u>37,654</u>
	<u>\$ 32,699,103</u>	<u>\$ 32,334,613</u>
Analysis of depreciation by function		
Operating costs	\$ 31,277,417	\$ 30,870,141
Operating expenses	1,211,582	1,227,519
Others	<u>56,495</u>	<u>49,190</u>
	<u>\$ 32,545,494</u>	<u>\$ 32,146,850</u>
Analysis of amortization by function		
Operating costs	\$ 58,792	\$ 85,580
Operating expenses	<u>94,817</u>	<u>102,183</u>
	<u>\$ 153,609</u>	<u>\$ 187,763</u>

g. Employee benefits

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Short-term employee benefits		
Salaries	\$ 29,590,951	\$ 30,198,831
Labor and health insurance	2,476,895	2,417,815
Others	<u>1,376,940</u>	<u>1,430,254</u>
	<u>33,444,786</u>	<u>34,046,900</u>
Post-employment benefits		
Defined contribution plans	1,269,024	1,209,888
Defined benefit plans (Note 22)	<u>288,441</u>	<u>511,922</u>
	<u>1,557,465</u>	<u>1,721,810</u>

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Termination benefits	\$ 131,693	\$ 57,645
	<u>\$ 35,133,944</u>	<u>\$ 35,826,355</u>
Analysis of employee benefits by function		
Operating costs	\$ 28,309,313	\$ 28,795,236
Operating expenses	6,185,663	6,459,214
Others	<u>638,968</u>	<u>571,905</u>
	<u>\$ 35,133,944</u>	<u>\$ 35,826,355</u>

h. 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:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
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.

## 26. INCOME TAX

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Current tax		
In respect of the current year	\$ 1,511,306	\$ 2,133,742
Income tax on unappropriated earnings	8,701	3,408
In respect of prior years	(50,503)	10,153
Deferred tax		
In respect of the current year	(2,572,815)	(1,312,155)
In respect of prior years	<u>(74,684)</u>	<u>(133,571)</u>
	<u>\$ (1,177,995)</u>	<u>\$ 701,577</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Profit (loss) before income tax	<u>\$ (4,684,696)</u>	<u>\$ 4,577,565</u>
Income tax expense (benefit) calculated at the statutory rate	\$ 219,570	\$ 1,604,420
Non-deductible expenses in determining taxable income	49,495	51,543
Tax-exempt income	(743,880)	(1,082,425)
Realized investment losses	(554,461)	(200,918)
Others	60,399	37,179
Land value increment tax	354	1,736
Additional income tax under the Alternative Minimum Tax Act	17,244	13,290
Income tax on unappropriated earnings	8,701	3,408
Unrecognized deductible temporary differences	(524,422)	170,984
Unrecognized loss carryforwards	426,228	255,135
Unrecognized investment credits	(12,036)	(29,357)
In respect of prior years	<u>(125,187)</u>	<u>(123,418)</u>
	<u>\$ (1,177,995)</u>	<u>\$ 701,577</u>

### b. Income tax recognized directly in equity

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
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	(72)	(434)
Others	<u>(82)</u>	<u>-</u>
	<u>\$ (82)</u>	<u>\$ -</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Deferred tax		
Current - remeasurement of defined benefit plans	\$ (93,103)	\$ (246,985)
Current - translation of foreign operations	50,959	(66,164)
Current - unrealized gains and losses on financial assets at fair value through other comprehensive income	10,439	587,579
Current - fair value changes of cash flow hedges	12,902	2,201
Fair value changes of hedging instruments in cash flow hedges transferred to adjust carrying amounts of hedged items	<u>(20,283)</u>	<u>(1,239)</u>
	<u>\$ (39,086)</u>	<u>\$ 275,392</u>

d. Deferred tax assets and liabilities

Refer to Table 10 for information relating to changes of deferred tax assets and liabilities.

e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Loss carryforwards	<u>\$ 15,908,423</u>	<u>\$ 13,759,541</u>
Deductible temporary differences	<u>\$ 1,035,833</u>	<u>\$ 1,106,345</u>

The unrecognized loss carryforwards will expire from 2026 to 2035.

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2025 comprised of:

<b>Unused Amount</b>	<b>Expire Year</b>
<u>\$ 52,420,993</u>	2026-2035

g. Income tax assessments

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

## 27. 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>	
	<u>2025</u>	<u>2024</u>
Net profit (loss) for the year attributable to owners of the Corporation	\$ (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 (loss) profit 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>	
	<u>2025</u>	<u>2024</u>
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.

## 28. DISPOSAL OF SUBSIDIARIES

The subsidiary TTGL disposed of its entire shares of TCMC to non-related parties in November 2024 and thus the subsidiary TTGL lost control of TCMC.

a. Consideration received from disposals

	<b>TCMC</b>
Total consideration received	<u>\$ 26,916</u>

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

	<b>TCMC</b>
Current assets	
Cash and cash equivalents	\$ 19,729
Accounts receivable	51,567
Inventories	4,847
Prepayments	45
Other current assets	9
Noncurrent assets	
Property, plant and equipment	35,748
Right-of-use assets	12,828
Current liabilities	
Short-term borrowings	(26,916)
Accounts payable	(86,071)
Noncurrent liabilities	
Deferred revenue - noncurrent	<u>(2,709)</u>
Net assets disposed of	<u>\$ 9,077</u>

c. Gain on disposals of subsidiaries

	<b>TCMC</b>
Consideration received	\$ 26,916
Net assets disposed of	<u>(9,077)</u>
Gain on disposals	<u>\$ 17,839</u>

## 29. CAPITAL MANAGEMENT

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

## 30. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>December 31, 2025</u>				
Financial assets at fair value through profit or loss				
Mutual funds	\$ 4,428,098	\$ -	\$ 18,093	\$ 4,446,191
Unlisted shares	-	-	518,301	518,301
Emerging market shares	-	-	28,118	28,118
Listed shares	35,527	-	-	35,527
Corporate bonds	10,155	-	-	10,155
Convertible bonds	<u>27,053</u>	<u>-</u>	<u>-</u>	<u>27,053</u>
	<u>\$ 4,500,833</u>	<u>\$ -</u>	<u>\$ 564,512</u>	<u>\$ 5,065,345</u>
Financial liabilities at fair value through profit or loss				
Foreign exchange forward contracts	\$ -	\$ 985	\$ -	\$ 985
Foreign exchange swap contracts	<u>-</u>	<u>2,610</u>	<u>-</u>	<u>2,610</u>
	<u>\$ -</u>	<u>\$ 3,595</u>	<u>\$ -</u>	<u>\$ 3,595</u>
Financial assets at fair value through other comprehensive income				
Foreign unlisted shares and certificate of entitlement	\$ -	\$ -	\$ 32,055,401	\$ 32,055,401
Domestic listed shares	19,077,828	-	-	19,077,828
Domestic emerging market shares and unlisted shares	-	-	3,225,947	3,225,947
Foreign listed shares	3,069,152	-	-	3,069,152
Corporate bonds	50,613	-	-	50,613
Subordinated debt	<u>46,211</u>	<u>-</u>	<u>-</u>	<u>46,211</u>
	<u>\$ 22,243,804</u>	<u>\$ -</u>	<u>\$ 35,281,348</u>	<u>\$ 57,525,152</u>
Financial assets for hedging				
Interest rate swap contracts	\$ -	\$ 1,273,192	\$ -	\$ 1,273,192
Foreign exchange forward contracts	-	66,512	-	66,512
Futures contracts	<u>-</u>	<u>58,062</u>	<u>-</u>	<u>58,062</u>
	<u>\$ -</u>	<u>\$ 1,397,766</u>	<u>\$ -</u>	<u>\$ 1,397,766</u>
Financial liabilities for hedging				
Interest rate swap contracts	\$ -	\$ 6,533	\$ -	\$ 6,533
Foreign exchange forward contracts	<u>-</u>	<u>8,186</u>	<u>-</u>	<u>8,186</u>
	<u>\$ -</u>	<u>\$ 14,719</u>	<u>\$ -</u>	<u>\$ 14,719</u>

	Level 1	Level 2	Level 3	Total
<u>December 31, 2024</u>				
Financial assets at fair value through profit or loss				
Mutual funds	\$ 3,941,496	\$ -	\$ 12,415	\$ 3,953,911
Unlisted shares	-	-	765,759	765,759
Emerging market shares	-	-	78,359	78,359
Listed shares	108,063	-	-	108,063
Corporate bonds	16,604	-	-	16,604
Convertible bonds	82,103	-	-	82,103
Subordinated debt	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
	<u>\$ 4,198,266</u>	<u>\$ -</u>	<u>\$ 856,533</u>	<u>\$ 5,054,799</u>
Financial liabilities at fair value through profit or loss				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 1,055</u>	<u>\$ -</u>	<u>\$ 1,055</u>
Financial assets at fair value through other comprehensive income				
Foreign unlisted shares and certificate of entitlement	\$ -	\$ -	\$ 30,983,887	\$ 30,983,887
Domestic listed shares	18,492,342	-	-	18,492,342
Domestic emerging market shares and unlisted shares	-	-	3,264,947	3,264,947
Foreign listed shares	2,581,581	-	-	2,581,581
Corporate bonds	35,012	-	-	35,012
Subordinated debt	<u>46,683</u>	<u>-</u>	<u>-</u>	<u>46,683</u>
	<u>\$ 21,155,618</u>	<u>\$ -</u>	<u>\$ 34,248,834</u>	<u>\$ 55,404,452</u>
Financial assets for hedging				
Interest rate swap contracts	\$ -	\$ 1,532,325	\$ -	\$ 1,532,325
Foreign exchange forward contracts	<u>-</u>	<u>131,027</u>	<u>-</u>	<u>131,027</u>
	<u>\$ -</u>	<u>\$ 1,663,352</u>	<u>\$ -</u>	<u>\$ 1,663,352</u>
Financial liabilities for hedging				
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ 7,527</u>	<u>\$ -</u>	<u>\$ 7,527</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	\$ 856,533	\$ 34,248,834	\$ 35,105,367
Recognized in profit or loss	36,189	-	36,189
Recognized in other comprehensive income	-	1,164,336	1,164,336
Purchases	10,895	385,457	396,352
Reclassification	-	8,157	8,157
Transfer out of Level 3	(4,158)	(317,015)	(321,173)
Disposals/settlements	(334,947)	(304,458)	(639,405)
Effect of foreign currency exchange differences	-	96,037	96,037
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balance, end of the year	<u>\$ 564,512</u>	<u>\$ 35,281,348</u>	<u>\$ 35,845,860</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	\$ 898,519	\$ 38,364,398	\$ 39,262,917
Recognized in profit or loss	(23,579)	-	(23,579)
Recognized in other comprehensive income (loss)	-	(3,789,627)	(3,789,627)
Purchases	24,886	386,358	411,244
Transfer out of Level 3	-	(363,952)	(363,952)
Disposals	(43,293)	(226,332)	(269,625)
Reduction of capital cash return	-	(74,242)	(74,242)
Effect of foreign currency exchange differences	-	(47,769)	(47,769)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balance, end of the year	<u>\$ 856,533</u>	<u>\$ 34,248,834</u>	<u>\$ 35,105,367</u>

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

Financial Instrument	Valuation Techniques and Inputs
Derivative instruments	For non-option derivatives, a discounted cash flow analysis was performed by using the applicable yield curve for the duration of the instruments, or each foreign exchange contract was individually calculated based on the foreign exchange rate displayed by correspondent banks' quotation systems on its respective maturity date. For option derivatives, option pricing models were used. The estimates and assumptions used by the Corporation and its subsidiaries were consistent with those that market participants would use in setting a price for the financial instrument.

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

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

	December 31	
	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:

	December 31	
	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>

- d) 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.
- e) For parts of mutual funds, their fair values were estimated on the carrying amount of the company's net assets.

c. Categories of financial instruments

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<b>Financial assets</b>		
Financial assets at fair value through profit or loss	\$ 5,065,345	\$ 5,054,799
Financial assets for hedging	2,229,079	4,931,997
Financial assets at amortized cost 1)	61,644,035	57,447,574
Financial assets at fair value through other comprehensive income	57,525,152	55,404,452
<b>Financial liabilities</b>		
Financial liabilities at fair value through profit or loss	3,595	1,055
Financial liabilities for hedging	778,148	1,120,637
Financial liabilities at amortized cost 2)	294,872,073	308,634,381

- 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, financial assets at amortized cost - noncurrent, 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, notes and 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 and its subsidiaries place great emphasis on financial risk management. By tracking and managing the market risk, credit risk, and liquidity risk efficiently, the management ensured that the Corporation and its subsidiaries were equipped with sufficient and cost-efficient working capital, which reduced financial uncertainty that may have adverse effects on the operations.

The significant financial activities of the Corporation and its subsidiaries are reviewed by the board of directors in accordance with relevant regulations and internal controls. The finance department follows the accountability and related financial risk control procedures required by the Corporation and its subsidiaries for executing financial projects. Compliance with policies and exposure limits is continually reviewed by the internal auditors. The Corporation and its subsidiaries did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

a) Foreign currency risk

The Corporation and its subsidiaries were exposed to foreign currency risk due to sales, purchases, capital expenditures and equity investments denominated in foreign currencies.

Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts, foreign deposits or foreign borrowings.

The carrying amounts of the significant non-functional currency monetary assets and liabilities (including those eliminated on consolidation) at the balance sheet date were referred to Note 35.

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

	<b>USD Impact</b>		<b>CNY Impact</b>	
	<b>For the Year Ended</b>		<b>For the Year Ended</b>	
	<b>December 31</b>		<b>December 31</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Pre-tax profit or loss	\$ 39,235	\$ 61,511 i	\$ (5,340)	\$ (2,792) i
Equity	(659)	(1,530) ii	(342)	(3,405) ii

- i. These were mainly attributable to the exposure of bank deposits, receivables, payables and borrowings which were not hedged at the balance sheet date.
- ii. These were attributable to changes in the fair value of 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 and its subsidiaries' hedging strategies were as follows:

- i. The Corporation and its subsidiaries' 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 long term foreign currency borrowing as a hedge to manage its foreign currency risk:
  - i) Currency risks on foreign equity investments are accounted for as fair value hedge. Changes in the fair value of hedging instruments are recognized, based on the nature of hedged items, either in other gains or losses or other comprehensive income. The Corporation performs assessment of hedging effectiveness and it expects that the value of 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 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, construction contracts and raw materials	Financial assets/liabilities for hedging	\$ 66,512	\$ 8,186			
Hedging foreign currency deposits/Forecast purchases, construction contracts and raw materials	Financial assets for hedging	831,313	-			
Fair value hedge						
Foreign exchange forward contracts/Payables for raw materials	Financial assets for hedging	-	-			
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			
Net investment hedge in foreign operations						
Foreign currency bank borrowings/Investment in foreign operations	-	-	-			
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, construction contracts and raw materials	\$ (65,174)	\$ 65,174	\$ 58,326	\$ -	NA	NA
Hedging foreign currency deposits/Forecast purchases, construction contracts and raw materials	28,418	(28,418)	(73,364)	-	NA	NA
Fair value hedge						
Foreign exchange forward contracts/Payables for raw materials	1,613	(1,613)	NA	NA	\$ -	\$ -
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)
Net investment hedge in foreign operations						
Foreign currency bank borrowings/Investment in foreign operations	-	-	-	3,788,786	NA	NA

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, construction contracts and raw materials	Financial assets/liabilities for hedging	\$ 131,027	\$ 7,527			
Hedging foreign currency deposits/Forecast purchases, construction contracts and raw materials	Financial assets for hedging	3,268,645	-			
Fair value hedge						
Foreign exchange forward contracts/Payables for raw materials	Financial assets for hedging	-	-			
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			
Net investment hedge in foreign operations						
Foreign currency bank borrowings/Investment in foreign operations	-	-	-			
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, construction contracts and raw materials	\$ (352,863)	\$ 352,863	\$ 123,500	\$ -	NA	NA
Hedging foreign currency deposits/Forecast purchases, construction contracts and raw materials	(44,894)	44,894	(101,782)	-	NA	NA
Fair value hedge						
Foreign exchange forward contracts/Payables for raw materials	1,514	(1,514)	NA	NA	\$ -	\$ -
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)
Net investment hedge in foreign operations						
Foreign currency bank borrowings/Investment in foreign operations	-	-	-	3,788,786	NA	NA

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 Ineffec - tiveness 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	\$ (36,756)	\$ -	-	\$ -	\$ -

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 Ineffec - tiveness 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	\$ (397,757)	\$ -	-	\$ -	\$ -

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

	Currency	Period for Generating Cash Flows and Maturity Date	Contract Amount (In Thousands)
<u>December 31, 2025</u>			
Buy	NTD/USD	2026.01-2027.05	NTD574,154/USD18,871
Buy	NTD/JPY	2026.06-2027.09	NTD177,813/JPY852,333
Buy	NTD/EUR	2026.01-2026.08	NTD69,743/EUR2,063
Buy	NTD/CNY	2026.01-2026.12	NTD297,537/CNY69,843
<u>December 31, 2024</u>			
Buy	NTD/USD	2025.01-2026.08	NTD1,554,925/USD49,914
Buy	NTD/JPY	2025.01-2025.08	NTD132,520/JPY599,077
Buy	NTD/EUR	2025.01-2026.08	NTD462,941/EUR13,660
Buy	NTD/CNY	2025.01-2025.10	NTD242,874/CNY54,339
Sell	USD/NTD	2025.07	USD63/NTD1,963

b) Interest rate risk

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

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

	<u>December 31</u>	
	2025	2024
Fair value interest rate risk		
Financial liabilities	\$ 107,211,335	\$ 104,130,732
Cash flow interest rate risk		
Financial liabilities	164,056,333	168,631,479

If interest rates had been 1% higher/lower and all other variables were held constant, the Corporation and its subsidiaries' pre-tax loss for the year ended December 31, 2025 would have been higher/lower by NT\$1,640,563 thousand, and pre-tax profit for the year ended December 31, 2024 would have been lower/higher by NT\$1,686,315 thousand.

#### Hedge accounting

A subsidiary entered into interest rate swap contracts to mitigate the risk of changes in interest rates on cash flow exposure related to its outstanding variable rate debt. Interest rate swaps are settled on a quarterly basis. The floating rate on interest rate swaps is the local interbank rate of Taipei. The subsidiary will settle the difference between the fixed and floating interest rates on a net basis.

The following tables summarize the information relating to the hedges for interest rate risk:

#### December 31, 2025

Hedging Instrument/ Hedged Item	Notional Amount	Maturity	Range of Interest Rates Paid (%)	Range of Interest Rates Received (%)
Cash flow hedge				
Interest rate swap contracts/Expected bank interest	\$ 39,783,719	2027.3-2031.12	0.994-1.81	1.68

Hedging Instrument/ Hedged Item	Line Item in Balance Sheet	<u>Carrying Amount</u>	
		Asset	Liability
Cash flow hedge			
Interest rate swap contracts/Expected bank interest	Financial assets/liabilities for hedging	\$ 1,273,192	\$ 6,533

Hedging Instrument/ Hedged Item	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness	<u>Balance in Other Equity</u>	
			Continuing Hedges	Discontinuing Hedges
Cash flow hedge				
Interest rate swap contracts/Expected bank interest	\$ (265,666)	\$ 265,666	\$ 1,266,659	\$ -

December 31, 2024

<b>Hedging Instrument/ Hedged Item</b>	<b>Notional Amount</b>	<b>Maturity</b>	<b>Range of Interest Rates Paid (%)</b>	<b>Range of Interest Rates Received (%)</b>
Cash flow hedge Interest rate swap contracts/Expected bank interest	\$ 41,250,000	2031.12	0.994	1.49-1.66

<b>Hedging Instrument/ Hedged Item</b>	<b>Line Item in Balance Sheet</b>	<b>Carrying Amount</b>	
		<b>Asset</b>	<b>Liability</b>
Cash flow hedge Interest rate swap contracts/Expected bank interest	Financial assets for hedging	\$ 1,532,325	\$ -

<b>Hedging Instrument/ Hedged Item</b>	<b>Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness</b>	<b>Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness</b>	<b>Balance in Other Equity</b>	
			<b>Continuing Hedges</b>	<b>Discontinuing Hedges</b>
Cash flow hedge Interest rate swap contracts/Expected bank interest	\$ 940,835	\$ (940,835)	\$ 1,532,325	\$ -

c) Other price risk

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

If equity prices had been 1% lower/higher, the pre-tax profit or loss for the years ended December 31, 2025 and 2024 would have been lower/higher by NT\$44,636 thousand and NT\$40,496 thousand, respectively, as a result of the fair value changes of financial assets at fair value through profit or loss, and the other comprehensive income for the years ended December 31, 2025 and 2024 would have been lower/higher by NT\$221,470 thousand and NT\$210,739 thousand, respectively, as a result of the changes in fair value of financial assets at fair value through other comprehensive income.

Hedge accounting

A subsidiary minimizes its fair value exposures of financial liabilities to price fluctuations of precious metals by entering into precious metals borrowing contracts and minimizes its fair value of inventory exposures to price fluctuations of precious metals by entering into precious metals futures contracts. The fair value of the precious metals borrowing transactions at the end of the reporting period is determined by the price of the precious metals. The fair value of the precious metals futures transactions at the end of the reporting period is estimated based on the spot position of the underlying assets linked to the held derivative instruments.

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

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

December 31, 2025

Hedging Instruments	Contract Amount	Maturity	Line Item in Balance Sheet	Carrying Amount Asset/Liability	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness
Fair value hedge					
Precious metals borrowing contracts			Financial liabilities for hedging	\$ 83,420	\$ -
Sell futures contracts - Silver	\$ 83,420	-	Financial assets for hedging	58,062	(48,900)
Sell futures contracts - Silver	139,719	2026.03	Financial assets for hedging	-	(29,254)
	578,685	2025.02-2025.12			

  

Hedged Items	Carrying Amount Asset	Accumulated Amount of Fair Value Hedge Adjustments Asset	Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness
Fair value hedge			
Inventory - borrowings contracts	\$ 83,420	\$ -	\$ -
Inventory - futures contracts	166,745	77,849	77,849

December 31, 2024

Hedging Instruments	Contract Amount	Maturity	Line Item in Balance Sheet	Carrying Amount Asset/Liability	Change in Fair Value of Hedging Instruments Used for Calculating Hedge Ineffectiveness
Fair value hedge					
Precious metals borrowing contracts			Financial liabilities for hedging	\$ 169,085	\$ 17,659
Sell futures contracts - Silver	\$ 186,744	-	Financial assets for hedging	-	(199)
	342,394	2024.03-2024.12			

<b>Hedged Items</b>	<b>Carrying Amount</b>	<b>Accumulated Amount of Fair Value Hedge Adjustments</b>	<b>Change in Fair Value of Hedged Items Used for Calculating Hedge Ineffectiveness</b>
	<u>Asset</u>	<u>Asset</u>	
Fair value hedge			
Inventory - borrowings contracts	\$ 169,085	\$ (17,659)	\$ (17,659)

## 2) Credit risk

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

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

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

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

As of December 31, 2025 and 2024, the maximum credit risk of off-balance-sheet guarantees provided to related party for procurement and construction contract compliance was NT\$908,543 thousand and NT\$1,208,552 thousand, respectively.

## 3) Liquidity risk

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

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

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

	<b>Less Than 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
<u>December 31, 2025</u>				
Non-derivative financial liabilities				
Non-interest bearing liabilities	\$ 32,731,219	\$ 194,984	\$ -	\$ 32,926,203
Lease liabilities	1,190,999	2,356,328	10,296,326	13,843,653
Variable interest rate liabilities	38,226,241	108,634,423	31,099,881	177,960,545
Fixed interest rate liabilities	42,982,287	57,199,065	-	100,181,352
Refund liabilities	1,056,397	-	-	1,056,397
Financial guarantee liabilities	<u>143,764</u>	<u>764,779</u>	<u>-</u>	<u>908,543</u>
	<u>\$ 116,330,907</u>	<u>\$ 169,149,579</u>	<u>\$ 41,396,207</u>	<u>\$ 326,876,693</u>
<u>December 31, 2024</u>				
Non-derivative financial liabilities				
Non-interest bearing liabilities	\$ 45,222,881	\$ 257,895	\$ -	\$ 45,480,776
Lease liabilities	1,143,983	2,573,513	10,086,578	13,804,074
Variable interest rate liabilities	50,710,832	102,320,325	29,832,862	182,864,019
Fixed interest rate liabilities	40,496,817	55,961,601	-	96,458,418
Refund liabilities	1,245,936	-	-	1,245,936
Financial guarantee liabilities	<u>-</u>	<u>639,839</u>	<u>568,713</u>	<u>1,208,552</u>
	<u>\$ 138,820,449</u>	<u>\$ 161,753,173</u>	<u>\$ 40,488,153</u>	<u>\$ 341,061,775</u>

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

### 31. TRANSACTIONS WITH RELATED PARTIES

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

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

<u>Company</u>	<u>Relationship</u>
TaiAn Technologies Corporation	Associate
Fukuta Electric & Machinery Co., Ltd.	Associate
Hsin Hsin Cement Enterprise Corporation	Associate
Eminent III Venture Capital Corporation	Associate
Nikken & CSSC Metal Products Co., Ltd.	Associate
Eminent II Venture Capital Corporation	Associate

<u>Company</u>	<u>Relationship</u>
Honley Auto. Parts Co., Ltd.	Associate
Taiwan Rolling Stock Co., Ltd.	Associate
Kaohsiung Arena Development Corporation	Associate
Overseas Investment & Development Corporation	Associate
Chateau International Development Co., Ltd.	Associate
HC&C Auto Parts Co., Ltd.	Associate
TSK Steel Company Limited	Associate
Taiwan High Speed Rail Corporation	The Corporation as key management of other related parties
Rechi Precision 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
Tang Eng Iron Works Co., Ltd.	The Corporation as key management of other related parties
CDIB Bioscience Ventures I, Inc.	The Corporation as key management of other related parties (Before November 2024)
East Asia United Steel Corporation	The Corporation as key management of other related parties
Sakura Ferroalloys Sdn. Bhd.	The Corporation as key management of other related parties
Rechi Precision (Qingdao) Electric Machinery Limited	The Corporation as key management of parent company
Ministry of Economic Affairs, R.O.C.	Director of the Corporation
CSC Labor Union	Director of the Corporation
CSC Educational Foundation	Other related parties
Formosa Ha Tinh Steel Corporation	Other related parties
Formosa Ha Tinh (Cayman) Limited	Other related parties

b. Operating revenues

Account Items	Related Parties Types	<u>For the Year Ended December 31</u>	
		2025	2024
Revenue from sales of goods	Associates	\$ 663,469	\$ 881,904
	The Corporation as key management of parent company	86,029	135,879
	Other related parties	-	108,288
	Others	<u>2,356</u>	<u>2,260</u>
			<u>\$ 751,854</u>

Account Items	Related Parties Types	For the Year Ended December 31	
		2025	2024
Construction contract revenue	The Corporation as key management of other related parties	\$ 37,558	\$ 366,985
	Associates	9,185	7,398
	Others	<u>797</u>	<u>6,293</u>
		<u>\$ 47,540</u>	<u>\$ 380,676</u>

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

c. Purchase of goods

Related Parties Types	For the Year Ended December 31	
	2025	2024
Other related parties	\$ 5,142,323	\$ 7,628,381
The Corporation as key management of other related parties	1,168,655	1,528,274
Others	<u>183,035</u>	<u>129,023</u>
	<u>\$ 6,494,013</u>	<u>\$ 9,285,678</u>

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

d. Receivables from related parties

Account Items	Related Parties Types	December 31	
		2025	2024
Notes and accounts receivable	The Corporation as key management of other related parties	\$ 129,358	\$ 36,379
	Other related parties	22,202	24,111
	The Corporation as key management of parent company	-	3,477
	Others	<u>815</u>	<u>2,330</u>
		<u>\$ 152,375</u>	<u>\$ 66,297</u>
Other receivables	Other related parties	\$ 14,147	\$ 20,614
	Associates	1,723	18
	Others	<u>6</u>	<u>-</u>
		<u>\$ 15,876</u>	<u>\$ 20,632</u>

e. Payables to related parties

Account Items	Related Parties Types	December 31	
		2025	2024
Accounts payable	The Corporation as key management of other related parties	\$ 85,685	\$ 16,819
	Other related parties	61,738	332,929
	Associates	<u>30,596</u>	<u>7,885</u>
		<u>\$ 178,019</u>	<u>\$ 357,633</u>
Other payables	Other related parties	\$ 851	\$ 660
	The Corporation as key management of other related parties	<u>787</u>	<u>788</u>
		<u>\$ 1,638</u>	<u>\$ 1,448</u>

The outstanding payables to related parties were unsecured.

f. Others

Classified as operating and non-operating income by nature:

Account Items	Related Parties Types	For the Year Ended December 31	
		2025	2024
Service and other revenues and other income - other	Other related parties	\$ 266,509	\$ 265,527
	The Corporation as key management of other related parties	203,779	224,341
	Others	<u>13,042</u>	<u>13,379</u>
		<u>\$ 483,330</u>	<u>\$ 503,247</u>

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

Related Parties Types	December 31	
	2025	2024
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>

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

h. Compensation of key management personnel

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
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>

### 32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Net property, plant and equipment	\$ 61,785,338	\$ 68,672,495
Shares	22,897,493	26,367,006
Time deposits	7,039,011	6,699,287
Pledged receivables (a.)	2,000,000	2,000,000
Demand deposits	1,209,882	300,000
Net investment properties	965,678	986,555
Trade receivable-sales and notes discounted	190,332	266,617
Net right-of-use assets - land	119,264	133,451
Buildings and lands under construction	<u>478,299</u>	<u>-</u>
	<u>\$ 96,685,297</u>	<u>\$ 105,425,411</u>

- a. In accordance with revised agreements of build-operate-transfer contract in 2013, the subsidiary KRTC reclassified NT\$2,000,000 thousand including arbitration receivable - Kaohsiung City Government and part of the consideration of transferred assets to operating performance guarantees.

### 33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- a. The Corporation and its subsidiaries provided letters of credits for NT\$7.2 billion guaranteed by financial institutions for several constructions, lease contracts and payment. Guarantee notes for NT\$5.8 billion were provided to owners for purchase agreements, performance of the contract and warranties.
- b. Unused letters of credit for importation of materials and machinery amounted to NT\$5.1 billion.
- c. Property purchase and construction contracts for NT\$8 billion were signed but not yet recorded.
- d. The Corporation and its subsidiaries entered into raw material purchase contracts with suppliers in Australia, Brazil, Canada, China, Japan, Philippines, Vietnam, Indonesia and domestic companies with contract terms of 1 to 3 years. Contracted annual purchases of 8,650,000 metric tons of coal, 19,060,000 metric tons of iron ore, and 2,740,000 metric tons of limestone are at prices negotiable with the

counterparties. Purchase commitments as of December 31, 2025 were US\$1.3 billion (including 3,300,000 metric tons of coal, 7,230,000 metric tons of iron ore, and 630,000 metric tons of limestone).

e. Refer to Table 2 for information relating to endorsements/guarantees provided.

### 34. 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.

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

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

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount (In Thousands of New Taiwan Dollars)
<u>December 31, 2025</u>				
Monetary foreign assets				
USD	\$ 210,458	31.4300	(USD:NTD)	\$ 6,614,694
AUD	67,870	21.0100	(AUD:NTD)	1,425,945
JPY	6,383,651	0.2008	(JPY:NTD)	1,281,837
VND	1,222,969,493	0.00004	(VND:USD)	1,436,989
Non-monetary foreign assets				
Financial assets at fair value through other comprehensive income				
USD	795,405	31.4300	(USD:NTD)	24,999,566
JPY	11,428,000	0.2008	(JPY:NTD)	2,294,743
MYR	271,698	7.4805	(MYR:NTD)	2,032,440
Associates accounted for using the equity method				
USD	333,391	31.4300	(USD:NTD)	10,478,411
AUD	1,078,095	21.0100	(AUD:NTD)	22,650,773
Monetary foreign liabilities				
USD	262,564	31.4300	(USD:NTD)	8,252,374
JPY	5,471,844	0.2008	(JPY:NTD)	1,098,746
USD	97,617	90.0186	(USD:INR)	3,068,113
VND	1,043,351,855	0.00004	(VND:USD)	1,225,938
<u>December 31, 2024</u>				
Monetary foreign assets				
USD	258,979	32.7850	(USD:NTD)	8,490,635
JPY	15,910,673	0.2099	(JPY:NTD)	3,339,650
VND	1,017,811,572	0.00004	(VND:USD)	1,287,532

	<b>Foreign Currencies (In Thousands)</b>	<b>Exchange Rate</b>		<b>Carrying Amount (In Thousands of New Taiwan Dollars)</b>
Non-monetary foreign assets				
Financial assets at fair value through other comprehensive income				
USD	\$ 722,846	32.7850	(USD:NTD)	\$ 23,698,521
JPY	9,238,000	0.2099	(JPY:NTD)	1,939,056
MYR	299,074	7.0655	(MYR:NTD)	2,113,107
Associates accounted for using the equity method				
USD	358,157	32.7850	(USD:NTD)	11,742,000
AUD	1,209,316	20.3900	(AUD:NTD)	24,657,957
Monetary foreign liabilities				
USD	346,790	32.7850	(USD:NTD)	11,369,501
JPY	7,089,869	0.2099	(JPY:NTD)	1,488,163
USD	108,798	85.6117	(USD:INR)	3,566,953

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

### 36. 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 (excluding investments in subsidiaries and associates) (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) Intercompany relationships and significant intercompany transactions (Table 6)
  - 7) Information on investees (Table 7)
- 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, investment income (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 8)

- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms and unrealized gains and losses:
- 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, and total current period interest with respect to financing of funds (Table 1)
  - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services (None)

### 37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. Since the actual resource allocation focuses on the steel business, the resource investment in non-steel business is mainly decided by each company, and it is mainly the demand for the extension of the steel business. Reported segments of the Corporation and its subsidiaries were as follows:

- Steel department - manufacture and sell steel products, including the Corporation, DSC, CHS, CSCM, CSVC and CSCI.
- Non-steel department - extension or support of the manufacture of steel products, analysis by function, including engineering, industrial materials, green power, shipping, trading, investing, etc.

#### a. Segment revenue and operating results

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

	<b>Steel Department</b>	<b>Non-Steel Department</b>	<b>Adjustment and Elimination</b>	<b>Total</b>
For the year ended December 31, 2025				
Revenue from external customers	\$ 236,293,066	\$ 80,862,198	\$ -	\$ 317,155,264
Inter-segment revenue	<u>42,044,141</u>	<u>51,052,951</u>	<u>(93,097,092)</u>	<u>-</u>
Segment revenue	<u>\$ 278,337,207</u>	<u>\$ 131,915,149</u>	<u>\$ (93,097,092)</u>	<u>\$ 317,155,264</u>
Segment profit (loss)	\$ (11,758,068)	\$ 9,299,084	\$ (1,445,094)	\$ (3,904,078)
Interest income	348,847	876,964	(93,993)	1,131,818
Financial costs	(2,878,795)	(2,374,536)	199,260	(5,054,071)

	<b>Steel Department</b>	<b>Non-Steel Department</b>	<b>Adjustment and Elimination</b>	<b>Total</b>
Share of the profit (loss) of associates	\$ (4,641,098)	\$ 3,198,794	\$ 1,645,305	\$ 203,001
Other non-operating income and expenses	<u>1,912,326</u>	<u>1,633,950</u>	<u>(607,642)</u>	<u>2,938,634</u>
Profit (loss) before income tax	(17,016,788)	12,634,256	(302,164)	(4,684,696)
Income tax expense (benefit)	<u>(2,288,887)</u>	<u>1,371,651</u>	<u>(260,759)</u>	<u>(1,177,995)</u>
Net profit (loss) for the year	<u>\$ (14,727,901)</u>	<u>\$ 11,262,605</u>	<u>\$ (41,405)</u>	<u>\$ (3,506,701)</u>
For the year ended December 31, 2024				
Revenue from external customers	\$ 279,683,473	\$ 80,852,241	\$ -	\$ 360,535,714
Inter-segment revenue	<u>59,756,516</u>	<u>55,872,654</u>	<u>(115,629,170)</u>	<u>-</u>
Segment revenue	<u>\$ 339,439,989</u>	<u>\$ 136,724,895</u>	<u>\$ (115,629,170)</u>	<u>\$ 360,535,714</u>
Segment profit (loss)	\$ (7,654,790)	\$ 10,088,769	\$ (641,984)	\$ 1,791,995
Interest income	344,531	1,007,559	(97,468)	1,254,622
Financial costs	(2,832,461)	(1,418,095)	204,136	(4,046,420)
Share of the profit (loss) of associates	(958,464)	3,989,281	(2,299,081)	731,736
Other non-operating income and expenses	<u>2,033,377</u>	<u>3,518,621</u>	<u>(706,366)</u>	<u>4,845,632</u>
Profit (loss) before income tax	(9,067,807)	17,186,135	(3,540,763)	4,577,565
Income tax expense (benefit)	<u>(1,323,846)</u>	<u>2,134,510</u>	<u>(109,087)</u>	<u>701,577</u>
Net profit (loss) for the year	<u>\$ (7,743,961)</u>	<u>\$ 15,051,625</u>	<u>\$ (3,431,676)</u>	<u>\$ 3,875,988</u>

Inter-segment revenue was accounted for according to market price or cost-plus pricing.

b. Segment total assets and liabilities

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Segment assets</u>		
Steel department	\$ 652,682,624	\$ 675,837,076
Non - steel department	289,159,794	302,622,003
Adjustment and elimination	<u>(267,995,445)</u>	<u>(283,399,742)</u>
Consolidated total assets	<u>\$ 673,846,973</u>	<u>\$ 695,059,337</u>
<u>Segment liabilities</u>		
Steel department	\$ 248,460,283	\$ 251,911,812
Non - steel department	117,374,454	122,403,851
Adjustment and elimination	<u>(21,906,769)</u>	<u>(20,742,220)</u>
Consolidated total liabilities	<u>\$ 343,927,968</u>	<u>\$ 353,573,443</u>

c. Revenue from major products and services

Revenue from major products and services of the Corporation and its subsidiaries were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Steel products	\$ 233,783,279	\$ 276,714,770
Non-ferrous materials	37,028,363	37,670,838
Construction contract, service and other revenue	<u>46,343,622</u>	<u>46,150,106</u>
	<u>\$ 317,155,264</u>	<u>\$ 360,535,714</u>

d. Geographical information

The Corporation and its subsidiaries operate in five principal geographical areas - Taiwan, Vietnam, Malaysia, China and India.

The Corporation and its subsidiaries' revenue from continuing operations from external customers and information about its non-current assets by geographical location were detailed below:

	<b>Revenue from External Customers</b>		<b>Noncurrent Assets</b>	
	<b>For the Year Ended December 31</b>		<b>December 31</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Taiwan	\$ 280,003,718	\$ 318,985,298	\$ 399,433,628	\$ 404,071,488
Vietnam	19,058,825	21,880,246	9,074,712	10,603,312
Malaysia	9,684,351	10,227,486	1,123,850	1,099,190
India	4,287,256	4,092,777	2,633,483	3,072,839
China	3,119,126	4,371,204	1,377,652	1,446,037
Others	<u>1,001,988</u>	<u>978,703</u>	<u>2,532,461</u>	<u>3,538,127</u>
	<u>\$ 317,155,264</u>	<u>\$ 360,535,714</u>	<u>\$ 416,175,786</u>	<u>\$ 423,830,993</u>

Non-current assets excluded those classified as financial instruments, investments accounted for using the equity method, refundable deposits and deferred tax assets.

e. Information about major customers

No revenue from any individual customer exceeds 10% of the Corporation and its subsidiaries' total revenue for the years ended December 31, 2025 and 2024.

**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.

CHINA STEEL CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE PERIOD ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			% of Total Sales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
0	China Steel Corporation	Chung Hung Steel Corporation	1	Sales	4,080,205	Letter of credit/Receivables were collected after final acceptance	1
0	China Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	1	Sales	3,898,309	Accounts receivable factoring agreements/Receivables were collected within 14 days after shipment date	1
0	China Steel Corporation	China Steel Structure Co., Ltd.	1	Sales	3,809,988	Letter of credit/Accounts received in advance before shipment date	1
0	China Steel Corporation	CSCI Steel Corporation India Pvt. Ltd.	1	Sales	3,275,838	Accounts receivable factoring agreements	1
0	China Steel Corporation	China Steel Chemical Corporation	1	Sales	1,971,104	Letter of credit	1
0	China Steel Corporation	CSC Steel Sdn. Bhd.	1	Sales	1,332,099	Receivables were collected within 14 days after shipment date	-
0	China Steel Corporation	CSGT Metals Vietnam Joint Stock Company	1	Sales	1,117,703	Receivables were collected within 14 days after shipment date	-
0	China Steel Corporation	CHC Resources Corporation	1	Sales	792,792	Letter of credit	-
0	China Steel Corporation	China Steel Global Trading Corporation	1	Sales	756,558	Receivables were collected within 10 days after shipment date	-
0	China Steel Corporation	China Steel Precision Metals Kunshan Co., Ltd.	1	Sales	443,173	Receivables were collected within 85 days after shipment date	-
0	China Steel Corporation	HIMAG Magnetic Corporation	1	Sales	118,549	Letter of credit/Accounts received in advance before shipment date	-
0	China Steel Corporation	Dragon Steel Corporation	1	Service revenue and other operating revenue	627,803	By contract terms	-
0	China Steel Corporation	China Steel Chemical Corporation	1	Service revenue and other operating revenue	188,952	By contract terms	-
0	China Steel Corporation	C.S.Aluminium Corporation	1	Service revenue and other operating revenue	138,215	By contract terms	-
0	China Steel Corporation	China Steel Express Corporation	1	Purchases	5,543,937	Payment against copy of B/L	2
0	China Steel Corporation	Dragon Steel Corporation	1	Purchases	4,363,866	Payment within 5 days after shipment date/ Payment after final acceptance	1
0	China Steel Corporation	C.S.Aluminium Corporation	1	Purchases	2,428,802	Payment after final acceptance	1
0	China Steel Corporation	CSE Transport Corporation	1	Purchases	1,735,628	Payment against copy of B/L	1
0	China Steel Corporation	China Steel Global Trading Corporation	1	Purchases	982,662	Payment after final acceptance	-
0	China Steel Corporation	HIMAG Magnetic Corporation	1	Purchases	214,000	Payment after final acceptance	-
0	China Steel Corporation	Betacera Inc.	1	Purchases	100,091	Payment after final acceptance	-

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			% of Total Sales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
1	Dragon Steel Corporation	China Steel and Nippon Steel Vietnam Joint Stock Company	3	Sales	4,377,088	Receivables were collected within 5 days after shipment date	1
1	Dragon Steel Corporation	China Steel Corporation	2	Sales	4,293,005	Receivables were collected within 5 days after shipment date / Receivables were collected after final acceptance	1
1	Dragon Steel Corporation	Chung Hung Steel Corporation	3	Sales	3,322,589	Receivables were collected within 5 days after shipment date	1
1	Dragon Steel Corporation	CSC Steel Sdn. Bhd.	3	Sales	2,513,052	Receivables were collected within 5 days after shipment date	1
1	Dragon Steel Corporation	China Steel Structure Co., Ltd.	3	Sales	1,689,722	Receivables were collected within 5 days after shipment date / Letter of credit	1
1	Dragon Steel Corporation	China Steel Chemical Corporation	3	Sales	832,980	Receivables were collected within 5 days after shipment date	-
1	Dragon Steel Corporation	China Steel Global Trading Corporation	3	Sales	684,775	Receivables were collected within 5 days after shipment date / Accounts received in advance before shipment date	-
1	Dragon Steel Corporation	CHC Resources Corporation	3	Sales	354,399	Receivables were collected within 5 days after shipment date / Letter of credit	-
1	Dragon Steel Corporation	China Steel Express Corporation	3	Purchases	2,681,402	Payment against copy of B/L	1
1	Dragon Steel Corporation	C.S.Aluminium Corporation	3	Purchases	706,315	Payment after final acceptance	-
1	Dragon Steel Corporation	CSE Transport Corporation	3	Purchases	622,480	Payment against copy of B/L	-
1	Dragon Steel Corporation	China Steel Corporation	2	Purchases	238,716	Payment within 5 days after shipment date	-
1	Dragon Steel Corporation	China Steel Global Trading Corporation	3	Purchases	218,797	Payment after final acceptance	-
2	Betacera Inc.	China Steel Corporation	2	Sales	579,977	Receivables were collected after final acceptance	-
2	Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	1	Sales	467,268	Net 90-180 days from the end of the month of when invoice is issued	-
2	Betacera Inc.	Betacera (Su Zhou) Co., Ltd.	1	Purchases	1,415,629	Net 90-180 days from the end of the month of when invoice is issued	-
2	Betacera Inc.	Suzhou Betacera Technology Co., Ltd.	1	Purchases	521,536	Net 90-180 days from the end of the month of when invoice is issued	-
2	Betacera Inc.	Shanghai Xike Ceramic Electronic Co., Ltd.	1	Purchases	140,641	Net 90-180 days from the end of the month of when invoice is issued	-
3	Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	2	Sales	1,399,255	Net 90-180 days from the end of the month of when invoice is issued	-
3	Betacera (Su Zhou) Co., Ltd.	Betacera Inc.	2	Purchases	465,551	Net 90-180 days from the end of the month of when invoice is issued	-
4	Shanghai Xike Ceramic Electronic Co., Ltd.	Betacera Inc.	2	Sales	140,220	Net 90-180 days from the end of the month of when invoice is issued	-
5	Suzhou Betacera Technology Co., Ltd.	Betacera Inc.	2	Sales	515,409	Net 90-180 days from the end of the month of when invoice is issued	-
6	ThinTech Materials Technology Co., Ltd.	China Steel Corporation	2	Sales	191,392	Receivables were collected within 30 days after final acceptance	-
7	China Steel Express Corporation	China Steel Corporation	2	Service revenue	6,624,482	Receivable were collected within 10 working days against copy of B/L	2
7	China Steel Express Corporation	Dragon Steel Corporation	3	Service revenue	2,938,635	Receivable were collected within 10 working days against copy of B/L	1

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			% of Total Sales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
7	China Steel Express Corporation	CHC Resources Corporation	3	Service revenue	880,343	Receivable were collected within 10 working days against copy of B/L	-
7	China Steel Express Corporation	China Steel Global Trading Corporation	3	Service revenue	138,216	Receivable were collected within 10 working days against copy of B/L	-
7	China Steel Express Corporation	CSE Transport Corporation	1	Purchases	254,622	Payment against copy of B/L	-
8	CSE Transport Corporation	China Steel Corporation	2	Service revenue	1,726,285	Receivable were collected within 10 working days against copy of B/L	1
8	CSE Transport Corporation	Dragon Steel Corporation	3	Service revenue	624,330	Receivable were collected within 10 working days against copy of B/L	-
8	CSE Transport Corporation	China Steel Express Corporation	2	Service revenue	250,698	Receivable were collected within 10 working days against copy of B/L	-
9	Kaoport Stevedoring Corporation	China Steel Corporation	2	Service revenue	190,324	Receivable were collected within 30 working days against copy of B/L	-
9	Kaoport Stevedoring Corporation	China Steel Express Corporation	2	Service revenue	100,038	Receivable were collected within 30 working days against copy of B/L	-
10	C.S.Aluminium Corporation	China Steel Corporation	2	Sales	2,428,802	Receivables were collected after final acceptance	1
10	C.S.Aluminium Corporation	Dragon Steel Corporation	3	Sales	706,315	Receivables were collected after final acceptance	-
11	CSC Steel Sdn. Bhd.	Dragon Steel Corporation	3	Purchases	2,592,978	Payment after shipping document specified	1
11	CSC Steel Sdn. Bhd.	China Steel Corporation	2	Purchases	1,309,973	Payment after shipping document specified	-
11	CSC Steel Sdn. Bhd.	Chung Hung Steel Corporation	3	Purchases	742,556	Payment after shipping document specified	-
11	CSC Steel Sdn. Bhd.	China Steel Global Trading Corporation	3	Purchases	188,827	Payment after shipping document specified	-
12	Chung Hung Steel Corporation	CSC Steel Sdn. Bhd.	3	Sales	712,157	T/T within 7 working days against copy of B/L	-
12	Chung Hung Steel Corporation	China Steel Corporation	2	Service revenue	200,483	T/T as the end of the month of when invoice is issued after final acceptance	-
12	Chung Hung Steel Corporation	China Steel Corporation	2	Purchases	4,137,801	Letter of credit at sight/Payment after final acceptance	1
12	Chung Hung Steel Corporation	Dragon Steel Corporation	3	Purchases	3,355,438	Letter of credit at sight	1
13	China Steel Chemical Corporation	China Steel Corporation	2	Purchases	1,971,104	Letter of credit at sight	1
13	China Steel Chemical Corporation	Dragon Steel Corporation	3	Purchases	832,980	Letter of credit at sight	-
14	China Steel Global Trading Corporation	China Steel Corporation	2	Sales	982,662	Receivables were collected after final acceptance	-
14	China Steel Global Trading Corporation	Dragon Steel Corporation	3	Sales	218,797	Receivables were collected after final acceptance	-
14	China Steel Global Trading Corporation	CSC Steel Sdn. Bhd.	3	Sales	208,657	Receivable were collected within 7 working days against copy of B/L	-
14	China Steel Global Trading Corporation	China Steel Corporation	2	Service revenue	181,345	By contract terms	-
14	China Steel Global Trading Corporation	China Steel Corporation	2	Purchases (Note 2)	1,444,358	Payment within 10 days after shipment date	-
15	CSGT Metals Vietnam Joint Stock Company	China Steel Corporation	2	Purchases (Note 2)	1,134,517	Payment within 14 days after shipment date	-
15	CSGT Metals Vietnam Joint Stock Company	China Steel and Nippon Steel Vietnam Joint Stock Company	3	Purchases	411,189	Payment after shipment date	-
16	China Steel Precision Metals Kunshan Co., Ltd.	China Steel Corporation	2	Purchases	444,655	Payment within 85 days after shipment date	-

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			% of Total Sales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
17	CHC Resources Corporation	C.S.Aluminium Corporation	3	Sales	126,807	Net 30 days from the end of the month of when invoice is issued	-
17	CHC Resources Corporation	China Steel Corporation	2	Service revenue	3,012,593	Receivables were collected after final acceptance	1
17	CHC Resources Corporation	Dragon Steel Corporation	3	Service revenue	1,469,394	Receivables were collected after final acceptance	-
17	CHC Resources Corporation	China Steel Resources Corporation	3	Service revenue	712,808	Receivables were collected after final acceptance	-
17	CHC Resources Corporation	China Steel Corporation	2	Purchases	804,436	Letter of credit	-
17	CHC Resources Corporation	Dragon Steel Corporation	3	Purchases	354,311	Letter of credit	-
17	CHC Resources Corporation	Chung Hung Steel Corporation	3	Purchases	177,488	Letter of credit	-
17	CHC Resources Corporation	China Steel Express Corporation	3	Purchases	138,415	Payment against copy of B/L	-
17	CHC Resources Corporation	China Steel Global Trading Corporation	3	Purchases	131,631	Prepaid before shipment date	-
18	Union Steel Development Corporation	CHC Resources Corporation	2	Service revenue	260,421	By contract terms	-
19	InfoChamp Systems Corporation	China Steel Corporation	2	Service revenue	708,137	By contract terms	-
19	InfoChamp Systems Corporation	Dragon Steel Corporation	3	Service revenue	210,369	By contract terms	-
20	China Steel Structure Co., Ltd.	China Steel Corporation	2	Service revenue	429,181	Contractual period	-
20	China Steel Structure Co., Ltd.	Dragon Steel Corporation	3	Service revenue	102,933	Contractual period	-
20	China Steel Structure Co., Ltd.	China Steel Corporation	2	Purchases	3,809,988	Letter of credit/Prepaid before shipment date	1
20	China Steel Structure Co., Ltd.	Dragon Steel Corporation	3	Purchases	1,692,640	Letter of credit	1
21	United Steel Engineering & Construction Corporation	China Steel Corporation	2	Construction revenue	907,608	Contractual period	-
21	United Steel Engineering & Construction Corporation	China Prosperity Construction Corporation	3	Construction revenue	232,181	Contractual period	-
21	United Steel Engineering & Construction Corporation	CHC Resources Corporation	3	Construction revenue	128,569	Contractual period	-
22	China Ecotek Corporation	China Steel Corporation	2	Construction revenue	6,122,164	Contractual period	2
22	China Ecotek Corporation	Dragon Steel Corporation	3	Construction revenue	3,638,934	Contractual period	1
22	China Ecotek Corporation	CSC Solar Corporation	3	Construction revenue	147,549	Contractual period	-
22	China Ecotek Corporation	China Steel Machinery Corporation	3	Purchases	244,610	Contractual period	-
23	China Ecotek Vietnam Company Limited	China Steel and Nippon Steel Vietnam Joint Stock Company	3	Construction revenue	109,553	Contractual period	-
24	China Steel Security Corporation	China Steel Corporation	2	Service revenue	425,911	By contract terms	-
24	China Steel Security Corporation	Dragon Steel Corporation	3	Service revenue	123,986	By contract terms	-
25	Steel Castle Technology Corporation	United Steel Engineering & Construction Corporation	3	Service revenue	1,070,660	By contract terms	-
25	Steel Castle Technology Corporation	China Steel Corporation	2	Service revenue	763,293	By contract terms	-
25	Steel Castle Technology Corporation	Dragon Steel Corporation	3	Service revenue	286,162	By contract terms	-
26	HIMAG Magnetic Corporation	China Steel Corporation	2	Sales	217,772	Receivables were collected after final acceptance	-
26	HIMAG Magnetic Corporation	China Steel Corporation	2	Purchases	120,488	Letter of credit/Prepaid before shipment date	-
27	China Steel Machinery Corporation	China Steel Corporation	2	Construction revenue	2,063,036	Receivables were collected after final acceptance	1
27	China Steel Machinery Corporation	Dragon Steel Corporation	3	Construction revenue	1,794,948	Receivables were collected after final acceptance	1
27	China Steel Machinery Corporation	China Ecotek Corporation	3	Construction revenue	193,925	Receivables were collected after final acceptance	-
28	China Steel and Nippon Steel Vietnam Joint Stock Company	CSGT Metals Vietnam Joint Stock Company	3	Sales	418,386	Accounts receivable, 30 days term	-

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			% of Total Sales or Assets
				Financial Statement Accounts	Amount	Payment Terms	
28	China Steel and Nippon Steel Vietnam Joint Stock Company	CSCI Steel Corporation India Pvt. Ltd.	3	Sales	262,775	Accounts receivable, 30 days term	-
28	China Steel and Nippon Steel Vietnam Joint Stock Company	China Steel Corporation	2	Purchases (Note 2)	8,504,614	14 days after B/L/Payment to the bank after the Corporation's shipment date	3
28	China Steel and Nippon Steel Vietnam Joint Stock Company	China Ecotek Vietnam Company Limited	3	Outsourcing construction fee	110,533	Payment as the end of every month of when invoice is issued	-
29	CSCI Steel Corporation India Pvt. Ltd.	China Steel Corporation	2	Purchases	3,271,236	Payment to the bank after the Corporation's shipment date	1
29	CSCI Steel Corporation India Pvt. Ltd.	China Steel and Nippon Steel Vietnam Joint Stock Company	3	Purchases	262,775	Accounts payable, days term	-
30	China Steel Resources Corporation	China Steel Corporation	2	Service revenue	892,802	Net 60 days from the end of the month of when invoice is issued	-
31	CSC Solar Corporation	China Steel Corporation	2	Sales	148,810	Contractual period	-

Note 1: The relationships with counterparties are as follows:

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

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

**TABLE 7**

**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	348,800	34,880,000	20	322,233	115,936	-	Subsidiary
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 Ecotec 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

**TABLE 8**

**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.

**TABLE 9****CHINA STEEL CORPORATION AND SUBSIDIARIES****MOVEMENT OF PROPERTY, PLANT AND EQUIPMENT  
FOR THE PERIOD ENDED DECEMBER 31, 2025 AND 2024  
(Amounts in Thousands of New Taiwan Dollars)**

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
<b>Cost</b>									
Balance at January 1, 2025	\$ 69,888,142	\$ 6,169,969	\$ 143,120,130	\$ 737,739,986	\$ 32,287,353	\$ 19,671,954	\$ 9,785,959	\$ 40,575,553	\$ 1,059,239,046
Additions	250	1,682	11,464,452	5,890,718	465,499	853,739	1,181,013	5,198,138	25,055,491
Disposals	(2,090)	-	(70,664)	(7,753,983)	(518,852)	(416,951)	(1,080,819)	-	(9,843,359)
Reclassification	-	-	(80,440)	203,346	-	(9,189)	(25,291)	7,054	95,480
Others	-	-	-	-	-	(950)	-	-	(950)
Effect of foreign currency exchange differences	698	(11,748)	(240,386)	(836,570)	(482,096)	(11,671)	(3,640)	1,776	(1,583,637)
Balance at December 31, 2025	<u>\$ 69,887,000</u>	<u>\$ 6,159,903</u>	<u>\$ 154,193,092</u>	<u>\$ 735,243,497</u>	<u>\$ 31,751,904</u>	<u>\$ 20,086,932</u>	<u>\$ 9,857,222</u>	<u>\$ 45,782,521</u>	<u>\$ 1,072,962,071</u>
<b>Accumulated depreciation and impairment</b>									
Balance at January 1, 2025	\$ 6,370	\$ 5,098,762	\$ 77,161,525	\$ 542,989,921	\$ 15,224,310	\$ 16,917,201	\$ 4,207,459	\$ -	\$ 661,605,548
Depreciation	-	67,268	4,504,093	22,840,291	1,918,110	989,906	873,378	-	31,193,046
Disposals	-	-	(59,940)	(7,720,357)	(507,692)	(415,921)	(1,079,569)	-	(9,783,479)
Impairment	-	-	15,634	30,658	-	-	-	-	46,292
Reclassification	-	-	(30,287)	30,288	-	(7,958)	-	-	(7,957)
Others	-	-	-	-	-	(546)	-	-	(546)
Effect of foreign currency exchange differences	-	(9,926)	(57,021)	(397,886)	(149,325)	(9,591)	-	-	(623,749)
Balance at December 31, 2025	<u>\$ 6,370</u>	<u>\$ 5,156,104</u>	<u>\$ 81,534,004</u>	<u>\$ 557,772,915</u>	<u>\$ 16,485,403</u>	<u>\$ 17,473,091</u>	<u>\$ 4,001,268</u>	<u>\$ -</u>	<u>\$ 682,429,155</u>
Carrying amount at December 31, 2025	<u>\$ 69,880,630</u>	<u>\$ 1,003,799</u>	<u>\$ 72,659,088</u>	<u>\$ 177,470,582</u>	<u>\$ 15,266,501</u>	<u>\$ 2,613,841</u>	<u>\$ 5,855,954</u>	<u>\$ 45,782,521</u>	<u>\$ 390,532,916</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
<b>Cost</b>									
Balance at January 1, 2024	\$ 69,462,185	\$ 6,155,891	\$ 141,830,590	\$ 677,713,614	\$ 31,210,164	\$ 19,623,691	\$ 10,098,363	\$ 56,084,816	\$ 1,012,179,314
Additions	516,897	9,837	1,283,947	63,514,560	536,424	762,665	942,454	(15,477,378)	52,089,406
Disposals	-	-	(45,728)	(5,305,147)	(267,330)	(648,930)	(1,227,764)	(20,648)	(7,515,547)
Reclassification	(92,838)	-	(236,346)	144,015	60,000	(104,250)	(27,730)	(21,614)	(278,763)
Disposal of a subsidiary	-	-	(73,842)	(27,951)	(1,058)	(16,597)	-	-	(119,448)
Others	-	-	-	-	-	(282)	-	-	(282)
Effect of foreign currency exchange differences	1,898	4,241	361,509	1,700,895	749,153	55,657	636	10,377	2,884,366
Balance at December 31, 2024	<u>\$ 69,888,142</u>	<u>\$ 6,169,969</u>	<u>\$ 143,120,130</u>	<u>\$ 737,739,986</u>	<u>\$ 32,287,353</u>	<u>\$ 19,671,954</u>	<u>\$ 9,785,959</u>	<u>\$ 40,575,553</u>	<u>\$ 1,059,239,046</u>
<b>Accumulated depreciation and impairment</b>									
Balance at January 1, 2024	\$ 6,370	\$ 5,016,757	\$ 73,208,185	\$ 523,871,057	\$ 13,369,152	\$ 16,616,468	\$ 4,481,983	\$ -	\$ 636,569,972
Depreciation	-	78,700	3,889,508	22,983,676	1,885,797	966,973	947,133	-	30,751,787
Disposals	-	-	(42,917)	(5,218,364)	(266,533)	(646,954)	(1,223,321)	-	(7,398,089)
Impairment	-	-	21,458	260,437	-	379	1,664	-	283,938
Reclassification	-	-	(22,264)	69,170	18,957	(49,935)	-	-	15,928
Disposal of a subsidiary	-	-	(47,231)	(19,911)	(890)	(15,668)	-	-	(83,700)
Others	-	-	-	-	-	(282)	-	-	(282)
Effect of foreign currency exchange differences	-	3,305	154,786	1,043,856	217,827	46,220	-	-	1,465,994
Balance at December 31, 2024	<u>\$ 6,370</u>	<u>\$ 5,098,762</u>	<u>\$ 77,161,525</u>	<u>\$ 542,989,921</u>	<u>\$ 15,224,310</u>	<u>\$ 16,917,201</u>	<u>\$ 4,207,459</u>	<u>\$ -</u>	<u>\$ 661,605,548</u>
Carrying amount at December 31, 2024	<u>\$ 69,881,772</u>	<u>\$ 1,071,207</u>	<u>\$ 65,958,605</u>	<u>\$ 194,750,065</u>	<u>\$ 17,063,043</u>	<u>\$ 2,754,753</u>	<u>\$ 5,578,500</u>	<u>\$ 40,575,553</u>	<u>\$ 397,633,498</u>

TABLE 10

## CHINA STEEL CORPORATION AND SUBSIDIARIES

CHANGES OF DEFERRED TAX ASSETS AND LIABILITIES  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars)

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	Exchange Differences	Balance, End of Year
<u>Deferred tax assets</u>						
Temporary differences						
Defined benefit plan and estimated preferential severance pay	\$ 847,308	\$ (86,275)	\$ (75,620)	\$ -	\$ -	\$ 685,413
Unrealized loss on inventories	2,225,007	(467,597)	-	-	657	1,758,067
Provisions	466,389	623,646	-	-	-	1,090,035
Impairment loss on financial assets	1,055	(105)	-	-	-	950
Unrealized gain or loss on financial instrument	565,335	-	10,438	-	-	575,773
Unrealized loss on construction	200,834	(71,648)	-	-	-	129,186
Difference between tax reporting and financial reporting - revenue recognition	(11,464)	41,727	-	-	388	30,651
Unrealized gain on the transactions with subsidiaries and associates	190,592	(15,047)	-	-	-	175,545
Unrealized settlement loss on foreign exchange forward for hedging	40,734	(12,830)	-	-	-	27,904
Foreign investment loss	42,768	(15,621)	-	-	-	27,147
Others	<u>2,690,734</u>	<u>27,551</u>	<u>18,246</u>	<u>-</u>	<u>1,868</u>	<u>2,738,399</u>
	7,259,292	23,801	(46,936)	-	2,913	7,239,070
Loss carryforwards	<u>4,356,481</u>	<u>2,949,847</u>	<u>-</u>	<u>-</u>	<u>403</u>	<u>7,306,731</u>
	<u>\$ 11,615,773</u>	<u>\$ 2,973,648</u>	<u>\$ (46,936)</u>	<u>\$ -</u>	<u>\$ 3,316</u>	<u>\$ 14,545,801</u>
<u>Deferred tax liabilities</u>						
Temporary differences						
Land value increment tax	\$ 10,314,586	\$ -	\$ -	\$ (82)	\$ -	\$ 10,314,504
Difference between tax reporting and financial reporting - depreciation methods	710,304	680,028	-	-	7,512	1,397,844
Foreign investment income	3,706,717	(298,130)	-	-	-	3,408,587
Others	<u>186,589</u>	<u>(55,749)</u>	<u>(7,850)</u>	<u>(72)</u>	<u>(80)</u>	<u>122,838</u>
	<u>\$ 14,918,196</u>	<u>\$ 326,149</u>	<u>\$ (7,850)</u>	<u>\$ (154)</u>	<u>\$ 7,432</u>	<u>\$ 15,243,773</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	Exchange Differences	Other	Balance, End of Year
<u>Deferred tax assets</u>							
Temporary differences							
Defined benefit plan and estimated preferential severance pay	\$ 1,095,455	\$ (10,135)	\$ (238,488)	\$ -	\$ -	\$ 476	\$ 847,308
Unrealized loss on inventories	1,892,063	332,029	-	-	915	-	2,225,007
Provisions	902,306	(435,917)	-	-	-	-	466,389
Impairment loss on financial assets	1,055	-	-	-	-	-	1,055
Unrealized gain or loss on financial instrument	-	-	565,335	-	-	-	565,335
Unrealized loss on construction	268,668	(67,834)	-	-	-	-	200,834
Difference between tax reporting and financial reporting - revenue recognition	(15,709)	3,783	-	-	462	-	(11,464)
Unrealized gain on the transactions with subsidiaries and associates	181,357	9,235	-	-	-	-	190,592
Unrealized settlement loss on foreign exchange forward for hedging	38,958	1,776	-	-	-	-	40,734
Foreign investment loss	40,283	2,485	-	-	-	-	42,768
Others	<u>2,752,340</u>	<u>(19,987)</u>	<u>(40,715)</u>	<u>-</u>	<u>(904)</u>	<u>-</u>	<u>2,690,734</u>
	7,156,776	(184,565)	286,132	-	473	476	7,259,292
Loss carryforwards	<u>1,993,231</u>	<u>2,363,061</u>	<u>-</u>	<u>-</u>	<u>189</u>	<u>-</u>	<u>4,356,481</u>
	<u>\$ 9,150,007</u>	<u>\$ 2,178,496</u>	<u>\$ 286,132</u>	<u>\$ -</u>	<u>\$ 662</u>	<u>\$ 476</u>	<u>\$ 11,615,773</u>
<u>Deferred tax liabilities</u>							
Temporary differences							
Land value increment tax	\$ 10,314,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,314,586
Difference between tax reporting and financial reporting - depreciation methods	429,636	268,400	-	-	12,268	-	710,304
Foreign investment income	3,310,602	396,115	-	-	-	-	3,706,717
Unrealized gains and losses on financial assets	22,247	-	(22,247)	-	-	-	-
Others	<u>85,291</u>	<u>68,255</u>	<u>32,987</u>	<u>(434)</u>	<u>14</u>	<u>476</u>	<u>186,589</u>
	<u>\$ 14,162,362</u>	<u>\$ 732,770</u>	<u>\$ 10,740</u>	<u>\$ (434)</u>	<u>\$ 12,282</u>	<u>\$ 476</u>	<u>\$ 14,918,196</u>